

By: Representatives Gunn, Lamar, White, Steverson, Barnett, Massengill, Bain, Newman, Rushing, Kinkade, Morgan, Pigott, Ford (73rd), Calvert, Smith, Creekmore IV, Goodin, Tullos, Carpenter, Hood, Oliver, Robinson, Boyd, Eure, McKnight, Owen, Sanders, Crawford, Darnell, McLean, Tubb, Byrd, Eubanks, Brown (20th)

To: Ways and Means

HOUSE BILL NO. 531
(As Passed the House)

1 AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2022; TO
2 AMEND SECTION 27-7-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE
3 AMOUNT OF THE PERSONAL EXEMPTIONS UNDER THE STATE INCOME TAX LAW
4 FOR SINGLE INDIVIDUALS, MARRIED INDIVIDUALS AND HEAD OF FAMILY
5 INDIVIDUALS AND TO PROVIDE FOR THE ANNUAL ADJUSTMENT OF THE
6 AMOUNTS OF SUCH PERSONAL EXEMPTIONS; TO AMEND SECTION 27-65-17,
7 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7%
8 TO 8-1/2% ON THE SALE OF TANGIBLE PERSONAL PROPERTY; TO REDUCE THE
9 SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT
10 PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES
11 TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND SECTION 27-65-19,
12 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7%
13 TO 8-1/2% ON SALES OF TELECOMMUNICATIONS SERVICES; TO AMEND
14 SECTION 27-65-22, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES
15 TAX RATE FROM 7% TO 8-1/2% ON AMUSEMENT AND ENTERTAINMENT
16 ADMISSIONS; TO AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972,
17 TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON VARIOUS
18 SERVICES; TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO
19 INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON RETAIL SALES OF
20 ALCOHOLIC BEVERAGES; TO AMEND SECTION 27-65-26, MISSISSIPPI CODE
21 OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON THE
22 SALE, RENTING OR LEASING OF SPECIFIED DIGITAL PRODUCTS; TO AMEND
23 SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
24 PORTION OF THE STATE SALES REVENUE COLLECTED FROM INCREASES TO
25 SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT
26 DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX CREDIT
27 REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE REMAINDER OF
28 THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX
29 RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO
30 THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND; TO REVISE
31 THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL
32 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
33 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
34 STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO



35 PROVIDE THAT A PORTION OF THE STATE USE TAX REVENUE COLLECTED AS A
36 RESULT OF THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
37 DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM
38 TAX CREDIT REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE
39 REMAINDER OF THE STATE USE TAX REVENUE COLLECTED AS A RESULT OF
40 THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
41 DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE
42 CREDIT OF THE GENERAL FUND; TO AMEND SECTION 27-65-241,
43 MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES CERTAIN MUNICIPALITIES
44 TO LEVY A MUNICIPAL SPECIAL SALES TAX, TO CONFORM TO THE
45 PROVISIONS OF THIS ACT; TO AUTHORIZE A MOTOR VEHICLE AD VALOREM
46 TAX CREDIT; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
47 PROVIDE THAT FROM AND AFTER JANUARY 1 OF THE NEXT SUCCEEDING YEAR
48 AFTER THE DATE THAT THE COMMISSIONER OF REVENUE CERTIFIES THAT THE
49 REDUCTION IN REVENUE MANDATED BY SECTION 27-7-21, MISSISSIPPI CODE
50 OF 1972, EQUALS OR EXCEEDS THE REMAINING REVENUE PRODUCED BY THE
51 INDIVIDUAL INCOME TAX, THE INDIVIDUAL INCOME TAX SHALL BE
52 REPEALED; TO BRING FORWARD SECTION 27-7-3, MISSISSIPPI CODE OF
53 1972, WHICH DEFINES CERTAIN TERMS UNDER THE STATE INCOME TAX LAW,
54 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
55 27-7-27, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE INCOME
56 TAXATION OF ESTATES AND TRUSTS FOR PURPOSES OF POSSIBLE AMENDMENT;
57 TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972, TO CONFORM
58 TO THE PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS
59 27-7-22.5, 27-7-22.15, 27-7-22.21, 27-7-22.22, 27-7-22.32,
60 27-7-22.33, 27-7-22.37, 27-7-22.39, 27-7-22.41 AND 27-7-207,
61 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR VARIOUS INCOME TAX
62 CREDITS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO AMEND SECTIONS
63 57-62-9 AND 57-62-11, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN
64 PROVISIONS OF THE MISSISSIPPI ADVANTAGE JOBS ACT; TO BRING FORWARD
65 SECTIONS 27-7-312, 57-62-5 AND 57-62-13, MISSISSIPPI CODE OF 1972,
66 WHICH RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE
67 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 57-89-3
68 AND 57-89-7, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
69 MISSISSIPPI MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF
70 POSSIBLE AMENDMENT; TO AMEND SECTIONS 57-99-1, 57-99-3 AND
71 57-99-5, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF
72 THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
73 PROGRAM; TO BRING FORWARD SECTIONS 57-99-7, 57-99-21, 57-99-23,
74 57-99-25 AND 57-99-27, MISSISSIPPI CODE OF 1972, WHICH RELATE TO
75 THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
76 PROGRAM, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
77 SECTIONS 37-148-3 AND 37-148-5, MISSISSIPPI CODE OF 1972, WHICH
78 ARE SECTIONS OF THE STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH
79 THROUGH BUSINESS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
80 BRING FORWARD SECTION 57-105-1, MISSISSIPPI CODE OF 1972, WHICH
81 AUTHORIZES INCOME TAX AND INSURANCE PREMIUM TAX CREDITS FOR
82 TAXPAYERS HOLDING CERTAIN QUALIFIED EQUITY INVESTMENTS, FOR THE
83 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
84 27-25-503 AND 27-25-505, MISSISSIPPI CODE OF 1972, WHICH ARE
85 SECTIONS OF THE STATE OIL SEVERANCE TAX LAW, FOR THE PURPOSES OF



86 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 27-25-703 AND
87 27-25-705, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
88 STATE GAS SEVERANCE TAX LAW, FOR THE PURPOSES OF POSSIBLE
89 AMENDMENT; TO BRING FORWARD SECTIONS 27-65-101, 27-65-103,
90 27-65-105, 27-65-107 AND 27-65-111, MISSISSIPPI CODE OF 1972,
91 WHICH AUTHORIZE VARIOUS SALES TAX EXEMPTIONS, FOR THE PURPOSES OF
92 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

94 **SECTION 1.** (1) Sections 1 through 53 of this act shall be
95 known and may be cited as the "Mississippi Tax Freedom Act of
96 2022."

97 (2) The Legislature finds that:

98 (a) For fiscal year 2021, actual General Fund revenue
99 collections of Six Billion Seven Hundred Forty-one Million Three
100 Hundred Eighty-four Thousand Nine Hundred Seventy-five Dollars
101 (\$6,741,384,975.00) exceeded the General Fund revenue collections
102 estimate of Five Billion Six Hundred Ninety Million Seven Hundred
103 Thousand Dollars (\$5,690,700,000.00) established by the Joint
104 Legislative Budget Committee;

105 (b) The General Fund revenue collections estimate for
106 fiscal year 2022 is Five Billion Nine Hundred Twenty-seven Million
107 Dollars (\$5,927,000,000.00), with an estimate for the first half
108 of fiscal year 2022 of Two Billion Eight Hundred Twenty-four
109 Million Three Hundred Twenty-six Thousand One Hundred Dollars
110 (\$2,824,326,100.00), and actual General Fund revenue collections
111 through the first half of fiscal year 2022 are Three Billion Three
112 Hundred Sixty-nine Million Five Hundred Eighty-three Thousand
113 Seven Hundred Forty-eight Dollars (\$3,369,583,748.00), which



significantly exceed estimated General Fund revenue collections for such period;

(c) As a result of such excess revenue collections during those fiscal years, there is more than a sufficient amount of General Fund revenue available to offset any loss of General Fund revenue during fiscal year 2023 due to changes to the state income tax law made by this act and the motor vehicle ad valorem tax credit established by this act; and

(d) For Fiscal Year 2024, The Legislative Budget Report for Fiscal Year 2023 has provided an out year projection for Fiscal Year 2024 of Six Billion Seven Hundred Ninety-seven Million One Hundred Thirty-three Thousand Two Hundred Three Dollars (\$6,797,133,203.00) and this continued level of growth will allow for a sufficient amount of General Fund revenue to be available to offset any loss of General Fund revenue during fiscal year 2024 due to changes to the state income tax law made by this act and the motor vehicle ad valorem tax credit established by this act.

SECTION 2. Section 27-7-21, Mississippi Code of 1972, is amended as follows:

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

(b) **Single individuals.** In the case of a single individual, a personal exemption of Five Thousand Two Hundred Fifty Dollars



(~~\$5,250.00~~) for the 1979 and 1980 calendar years * * * ~~and~~, Six
Thousand Dollars (\$6,000.00) for each calendar year thereafter
through calendar year 2022, and Thirty-seven Thousand Seven
Hundred Dollars (\$37,700.00) for each calendar year thereafter.

(c) **Married individuals.** In the case of married individuals
living together, a joint personal exemption of Eight Thousand
Dollars (\$8,000.00) for the 1979 and 1980 calendar years and Nine
Thousand Five Hundred Dollars (\$9,500.00) for the 1981 through
1997 calendar years, Ten Thousand Dollars (\$10,000.00) for the
calendar year 1998, Eleven Thousand Dollars (\$11,000.00) for the
calendar year 1999, * * * ~~and~~ Twelve Thousand Dollars (\$12,000.00)
for each calendar year thereafter through calendar year 2022, and
Seventy-five Thousand Four Hundred Dollars (\$75,400.00) for each
calendar year thereafter. A husband and wife living together
shall receive but one (1) personal exemption in the amounts
provided for in this subsection for each calendar year against
their aggregate income.

(d) **Head of family individuals.** In the case of a head of
family individual, a personal exemption of Eight Thousand Dollars
(\$8,000.00) for the 1979 and 1980 calendar years * * * ~~and~~, Nine
Thousand Five Hundred Dollars (\$9,500.00) for each calendar year
thereafter through calendar year 2022, and Thirty-six Thousand Six
Hundred Dollars (\$36,600.00) for each calendar year thereafter.
The term "head of family" means an individual who is single, or
married but not living with his spouse for the entire taxable



164 year, who maintains a household which constitutes the principal
165 place of abode of himself and one or more individuals who are
166 dependents under the provisions of Section 152(a) of the Internal
167 Revenue Code of 1954, as amended. The head of family individual
168 shall be entitled to the additional dependent exemption as
169 provided in subsection (e) of this section only to the extent of
170 dependents in excess of the one (1) dependent needed to qualify as
171 head of family.

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

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

185 (g) **Additional exemption for blindness of taxpayer or**
186 **spouse.** In the case of any taxpayer or the spouse of the taxpayer
187 who is blind at the close of the taxable year, an additional
188 exemption of One Thousand Five Hundred Dollars (\$1,500.00). For



the purpose of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees.

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

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

A nonresident individual who is married and whose spouse has income from independent sources must declare the joint income of



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

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

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

234 (j) **Part-year residents.** An individual who is a resident of
235 Mississippi for only a part of his taxable year by reason of
236 either moving into the state or moving from the state shall be
237 allowed the same personal and additional exemptions as authorized
238 for resident individuals in subsection (a) of this section; the



part-year resident shall prorate his exemption on the same basis as nonresidents having net income from within and without the state.

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

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

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

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

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



264 (p) (i) On or before December 1, 2024, and on or before
265 December 1 of each succeeding year, the Commissioner of Revenue
266 shall calculate the amount of the increases in the personal
267 exemption for single individuals, the personal exemption for
268 married individuals, and the personal exemption for head of family
269 individuals, that will produce a reduction in revenue equal to the
270 tax reduction growth amount calculated as provided in paragraph
271 (ii) of this subsection (p). The commissioner shall increase each
272 of the personal exemptions by the amount calculated in this
273 paragraph (i), rounded down to the nearest One Thousand Dollars
274 (\$1,000.00) increment, and the revised personal exemption amounts
275 calculated by the commissioner shall be effective for the next
276 calendar year. From and after January 1 of the next succeeding
277 year after the date that the Commissioner of Revenue certifies
278 that the reduction in revenue mandated by this paragraph (i)
279 equals or exceeds the remaining revenue produced by the individual
280 income tax, the individual income tax shall stand repealed as
281 provided in Section 27-7-5.

282 (ii) On or before October 1, 2024, and on or before
283 October 1 of each succeeding year, the Legislative Budget Office
284 shall provide to the Commissioner of Revenue the following
285 amounts:

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



289 2. The inflation factor, which shall be determined
290 by dividing the CPI-U for the most recent full fiscal year by the
291 CPI-U for the fiscal year 2023. As used in this paragraph (ii),
292 "CPI-U" means the United States Consumer Price Index for All Urban
293 Consumers, South Region as defined and reported by the United
294 States Department of Labor, Bureau of Labor Statistics;

295 3. The adjusted inflation factor, which is the
296 lesser of a. the sum of 1 and the product of 0.015 and the number
297 of full fiscal years elapsed since fiscal year 2023 or b. the
298 inflation factor determined under subparagraph 2 of this paragraph
299 (ii); and

300 4. The tax reduction growth amount for the current
301 fiscal year, which shall be determined by:

302 a. Multiplying Six Billion One Hundred
303 Seventy-five Million Dollars (\$6,175,000,000.00) by the adjusted
304 inflation factor, and

305 b. Subtracting the amount determined under
306 item a of this subparagraph 4, and an amount equal to the amount
307 of general fund revenue loss during the most recent full fiscal
308 year due to the reduction in the sales tax rate under Section
309 27-65-17(1)(n), from the amount of the actual general fund revenue
310 collected during the most recent full fiscal year.

311 (q) Notwithstanding any other provision of this section,
312 with regard to the personal exemptions authorized under this
313 section, a taxpayer may elect to have the taxpayer's individual



income tax liability for any year after calendar year 2022
assessed with the personal exemptions authorized under this
section as it existed on January 1, 2022, or with the personal
exemptions authorized under this section, as amended by this act.

SECTION 3. Section 27-65-17, Mississippi Code of 1972, is
amended as follows:

27-65-17. (1) (a) Except as otherwise provided in this
section, upon every person engaging or continuing within this
state in the business of selling any tangible personal property
whatsoever there is hereby levied, assessed and shall be collected
a tax equal to * * *~~seven percent (7%)~~ eight and one-half percent
(8-1/2%) of the gross proceeds of the retail sales of the
business.

(b) Retail sales of farm tractors and parts and labor
used to maintain and/or repair such tractors shall be taxed at the
rate of one and one-half percent (1-1/2%) when made to farmers for
agricultural purposes.

(c) (i) Retail sales of farm implements sold to
farmers and used directly in the production of poultry, ratite,
domesticated fish as defined in Section 69-7-501, livestock,
livestock products, agricultural crops or ornamental plant crops
or used for other agricultural purposes, and parts and labor used
to maintain and/or repair such implements, shall be taxed at the
rate of one and one-half percent (1-1/2%) when used on the farm.



(ii) The one and one-half percent (1-1/2%) rate shall also apply to all equipment used in logging, pulpwood operations or tree farming, and parts and labor used to maintain and/or repair such equipment, which is either:

1. Self-propelled, or
2. Mounted so that it is permanently attached to other equipment which is self-propelled or attached to other equipment drawn by a vehicle which is self-propelled.

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

(d) Except as otherwise provided in subsection (3) of this section, retail sales of aircraft, automobiles, trucks,



truck-tractors, semitrailers and manufactured or mobile homes shall be taxed at the rate of three percent (3%).

(e) Sales of manufacturing machinery or manufacturing machine parts when made to a manufacturer or custom processor for plant use only when the machinery and machine parts will be used exclusively and directly within this state in manufacturing a commodity for sale, rental or in processing for a fee shall be taxed at the rate of one and one-half percent (1-1/2%).

(f) Sales of machinery and machine parts when made to a technology intensive enterprise for plant use only when the machinery and machine parts will be used exclusively and directly within this state for industrial purposes, including, but not limited to, manufacturing or research and development activities, shall be taxed at the rate of one and one-half percent (1-1/2%). In order to be considered a technology intensive enterprise for purposes of this paragraph:

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

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

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

(iv) The enterprise shall manufacture plastics, chemicals, automobiles, aircraft, computers or electronics; or



387 shall be a research and development facility, a computer design or
388 related facility, or a software publishing facility or other
389 technology intensive facility or enterprise as determined by the
390 Mississippi Development Authority;

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

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

396 (g) Sales of materials for use in track and track
397 structures to a railroad whose rates are fixed by the Interstate
398 Commerce Commission or the Mississippi Public Service Commission
399 shall be taxed at the rate of three percent (3%).

400 (h) Sales of tangible personal property to electric
401 power associations for use in the ordinary and necessary operation
402 of their generating or distribution systems shall be taxed at the
403 rate of one percent (1%).

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

410 (j) Wholesale sales of food and drink for human
411 consumption to full-service vending machine operators to be sold



through vending machines located apart from and not connected with other taxable businesses shall be taxed at the rate of eight percent (8%).

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

(l) Sales of the factory-built components of modular homes, panelized homes and precut homes, and panel constructed homes consisting of structural insulated panels, shall be taxed at the rate of three percent (3%).

(m) Sales of materials used in the repair, renovation, addition to, expansion and/or improvement of buildings and related facilities used by a dairy producer shall be taxed at the rate of three and one-half percent (3-1/2%). For the purposes of this paragraph (m), "dairy producer" means any person engaged in the production of milk for commercial use.

(n) From and after July 1, 2022, retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt under Section 27-65-111(o) from the



taxes imposed by this chapter if the food items were purchased with food stamps, shall be taxed as follows:

(i) From and after July 1, 2022, through June 30, 2023, such sales shall be taxed at the rate of five and one-half percent (5-1/2%);

(ii) From and after July 1, 2023, through June 30, 2024, such sales shall be taxed at the rate of five and one-fourth percent (5-1/4%);

(iii) From and after July 1, 2024, through June 30, 2025, such sales shall be taxed at the rate of five percent (5%);

(iv) From and after July 1, 2025, through June 30, 2026, such sales shall be taxed at the rate of four and three-fourths percent (4-3/4%);

(v) From and after July 1, 2026, through June 30, 2027, such sales shall be taxed at the rate of four and one-half percent (4-1/2%);

(vi) From and after July 1, 2027, through June 30, 2028, such sales shall be taxed at the rate of four and one-fourth percent (4-1/4%); and

(vii) From and after July 1, 2028, such sales shall be taxed at the rate of four percent (4%).

(2) From and after January 1, 1995, retail sales of private carriers of passengers and light carriers of property, as defined



460 in Section 27-51-101, shall be taxed an additional two percent
461 (2%).

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

465 **SECTION 4.** Section 27-65-19, Mississippi Code of 1972, is
466 amended as follows:

467 27-65-19. (1) (a) (i) Except as otherwise provided in
468 this subsection, upon every person selling to consumers,
469 electricity, current, power, potable water, steam, coal, natural
470 gas, liquefied petroleum gas or other fuel, there is hereby
471 levied, assessed and shall be collected a tax equal to seven
472 percent (7%) of the gross income of the business. Provided, gross
473 income from sales to consumers of electricity, current, power,
474 natural gas, liquefied petroleum gas or other fuel for residential
475 heating, lighting or other residential noncommercial or
476 nonagricultural use, and sales of potable water for residential,
477 noncommercial or nonagricultural use shall be excluded from
478 taxable gross income of the business. Provided further, upon
479 every such seller using electricity, current, power, potable
480 water, steam, coal, natural gas, liquefied petroleum gas or other
481 fuel for nonindustrial purposes, there is hereby levied, assessed
482 and shall be collected a tax equal to seven percent (7%) of the
483 cost or value of the product or service used.



484 (ii) Gross income from sales to a church that is
485 exempt from federal income taxation under 26 USCS Section
486 501(c)(3) of electricity, current, power, natural gas, liquefied
487 petroleum gas or other fuel for heating, lighting or other use,
488 and sales of potable water to such a church shall be excluded from
489 taxable gross income of the business if the electricity, current,
490 power, natural gas, liquefied petroleum gas or potable water is
491 utilized on property that is primarily used for religious or
492 educational purposes.

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

498 1. Use in an enhanced oil recovery project,
499 including, but not limited to, use for cycling, repressuring or
500 lifting of oil; or

501 2. Permanent sequestration in a geological
502 formation.

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



508 permanent sequestration of carbon dioxide in a geological
509 formation.

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

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

516 1. A tax equal to * * *~~seven percent (7%)~~
517 eight and one-half percent (8-1/2%) of the gross income received
518 from all charges for intrastate telecommunications services.

519 2. A tax equal to * * *~~seven percent (7%)~~
520 eight and one-half percent (8-1/2%) of the gross income received
521 from all charges for interstate telecommunications services.

522 3. A tax equal to * * *~~seven percent (7%)~~
523 eight and one-half percent (8-1/2%) of the gross income received
524 from all charges for international telecommunications services.

525 4. A tax equal to * * *~~seven percent (7%)~~
526 eight and one-half percent (8-1/2%) of the gross income received
527 from all charges for ancillary services.

528 5. A tax equal to * * *~~seven percent (7%)~~
529 eight and one-half percent (8-1/2%) of the gross income received
530 from all charges for products delivered electronically, including,
531 but not limited to, software, music, games, reading materials or
532 ring tones.



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

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

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

548 1. "Telecommunications service" means the
549 electronic transmission, conveyance or routing of voice, data,
550 audio, video or any other information or signals to a point, or
551 between points. The term "telecommunications service" includes
552 such transmission, conveyance or routing in which computer
553 processing applications are used to act on the form, code or
554 protocol of the content for purposes of transmission, conveyance
555 or routing without regard to whether such service is referred to
556 as voice over Internet protocol services or is classified by the



557 Federal Communications Commission as enhanced or value added. The
558 term "telecommunications service" shall not include:

- 559 a. Data processing and information
560 services that allow data to be generated, acquired, stored,
561 processed or retrieved and delivered by an electronic transmission
562 to a purchaser where such purchaser's primary purpose for the
563 underlying transaction is the processed data or information;
- 564 b. Installation or maintenance of wiring
565 or equipment on a customer's premises;
- 566 c. Tangible personal property;
- 567 d. Advertising, including, but not
568 limited to, directory advertising;
- 569 e. Billing and collection services
570 provided to third parties;
- 571 f. Internet access service;
- 572 g. Radio and television audio and video
573 programming services regardless of the medium, including the
574 furnishing of transmission, conveyance and routing of such
575 services by the programming service provider. Radio and
576 television audio and video programming services shall include, but
577 not be limited to, cable service as defined in 47 USCS 522(6) and
578 audio and video programming services delivered by commercial
579 mobile radio service providers, as defined in 47 CFR 20.3;
- 580 h. Ancillary services; or



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

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

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

b. "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

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

d. "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and to manage



605 multiple calls and call connections, including conference bridging
606 services.

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

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

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

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

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

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



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

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

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

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

642 a. A sale of mobile telecommunications
643 services other than air-to-ground radiotelephone service and
644 prepaid calling service is sourced to the customer's place of
645 primary use as required by the Mobile Telecommunication Sourcing
646 Act.

647 A. A home service provider shall be
648 responsible for obtaining and maintaining the customer's place of
649 primary use. The home service provider shall be entitled to rely
650 on the applicable residential or business street address supplied
651 by such customer, if the home service provider's reliance is in
652 good faith; and the home service provider shall be held harmless
653 from liability for any additional taxes based on a different



654 determination of the place of primary use for taxes that are
655 customarily passed on to the customer as a separate itemized
656 charge. A home service provider shall be allowed to treat the
657 address used for purposes of the tax levied by this chapter for
658 any customer under a service contract in effect on August 1, 2002,
659 as that customer's place of primary use for the remaining term of
660 such service contract or agreement, excluding any extension or
661 renewal of such service contract or agreement. Month-to-month
662 services provided after the expiration of a contract shall be
663 treated as an extension or renewal of such contract or agreement.

664 B. If the commissioner determines
665 that the address used by a home service provider as a customer's
666 place of primary use does not meet the definition of the term
667 "place of primary use" as defined in subitem a.A. of this item 3,
668 the commissioner shall give binding notice to the home service
669 provider to change the place of primary use on a prospective basis
670 from the date of notice of determination; however, the customer
671 shall have the opportunity, prior to such notice of determination,
672 to demonstrate that such address satisfies the definition.

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



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

681 A. The seller's telecommunications
682 system; or

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

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

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

699 B. The customer's billing address;

700 C. Any other address of the
701 customer that is known by the vendor; or



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

705 4. A sale of a private communication service
706 is sourced as follows:

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

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

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

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



jurisdiction by the total number of customer channel termination points.

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

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

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

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

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

4. "Customer" means the person or entity that contracts with the seller of telecommunications services. If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service. Customer does not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider's licensed service area.



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

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

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

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

765 9. "Place of primary use" means the street
766 address representative of where the customer's use of the
767 telecommunications service primarily occurs, which must be the
768 residential street address or the primary business street address
769 of the customer. In the case of mobile telecommunications
770 services, the place of primary use must be within the licensed
771 service area of the home service provider.

772 10. "Post-paid calling service" means the
773 telecommunications service obtained by making a payment on a
774 call-by-call basis either through the use of a credit card or
775 payment mechanism such as a bank card, travel card, credit card or
776 debit card, or by charge made to a telephone number which is not



777 associated with the origination or termination of the
778 telecommunications service. A post-paid calling service includes
779 a telecommunications service, except a prepaid wireless calling
780 service that would be a prepaid calling service except it is not
781 exclusively a telecommunications service.

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

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

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



801 associated services that are provided in connection with the use
802 of such channel or channels.

803 14. "Service address" means:

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

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

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

817 (vii) 1. For purposes of this subparagraph (vii),
818 "bundled transaction" means a transaction that consists of
819 distinct and identifiable properties or services which are sold
820 for a single nonitemized price but which are treated differently
821 for tax purposes.

822 2. In the case of a bundled transaction that
823 includes telecommunications services, ancillary services, Internet
824 access, or audio or video programming services taxed under this
825 chapter in which the price of the bundled transaction is



826 attributable to properties or services that are taxable and
827 nontaxable, the portion of the price that is attributable to any
828 nontaxable property or service shall be subject to the tax unless
829 the provider can reasonably identify that portion from its books
830 and records kept in the regular course of business.

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

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

843 b. Based on a reasonable allocation
844 methodology approved by the department.

845 4. This subparagraph (vii) shall not create a
846 right of action for a customer to require that the provider or the
847 department, for purposes of determining the amount of tax
848 applicable to a bundled transaction, allocate the price to the
849 different portions of the transaction in order to minimize the
850 amount of tax charged to the customer. A customer shall not be



entitled to rely on the fact that a portion of the price is attributable to properties or services not subject to tax unless the provider elects, after receiving a written request from the customer in the form required by the provider, to provide verifiable data based upon the provider's books and records that are kept in the regular course of business that reasonably identifies the portion of the price attributable to the properties or services not subject to the tax.

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

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

SECTION 5. Section 27-65-22, Mississippi Code of 1972, is amended as follows:

27-65-22. (1) Upon every person engaging or continuing in any amusement business or activity, which shall include all manner



876 and forms of entertainment and amusement, all forms of diversion,
877 sport, recreation or pastime, shows, exhibitions, contests,
878 displays, games or any other and all methods of obtaining
879 admission charges, donations, contributions or monetary charges of
880 any character, from the general public or a limited or selected
881 number thereof, directly or indirectly in return for other than
882 tangible property or specific personal or professional services,
883 whether such amusement is held or conducted in a public or private
884 building, hotel, tent, pavilion, lot or resort, enclosed or in the
885 open, there is hereby levied, assessed and shall be collected a
886 tax equal to * * *~~seven percent (7%)~~ eight and one-half percent
887 (8-1/2%) of the gross income received as admission, except as
888 otherwise provided herein. In lieu of the rate set forth above,
889 there is hereby imposed, levied and assessed, to be collected as
890 hereinafter provided, a tax of three percent (3%) of gross revenue
891 derived from sales of admission to publicly owned enclosed
892 coliseums and auditoriums (except admissions to athletic contests
893 between colleges and universities). There is hereby imposed,
894 levied and assessed a tax of * * *~~seven percent (7%)~~ eight and
895 one-half percent (8-1/2%) of gross revenue derived from sales of
896 admission to events conducted on property managed by the
897 Mississippi Veterans Memorial Stadium, which tax shall be
898 administered in the manner prescribed in this chapter, subject,
899 however, to the provisions of Sections 55-23-3 through 55-23-11.



900 (2) The operator of any place of amusement in this state
901 shall collect the tax imposed by this section, in addition to the
902 price charged for admission to any place of amusement, and under
903 all circumstances the person conducting the amusement shall be
904 liable for, and pay the tax imposed based upon the actual charge
905 for such admission. Where permits are obtained for conducting
906 temporary amusements by persons who are not the owners, lessees or
907 custodians of the buildings, lots or places where the amusements
908 are to be conducted, or where such temporary amusement is
909 permitted by the owner, lessee or custodian of any place to be
910 conducted without the procurement of a permit as required by this
911 chapter, the tax imposed by this chapter shall be paid by the
912 owner, lessee or custodian of such place where such temporary
913 amusement is held or conducted, unless paid by the person
914 conducting the amusement, and the applicant for such temporary
915 permit shall furnish with the application therefor, the name and
916 address of the owner, lessee or custodian of the premises upon
917 which such amusement is to be conducted, and such owner, lessee or
918 custodian shall be notified by the commission of the issuance of
919 such permit, and of the joint liability for such tax.

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

922 (a) Any admissions charged at any place of amusement
923 operated by a religious, charitable or educational organization,
924 or by a nonprofit civic club or fraternal organization (i) when



925 the net proceeds of such admissions do not inure to any one or
926 more individuals within such organization and are to be used
927 solely for religious, charitable, educational or civic purposes;
928 or (ii) when the entire net proceeds are used to defray the normal
929 operating expenses of such organization, such as loan payments,
930 maintenance costs, repairs and other operating expenses;

931 (b) Any admissions charged to hear gospel singing when
932 promoted by a duly constituted local, bona fide nonprofit
933 charitable or religious organization, irrespective of the fact
934 that the performers and promoters are paid out of the proceeds of
935 admissions collected, provided the program is composed entirely of
936 gospel singing and not generally mixed with hillbilly or popular
937 singing;

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

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

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

946 (f) Any admissions or tickets to organized garden
947 pilgrimages and to antebellum and historic houses when sponsored
948 by an organized civic or garden club;



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

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

957 (i) Any admissions or fees charged by any county or
958 municipally owned and operated swimming pools, golf courses and
959 tennis courts other than sales or rental of tangible personal
960 property;

961 (j) Any admissions charged for the performance of
962 symphony orchestras, operas, vocal or instrumental artists in
963 which professional or amateur performers are compensated out of
964 the proceeds of such admissions, when sponsored by local music or
965 charity associations, or amateur dramatic performances or
966 professional dramatic productions when sponsored by a children's
967 dramatic association, where no dividends are declared, profits
968 received, nor any salary or compensation paid to any of the
969 members of such associations, or to any person for procuring or
970 producing such performance;

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



973 (1) Any admissions or tickets to or for events
974 sanctioned by the Mississippi Athletic Commission that are held
975 within publicly owned enclosed coliseums and auditoriums;

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

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

985 (o) (i) Any admissions charged at events, activities
986 or entertainments:

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

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

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

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



998 1. Adopting an ordinance requiring the levy
999 and collection of the tax;

1000 2. Providing the Department of Revenue with a
1001 certified copy of the ordinance requiring the tax to be levied and
1002 assessed at least thirty (30) days prior to the effective date of
1003 the ordinance;

1004 (iii) If the ordinance described in subparagraph
1005 (ii) of this paragraph is repealed, the municipality shall provide
1006 the Department of Revenue with a certified copy of the repeal of
1007 the ordinance at least thirty (30) days prior to the effective
1008 date of the repeal.

1009 **SECTION 6.** Section 27-65-23, Mississippi Code of 1972, is
1010 amended as follows:

1011 27-65-23. Upon every person engaging or continuing in any of
1012 the following businesses or activities there is hereby levied,
1013 assessed and shall be collected a tax equal to * * *~~seven percent~~
1014 ~~(7%)~~ eight and one-half percent (8-1/2%) of the gross income of
1015 the business, except as otherwise provided:

1016 Air-conditioning installation or repairs;

1017 Automobile, motorcycle, boat or any other vehicle
1018 repairing or servicing;

1019 Billiards, pool or domino parlors;

1020 Bowling or tenpin alleys;

1021 Burglar and fire alarm systems or services;

1022 Car washing – automatic, self-service, or manual;



1023 Computer software sales and services;
1024 Cotton compresses or cotton warehouses;
1025 Custom creosoting or treating, custom planing, custom
1026 sawing;
1027 Custom meat processing;
1028 Electricians, electrical work, wiring, all repairs or
1029 installation of electrical equipment;
1030 Elevator or escalator installing, repairing or
1031 servicing;
1032 Film developing or photo finishing;
1033 Foundries, machine or general repairing;
1034 Furniture repairing or upholstering;
1035 Grading, excavating, ditching, dredging or landscaping;
1036 Hotels (as defined in Section 41-49-3), motels, tourist
1037 courts or camps, trailer parks;
1038 Insulating services or repairs;
1039 Jewelry or watch repairing;
1040 Laundering, cleaning, pressing or dyeing;
1041 Marina services;
1042 Mattress renovating;
1043 Office and business machine repairing;
1044 Parking garages and lots;
1045 Plumbing or pipe fitting;
1046 Public storage warehouses (There shall be no tax levied
1047 on gross income of a public storage warehouse derived from the



1048 temporary storage of tangible personal property in this state
1049 pending shipping or mailing of the property to another state.);
1050 Refrigerating equipment repairs;
1051 Radio or television installing, repairing, or servicing;
1052 Renting or leasing personal property used within this
1053 state;
1054 Services performed in connection with geophysical
1055 surveying, exploring, developing, drilling, producing,
1056 distributing, or testing of oil, gas, water and other mineral
1057 resources;
1058 Shoe repairing;
1059 Storage lockers;
1060 Telephone answering or paging services;
1061 Termite or pest control services;
1062 Tin and sheet metal shops;
1063 TV cable systems, subscription TV services, and other
1064 similar activities;
1065 Vulcanizing, repairing or recapping of tires or tubes;
1066 Welding; and
1067 Woodworking or woodu-turning shops.
1068 Income from services taxed herein performed for electric
1069 power associations in the ordinary and necessary operation of
1070 their generating or distribution systems shall be taxed at the
1071 rate of one percent (1%).



1072 Income from services taxed herein performed on materials for
1073 use in track or track structures to a railroad whose rates are
1074 fixed by the Interstate Commerce Commission or the Mississippi
1075 Public Service Commission shall be taxed at the rate of three
1076 percent (3%).

1077 Income from renting or leasing tangible personal property
1078 used within this state shall be taxed at the same rates as sales
1079 of the same property.

1080 Persons doing business in this state who rent transportation
1081 equipment with a situs within or without the state to common,
1082 contract or private commercial carriers are taxed on that part of
1083 the income derived from use within this state. If specific
1084 accounting is impracticable, a formula may be used with approval
1085 of the commissioner.

1086 A lessor may deduct from the tax computed on the rental
1087 income from tangible personal property a credit for sales or use
1088 tax paid to this state at the time of purchase of the specific
1089 personal property being leased or rented until such credit has
1090 been exhausted.

1091 Charges for custom processing and repairing services may be
1092 excluded from gross taxable income when the property on which the
1093 service was performed is delivered to the customer in another
1094 state either by common carrier or in the seller's equipment.

1095 When a taxpayer performs unitary services covered by this
1096 section, which are performed both in intrastate and interstate



1097 commerce, the commissioner is hereby invested with authority to
1098 formulate in each particular case and to fix for such taxpayer in
1099 each instance formulae of apportionment which will apportion to
1100 this state, for taxation, that portion of the services which are
1101 performed within the State of Mississippi.

1102 **SECTION 7.** Section 27-65-25, Mississippi Code of 1972, is
1103 amended as follows:

1104 27-65-25. Upon every person engaging or continuing within
1105 this state in the business of selling alcoholic beverages, the
1106 sales of which are legal under the provisions of Chapter 1 of
1107 Title 67, Mississippi Code of 1972, there is hereby levied,
1108 assessed and shall be collected a tax equal to * * *~~seven percent~~
1109 ~~(7%)~~ eight and one-half percent (8-1/2%) of the gross proceeds of
1110 the retail sales of the business. All sales at wholesale to
1111 retailers shall be taxed at the same rate as provided in this
1112 section for retail sales. A retailer in computing the tax on
1113 sales may take credit for the amount of the tax paid to the
1114 wholesaler at the rates provided herein and remit the difference
1115 to the commissioner, provided adequate records and all invoices
1116 are maintained to substantiate the credit claimed.

1117 **SECTION 8.** Section 27-65-26, Mississippi Code of 1972, is
1118 amended as follows:

1119 27-65-26. (1) Upon every person engaging or continuing
1120 within this state in the business of selling, renting or leasing
1121 specified digital products, there shall be levied, assessed and



1122 shall be collected a tax equal to * * *~~seven percent (7%)~~ eight
1123 and one-half percent (8-1/2%) of the gross income of the business.
1124 The sale of a digital code that allows the purchaser to obtain a
1125 specified digital product shall be taxed in the same manner as the
1126 sale of a specified digital product. The tax is imposed when:
1127 (a) The sale is to an end user;
1128 (b) The seller grants the right of permanent or less
1129 than permanent use of the products transferred electronically; or
1130 (c) The sale is conditioned or not conditioned upon
1131 continued payment.
1132 (2) Charges by one (1) specified digital products provider
1133 to another specified digital products provider holding a permit
1134 issued under Section 27-65-27 for services that are resold by such
1135 other specified digital products provider shall not be subject to
1136 the tax levied pursuant to this section.
1137 (3) For purposes of this section:
1138 (a) "Specified digital products" means electronically
1139 transferred digital audio-visual works, digital audio works and
1140 digital books.
1141 (b) "Digital audio-visual works" means a series of
1142 related images which, when shown in succession, impart an
1143 impression of motion, together with accompanying sounds, if any.
1144 (c) "Digital audio works" means works that result from
1145 the fixation of a series of musical, spoken or other sounds,
1146 including ringtones. "Ringtones" means digitized sound files that



1147 are downloaded onto a device and that may be used to alert the
1148 customer with respect to a communication.

1149 (d) "Digital books" means works that are generally
1150 recognized in the ordinary and usual sense as "books."

1151 (e) "Electronically transferred" means obtained by the
1152 purchaser by means other than tangible storage media.

1153 (f) "End user" means any person other than a person who
1154 receives by contract a product transferred electronically for
1155 further commercial broadcast, rebroadcast, transmission,
1156 retransmission, licensing, relicensing, distribution,
1157 redistribution or exhibition of the product, in whole or in part,
1158 to another person or persons.

1159 (g) "Permanent use" means for purposes of this section
1160 for perpetual or for an indefinite or unspecified length of time.

1161 (h) "Digital code" means a code that permits a
1162 purchaser to obtain a specified digital product at a later date.

1163 **SECTION 9.** Section 27-65-75, Mississippi Code of 1972, is
1164 amended as follows:

1165 27-65-75. On or before the fifteenth day of each month, the
1166 revenue collected under the provisions of this chapter during the
1167 preceding month shall be paid and distributed as follows:

1168 (1) (a) On or before August 15, 1992, and each succeeding
1169 month thereafter through July 15, 1993, eighteen percent (18%) of
1170 the total sales tax revenue collected during the preceding month
1171 under the provisions of this chapter, except that collected under



1172 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1173 business activities within a municipal corporation shall be
1174 allocated for distribution to the municipality and paid to the
1175 municipal corporation. Except as otherwise provided in this
1176 paragraph (a), on or before August 15, 1993, and each succeeding
1177 month thereafter through August 15, 2022, eighteen and one-half
1178 percent (18-1/2%) of the total sales tax revenue collected during
1179 the preceding month under the provisions of this chapter, except
1180 that collected under the provisions of Sections 27-65-15,
1181 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
1182 a municipal corporation shall be allocated for distribution to the
1183 municipality and paid to the municipal corporation. On or before
1184 September 15, 2022, and each succeeding month thereafter, eighteen
1185 and one-half percent (18-1/2%) of the total sales tax revenue
1186 collected during the preceding month under the provisions of this
1187 chapter, except that collected under the provisions of Sections
1188 27-65-15, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on
1189 business activities within a municipal corporation shall be
1190 allocated for distribution to the municipality and paid to the
1191 municipal corporation. On or before September 15, 2022, and each
1192 succeeding month thereafter through August 15, 2023, twenty-three
1193 and fifty-five one-hundredths percent (23-55/100%) of the total
1194 sales tax revenue collected during the preceding month under the
1195 provisions of Section 27-65-17(1)(n) on business activities within
1196 a municipal corporation shall be allocated for distribution to the



1197 municipality and paid to the municipal corporation. On or before
1198 September 15, 2023, and each succeeding month thereafter through
1199 August 15, 2024, twenty-four and sixty-seven one-hundredths
1200 percent (24-67/100%) of the total sales tax revenue collected
1201 during the preceding month under the provisions of Section
1202 27-65-17(1)(n) on business activities within a municipal
1203 corporation shall be allocated for distribution to the
1204 municipality and paid to the municipal corporation. On or before
1205 September 15, 2024, and each succeeding month thereafter through
1206 August 15, 2025, twenty-five and ninety one-hundredths percent
1207 (25-90/100%) of the total sales tax revenue collected during the
1208 preceding month under the provisions of Section 27-65-17(1)(n) on
1209 business activities within a municipal corporation shall be
1210 allocated for distribution to the municipality and paid to the
1211 municipal corporation. On or before September 15, 2025, and each
1212 succeeding month thereafter through August 15, 2026, twenty-seven
1213 and twenty-six one-hundredths percent (27-26/100%) of the total
1214 sales tax revenue collected during the preceding month under the
1215 provisions of Section 27-65-17(1)(n) on business activities within
1216 a municipal corporation shall be allocated for distribution to the
1217 municipality and paid to the municipal corporation. On or before
1218 September 15, 2026, and each succeeding month thereafter through
1219 August 15, 2027, twenty-eight and seventy-eight one-hundredths
1220 percent (28-78/100%) of the total sales tax revenue collected
1221 during the preceding month under the provisions of Section



1222 27-65-17(1) (n) on business activities within a municipal
1223 corporation shall be allocated for distribution to the
1224 municipality and paid to the municipal corporation. On or before
1225 September 15, 2027, and each succeeding month thereafter through
1226 August 15, 2028, thirty and forty-seven one-hundredths percent
1227 (30-47/100%) of the total sales tax revenue collected during the
1228 preceding month under the provisions of Section 27-65-17(1) (n) on
1229 business activities within a municipal corporation shall be
1230 allocated for distribution to the municipality and paid to the
1231 municipal corporation. On or before September 15, 2028, and each
1232 succeeding month thereafter, thirty-two and thirty-seven
1233 one-hundredths percent (32-37/100%) of the total sales tax revenue
1234 collected during the preceding month under the provisions of
1235 Section 27-65-17(1) (n) on business activities within a municipal
1236 corporation shall be allocated for distribution to the
1237 municipality and paid to the municipal corporation. However, in
1238 the event the State Auditor issues a certificate of noncompliance
1239 pursuant to Section 21-35-31, the Department of Revenue shall
1240 withhold ten percent (10%) of the allocations and payments to the
1241 municipality that would otherwise be payable to the municipality
1242 under this paragraph (a) until such time that the department
1243 receives written notice of the cancellation of a certificate of
1244 noncompliance from the State Auditor.



1245 A municipal corporation, for the purpose of distributing the
1246 tax under this subsection, shall mean and include all incorporated
1247 cities, towns and villages.

1248 Monies allocated for distribution and credited to a municipal
1249 corporation under this paragraph may be pledged as security for a
1250 loan if the distribution received by the municipal corporation is
1251 otherwise authorized or required by law to be pledged as security
1252 for such a loan.

1253 In any county having a county seat that is not an
1254 incorporated municipality, the distribution provided under this
1255 subsection shall be made as though the county seat was an
1256 incorporated municipality; however, the distribution to the
1257 municipality shall be paid to the county treasury in which the
1258 municipality is located, and those funds shall be used for road,
1259 bridge and street construction or maintenance in the county.

1260 (b) On or before August 15, 2006, and each succeeding
1261 month thereafter through August 15, 2022, eighteen and one-half
1262 percent (18-1/2%) of the total sales tax revenue collected during
1263 the preceding month under the provisions of this chapter, except
1264 that collected under the provisions of Sections 27-65-15,
1265 27-65-19(3) and 27-65-21, on business activities on the campus of
1266 a state institution of higher learning or community or junior
1267 college whose campus is not located within the corporate limits of
1268 a municipality, shall be allocated for distribution to the state
1269 institution of higher learning or community or junior college and



1270 paid to the state institution of higher learning or community or
1271 junior college. On or before September 15, 2022, and each
1272 succeeding month thereafter, eighteen and one-half percent
1273 (18-1/2%) of the total sales tax revenue collected during the
1274 preceding month under the provisions of this chapter, except that
1275 collected under the provisions of Sections 27-65-15,
1276 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities
1277 on the campus of a state institution of higher learning or
1278 community or junior college whose campus is not located within the
1279 corporate limits of a municipality, shall be allocated for
1280 distribution to the state institution of higher learning or
1281 community or junior college and paid to the state institution of
1282 higher learning or community or junior college. On or before
1283 September 15, 2022, and each succeeding month thereafter through
1284 August 15, 2023, twenty-three and fifty-five one-hundredths
1285 percent (23-55/100%) of the total sales tax revenue collected
1286 during the preceding month under the provisions of Section
1287 27-65-17(1) (n) on business activities on the campus of a state
1288 institution of higher learning or community or junior college
1289 whose campus is not located within the corporate limits of a
1290 municipality, shall be allocated for distribution to the state
1291 institution of higher learning or community or junior college and
1292 paid to the state institution of higher learning or community or
1293 junior college. On or before September 15, 2023, and each
1294 succeeding month thereafter through August 15, 2024, twenty-four



1295 and sixty-seven one-hundredths percent (24-67/100%) of the total
1296 sales tax revenue collected during the preceding month under the
1297 provisions of Section 27-65-17(1)(n) on business activities on the
1298 campus of a state institution of higher learning or community or
1299 junior college whose campus is not located within the corporate
1300 limits of a municipality, shall be allocated for distribution to
1301 the state institution of higher learning or community or junior
1302 college and paid to the state institution of higher learning or
1303 community or junior college. On or before September 15, 2024, and
1304 each succeeding month thereafter through August 15, 2025,
1305 twenty-five and ninety one-hundredths percent (25-90/100%) of the
1306 total sales tax revenue collected during the preceding month under
1307 the provisions of Section 27-65-17(1)(n) on business activities on
1308 the campus of a state institution of higher learning or community
1309 or junior college whose campus is not located within the corporate
1310 limits of a municipality, shall be allocated for distribution to
1311 the state institution of higher learning or community or junior
1312 college and paid to the state institution of higher learning or
1313 community or junior college. On or before September 15, 2025, and
1314 each succeeding month thereafter through August 15, 2026,
1315 twenty-seven and twenty-six one-hundredths percent (27-26/100%) of
1316 the total sales tax revenue collected during the preceding month
1317 under the provisions of Section 27-65-17(1)(n) on business
1318 activities on the campus of a state institution of higher learning
1319 or community or junior college whose campus is not located within



1320 the corporate limits of a municipality, shall be allocated for
1321 distribution to the state institution of higher learning or
1322 community or junior college and paid to the state institution of
1323 higher learning or community or junior college. On or before
1324 September 15, 2026, and each succeeding month thereafter through
1325 August 15, 2027, twenty-eight and seventy-eight one-hundredths
1326 percent (28-78/100%) of the total sales tax revenue collected
1327 during the preceding month under the provisions of Section
1328 27-65-17(1)(n) on business activities on the campus of a state
1329 institution of higher learning or community or junior college
1330 whose campus is not located within the corporate limits of a
1331 municipality, shall be allocated for distribution to the state
1332 institution of higher learning or community or junior college and
1333 paid to the state institution of higher learning or community or
1334 junior college. On or before September 15, 2027, and each
1335 succeeding month thereafter through August 15, 2028, thirty and
1336 forty-seven one-hundredths percent (30-47/100%) of the total sales
1337 tax revenue collected during the preceding month under the
1338 provisions of Section 27-65-17(1)(n) on business activities on the
1339 campus of a state institution of higher learning or community or
1340 junior college whose campus is not located within the corporate
1341 limits of a municipality, shall be allocated for distribution to
1342 the state institution of higher learning or community or junior
1343 college and paid to the state institution of higher learning or
1344 community or junior college. On or before September 15, 2028, and



each succeeding month thereafter, thirty-two and thirty-seven
one-hundredths percent (32-37/100%) of the total sales tax revenue
collected during the preceding month under the provisions of
Section 27-65-17(1)(n) on business activities on the campus of a
state institution of higher learning or community or junior
college whose campus is not located within the corporate limits of
a municipality, shall be allocated for distribution to the state
institution of higher learning or community or junior college and
paid to the state institution of higher learning or community or
junior college.

(c) On or before August 15, 2018, and each succeeding
month thereafter until August 14, 2019, two percent (2%) of the
total sales tax revenue collected during the preceding month under
the provisions of this chapter, except that collected under the
provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
27-65-24, on business activities within the corporate limits of
the City of Jackson, Mississippi, shall be deposited into the
Capitol Complex Improvement District Project Fund created in
Section 29-5-215. On or before August 15, 2019, and each
succeeding month thereafter until August 14, 2020, four percent
(4%) of the total sales tax revenue collected during the preceding
month under the provisions of this chapter, except that collected
under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
and 27-65-24, on business activities within the corporate limits
of the City of Jackson, Mississippi, shall be deposited into the



1370 Capitol Complex Improvement District Project Fund created in
1371 Section 29-5-215. On or before August 15, 2020, and each
1372 succeeding month thereafter through August 15, 2022, six percent
1373 (6%) of the total sales tax revenue collected during the preceding
1374 month under the provisions of this chapter, except that collected
1375 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1376 and 27-65-24, on business activities within the corporate limits
1377 of the City of Jackson, Mississippi, shall be deposited into the
1378 Capitol Complex Improvement District Project Fund created in
1379 Section 29-5-215. On or before September 15, 2022, and each
1380 succeeding month thereafter through August 15, 2023, six and
1381 sixteen one-hundredths percent (6-16/100%) of the total sales tax
1382 revenue collected during the preceding month under the provisions
1383 of this chapter, except that collected under the provisions of
1384 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
1385 activities within the corporate limits of the City of Jackson,
1386 Mississippi, shall be deposited into the Capitol Complex
1387 Improvement District Project Fund created in Section 29-5-215. On
1388 or before September 15, 2023, and each succeeding month thereafter
1389 through August 15, 2024, six and nineteen one-hundredths percent
1390 (6-19/100%) of the total sales tax revenue collected during the
1391 preceding month under the provisions of this chapter, except that
1392 collected under the provisions of Sections 27-65-15, 27-65-19(3),
1393 27-65-21 and 27-65-24, on business activities within the corporate
1394 limits of the City of Jackson, Mississippi, shall be deposited



1395 into the Capitol Complex Improvement District Project Fund created
1396 in Section 29-5-215. On or before September 15, 2024, and each
1397 succeeding month thereafter through August 15, 2025, six and
1398 twenty-two one-hundredths percent (6-22/100%) of the total sales
1399 tax revenue collected during the preceding month under the
1400 provisions of this chapter, except that collected under the
1401 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1402 27-65-24, on business activities within the corporate limits of
1403 the City of Jackson, Mississippi, shall be deposited into the
1404 Capitol Complex Improvement District Project Fund created in
1405 Section 29-5-215. On or before September 15, 2025, and each
1406 succeeding month thereafter through August 15, 2026, six and
1407 twenty-four one-hundredths percent (6-24/100%) of the total sales
1408 tax revenue collected during the preceding month under the
1409 provisions of this chapter, except that collected under the
1410 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1411 27-65-24, on business activities within the corporate limits of
1412 the City of Jackson, Mississippi, shall be deposited into the
1413 Capitol Complex Improvement District Project Fund created in
1414 Section 29-5-215. On or before September 15, 2026, and each
1415 succeeding month thereafter through August 15, 2027, six and
1416 twenty-seven one-hundredths percent (6-27/100%) of the total sales
1417 tax revenue collected during the preceding month under the
1418 provisions of this chapter, except that collected under the
1419 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



1420 27-65-24, on business activities within the corporate limits of
1421 the City of Jackson, Mississippi, shall be deposited into the
1422 Capitol Complex Improvement District Project Fund created in
1423 Section 29-5-215. On or before September 15, 2027, and each
1424 succeeding month thereafter through August 15, 2028, six and
1425 thirty one-hundredths percent (6-30/100%) of the total sales tax
1426 revenue collected during the preceding month under the provisions
1427 of this chapter, except that collected under the provisions of
1428 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
1429 activities within the corporate limits of the City of Jackson,
1430 Mississippi, shall be deposited into the Capitol Complex
1431 Improvement District Project Fund created in Section 29-5-215. On
1432 or before September 15, 2028, and each succeeding month
1433 thereafter, six and thirty-three one-hundredths percent
1434 (6-33/100%) of the total sales tax revenue collected during the
1435 preceding month under the provisions of this chapter, except that
1436 collected under the provisions of Sections 27-65-15, 27-65-19(3),
1437 27-65-21 and 27-65-24, on business activities within the corporate
1438 limits of the City of Jackson, Mississippi, shall be deposited
1439 into the Capitol Complex Improvement District Project Fund created
1440 in Section 29-5-215.

1441 (d) (i) On or before the fifteenth day of the month
1442 that the diversion authorized by this section begins, and each
1443 succeeding month thereafter, eighteen and one-half percent
1444 (18-1/2%) of the total sales tax revenue collected during the



1445 preceding month under the provisions of this chapter, except that
1446 collected under the provisions of Sections 27-65-15, 27-65-19(3)
1447 and 27-65-21, on business activities within a redevelopment
1448 project area developed under a redevelopment plan adopted under
1449 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
1450 allocated for distribution to the county in which the project area
1451 is located if:

1452 1. The county:

1453 a. Borders on the Mississippi Sound and
1454 the State of Alabama, or

1455 b. Is Harrison County, Mississippi, and
1456 the project area is within a radius of two (2) miles from the
1457 intersection of Interstate 10 and Menge Avenue;

1458 2. The county has issued bonds under Section
1459 21-45-9 to finance all or a portion of a redevelopment project in
1460 the redevelopment project area;

1461 3. Any debt service for the indebtedness
1462 incurred is outstanding; and

1463 4. A development with a value of Ten Million
1464 Dollars (\$10,000,000.00) or more is, or will be, located in the
1465 redevelopment area.

1466 (ii) Before any sales tax revenue may be allocated
1467 for distribution to a county under this paragraph, the county
1468 shall certify to the Department of Revenue that the requirements
1469 of this paragraph have been met, the amount of bonded indebtedness



1470 that has been incurred by the county for the redevelopment project
1471 and the expected date the indebtedness incurred by the county will
1472 be satisfied.

1473 (iii) The diversion of sales tax revenue
1474 authorized by this paragraph shall begin the month following the
1475 month in which the Department of Revenue determines that the
1476 requirements of this paragraph have been met. The diversion shall
1477 end the month the indebtedness incurred by the county is
1478 satisfied. All revenue received by the county under this
1479 paragraph shall be deposited in the fund required to be created in
1480 the tax increment financing plan under Section 21-45-11 and be
1481 utilized solely to satisfy the indebtedness incurred by the
1482 county.

1483 (2) On or before September 15, 1987, and each succeeding
1484 month thereafter, from the revenue collected under this chapter
1485 during the preceding month, One Million One Hundred Twenty-five
1486 Thousand Dollars (\$1,125,000.00) shall be allocated for
1487 distribution to municipal corporations as defined under subsection
1488 (1) of this section in the proportion that the number of gallons
1489 of gasoline and diesel fuel sold by distributors to consumers and
1490 retailers in each such municipality during the preceding fiscal
1491 year bears to the total gallons of gasoline and diesel fuel sold
1492 by distributors to consumers and retailers in municipalities
1493 statewide during the preceding fiscal year. The Department of
1494 Revenue shall require all distributors of gasoline and diesel fuel



1495 to report to the department monthly the total number of gallons of
1496 gasoline and diesel fuel sold by them to consumers and retailers
1497 in each municipality during the preceding month. The Department
1498 of Revenue shall have the authority to promulgate such rules and
1499 regulations as is necessary to determine the number of gallons of
1500 gasoline and diesel fuel sold by distributors to consumers and
1501 retailers in each municipality. In determining the percentage
1502 allocation of funds under this subsection for the fiscal year
1503 beginning July 1, 1987, and ending June 30, 1988, the Department
1504 of Revenue may consider gallons of gasoline and diesel fuel sold
1505 for a period of less than one (1) fiscal year. For the purposes
1506 of this subsection, the term "fiscal year" means the fiscal year
1507 beginning July 1 of a year.

1508 (3) On or before September 15, 1987, and on or before the
1509 fifteenth day of each succeeding month, until the date specified
1510 in Section 65-39-35, the proceeds derived from contractors' taxes
1511 levied under Section 27-65-21 on contracts for the construction or
1512 reconstruction of highways designated under the highway program
1513 created under Section 65-3-97 shall, except as otherwise provided
1514 in Section 31-17-127, be deposited into the State Treasury to the
1515 credit of the State Highway Fund to be used to fund that highway
1516 program. The Mississippi Department of Transportation shall
1517 provide to the Department of Revenue such information as is
1518 necessary to determine the amount of proceeds to be distributed
1519 under this subsection.



1520 (4) On or before August 15, 1994, and on or before the
1521 fifteenth day of each succeeding month through July 15, 1999, from
1522 the proceeds of gasoline, diesel fuel or kerosene taxes as
1523 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1524 (\$4,000,000.00) shall be deposited in the State Treasury to the
1525 credit of a special fund designated as the "State Aid Road Fund,"
1526 created by Section 65-9-17. On or before August 15, 1999, and on
1527 or before the fifteenth day of each succeeding month, from the
1528 total amount of the proceeds of gasoline, diesel fuel or kerosene
1529 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
1530 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1531 one-fourth percent (23-1/4%) of those funds, whichever is the
1532 greater amount, shall be deposited in the State Treasury to the
1533 credit of the "State Aid Road Fund," created by Section 65-9-17.
1534 Those funds shall be pledged to pay the principal of and interest
1535 on state aid road bonds heretofore issued under Sections 19-9-51
1536 through 19-9-77, in lieu of and in substitution for the funds
1537 previously allocated to counties under this section. Those funds
1538 may not be pledged for the payment of any state aid road bonds
1539 issued after April 1, 1981; however, this prohibition against the
1540 pledging of any such funds for the payment of bonds shall not
1541 apply to any bonds for which intent to issue those bonds has been
1542 published for the first time, as provided by law before March 29,
1543 1981. From the amount of taxes paid into the special fund under
1544 this subsection and subsection (9) of this section, there shall be



1545 first deducted and paid the amount necessary to pay the expenses
1546 of the Office of State Aid Road Construction, as authorized by the
1547 Legislature for all other general and special fund agencies. The
1548 remainder of the fund shall be allocated monthly to the several
1549 counties in accordance with the following formula:

1550 (a) One-third (1/3) shall be allocated to all counties
1551 in equal shares;

1552 (b) One-third (1/3) shall be allocated to counties
1553 based on the proportion that the total number of rural road miles
1554 in a county bears to the total number of rural road miles in all
1555 counties of the state; and

1556 (c) One-third (1/3) shall be allocated to counties
1557 based on the proportion that the rural population of the county
1558 bears to the total rural population in all counties of the state,
1559 according to the latest federal decennial census.

1560 For the purposes of this subsection, the term "gasoline,
1561 diesel fuel or kerosene taxes" means such taxes as defined in
1562 paragraph (f) of Section 27-5-101.

1563 The amount of funds allocated to any county under this
1564 subsection for any fiscal year after fiscal year 1994 shall not be
1565 less than the amount allocated to the county for fiscal year 1994.

1566 Any reference in the general laws of this state or the
1567 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1568 construed to refer and apply to subsection (4) of Section
1569 27-65-75.



1570 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1571 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1572 the special fund known as the "State Public School Building Fund"
1573 created and existing under the provisions of Sections 37-47-1
1574 through 37-47-67. Those payments into that fund are to be made on
1575 the last day of each succeeding month hereafter.

1576 (6) An amount each month beginning August 15, 1983, through
1577 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1578 1983, shall be paid into the special fund known as the
1579 Correctional Facilities Construction Fund created in Section 6,
1580 Chapter 542, Laws of 1983.

1581 (7) On or before August 15, 1992, and each succeeding month
1582 thereafter through July 15, 2000, two and two hundred sixty-six
1583 one-thousandths percent (2.266%) of the total sales tax revenue
1584 collected during the preceding month under the provisions of this
1585 chapter, except that collected under the provisions of Section
1586 27-65-17(2), shall be deposited by the department into the School
1587 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1588 or before August 15, 2000, and each succeeding month thereafter
1589 August 15, 2022, two and two hundred sixty-six one-thousandths
1590 percent (2.266%) of the total sales tax revenue collected during
1591 the preceding month under the provisions of this chapter, except
1592 that collected under the provisions of Section 27-65-17(2), shall
1593 be deposited into the School Ad Valorem Tax Reduction Fund created
1594 under Section 37-61-35 until such time that the total amount



1595 deposited into the fund during a fiscal year equals Forty-two
1596 Million Dollars (\$42,000,000.00). Thereafter, the amounts
1597 diverted under this subsection (7) during the fiscal year in
1598 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1599 deposited into the Education Enhancement Fund created under
1600 Section 37-61-33 for appropriation by the Legislature as other
1601 education needs and shall not be subject to the percentage
1602 appropriation requirements set forth in Section 37-61-33. On or
1603 before September 15, 2022, and each succeeding month thereafter
1604 through August 15, 2023, two and two hundred sixty-six
1605 one-thousandths percent (2.266%) of the total sales tax revenue
1606 collected during the preceding month under the provisions of this
1607 chapter, except that collected under the provisions of Section
1608 27-65-17(1)(n) and (2), and two and eighty-eight one-hundredths
1609 percent (2.88%) of the total sales tax revenue collected during
1610 the preceding month under the provisions of Section 27-65-17(1)(n)
1611 shall be deposited into the School Ad Valorem Tax Reduction Fund
1612 created under Section 37-61-35 until such time that the total
1613 amount deposited into the fund during a fiscal year equals
1614 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1615 amounts diverted under this subsection (7) during the fiscal year
1616 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1617 deposited into the Education Enhancement Fund created under
1618 Section 37-61-33 for appropriation by the Legislature as other
1619 education needs and shall not be subject to the percentage



1620 appropriation requirements set forth in Section 37-61-33. On or
1621 before September 15, 2023, and each succeeding month thereafter
1622 through August 15, 2024, two and two hundred sixty-six
1623 one-thousandths percent (2.266%) of the total sales tax revenue
1624 collected during the preceding month under the provisions of this
1625 chapter, except that collected under the provisions of Section
1626 27-65-17(1)(n) and (2), and three and two one-hundredths percent
1627 (3.02%) of the total sales tax revenue collected during the
1628 preceding month under the provisions of Section 27-65-17(1)(n)
1629 shall be deposited into the School Ad Valorem Tax Reduction Fund
1630 created under Section 37-61-35 until such time that the total
1631 amount deposited into the fund during a fiscal year equals
1632 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1633 amounts diverted under this subsection (7) during the fiscal year
1634 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1635 deposited into the Education Enhancement Fund created under
1636 Section 37-61-33 for appropriation by the Legislature as other
1637 education needs and shall not be subject to the percentage
1638 appropriation requirements set forth in Section 37-61-33. On or
1639 before September 15, 2024, and each succeeding month thereafter
1640 through August 15, 2025, two and two hundred sixty-six
1641 one-thousandths percent (2.266%) of the total sales tax revenue
1642 collected during the preceding month under the provisions of this
1643 chapter, except that collected under the provisions of Section
1644 27-65-17(1)(n) and (2), and three and seventeen one-hundredths



1645 percent (3.17%) of the total sales tax revenue collected during
1646 the preceding month under the provisions of Section 27-65-17(1)(n)
1647 shall be deposited into the School Ad Valorem Tax Reduction Fund
1648 created under Section 37-61-35 until such time that the total
1649 amount deposited into the fund during a fiscal year equals
1650 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1651 amounts diverted under this subsection (7) during the fiscal year
1652 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1653 deposited into the Education Enhancement Fund created under
1654 Section 37-61-33 for appropriation by the Legislature as other
1655 education needs and shall not be subject to the percentage
1656 appropriation requirements set forth in Section 37-61-33. On or
1657 before September 15, 2025, and each succeeding month thereafter
1658 through August 15, 2026, two and two hundred sixty-six
1659 one-thousandths percent (2.266%) of the total sales tax revenue
1660 collected during the preceding month under the provisions of this
1661 chapter, except that collected under the provisions of Section
1662 27-65-17(1)(n) and (2), and three and thirty-four one-hundredths
1663 percent (3.34%) of the total sales tax revenue collected during
1664 the preceding month under the provisions of Section 27-65-17(1)(n)
1665 shall be deposited into the School Ad Valorem Tax Reduction Fund
1666 created under Section 37-61-35 until such time that the total
1667 amount deposited into the fund during a fiscal year equals
1668 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1669 amounts diverted under this subsection (7) during the fiscal year



1670 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1671 deposited into the Education Enhancement Fund created under
1672 Section 37-61-33 for appropriation by the Legislature as other
1673 education needs and shall not be subject to the percentage
1674 appropriation requirements set forth in Section 37-61-33. On or
1675 before September 15, 2026, and each succeeding month thereafter
1676 through August 15, 2027, two and two hundred sixty-six
1677 one-thousandths percent (2.266%) of the total sales tax revenue
1678 collected during the preceding month under the provisions of this
1679 chapter, except that collected under the provisions of Section
1680 27-65-17(1)(n) and (2), and three and fifty-two one-hundredths
1681 percent (3.52%) of the total sales tax revenue collected during
1682 the preceding month under the provisions of Section 27-65-17(1)(n)
1683 shall be deposited into the School Ad Valorem Tax Reduction Fund
1684 created under Section 37-61-35 until such time that the total
1685 amount deposited into the fund during a fiscal year equals
1686 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1687 amounts diverted under this subsection (7) during the fiscal year
1688 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1689 deposited into the Education Enhancement Fund created under
1690 Section 37-61-33 for appropriation by the Legislature as other
1691 education needs and shall not be subject to the percentage
1692 appropriation requirements set forth in Section 37-61-33. On or
1693 before September 15, 2027, and each succeeding month thereafter
1694 through August 15, 2028, two and two hundred sixty-six



1695 one-thousandths percent (2.266%) of the total sales tax revenue
1696 collected during the preceding month under the provisions of this
1697 chapter, except that collected under the provisions of Section
1698 27-65-17(1)(n) and (2), and three and seventy-three one-hundredths
1699 percent (3.73%) of the total sales tax revenue collected during
1700 the preceding month under the provisions of Section 27-65-17(1)(n)
1701 shall be deposited into the School Ad Valorem Tax Reduction Fund
1702 created under Section 37-61-35 until such time that the total
1703 amount deposited into the fund during a fiscal year equals
1704 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1705 amounts diverted under this subsection (7) during the fiscal year
1706 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1707 deposited into the Education Enhancement Fund created under
1708 Section 37-61-33 for appropriation by the Legislature as other
1709 education needs and shall not be subject to the percentage
1710 appropriation requirements set forth in Section 37-61-33. On or
1711 before September 15, 2028, and each succeeding month thereafter,
1712 two and two hundred sixty-six one-thousandths percent (2.266%) of
1713 the total sales tax revenue collected during the preceding month
1714 under the provisions of this chapter, except that collected under
1715 the provisions of Section 27-65-17(1)(n) and (2), and three and
1716 ninety-seven one-hundredths percent (3.97%) of the total sales tax
1717 revenue collected during the preceding month under the provisions
1718 of Section 27-65-17(1)(n) shall be deposited into the School Ad
1719 Valorem Tax Reduction Fund created under Section 37-61-35 until



1720 such time that the total amount deposited into the fund during a
1721 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1722 Thereafter, the amounts diverted under this subsection (7) during
1723 the fiscal year in excess of Forty-two Million Dollars
1724 (\$42,000,000.00) shall be deposited into the Education Enhancement
1725 Fund created under Section 37-61-33 for appropriation by the
1726 Legislature as other education needs and shall not be subject to
1727 the percentage appropriation requirements set forth in Section
1728 37-61-33.

1729 (8) On or before August 15, 1992, and each succeeding month
1730 thereafter August 15, 2022, nine and seventy-three one-thousandths
1731 percent (9.073%) of the total sales tax revenue collected during
1732 the preceding month under the provisions of this chapter, except
1733 that collected under the provisions of Section 27-65-17(2), shall
1734 be deposited into the Education Enhancement Fund created under
1735 Section 37-61-33. On or before September 15, 2022, and each
1736 succeeding month thereafter, nine and seventy-three
1737 one-thousandths percent (9.073%) of the total sales tax revenue
1738 collected during the preceding month under the provisions of this
1739 chapter, except that collected under the provisions of Section
1740 27-65-17(1)(n) and (2), shall be deposited into the Education
1741 Enhancement Fund created under Section 37-61-33. On or before
1742 September 15, 2022, and each succeeding month thereafter through
1743 August 15, 2023, eleven and fifty-five one-hundredths percent
1744 (11.55%) of the total sales tax revenue collected during the



1745 preceding month under the provisions of Section 27-65-17(1)(n)
1746 shall be deposited into the Education Enhancement Fund created
1747 under Section 37-61-33. On or before September 15, 2023, and each
1748 succeeding month thereafter through August 15, 2024, twelve and
1749 ten one-hundredths percent (12.10%) of the total sales tax revenue
1750 collected during the preceding month under the provisions of
1751 Section 27-65-17(1)(n) shall be deposited into the Education
1752 Enhancement Fund created under Section 37-61-33. On or before
1753 September 15, 2024, and each succeeding month thereafter through
1754 August 15, 2025, twelve and seventy one-hundredths percent
1755 (12.70%) of the total sales tax revenue collected during the
1756 preceding month under the provisions of Section 27-65-17(1)(n)
1757 shall be deposited into the Education Enhancement Fund created
1758 under Section 37-61-33. On or before September 15, 2025, and each
1759 succeeding month thereafter through August 15, 2026, thirteen and
1760 thirty-seven one-hundredths percent (13.37%) of the total sales
1761 tax revenue collected during the preceding month under the
1762 provisions of Section 27-65-17(1)(n) shall be deposited into the
1763 Education Enhancement Fund created under Section 37-61-33. On or
1764 before September 15, 2026, and each succeeding month thereafter
1765 through August 15, 2027, fourteen and eleven one-hundredths
1766 percent (14.11%) of the total sales tax revenue collected during
1767 the preceding month under the provisions of Section 27-65-17(1)(n)
1768 shall be deposited into the Education Enhancement Fund created
1769 under Section 37-61-33. On or before September 15, 2027, and each



1770 succeeding month thereafter through August 15, 2028, fourteen and
1771 ninety-four one-hundredths percent (14.94%) of the total sales tax
1772 revenue collected during the preceding month under the provisions
1773 of Section 27-65-17(1)(n) shall be deposited into the Education
1774 Enhancement Fund created under Section 37-61-33. On or before
1775 September 15, 2028, and each succeeding month thereafter, fifteen
1776 and eighty-eight one-hundredths percent (15.88%) of the total
1777 sales tax revenue collected during the preceding month under the
1778 provisions of Section 27-65-17(1)(n) shall be deposited into the
1779 Education Enhancement Fund created under Section 37-61-33.

1780 (9) On or before August 15, 1994, and each succeeding month
1781 thereafter, from the revenue collected under this chapter during
1782 the preceding month, Two Hundred Fifty Thousand Dollars
1783 (\$250,000.00) shall be paid into the State Aid Road Fund.

1784 (10) On or before August 15, 1994, and each succeeding month
1785 thereafter through August 15, 1995, from the revenue collected
1786 under this chapter during the preceding month, Two Million Dollars
1787 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1788 Valorem Tax Reduction Fund established in Section 27-51-105.

1789 (11) Notwithstanding any other provision of this section to
1790 the contrary, on or before February 15, 1995, and each succeeding
1791 month thereafter, the sales tax revenue collected during the
1792 preceding month under the provisions of Section 27-65-17(2) and
1793 the corresponding levy in Section 27-65-23 on the rental or lease
1794 of private carriers of passengers and light carriers of property



1795 as defined in Section 27-51-101 shall be deposited, without
1796 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1797 established in Section 27-51-105.

1798 (12) Notwithstanding any other provision of this section to
1799 the contrary, on or before August 15, 1995, and each succeeding
1800 month thereafter, the sales tax revenue collected during the
1801 preceding month under the provisions of Section 27-65-17(1) on
1802 retail sales of private carriers of passengers and light carriers
1803 of property, as defined in Section 27-51-101 and the corresponding
1804 levy in Section 27-65-23 on the rental or lease of these vehicles,
1805 shall be deposited, after diversion, into the Motor Vehicle Ad
1806 Valorem Tax Reduction Fund established in Section 27-51-105.

1807 (13) On or before July 15, 1994, and on or before the
1808 fifteenth day of each succeeding month thereafter, that portion of
1809 the avails of the tax imposed in Section 27-65-22 that is derived
1810 from activities held on the Mississippi State Fairgrounds Complex
1811 shall be paid into a special fund that is created in the State
1812 Treasury and shall be expended upon legislative appropriation
1813 solely to defray the costs of repairs and renovation at the Trade
1814 Mart and Coliseum.

1815 (14) On or before August 15, 1998, and each succeeding month
1816 thereafter through July 15, 2005, that portion of the avails of
1817 the tax imposed in Section 27-65-23 that is derived from sales by
1818 cotton compresses or cotton warehouses and that would otherwise be
1819 paid into the General Fund shall be deposited in an amount not to



1820 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1821 created under Section 69-37-39. On or before August 15, 2007, and
1822 each succeeding month thereafter through July 15, 2010, that
1823 portion of the avails of the tax imposed in Section 27-65-23 that
1824 is derived from sales by cotton compresses or cotton warehouses
1825 and that would otherwise be paid into the General Fund shall be
1826 deposited in an amount not to exceed Two Million Dollars
1827 (\$2,000,000.00) into the special fund created under Section
1828 69-37-39 until all debts or other obligations incurred by the
1829 Certified Cotton Growers Organization under the Mississippi Boll
1830 Weevil Management Act before January 1, 2007, are satisfied in
1831 full. On or before August 15, 2010, and each succeeding month
1832 thereafter through July 15, 2011, fifty percent (50%) of that
1833 portion of the avails of the tax imposed in Section 27-65-23 that
1834 is derived from sales by cotton compresses or cotton warehouses
1835 and that would otherwise be paid into the General Fund shall be
1836 deposited into the special fund created under Section 69-37-39
1837 until such time that the total amount deposited into the fund
1838 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1839 On or before August 15, 2011, and each succeeding month
1840 thereafter, that portion of the avails of the tax imposed in
1841 Section 27-65-23 that is derived from sales by cotton compresses
1842 or cotton warehouses and that would otherwise be paid into the
1843 General Fund shall be deposited into the special fund created
1844 under Section 69-37-39 until such time that the total amount



1845 deposited into the fund during a fiscal year equals One Million
1846 Dollars (\$1,000,000.00).

1847 (15) Notwithstanding any other provision of this section to
1848 the contrary, on or before September 15, 2000, and each succeeding
1849 month thereafter, the sales tax revenue collected during the
1850 preceding month under the provisions of Section
1851 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
1852 without diversion, into the Telecommunications Ad Valorem Tax
1853 Reduction Fund established in Section 27-38-7.

1854 (16) (a) On or before August 15, 2000, and each succeeding
1855 month thereafter, the sales tax revenue collected during the
1856 preceding month under the provisions of this chapter on the gross
1857 proceeds of sales of a project as defined in Section 57-30-1 shall
1858 be deposited, after all diversions except the diversion provided
1859 for in subsection (1) of this section, into the Sales Tax
1860 Incentive Fund created in Section 57-30-3.

1861 (b) On or before August 15, 2007, and each succeeding
1862 month thereafter, eighty percent (80%) of the sales tax revenue
1863 collected during the preceding month under the provisions of this
1864 chapter from the operation of a tourism project under the
1865 provisions of Sections 57-26-1 through 57-26-5, shall be
1866 deposited, after the diversions required in subsections (7) and
1867 (8) of this section, into the Tourism Project Sales Tax Incentive
1868 Fund created in Section 57-26-3.



1869 (17) Notwithstanding any other provision of this section to
1870 the contrary, on or before April 15, 2002, and each succeeding
1871 month thereafter, the sales tax revenue collected during the
1872 preceding month under Section 27-65-23 on sales of parking
1873 services of parking garages and lots at airports shall be
1874 deposited, without diversion, into the special fund created under
1875 Section 27-5-101(d) .

1876 (18) [Repealed]

1877 (19) (a) On or before August 15, 2005, and each succeeding
1878 month thereafter, the sales tax revenue collected during the
1879 preceding month under the provisions of this chapter on the gross
1880 proceeds of sales of a business enterprise located within a
1881 redevelopment project area under the provisions of Sections
1882 57-91-1 through 57-91-11, and the revenue collected on the gross
1883 proceeds of sales from sales made to a business enterprise located
1884 in a redevelopment project area under the provisions of Sections
1885 57-91-1 through 57-91-11 (provided that such sales made to a
1886 business enterprise are made on the premises of the business
1887 enterprise), shall, except as otherwise provided in this
1888 subsection (19), be deposited, after all diversions, into the
1889 Redevelopment Project Incentive Fund as created in Section
1890 57-91-9.

1891 (b) For a municipality participating in the Economic
1892 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1893 the diversion provided for in subsection (1) of this section



1894 attributable to the gross proceeds of sales of a business
1895 enterprise located within a redevelopment project area under the
1896 provisions of Sections 57-91-1 through 57-91-11, and attributable
1897 to the gross proceeds of sales from sales made to a business
1898 enterprise located in a redevelopment project area under the
1899 provisions of Sections 57-91-1 through 57-91-11 (provided that
1900 such sales made to a business enterprise are made on the premises
1901 of the business enterprise), shall be deposited into the
1902 Redevelopment Project Incentive Fund as created in Section
1903 57-91-9, as follows:

1904 (i) For the first six (6) years in which payments
1905 are made to a developer from the Redevelopment Project Incentive
1906 Fund, one hundred percent (100%) of the diversion shall be
1907 deposited into the fund;

1908 (ii) For the seventh year in which such payments
1909 are made to a developer from the Redevelopment Project Incentive
1910 Fund, eighty percent (80%) of the diversion shall be deposited
1911 into the fund;

1912 (iii) For the eighth year in which such payments
1913 are made to a developer from the Redevelopment Project Incentive
1914 Fund, seventy percent (70%) of the diversion shall be deposited
1915 into the fund;

1916 (iv) For the ninth year in which such payments are
1917 made to a developer from the Redevelopment Project Incentive Fund,



1918 sixty percent (60%) of the diversion shall be deposited into the
1919 fund; and

1920 (v) For the tenth year in which such payments are
1921 made to a developer from the Redevelopment Project Incentive Fund,
1922 fifty percent (50%) of the funds shall be deposited into the fund.

1923 (20) On or before January 15, 2007, and each succeeding
1924 month thereafter, eighty percent (80%) of the sales tax revenue
1925 collected during the preceding month under the provisions of this
1926 chapter from the operation of a tourism project under the
1927 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1928 after the diversions required in subsections (7) and (8) of this
1929 section, into the Tourism Sales Tax Incentive Fund created in
1930 Section 57-28-3.

1931 (21) (a) On or before April 15, 2007, and each succeeding
1932 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1933 Dollars (\$150,000.00) of the sales tax revenue collected during
1934 the preceding month under the provisions of this chapter shall be
1935 deposited into the MMEIA Tax Incentive Fund created in Section
1936 57-101-3.

1937 (b) On or before July 15, 2013, and each succeeding
1938 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1939 of the sales tax revenue collected during the preceding month
1940 under the provisions of this chapter shall be deposited into the
1941 Mississippi Development Authority Job Training Grant Fund created
1942 in Section 57-1-451.



1943 (22) Notwithstanding any other provision of this section to
1944 the contrary, on or before August 15, 2009, and each succeeding
1945 month thereafter, the sales tax revenue collected during the
1946 preceding month under the provisions of Section 27-65-201 shall be
1947 deposited, without diversion, into the Motor Vehicle Ad Valorem
1948 Tax Reduction Fund established in Section 27-51-105.

1949 (23) (a) On or before August 15, 2019, and each month
1950 thereafter through July 15, 2020, one percent (1%) of the total
1951 sales tax revenue collected during the preceding month from
1952 restaurants and hotels shall be allocated for distribution to the
1953 Mississippi Development Authority Tourism Advertising Fund
1954 established under Section 57-1-64, to be used exclusively for the
1955 purpose stated therein. On or before August 15, 2020, and each
1956 month thereafter through July 15, 2021, two percent (2%) of the
1957 total sales tax revenue collected during the preceding month from
1958 restaurants and hotels shall be allocated for distribution to the
1959 Mississippi Development Authority Tourism Advertising Fund
1960 established under Section 57-1-64, to be used exclusively for the
1961 purpose stated therein. On or before August 15, 2021, and each
1962 month thereafter, three percent (3%) of the total sales tax
1963 revenue collected during the preceding month from restaurants and
1964 hotels shall be allocated for distribution to the Mississippi
1965 Development Authority Tourism Advertising Fund established under
1966 Section 57-1-64, to be used exclusively for the purpose stated



therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

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

(24) (a) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2022, and each succeeding month thereafter, (a) one-third (1/3) of the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the increases to tax rates under such sections as provided in House Bill No. , 2022 Regular Session, shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund created in Section 13 of this act, and (b) the remainder of the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the increases to tax rates under such sections as provided in House Bill No. , 2022 Regular Session, shall be deposited, without diversion, into the State Treasury to the credit of the General Fund.



1991 (b) The provisions of this subsection (24) shall
1992 supersede and control over any other provisions of this section
1993 providing for the distribution of revenue under this section.

1994 (* * *~~24~~25) The remainder of the amounts collected under
1995 the provisions of this chapter shall be paid into the State
1996 Treasury to the credit of the General Fund.

1997 (* * *~~25~~26) (a) It shall be the duty of the municipal
1998 officials of any municipality that expands its limits, or of any
1999 community that incorporates as a municipality, to notify the
2000 commissioner of that action thirty (30) days before the effective
2001 date. Failure to so notify the commissioner shall cause the
2002 municipality to forfeit the revenue that it would have been
2003 entitled to receive during this period of time when the
2004 commissioner had no knowledge of the action.

2005 (b) (i) Except as otherwise provided in subparagraph
2006 (ii) of this paragraph, if any funds have been erroneously
2007 disbursed to any municipality or any overpayment of tax is
2008 recovered by the taxpayer, the commissioner may make correction
2009 and adjust the error or overpayment with the municipality by
2010 withholding the necessary funds from any later payment to be made
2011 to the municipality.

2012 (ii) Subject to the provisions of Sections
2013 27-65-51 and 27-65-53, if any funds have been erroneously
2014 disbursed to a municipality under subsection (1) of this section
2015 for a period of three (3) years or more, the maximum amount that



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

SECTION 10. Section 27-67-31, Mississippi Code of 1972, is amended as follows:

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

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



2041 On or before the fifteenth day of each month, the amount
2042 received from taxes, damages and interest under the provisions of
2043 this article during the preceding month shall be paid and
2044 distributed as follows:

2045 (a) On or before July 15, 1994, through July 15, 2000,
2046 and each succeeding month thereafter, two and two hundred
2047 sixty-six one-thousandths percent (2.266%) of the total use tax
2048 revenue collected during the preceding month under the provisions
2049 of this article shall be deposited in the School Ad Valorem Tax
2050 Reduction Fund created pursuant to Section 37-61-35. On or before
2051 August 15, 2000, and each succeeding month thereafter, two and two
2052 hundred sixty-six one-thousandths percent (2.266%) of the total
2053 use tax revenue collected during the preceding month under the
2054 provisions of this chapter shall be deposited into the School Ad
2055 Valorem Tax Reduction Fund created under Section 37-61-35 until
2056 such time that the total amount deposited into the fund during a
2057 fiscal year equals Four Million Dollars (\$4,000,000.00).
2058 Thereafter, the amounts diverted under this paragraph (a) during
2059 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
2060 shall be deposited into the Education Enhancement Fund created
2061 under Section 37-61-33 for appropriation by the Legislature as
2062 other education needs and shall not be subject to the percentage
2063 appropriation requirements set forth in Section 37-61-33.

2064 (b) On or before July 15, 1994, and each succeeding
2065 month thereafter, nine and seventy-three one-thousandths percent



2066 (9.073%) of the total use tax revenue collected during the
2067 preceding month under the provisions of this article shall be
2068 deposited into the Education Enhancement Fund created pursuant to
2069 Section 37-61-33.

2070 (c) On or before July 15, 1997, and on or before the
2071 fifteenth day of each succeeding month thereafter, the revenue
2072 collected under the provisions of this article imposed and levied
2073 as a result of Section 27-65-17(2) and the corresponding levy in
2074 Section 27-65-23 on the rental or lease of private carriers of
2075 passengers and light carriers of property as defined in Section
2076 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2077 Reduction Fund created pursuant to Section 27-51-105.

2078 (d) On or before July 15, 1997, and on or before the
2079 fifteenth day of each succeeding month thereafter and after the
2080 deposits required by paragraphs (a) and (b) of this section are
2081 made, the remaining revenue collected under the provisions of this
2082 article imposed and levied as a result of Section 27-65-17(1) and
2083 the corresponding levy in Section 27-65-23 on the rental or lease
2084 of private carriers of passengers and light carriers of property
2085 as defined in Section 27-51-101 shall be deposited into the Motor
2086 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2087 27-51-105.

2088 (e) On or before August 15, 2019, and each succeeding
2089 month thereafter through July 15, 2020, three and three-fourths
2090 percent (3-3/4%) of the total use tax revenue collected during the



2091 preceding month under the provisions of this article shall be
2092 deposited into the special fund created in Section 27-67-35(1).
2093 On or before August 15, 2020, and each succeeding month thereafter
2094 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2095 total use tax revenue collected during the preceding month under
2096 the provisions of this article shall be deposited into the special
2097 fund created in Section 27-67-35(1). On or before August 15,
2098 2021, and each succeeding month thereafter through July 15, 2022,
2099 eleven and one-fourth percent (11-1/4%) of the total use tax
2100 revenue collected during the preceding month under the provisions
2101 of this article shall be deposited into the special fund created
2102 in Section 27-67-35(1). On or before August 15, 2022, and each
2103 succeeding month thereafter, fifteen percent (15%) of the total
2104 use tax revenue collected during the preceding month under the
2105 provisions of this article shall be deposited into the special
2106 fund created in Section 27-67-35(1).

2107 (f) On or before August 15, 2019, and each succeeding
2108 month thereafter through July 15, 2020, three and three-fourths
2109 percent (3-3/4%) of the total use tax revenue collected during the
2110 preceding month under the provisions of this article shall be
2111 deposited into the special fund created in Section 27-67-35(2).
2112 On or before August 15, 2020, and each succeeding month thereafter
2113 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2114 total use tax revenue collected during the preceding month under
2115 the provisions of this article shall be deposited into the special



2116 fund created in Section 27-67-35(2). On or before August 15,
2117 2021, and each succeeding month thereafter through July 15, 2022,
2118 eleven and one-fourth percent (11-1/4%) of the total use tax
2119 revenue collected during the preceding month under the provisions
2120 of this article shall be deposited into the special fund created
2121 in Section 27-67-35(2). On or before August 15, 2022, and each
2122 succeeding month thereafter, fifteen percent (15%) of the total
2123 use tax revenue collected during the preceding month under the
2124 provisions of this article shall be deposited into the special
2125 fund created in Section 27-67-35(2).

2126 (g) On or before August 15, 2019, and each succeeding
2127 month thereafter through July 15, 2020, Four Hundred Sixteen
2128 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2129 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2130 use tax revenue collected during the preceding month under the
2131 provisions of this article, whichever is the greater amount, shall
2132 be deposited into the Local System Bridge Replacement and
2133 Rehabilitation Fund created in Section 65-37-13. On or before
2134 August 15, 2020, and each succeeding month thereafter through July
2135 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2136 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2137 and one-half percent (2-1/2%) of the total use tax revenue
2138 collected during the preceding month under the provisions of this
2139 article, whichever is the greater amount, shall be deposited into
2140 the Local System Bridge Replacement and Rehabilitation Fund



2141 created in Section 65-37-13. On or before August 15, 2021, and
2142 each succeeding month thereafter through July 15, 2022, One
2143 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2144 three and three-fourths percent (3-3/4%) of the total use tax
2145 revenue collected during the preceding month under the provisions
2146 of this article, whichever is the greater amount, shall be
2147 deposited into the Local System Bridge Replacement and
2148 Rehabilitation Fund created in Section 65-37-13. On or before
2149 August 15, 2022, and each succeeding month thereafter, One Million
2150 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and
2151 Sixty-seven Cents (\$1,666,666.67) or five percent (5%) of the
2152 total use tax revenue collected during the preceding month under
2153 the provisions of this article, whichever is the greater amount,
2154 shall be deposited into the Local System Bridge Replacement and
2155 Rehabilitation Fund created in Section 65-37-13.

2156 (h) On or before August 15, 2020, and each succeeding
2157 month thereafter through July 15, 2022, One Million Dollars
2158 (\$1,000,000.00) of the total use tax revenue collected during the
2159 preceding month under the provisions of this article shall be
2160 deposited into the Local System Bridge Replacement and
2161 Rehabilitation Fund created in Section 65-37-13. Amounts
2162 deposited into the Local System Bridge Replacement and
2163 Rehabilitation Fund under this paragraph (h) shall be in addition
2164 to amounts deposited into the fund under paragraph (g) of this
2165 section.



2166 (i) Notwithstanding any other provision of this section
2167 to the contrary, on or before September 15, 2022, and each
2168 succeeding month thereafter, (i) one-third (1/3) of the total use
2169 tax revenue collected during the preceding month under the
2170 provisions of this article as a result of the increases to tax
2171 rates under Sections 27-65-17, 27-65-25 and 27-65-26, as provided
2172 in House Bill No. , 2022 Regular Session, shall be deposited,
2173 without diversion, into the Motor Vehicle Ad Valorem Tax Credit
2174 Reimbursement Fund created in Section 13 of this act, and (ii) the
2175 remainder of the total use tax revenue collected during the
2176 preceding month under the provisions of this article as a result
2177 of the increases to tax rates under Sections 27-65-17, 27-65-25
2178 and 27-65-26, as provided in House Bill No. , 2022 Regular
2179 Session, shall be deposited, without diversion, into the State
2180 Treasury to the credit of the General Fund.

2181 The provisions of this paragraph (i) shall supersede and
2182 control over any other provisions of this section providing for
2183 the distribution of revenue under this section.

2184 (* * *~~j~~) The remainder of the amount received from
2185 taxes, damages and interest under the provisions of this article
2186 shall be paid into the General Fund of the State Treasury by the
2187 commissioner.

2188 **SECTION 11.** Section 27-65-241, Mississippi Code of 1972, is
2189 amended as follows:



2190 27-65-241. (1) As used in this section, the following terms
2191 shall have the meanings ascribed to them in this section unless
2192 otherwise clearly indicated by the context in which they are used:

2193 (a) "Hotel" or "motel" means and includes a place of
2194 lodging that at any one time will accommodate transient guests on
2195 a daily or weekly basis and that is known to the trade as such.
2196 Such terms shall not include a place of lodging with ten (10) or
2197 less rental units.

2198 (b) "Municipality" means any municipality in the State
2199 of Mississippi with a population of one hundred fifty thousand
2200 (150,000) or more according to the most recent federal decennial
2201 census.

2202 (c) "Restaurant" means and includes all places where
2203 prepared food is sold and whose annual gross proceeds of sales or
2204 gross income for the preceding calendar year equals or exceeds One
2205 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
2206 shall not include any nonprofit organization that is exempt from
2207 federal income taxation under Section 501(c)(3) of the Internal
2208 Revenue Code. For the purpose of calculating gross proceeds of
2209 sales or gross income, the sales or income of all establishments
2210 owned, operated or controlled by the same person, persons or
2211 corporation shall be aggregated.

2212 (2) (a) Subject to the provisions of this section, the
2213 governing authorities of a municipality may impose upon all
2214 persons as a privilege for engaging or continuing in business or



2215 doing business within such municipality, a special sales tax at
2216 the rate of not more than one percent (1%) of the gross proceeds
2217 of sales or gross income of the business, as the case may be,
2218 derived from any of the activities taxed at the rate of * * *~~seven~~
2219 ~~percent (7%)~~ eight and one-half percent (8-1/2%) or more under the
2220 Mississippi Sales Tax Law, Section 27-65-1 et seq.

2221 (b) The tax levied under this section shall apply to
2222 every person making sales of tangible personal property or
2223 services within the municipality but shall not apply to:

2224 (i) Sales exempted by Sections 27-65-19,
2225 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
2226 27-65-111 of the Mississippi Sales Tax Law;

2227 (ii) Gross proceeds of sales or gross income of
2228 restaurants derived from the sale of food and beverages;

2229 (iii) Gross proceeds of sales or gross income of
2230 hotels and motels derived from the sale of hotel rooms and motel
2231 rooms for lodging purposes;

2232 (iv) Retail sales of food for human consumption
2233 not purchased with food stamps issued by the United States
2234 Department of Agriculture, or other federal agency, but which
2235 would be exempt under Section 27-65-111(o) from the taxes imposed
2236 by this chapter if the food items were purchased with food stamps;

2237 (v) Gross income of businesses engaging or
2238 continuing in the business of TV cable systems, subscription TV



2239 services, and other similar activities, including, but not limited
2240 to, cable Internet services;

2241 (vi) Wholesale sales of food and drink for human
2242 consumption sold to full service vending machine operators; and

2243 (vii) Wholesale sales of light wine, light spirit
2244 product, beer and alcoholic beverages.

2245 (3) (a) Before any tax authorized under this section may be
2246 imposed, the governing authorities of the municipality shall adopt
2247 a resolution declaring its intention to levy the tax, setting
2248 forth the amount of the tax to be imposed, the purposes for which
2249 the revenue collected pursuant to the tax levy may be used and
2250 expended, the date upon which the tax shall become effective, the
2251 date upon which the tax shall be repealed, and calling for an
2252 election to be held on the question. The date of the election
2253 shall be set in the resolution. Notice of the election shall be
2254 published once each week for at least three (3) consecutive weeks
2255 in a newspaper published or having a general circulation in the
2256 municipality, with the first publication of the notice to be made
2257 not less than twenty-one (21) days before the date fixed in the
2258 resolution for the election and the last publication to be made
2259 not more than seven (7) days before the election. At the
2260 election, all qualified electors of the municipality may vote.
2261 The ballots used at the election shall have printed thereon a
2262 brief description of the sales tax, the amount of the sales tax
2263 levy, a description of the purposes for which the tax revenue may



2264 be used and expended and the words "FOR THE LOCAL SALES TAX" and
2265 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
2266 a cross (X) or check mark (✓) opposite his choice on the
2267 proposition. When the results of the election have been canvassed
2268 by the election commissioners of the municipality and certified by
2269 them to the governing authorities, it shall be the duty of such
2270 governing authorities to determine and adjudicate whether at least
2271 three-fifths (3/5) of the qualified electors who voted in the
2272 election voted in favor of the tax. If at least three-fifths
2273 (3/5) of the qualified electors who voted in the election voted in
2274 favor of the tax, the governing authorities shall adopt a
2275 resolution declaring the levy and collection of the tax provided
2276 in this section and shall set the first day of the second month
2277 following the date of such adoption as the effective date of the
2278 tax levy. A certified copy of this resolution, together with the
2279 result of the election, shall be furnished to the Department of
2280 Revenue not less than thirty (30) days before the effective date
2281 of the levy.

2282 (b) A municipality shall not hold more than two (2)
2283 elections under this subsection.

2284 (4) The revenue collected pursuant to the tax levy imposed
2285 under this section may be expended to pay the cost of road and
2286 street repair, reconstruction and resurfacing projects based on
2287 traffic patterns, need and usage, and to pay the costs of water,



2288 sewer and drainage projects in accordance with a master plan
2289 adopted by the department established pursuant to subsection (7).

2290 (5) (a) The special sales tax authorized by this section
2291 shall be collected by the Department of Revenue, shall be
2292 accounted for separately from the amount of sales tax collected
2293 for the state in the municipality and shall be paid to the
2294 municipality. The Department of Revenue may retain one percent
2295 (1%) of the proceeds of such tax for the purpose of defraying the
2296 costs incurred by the department in the collection of the tax.
2297 Payments to the municipality shall be made by the Department of
2298 Revenue on or before the fifteenth day of the month following the
2299 month in which the tax was collected.

2300 (b) The proceeds of the special sales tax shall be
2301 placed into a special municipal fund apart from the municipal
2302 general fund and any other funds of the municipality, and shall be
2303 expended by the municipality solely for the purposes authorized in
2304 subsection (4) of this section. The records reflecting the
2305 receipts and expenditures of the revenue from the special sales
2306 tax shall be audited annually by an independent certified public
2307 accountant. The accountant shall make a report of his findings to
2308 the governing authorities of the municipality and file a copy of
2309 his report with the Secretary of the Senate and the Clerk of the
2310 House of Representatives. The audit shall be made and completed
2311 as soon as practical after the close of the fiscal year of the



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

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

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



2337 special sales tax in the annexed area unless the tax is approved
2338 at an election conducted, as far as is practicable, in the manner
2339 provided in subsection (3) of this section, except that only
2340 qualified electors in the annexed area may vote in the election.

2341 (7) (a) Any municipality that levies the special sales tax
2342 authorized under this section shall establish a commission as
2343 provided for in this section. Expenditures of revenue from the
2344 special sales tax authorized by this section shall be in
2345 accordance with a master plan adopted by the commission pursuant
2346 to this subsection.

2347 (b) The commission shall be composed of ten (10) voting
2348 members who shall be known as commissioners appointed as follows:

2349 (i) Four (4) members representing the business
2350 community in the municipality appointed by the local chamber of
2351 commerce for initial terms of one (1), two (2), four (4) and five
2352 (5) years respectively. The members appointed pursuant to this
2353 paragraph shall be persons who represent businesses located within
2354 the city limits of the municipality.

2355 (ii) Three (3) members shall be appointed at large
2356 by the mayor of the municipality, with the advice and consent of
2357 the legislative body of the municipality, for initial terms of two
2358 (2), three (3) and four (4) years respectively. All appointments
2359 made by the mayor pursuant to this paragraph shall be residents of
2360 the municipality.



2361 (iii) One (1) member shall be appointed at large
2362 by the Governor for an initial term of four (4) years. All
2363 appointments made by the Governor pursuant to this paragraph shall
2364 be residents of the municipality.

2365 (iv) One (1) member shall be appointed at large by
2366 the Lieutenant Governor for an initial term of four (4) years.
2367 All appointments made by the Lieutenant Governor pursuant to this
2368 paragraph shall be residents of the municipality.

2369 (v) One (1) member shall be appointed at large by
2370 the Speaker of the House of Representatives for a term of four (4)
2371 years. All appointments made by the Speaker of the House of
2372 Representatives pursuant to this paragraph shall be residents of
2373 the municipality.

2374 (c) The terms of all appointments made subsequent to
2375 the initial appointment shall be made for five (5) years. Any
2376 vacancy which may occur shall be filled in the same manner as the
2377 original appointment and shall be made for the unexpired term.
2378 Each member of the commission shall serve until his successor is
2379 appointed and qualified.

2380 (d) The mayor of the municipality shall designate a
2381 chairman of the commission from among the membership of the
2382 commission. The vice chairman and secretary shall be elected by
2383 the commission from among the membership of the commission for a
2384 term of two (2) years. The vice chairman and secretary may be
2385 reelected, and the chairman may be reappointed.



2386 (e) The commissioners shall serve without compensation.

2387 (f) Any commissioner shall be disqualified and shall be
2388 removed from office for either of the following reasons:

2389 (i) Conviction of a felony in any state court or
2390 in federal court; or

2391 (ii) Failure to attend three (3) consecutive
2392 meetings without just cause.

2393 If a commissioner is removed for any of the above reasons,
2394 the vacancy shall be filled in the manner prescribed in this
2395 section and shall be made for the unexpired term.

2396 (g) A quorum shall consist of six (6) voting members of
2397 the commission. The commission shall adopt such rules and
2398 regulations as may govern the time and place for holding meetings,
2399 regular and special.

2400 (h) The commission shall, with input from the
2401 municipality, establish a master plan for road and street repair,
2402 reconstruction and resurfacing projects based on traffic patterns,
2403 need and usage, and for water, sewer and drainage projects.
2404 Expenditures of the revenue from the tax authorized to be imposed
2405 pursuant to this section shall be made at the discretion of the
2406 governing authorities of the municipality if the expenditures
2407 comply with the master plan. The commission shall monitor the
2408 compliance of the municipality with the master plan.

2409 (8) The governing authorities of any municipality that
2410 levies the special sales tax authorized under this section are



2411 authorized to incur debt, including bonds, notes or other
2412 evidences of indebtedness, for the purpose of paying the costs of
2413 road and street repair, reconstruction and resurfacing projects
2414 based on traffic patterns, need and usage, and to pay the costs of
2415 water, sewer and drainage projects in accordance with a master
2416 plan adopted by the commission established pursuant to subsection
2417 (7) of this section. Any bonds or notes issued to pay such costs
2418 may be secured by the proceeds of the special sales tax levied
2419 pursuant to this section or may be general obligations of the
2420 municipality and shall satisfy the requirements for the issuance
2421 of debt provided by Sections 21-33-313 through 21-33-323.

2422 (9) This section shall stand repealed from and after July 1,
2423 2035.

2424 **SECTION 12.** Section 27-7-5, Mississippi Code of 1972, is
2425 amended as follows:

2426 **[Until January 1 of the next succeeding year after the date**
2427 **that the Commissioner of Revenue certifies that the reduction in**
2428 **revenue mandated by Section 27-7-21(p)(i) equals or exceeds the**
2429 **remaining revenue produced by the individual income tax, this**
2430 **section shall read as follows:]**

2431 27-7-5. (1) There is hereby assessed and levied, to be
2432 collected and paid as hereinafter provided, for the calendar year
2433 1983 and fiscal years ending during the calendar year 1983 and all
2434 taxable years thereafter, upon the entire net income of every



2435 resident individual, corporation, association, trust or estate, in
2436 excess of the credits provided, a tax at the following rates:

2437 (a) (i) Through calendar year 2017, on the first Five
2438 Thousand Dollars (\$5,000.00) of taxable income, or any part
2439 thereof, the rate shall be three percent (3%);

2440 (ii) For calendar year 2018, on the first One
2441 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2442 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2443 taxable income, or any part thereof, the rate shall be three
2444 percent (3%);

2445 (iii) For calendar year 2019, on the first Two
2446 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2447 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2448 taxable income, or any part thereof, the rate shall be three
2449 percent (3%);

2450 (iv) For calendar year 2020, on the first Three
2451 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2452 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2453 taxable income, or any part thereof, the rate shall be three
2454 percent (3%);

2455 (v) For calendar year 2021, on the first Four
2456 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2457 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2458 taxable income, or any part thereof, the rate shall be three
2459 percent (3%);



2460 (vi) For calendar year 2022 and all taxable years
2461 thereafter, there shall be no tax levied on the first Five
2462 Thousand Dollars (\$5,000.00) of taxable income;

2463 (b) On taxable income in excess of Five Thousand
2464 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2465 (\$10,000.00), or any part thereof, the rate shall be four percent
2466 (4%); and

2467 (c) On all taxable income in excess of Ten Thousand
2468 Dollars (\$10,000.00), the rate shall be five percent (5%).

2469 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2470 shall not be subject to the income tax imposed under this section.

2471 (3) A like tax is hereby imposed to be assessed, collected
2472 and paid annually, except as hereinafter provided, at the rate
2473 specified in this section and as hereinafter provided, upon and
2474 with respect to the entire net income, from all property owned or
2475 sold, and from every business, trade or occupation carried on in
2476 this state by individuals, corporations, partnerships, trusts or
2477 estates, not residents of the State of Mississippi.

2478 (4) In the case of taxpayers having a fiscal year beginning
2479 in a calendar year with a rate in effect that is different than
2480 the rate in effect for the next calendar year and ending in the
2481 next calendar year, the tax due for that taxable year shall be
2482 determined by:



2483 (a) Computing for the full fiscal year the amount of
2484 tax that would be due under the rates in effect for the calendar
2485 year in which the fiscal year begins; and

2486 (b) Computing for the full fiscal year the amount of
2487 tax that would be due under the rates in effect for the calendar
2488 year in which the fiscal year ends; and

2489 (c) Applying to the tax computed under paragraph (a)
2490 the ratio which the number of months falling within the earlier
2491 calendar year bears to the total number of months in the fiscal
2492 year; and

2493 (d) Applying to the tax computed under paragraph (b)
2494 the ratio which the number of months falling within the later
2495 calendar year bears to the total number of months within the
2496 fiscal year; and

2497 (e) Adding to the tax determined under paragraph (c)
2498 the tax determined under paragraph (d) the sum of which shall be
2499 the amount of tax due for the fiscal year.

2500 **[From and after January 1 of the next succeeding year after**
2501 **the date that the Commissioner of Revenue certifies that the**
2502 **reduction in revenue mandated by Section 27-7-21(p) (i) equals or**
2503 **exceeds the remaining revenue produced by the individual income**
2504 **tax, the individual income tax shall stand repealed and this**
2505 **section shall read as follows:]**

2506 27-7-5. (1) There is hereby assessed and levied, to be
2507 collected and paid as hereinafter provided, for the calendar year



2508 1983 and fiscal years ending during the calendar year 1983 and all
2509 taxable years thereafter, upon the entire net income of every
2510 resident * * *~~individual~~, corporation, association, trust or
2511 estate, in excess of the credits provided, a tax at the following
2512 rates:

2513 (a) (i) Through calendar year 2017, on the first Five
2514 Thousand Dollars (\$5,000.00) of taxable income, or any part
2515 thereof, the rate shall be three percent (3%);

2516 (ii) For calendar year 2018, on the first One
2517 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2518 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2519 taxable income, or any part thereof, the rate shall be three
2520 percent (3%);

2521 (iii) For calendar year 2019, on the first Two
2522 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2523 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2524 taxable income, or any part thereof, the rate shall be three
2525 percent (3%);

2526 (iv) For calendar year 2020, on the first Three
2527 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2528 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2529 taxable income, or any part thereof, the rate shall be three
2530 percent (3%);

2531 (v) For calendar year 2021, on the first Four
2532 Thousand Dollars (\$4,000.00) of taxable income there shall be no



2533 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2534 taxable income, or any part thereof, the rate shall be three
2535 percent (3%);

2536 (vi) For calendar year 2022 and all taxable years
2537 thereafter, there shall be no tax levied on the first Five
2538 Thousand Dollars (\$5,000.00) of taxable income;

2539 (b) On taxable income in excess of Five Thousand
2540 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2541 (\$10,000.00), or any part thereof, the rate shall be four percent
2542 (4%); and

2543 (c) On all taxable income in excess of Ten Thousand
2544 Dollars (\$10,000.00), the rate shall be five percent (5%).

2545 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2546 shall not be subject to the income tax imposed under this section.

2547 (3) A like tax is hereby imposed to be assessed, collected
2548 and paid annually, except as hereinafter provided, at the rate
2549 specified in this section and as hereinafter provided, upon and
2550 with respect to the entire net income, from all property owned or
2551 sold, and from every business, trade or occupation carried on in
2552 this state by * * *~~individuals~~, corporations, partnerships, trusts
2553 or estates, not residents of the State of Mississippi.

2554 (4) In the case of taxpayers having a fiscal year beginning
2555 in a calendar year with a rate in effect that is different than
2556 the rate in effect for the next calendar year and ending in the



2557 next calendar year, the tax due for that taxable year shall be
2558 determined by:

2559 (a) Computing for the full fiscal year the amount of
2560 tax that would be due under the rates in effect for the calendar
2561 year in which the fiscal year begins; and

2562 (b) Computing for the full fiscal year the amount of
2563 tax that would be due under the rates in effect for the calendar
2564 year in which the fiscal year ends; and

2565 (c) Applying to the tax computed under paragraph (a)
2566 the ratio which the number of months falling within the earlier
2567 calendar year bears to the total number of months in the fiscal
2568 year; and

2569 (d) Applying to the tax computed under paragraph (b)
2570 the ratio which the number of months falling within the later
2571 calendar year bears to the total number of months within the
2572 fiscal year; and

2573 (e) Adding to the tax determined under paragraph (c)
2574 the tax determined under paragraph (d) the sum of which shall be
2575 the amount of tax due for the fiscal year.

2576 **SECTION 13.** (1) As used in this section, the following
2577 words and phrases shall have the meanings as defined herein unless
2578 the context clearly requires otherwise:

2579 (a) "Department" means the Department of Revenue.

2580 (b) "Local taxing district" means and has the same
2581 definition as such term has in Section 27-51-101.



2582 (c) "Motor vehicle" means and has the same definition
2583 as such term has in Section 27-19-3.

2584 (2) From and after January 1, 2023, a taxpayer shall be
2585 allowed a credit against motor vehicle ad valorem taxes due under
2586 Chapter 51, Title 27, Mississippi Code of 1972, on any motor
2587 vehicle owned by the taxpayer upon which the taxpayer is required
2588 to pay the annual highway privilege tax levied in Chapter 19,
2589 Title 27, Mississippi Code of 1972. The ad valorem tax credit
2590 authorized in this subsection is in addition to the ad valorem tax
2591 credit authorized in Section 27-51-103. The amount of the ad
2592 valorem tax credit authorized in this subsection shall be equal to
2593 fifty percent (50%) of the amount of ad valorem taxes due on the
2594 motor vehicle after the application of the ad valorem tax credit
2595 authorized in Section 27-51-103.

2596 (3) (a) There is created in the State Treasury a special
2597 fund to be known as the Motor Vehicle Ad Valorem Tax Credit
2598 Reimbursement Fund, into which shall be deposited monies as
2599 provided in Sections 27-65-75(24) and 27-67-31(i) and monies from
2600 any other source designated for deposit into such fund. The
2601 monies in the fund shall be used for the purpose of making
2602 payments to counties for the reduction in motor vehicle ad valorem
2603 tax revenues incurred by local taxing districts in the county as a
2604 result of the ad valorem tax credit for motor vehicles provided
2605 for in subsection (2) of this section.



2606 (b) The Motor Vehicle Ad Valorem Tax Credit
2607 Reimbursement Fund shall be administered by the department, and
2608 monies in the fund shall be expended upon appropriation by the
2609 Legislature. Unexpended amounts remaining in the fund at the end
2610 of a state fiscal year shall not lapse into the State General
2611 Fund, and any interest earned on amounts in the fund shall be
2612 deposited to the credit of the fund.

2613 (4) (a) On or before February 10, 2023, and the tenth day
2614 of each succeeding month thereafter, the department shall make
2615 payments from the Motor Vehicle Ad Valorem Tax Credit
2616 Reimbursement Fund to the county tax collectors for distribution
2617 to the local taxing districts as reimbursement for motor vehicle
2618 ad valorem taxes that are lost during the preceding month as a
2619 result of the ad valorem tax credit for motor vehicles provided
2620 for in subsection (2) of this section.

2621 (b) On or before the twentieth day of the month that
2622 the payments from the department under this subsection are
2623 received, the county tax collectors shall remit the appropriate
2624 amount of such payments to the local taxing districts for which
2625 the county tax collector collects motor vehicle ad valorem taxes.
2626 When an ad valorem tax credit that is allowed to a taxpayer is not
2627 paid by the department in the payment for the month in which such
2628 credit is allowed, the tax collector shall remit the payment for
2629 such credit to the local taxing authority on or before the



2630 twentieth day of the month that payment for such credit is
2631 received from the department.

2632 (c) Funds received by local taxing districts from the
2633 payments under this subsection shall be considered to be, and
2634 shall be used in the same manner as, the proceeds of motor vehicle
2635 ad valorem taxes.

2636 (5) Each receipt for motor vehicle ad valorem taxes shall
2637 clearly indicate that the credit provided for by this section is
2638 granted as a result of legislative action.

2639 (6) The department shall have all powers necessary to
2640 implement and administer the provisions of this section, and the
2641 department shall promulgate rules and regulations, in accordance
2642 with the Mississippi Administrative Procedures Law, necessary for
2643 the implementation of this section.

2644 **SECTION 14.** Section 27-7-3, Mississippi Code of 1972, is
2645 brought forward as follows:

2646 27-7-3. When used in this article:

2647 (a) "Taxpayer" includes any individual, partnership,
2648 corporation, association, trust or estate, subject to a tax
2649 imposed hereunder, or whose income is, in whole or in part,
2650 subject to a tax imposed hereunder.

2651 (b) "Domestic," when applied to any corporation or
2652 association, including partnerships, means created or organized in
2653 the State of Mississippi.



2654 (c) "Foreign," when applied to any corporation or
2655 association, including partnerships, means created or organized
2656 outside the State of Mississippi.

2657 (d) "Fiduciary" means a guardian, trustee, executor,
2658 administrator, receiver, conservator, or any person, whether
2659 individual or corporate, acting in any fiduciary capacity, for any
2660 person, trust, or estate.

2661 (e) "Resident" means a natural person and includes, for
2662 the purpose of determining liability for the tax imposed by this
2663 article upon or with reference to the income of any taxable year,
2664 any person domiciled in the State of Mississippi and any other
2665 person who maintains a legal or actual residence within the state.

2666 (f) "Nonresident," when used in connection with this
2667 article, shall apply to any natural person whose domicile and
2668 place of abode is without the State of Mississippi.

2669 (g) "Foreign country" or "foreign government" means any
2670 jurisdiction other than the one embraced within the United States.
2671 The words "United States" includes the states, the District of
2672 Columbia, and the territorial possessions of the United States.

2673 (h) "State Tax Commission" or "Tax Commission" means
2674 the Department of Revenue. "Commission" or "department" also
2675 means the Department of Revenue except where such words are
2676 specifically given other meanings.

2677 (i) "Commissioner," "Chairman of the Mississippi State
2678 Tax Commission," "Chairman of the State Tax Commission," "chairman



2679 of the commission" or "chairman" means the Commissioner of Revenue
2680 of the Department of Revenue.

2681 (j) "Taxable year" means the calendar year, or fiscal
2682 year ending during such calendar year, upon the basis of which the
2683 net income is computed hereunder. "Fiscal year" means an
2684 accounting period of twelve (12) months, ending on the last day of
2685 any month other than December.

2686 (k) "Paid or accrued" means paid or accrued, or paid or
2687 incurred, and these terms, "paid or incurred" or "paid or
2688 accrued," shall be construed according to the method of accounting
2689 or the basis on which the net income is computed. The term
2690 "received for the purpose of computation of net income" means
2691 received or accrued, and the term "received or accrued" shall be
2692 construed according to the method of accounting or the basis on
2693 which the net income is computed.

2694 (l) "Dividend" means any distribution made by a
2695 corporation, association, trust or estate, to its shareholders or
2696 members, whether in cash, other property, or its own stock.

2697 **SECTION 15.** Section 27-7-27, Mississippi Code of 1972, is
2698 brought forward as follows:

2699 27-7-27. (1) The tax imposed under the income tax laws of
2700 the State of Mississippi shall apply to the income of estates of
2701 any kind or property held in trust except:

2702 (a) That a trust forming part of a pension plan, stock
2703 bonus plan, disability or death benefit plan or profit-sharing



2704 plan of an employer for the exclusive benefit of some or all of
2705 his or its employees, or their beneficiaries, to which
2706 contributions are made by such employer, or employees, or both,
2707 for the purpose of distributing to such employees, or their
2708 beneficiaries, the earnings and principal of the fund accumulated
2709 by the trust in accordance with such plan, shall not be taxable
2710 under the income tax laws of the State of Mississippi provided
2711 that the trust is irrevocable and no part of the trust corpus or
2712 income can be used for purposes other than for the exclusive
2713 benefit of employees, or their beneficiaries; but any amount
2714 actually distributed or made available to any distributee shall be
2715 taxable to him in the year in which so distributed or made
2716 available to the extent that it exceeds amounts paid in by him.

2717 (b) That all trusts of real or personal property, or
2718 real and personal property combined, created under a retirement
2719 plan for which provision has been made under the laws of the
2720 United States of America exempting such trust from federal income
2721 tax, shall be exempt from income taxation by the State of
2722 Mississippi.

2723 (2) Notwithstanding the provisions of subsection (1) of this
2724 section, a taxpayer shall include any Mississippi unrelated
2725 business taxable income in computing its taxable income under this
2726 chapter. As used in this subsection "Mississippi unrelated
2727 business taxable income" includes:



2728 (a) "Unrelated business taxable income" as defined
2729 under the provisions of the Internal Revenue Code, as amended, and
2730 not otherwise inconsistent with other provisions of this chapter,
2731 and

2732 (b) Any income attributable to an ownership interest in
2733 an S corporation.

2734 (3) A trust required to include the activity of a
2735 disregarded entity for federal income tax purposes shall do
2736 likewise for the purpose of computing income for this state.

2737 (4) Except as otherwise provided in this section, the gross
2738 and net income shall be determined in the same manner as is
2739 provided by law for any other taxpayer.

2740 **SECTION 16.** Section 27-7-22.5, Mississippi Code of 1972, is
2741 brought forward as follows:

2742 27-7-22.5. (1) (a) For any manufacturer, distributor,
2743 wholesale or retail merchant who pays to a county, municipality,
2744 school district, levee district or any other taxing authority of
2745 the state or a political subdivision thereof, ad valorem taxes
2746 imposed on commodities, raw materials, works-in-process, products,
2747 goods, wares and merchandise held for resale, a credit against the
2748 income taxes imposed under this chapter shall be allowed for the
2749 portion of the ad valorem taxes so paid in the amounts prescribed
2750 in subsection (2).

2751 (b) (i) For any person, firm or corporation who pays
2752 to a county, municipality, school district, levee district or any



2753 other taxing authority of the state or a political subdivision
2754 thereof, ad valorem taxes imposed on rental equipment, a credit
2755 against the income taxes imposed under this chapter shall be
2756 allowed for the portion of the ad valorem taxes so paid in the
2757 amounts prescribed in subsection (2).

2758 (ii) As used in this paragraph, "rental equipment"
2759 means any rental equipment or other rental items which are held
2760 for short-term rental to the public:

- 2761 1. Under rental agreements with no specific
2762 term;
- 2763 2. Under at-will or open-ended agreements; or
- 2764 3. Under rental agreements with terms
2765 ordinarily of less than three hundred sixty-five (365) days; and
- 2766 4. Is not subject to privilege taxes imposed
2767 in Chapter 19, Title 27, Mississippi Code of 1972.

2768 (2) The tax credit allowed by this section shall not exceed
2769 the amounts set forth in paragraphs (a) through (g) of this
2770 subsection; and may be claimed for each location where such
2771 commodities, raw material, works-in-process, products, goods,
2772 wares, merchandise and/or rental equipment are found and upon
2773 which the ad valorem taxes have been paid. Any tax credit claimed
2774 under this section but not used in any taxable year may be carried
2775 forward for five (5) consecutive years from the close of the tax
2776 year in which the credit was earned.



2777 (a) For the 1994 taxable year, the tax credit for each
2778 location of the taxpayer shall not exceed the lesser of Two
2779 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
2780 State of Mississippi that are attributable to such location.

2781 (b) For the 1995 taxable year, the tax credit for each
2782 location of the taxpayer shall not exceed the lesser of Three
2783 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
2784 State of Mississippi that are attributable to such location.

2785 (c) For the 1996 taxable year, the tax credit for each
2786 location of the taxpayer shall not exceed the lesser of Four
2787 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
2788 State of Mississippi that are attributable to such location.

2789 (d) For the 1997 taxable year and each taxable year
2790 thereafter through taxable year 2013, the tax credit for each
2791 location of the taxpayer shall not exceed the lesser of Five
2792 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
2793 State of Mississippi that are attributable to such location.

2794 (e) For the 2014 taxable year, the tax credit for each
2795 location of the taxpayer shall not exceed the lesser of Ten
2796 Thousand Dollars (\$10,000.00) or the amount of income taxes due
2797 the State of Mississippi that are attributable to such location.

2798 (f) For the 2015 taxable year, the tax credit for each
2799 location of the taxpayer shall not exceed the lesser of Fifteen
2800 Thousand Dollars (\$15,000.00) or the amount of income taxes due
2801 the State of Mississippi that are attributable to such location.



2802 (g) For the 2016 taxable year and each taxable year
2803 thereafter, the tax credit of the taxpayer shall be the lesser of
2804 the amount of the ad valorem taxes described in subsection (1)
2805 paid or the amount of income taxes due the State of Mississippi
2806 that are attributable to such location.

2807 (3) Any amount of ad valorem taxes paid by a taxpayer that
2808 is applied toward the tax credit allowed in this section may not
2809 be used as a deduction by the taxpayer for state income tax
2810 purposes. In the case of a taxpayer that is a partnership,
2811 limited liability company or S corporation, the credit may be
2812 applied only to the tax attributable to partnership, limited
2813 liability company or S corporation income derived from the
2814 taxpayer.

2815 **SECTION 17.** Section 27-7-22.15, Mississippi Code of 1972, is
2816 brought forward as follows:

2817 27-7-22.15. (1) As used in this section, the following
2818 words and phrases shall have the meanings ascribed to herein
2819 unless the context clearly indicates otherwise:

2820 (a) "Approved reforestation practices" means the
2821 following practices for establishing a crop of trees suitable for
2822 manufacturing into forest products:

2823 (i) "Pine and hardwood tree planting practices"
2824 including the cost of seedlings, planting by hand or machine, and
2825 site preparation.



2826 (ii) "Mixed-stand regeneration practices" to
2827 establish a mixed-crop of pine and hardwood trees by planting or
2828 direct seeding, or both, including the cost of seedlings,
2829 seed/acorns, planting, seeding and site preparation.

2830 (iii) "Direct seeding practices" to establish a
2831 crop of pine or oak trees by directly applying seed/acorns to the
2832 site including the cost of seed/acorns, seeding and site
2833 preparation.

2834 (iv) "Post-planting site preparation practices" to
2835 reduce or control undesirable competition within the first growing
2836 season of an established crop of trees.

2837 Approved reforestation practices shall not include the
2838 establishment of orchards, Christmas trees or ornamental trees.

2839 (b) "Eligible tree species" means pine and hardwood
2840 commercial tree species suitable for manufacturing into forest
2841 products.

2842 (c) "Cost-share assistance" means partial financial
2843 payment for approved reforestation practices from the state
2844 government as authorized under Sections 49-19-201 through
2845 49-19-227, or the federal government.

2846 (d) "Eligible owner" means a private individual, group
2847 or association, but the term shall not mean private corporations
2848 which manufacture products or provide public utility services of
2849 any type or any subsidiary of such corporations.



2850 (e) "Eligible lands" means nonindustrial private lands
2851 owned by a private individual, group or association, but shall not
2852 mean lands owned by private corporations which manufacture
2853 products or provide public utility services of any type or any
2854 subsidiary of such corporations.

2855 (f) "Reforestation prescription or plan" means a
2856 written description of the approved reforestation practices that
2857 the eligible owner plans to use and includes a legal description
2858 and map of the area to be reforested, a list of the tree seedling
2859 or seed species to be used in the reforestation and the site
2860 preparation practices that will be utilized.

2861 (2) Subject to the limitations provided in subsection (3) of
2862 this section, upon submission to the State Tax Commission of the
2863 written verification provided for in subsection (5) of this
2864 section and such other documentation as the State Tax Commission
2865 may require, any eligible owner who incurs costs for approved
2866 reforestation practices for eligible tree species on eligible
2867 lands shall be allowed a credit, in an amount equal to the lesser
2868 of fifty percent (50%) of the actual costs of the approved
2869 reforestation practices or fifty percent (50%) of the average cost
2870 of approved practices as established by the Mississippi Forestry
2871 Commission under Section 49-19-219, against the taxes imposed
2872 pursuant to this chapter for the tax year in which the costs are
2873 incurred.



2874 (3) The maximum amount of the credit provided for in
2875 subsection (2) of this section that may be utilized in any one (1)
2876 taxable year shall not exceed the lesser of Ten Thousand Dollars
2877 (\$10,000.00) or the amount of income tax imposed upon the eligible
2878 owner for the taxable year reduced by the sum of all other credits
2879 allowable to the eligible owner under this chapter, except credit
2880 for tax payments made by or on behalf of the eligible owner. Any
2881 unused portion of the credit may be carried forward for succeeding
2882 tax years. The maximum dollar amount of the credit provided for
2883 in subsection (2) of this section that an eligible owner may
2884 utilize during his lifetime shall be Seventy-five Thousand Dollars
2885 (\$75,000.00) in the aggregate.

2886 (4) If an eligible owner receives any state or federal cost
2887 share assistance funds to defray the cost of an approved
2888 reforestation practice, the cost of that practice on the same acre
2889 or acres within the same tax year is not eligible for the credit
2890 provided in this section unless the eligible owner's adjusted
2891 gross income is less than the federal earned income credit level.

2892 (5) To be eligible for the tax credit, an eligible owner
2893 must have a reforestation prescription or plan prepared for the
2894 eligible lands by a graduate forester of a college, school or
2895 university accredited by the Society of American Foresters or by a
2896 registered forester under the Foresters Registration Law of 1977.
2897 The forester must verify in writing that the reforestation



2898 practices were completed and that the reforestation prescription
2899 or plan was followed.

2900 **SECTION 18.** Section 27-7-22.21, Mississippi Code of 1972, is
2901 brought forward as follows:

2902 27-7-22.21. (1) As used in this section, the following
2903 words and phrases shall have the following meanings, unless the
2904 context clearly indicates otherwise:

2905 (a) "Eligible land" means nonindustrial private lands
2906 in the state that are adjacent to and along a stream which is
2907 fully nominated to the Mississippi Scenic Streams Stewardship
2908 Program, or nonindustrial private lands in the state which are
2909 considered to be priority sites for conservation under the
2910 Mississippi Natural Heritage Program.

2911 (b) "Eligible owner" means a private individual, group
2912 or association other than a private corporation, or any subsidiary
2913 thereof, which manufactures products or provides public utility
2914 services of any type.

2915 (c) "Interest in land" means any right in real
2916 property, including access thereto or improvements thereon, or
2917 water, including, but not limited to, a fee simple easement, a
2918 conservation easement, provided such interest complies with the
2919 requirements of the United States Internal Revenue Code Section
2920 170(h), partial interest, mineral right, remainder or future
2921 interest, or other interest or right in real property.



2922 (d) "Land" or "lands" means real property, with or
2923 without improvements thereon, rights-of-way, water and riparian
2924 rights, easements, privileges and all other rights or interests of
2925 any land or description in, relating to, or connected with real
2926 property.

2927 (e) "Allowable transaction costs" mean the costs of the
2928 appraisal of the lands or interests in lands, including
2929 conservation easements, that are being donated, of the baseline
2930 survey of the natural features, animals and plants present on the
2931 site, of engineering and surveying fees, of maintenance fees, of
2932 monitoring fees and of legal fees, including the costs of document
2933 preparation, title review and title insurance.

2934 (f) "Specified conservation purposes" mean the
2935 preservation of stream bank habitats and the stability of stream
2936 banks, or the protection of land necessary because of high
2937 biodiversity significance or high protection urgency due to the
2938 presence of exemplary natural communities or species of special
2939 concern, including threatened or endangered species.

2940 (2) For the taxable years beginning on or after January 1,
2941 2003, for any income taxpayer who is an eligible owner, a credit
2942 against the taxes imposed by this chapter shall be allowed in the
2943 amounts provided in this section upon the donation of land or an
2944 interest in land for specified conservation purposes.

2945 (3) The credit provided for in this section shall be fifty
2946 percent (50%) of the allowable transaction costs involved in the



2947 donation for the tax year in which the allowable transaction costs
2948 occur. The aggregate amount of the credit provided in this
2949 section for allowable transaction costs shall not exceed the
2950 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
2951 imposed upon the taxpayer for the taxable year reduced by the sum
2952 of all other credits allowable to such taxpayer under this
2953 chapter, except credit for tax payments made by or on behalf of
2954 the taxpayer. Any unused portion of the credit may be carried
2955 forward for ten (10) succeeding tax years. The maximum dollar
2956 amount of the credit provided for in this section that an eligible
2957 owner may utilize during his lifetime shall be Ten Thousand
2958 Dollars (\$10,000.00) in the aggregate.

2959 (4) To be eligible for the credit provided for in this
2960 section, an eligible owner must demonstrate that the donation
2961 qualifies as a conservation contribution under Section 170(h) of
2962 the United States Internal Revenue Code of 1986, by means of being
2963 a donation in perpetuity, for conservation purposes and made to a
2964 qualified holder or donee. A letter from the donee indicating
2965 acceptance and a completed copy of the appropriate United States
2966 Internal Revenue Service form shall constitute proof of
2967 acceptance. The eligible owner also must submit any other
2968 documentation that the State Tax Commission may require.

2969 **SECTION 19.** Section 27-7-22.22, Mississippi Code of 1972, is
2970 brought forward as follows:



2971 27-7-22.22. (1) A credit is allowed against the taxes
2972 imposed by this chapter to a taxpayer for allowing land owned by
2973 the taxpayer to be used as a natural area preserve, a wildlife
2974 refuge or habitat area, a wildlife management area, or for the
2975 purpose of providing public outdoor recreational opportunities, as
2976 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
2977 the following conditions and limitations:

2978 (a) The land may not be under lease to the Mississippi
2979 Commission on Wildlife, Fisheries and Parks, and the commission
2980 must approve the land as being suitable for the uses described in
2981 this section.

2982 (b) The amount of the tax credit allowed by this
2983 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
2984 land in each taxable year.

2985 (c) In no event shall the amount of the tax credits
2986 allowed by this section for a taxable year exceed the taxpayer's
2987 liability for those taxes. Any unused credit amount shall be
2988 allowed to be carried forward for five (5) years from the close of
2989 the taxable year in which the land was approved for such a use.
2990 No such credit shall be allowed the taxpayer against prior years'
2991 tax liability.

2992 (2) To claim a credit allowed by this section, the taxpayer
2993 shall provide any information required by the Mississippi
2994 Commission on Wildlife, Fisheries and Parks or the Mississippi
2995 Commissioner of Revenue. Every taxpayer claiming a credit under



2996 this section shall maintain and make available for inspection by
2997 the Mississippi Commission on Wildlife, Fisheries and Parks or the
2998 Mississippi Commissioner of Revenue any records that either entity
2999 considers necessary to determine and verify the amount of the
3000 credit to which the taxpayer is entitled. The burden of proving
3001 eligibility for a credit and the amount of the credit rests upon
3002 the taxpayer, and no credit may be allowed to a taxpayer that
3003 fails to maintain adequate records or to make them available for
3004 inspection.

3005 (3) Upon approval of the Commission on Wildlife, Fisheries
3006 and Parks under subsection (1)(a), a taxpayer seeking to claim any
3007 tax credit provided for under this section must submit an
3008 application to the Mississippi Commissioner of Revenue for
3009 approval of the tax credit. The Mississippi Commissioner of
3010 Revenue shall promulgate the rules and forms on which the
3011 application is to be submitted. The Mississippi Commissioner of
3012 Revenue shall review the application and may approve such
3013 application upon determining that it meets the requirements of
3014 this section within sixty (60) days after receiving the
3015 application.

3016 **SECTION 20.** Section 27-7-22.31, Mississippi Code of 1972, is
3017 amended as follows:

3018 27-7-22.31. (1) As used in this section:

3019 (a) "Certified historic structure" means a property
3020 located in Mississippi that has been:



3021 (i) Listed individually on the National Register
3022 of Historic Places; or

3023 (ii) Determined eligible for the National Register
3024 of Historic Places by the Secretary of the United States
3025 Department of the Interior and will be listed within thirty (30)
3026 months of claiming the rebate or credit authorized by this
3027 section; or

3028 (iii) Property designated a Mississippi Landmark
3029 by the Department of Archives and History pursuant to Section
3030 39-7-3 et seq.

3031 (b) "Eligible property" means property located in
3032 Mississippi and offered or used for residential or business
3033 purposes.

3034 (c) "Structure in a certified historic district" means
3035 a structure (and its structural components) located in Mississippi
3036 which:

3037 (i) Is listed in the National Register of Historic
3038 Places; or

3039 (ii) Has been determined eligible for the National
3040 Register of Historic Places by the Secretary of the United States
3041 Department of the Interior and will be listed within thirty (30)
3042 months of claiming the rebate or credit authorized by this
3043 section; or

3044 (iii) Is located in a registered historic district
3045 listed on the National Register of Historic Places or located in a



3046 potential district that has been determined eligible for the
3047 National Register of Historic Places by the Secretary of the
3048 United States Department of the Interior and will be listed within
3049 thirty (30) months of claiming the rebate or credit authorized by
3050 this section, and is certified by the Secretary of the United
3051 States Department of the Interior as being of historic
3052 significance to the district; or

3053 (iv) Is certified by the Mississippi Department of
3054 Archives and History as contributing to the historic significance
3055 of:

3056 1. A certified historic district listed on
3057 the National Register of Historic Places; or

3058 2. A potential district that has been
3059 determined eligible for the National Register of Historic Places
3060 by the Secretary of the United States Department of the Interior
3061 and will be listed within thirty (30) months of claiming the
3062 rebate or credit authorized by this section; or

3063 3. A local district that has been certified
3064 by the United States Department of the Interior.

3065 (d) "Department" means the Department of Archives and
3066 History.

3067 (2) Any taxpayer incurring costs and expenses for the
3068 rehabilitation of eligible property, which is a certified historic
3069 structure or a structure in a certified historic district, shall
3070 be entitled to a rebate or credit against the taxes imposed



3071 pursuant to this chapter in an amount equal to twenty-five percent
3072 (25%) of the total costs and expenses of rehabilitation incurred
3073 after January 1, 2006, which shall include, but not be limited to,
3074 qualified rehabilitation expenditures as defined under Section
3075 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
3076 the related regulations thereunder:

3077 (a) If the costs and expenses associated with
3078 rehabilitation exceed:

3079 (i) Five Thousand Dollars (\$5,000.00) in the case
3080 of an owner-occupied dwelling; or

3081 (ii) Fifty percent (50%) of the adjusted basis in
3082 the property in the case of all other properties; and

3083 (b) The rehabilitation is consistent with the standards
3084 of the Secretary of the United States Department of the Interior
3085 as determined by the department.

3086 (3) Any taxpayer eligible for the rebate or credit
3087 authorized by this section may claim the rebate or credit in
3088 phases if:

3089 (a) There is a written set of architectural plans and
3090 specifications for all phases of the rehabilitation (written plans
3091 outlining and describing all phases of the rehabilitation shall be
3092 accepted as written plans and specifications);

3093 (b) The written set of architectural plans and
3094 specifications are completed before the physical work on the
3095 rehabilitation begins; and



3096 (c) The project receives final certification by the
3097 department within sixty (60) months of the project start date
3098 certified in the first phase.

3099 (4) (a) (i) If the amount of the tax credit established by
3100 this section exceeds the total state income tax liability for the
3101 credit year, the amount that exceeds the total state income tax
3102 liability may be carried forward for the ten (10) succeeding tax
3103 years.

3104 (ii) In lieu of claiming a tax credit, the
3105 taxpayer may elect to claim a rebate in the amount of seventy-five
3106 percent (75%) of the amount that would be eligible to claim as a
3107 credit. The election must be made in the year in which the rebate
3108 is certified.

3109 (iii) Rebate requests shall be submitted to the
3110 department on forms prescribed by the department. The department
3111 will then provide the taxpayer with a voucher for the approved
3112 amount. Within twelve (12) months of the issuance of the voucher
3113 by the department, the taxpayer may submit the voucher to the
3114 Department of Revenue to receive payment. Rebates shall be made
3115 from current tax collections.

3116 (b) Not-for-profit entities, including, but not limited
3117 to, nonprofit corporations organized under Section 79-11-101 et
3118 seq., shall be ineligible for the rebate or credit authorized by
3119 this section. Credits granted to a partnership, a limited
3120 liability company taxed as a partnership or multiple owners of



3121 property shall be passed through to the partners, members or
3122 owners on a pro rata basis or pursuant to an executed agreement
3123 among the partners, members or owners documenting an alternative
3124 distribution method. Partners, members or other owners of a
3125 pass-through entity are not eligible to elect a refund of excess
3126 credit in lieu of a carryforward of the credit. However, a
3127 partnership or limited liability company taxed as a partnership
3128 may elect to claim a rebate at the entity level on a form
3129 prescribed by the department. Additionally, excess tax credits
3130 that are attributable to rehabilitated property that was placed in
3131 service by a pass-through entity prior to January 1, 2011, and
3132 that have previously been allocated to and are held by another
3133 pass-through entity prior to January 1, 2011, may be refunded to
3134 such other pass-through entity.

3135 (5) (a) (i) To claim the rebate or credit authorized
3136 pursuant to this section, the taxpayer shall apply to the
3137 department which shall determine the amount of eligible
3138 rehabilitation costs and expenses and whether the rehabilitation
3139 is consistent with the standards of the Secretary of the United
3140 States Department of the Interior. The department shall issue a
3141 certificate evidencing the date of the rebate or credit and amount
3142 of eligible rebate or credit if the taxpayer is found to be
3143 eligible for the tax rebate or credit. The taxpayer shall attach
3144 the certificate to all income tax returns on which the credit is
3145 claimed. Except as otherwise provided in this paragraph (a), the



3146 department shall not issue certificates evidencing the eligible
3147 rebate or credit which will result in rebates or credits being
3148 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
3149 any one (1) calendar year for projects with total qualified
3150 rehabilitation costs and expenses of One Million Seven Hundred
3151 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
3152 shall also not issue certificates evidencing the eligible rebate
3153 or credit which will result in rebates or credits being awarded in
3154 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
3155 calendar year for projects with total qualified rehabilitation
3156 costs and expenses of less than One Million Seven Hundred Fifty
3157 Thousand Dollars (\$1,750,000.00).

3158 (ii) If claiming a credit instead of a rebate, the
3159 taxpayer shall claim such credit on the income tax return for the
3160 tax year for which the credit is certified.

3161 (b) The date of the rebate or credit shall be certified
3162 in the following order:

3163 (i) The rebate or credit shall be certified based
3164 on the date of project completion.

3165 (ii) If the eligible rebate or credit exceeds the
3166 available limit in the year in which the project is completed, the
3167 rebate or credit shall be certified based on the date the
3168 certification is issued by the department. The department shall
3169 issue the certification in the first calendar year in which the



3170 requested rebate or credit would not exceed the calendar year
3171 limit.

3172 (c) The aggregate amount of tax rebates * * * ~~or,~~
3173 credits or grants that may be awarded under this section shall not
3174 exceed One Hundred Eighty Million Dollars (\$180,000,000.00).

3175 (6) (a) The rebate * * * ~~or,~~ credit or grant received by a
3176 taxpayer pursuant to this section is subject to recapture if:

3177 (i) The property is one that has been determined
3178 eligible for the National Register of Historic Places but is not
3179 listed on the National Register of Historic Places within thirty
3180 (30) months of claiming the rebate or credit authorized by this
3181 section;

3182 (ii) The potential district in which the property
3183 is located is not listed on the National Register of Historic
3184 Places within thirty (30) months of claiming the rebate or credit
3185 authorized by this section; or

3186 (iii) The project has not received final
3187 certification by the department within sixty (60) months of the
3188 project start date certified in the first phase.

3189 (b) The taxpayer shall notify the department and the
3190 Department of Revenue if any of the situations that subject the
3191 credit to recapture occur.

3192 (7) (a) The board of trustees of the department shall
3193 establish fees to be charged for the services performed by the
3194 department under this section and shall publish the fee schedule.



3195 The fees contained in the schedule shall be in amounts reasonably
3196 calculated to recover the costs incurred by the department for the
3197 administration of this section. Any taxpayer desiring to
3198 participate in the tax credits authorized by this section shall
3199 pay the appropriate fee as contained in the fee schedule to the
3200 department, which shall be used by the department, without
3201 appropriation, to offset the administrative costs of the
3202 department associated with its duties under this section.

3203 (b) There is hereby created within the State Treasury a
3204 special fund into which shall be deposited all the fees collected
3205 by the department pursuant to this section. Money deposited into
3206 the fund shall not lapse at the end of any fiscal year and
3207 investment earnings on the proceeds in such special fund shall be
3208 deposited into such fund. Money from the fund shall be disbursed
3209 upon warrants issued by the State Fiscal Officer upon requisitions
3210 signed by the executive director of the department to assist the
3211 department in carrying out its duties under this section.

3212 (8) This section shall only apply to taxpayers:

3213 (a) Who have been issued a certificate evidencing the
3214 eligible credit before December 31, 2030; or

3215 (b) Who, before December 31, 2030, have received a
3216 determination in writing from the Mississippi Department of
3217 Archives and History, in accordance with the department's Historic
3218 Preservation Certificate Application, Part 2, that the
3219 rehabilitation is consistent with the historic character of the



property and that the property meets the United States Secretary of the Interior's Standards for Rehabilitation, or will meet the standards if certain specified conditions are met, and, who are issued a certificate evidencing the eligible credit on or after December 31, 2030.

(9) Notwithstanding any other provision of this section to the contrary, from and after January 1, 2023, if the amount of the credit or rebate that a taxpayer is eligible to receive or to use is less than the amount of credit or rebate that the taxpayer would have been eligible to receive or to use if the taxpayer's income tax liability had been calculated using any applicable income tax personal exemptions in Section 27-7-21(b), (c) and (d), as such exemptions existed before January 1, 2023, then the taxpayer shall receive a grant from the Department of Revenue equal to the difference between such two (2) amounts. Grants made by the Department of Revenue under this section shall be made from current tax collections.

SECTION 21. Section 27-7-22.32, Mississippi Code of 1972, is brought forward as follows:

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

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



3245 child legally adopted by a taxpayer under the laws of this state
3246 during calendar year 2006 or during any calendar year thereafter
3247 through calendar year 2017, and not to exceed Five Thousand
3248 Dollars (\$5,000.00) for each dependent child legally adopted by a
3249 taxpayer under the laws of this state during any calendar year
3250 thereafter. A taxpayer claiming a credit under this paragraph (a)
3251 may not claim a credit under paragraph (b) of this subsection for
3252 the adoption of the same child.

3253 (b) There shall be allowed as a credit against the tax
3254 imposed by this chapter the amount of Five Thousand Dollars
3255 (\$5,000.00) for each dependent child legally adopted by a taxpayer
3256 under the laws of this state through the Mississippi Department of
3257 Child Protection Services during calendar year 2018 or during any
3258 calendar year thereafter. A taxpayer claiming a credit under this
3259 paragraph (b) may not claim a credit under paragraph (a) of this
3260 subsection for the adoption of the same child.

3261 (2) The tax credit under this section may be claimed for the
3262 taxable year in which the adoption becomes final under the laws of
3263 this state. Any tax credit claimed under this section but not
3264 used in any taxable year may be carried forward for the five (5)
3265 succeeding tax years. A tax credit is allowed under this section
3266 for any child for which an exemption is claimed during the same
3267 taxable year under Section 27-7-21(e). For the purposes of this
3268 section, the term "qualified adoption expenses" means and has the
3269 same definition as that term has in 26 USCS 36C.



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

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

SECTION 22. Section 27-7-22.33, Mississippi Code of 1972, is brought forward as follows:

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



3295 spouse, the individual's parent or parent-in-law, or the
3296 individual's dependent as defined in Section 152 of the Internal
3297 Revenue Code.

3298 (2) No taxpayer shall be entitled to the credit with respect
3299 to the same expended amounts for qualified long-term care
3300 insurance which are claimed by another taxpayer.

3301 (3) The credit allowed by this section shall not exceed Five
3302 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
3303 whichever is less, for each qualified long-term care insurance
3304 policy. Any unused tax credit shall not be allowed to be carried
3305 forward to apply to the taxpayer's succeeding year's tax
3306 liability.

3307 (4) No credit shall be allowed under this section with
3308 respect to any premium for qualified long-term care insurance
3309 either deducted or subtracted by the taxpayer in arriving at his
3310 net taxable income under this section or with respect to any
3311 premiums for qualified long-term care insurance which were
3312 excluded from his net taxable income.

3313 **SECTION 23.** Section 27-7-22.37, Mississippi Code of 1972, is
3314 brought forward as follows:

3315 27-7-22.37. (1) There shall be allowed as a credit against
3316 the tax imposed by Section 27-7-5 the amount of the qualified
3317 prekindergarten program support contributions paid to approved
3318 providers, lead partners or collaboratives, not to exceed One
3319 Million Dollars (\$1,000,000.00), by any individual, corporation or



3320 other entity having taxable income under the laws of this state
3321 during calendar year 2013 or during any calendar year thereafter.
3322 In order to qualify for a tax credit, such contributions may
3323 support the local match requirement of approved providers, lead
3324 partners or collaboratives as is necessary to match
3325 state-appropriated funds, and any such providers, lead partners or
3326 collaboratives shall be approved by the State Department of
3327 Education.

3328 (2) Any unused portion of the credit may be carried forward
3329 for three (3) tax years.

3330 (3) Any prekindergarten program support contribution shall
3331 be verified by submission to the Mississippi Department of Revenue
3332 of a copy of the receipt provided to the donor taxpayer by the
3333 prekindergarten program recipient or such other written
3334 verification as may be required by the Department of Revenue.

3335 (4) The maximum amount of donations accepted by the
3336 Department of Revenue in calendar year 2014 shall not exceed Eight
3337 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
3338 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
3339 year 2016 and calendar years thereafter shall not exceed
3340 Thirty-two Million Dollars (\$32,000,000.00), or what is
3341 appropriated by the Legislature to fund Chapter 493, Laws of 2013
3342 each year.

3343 (5) The Mississippi Department of Revenue shall promulgate
3344 rules necessary to effectuate the purposes of Chapter 493, Laws of



3345 2013. Such rules shall include a means of informing the public of
3346 the existence of the prekindergarten support program and the
3347 application process for provider, lead partner and collaborative
3348 candidates.

3349 **SECTION 24.** Section 27-7-22.39, Mississippi Code of 1972, is
3350 brought forward as follows:

3351 27-7-22.39. (1) As used in this section:

3352 (a) "Low-income residents" means persons whose
3353 household income is less than one hundred fifty percent (150%) of
3354 the federal poverty level.

3355 (b) "Qualifying charitable organization" means a
3356 charitable organization that is exempt from federal income
3357 taxation under Section 501(c)(3) of the Internal Revenue Code or
3358 is a designated community action agency that receives community
3359 services block grant program monies pursuant to 42 USC 9901. The
3360 organization must spend at least fifty percent (50%) of its budget
3361 on services to residents of this state who receive temporary
3362 assistance for needy families benefits or low-income residents of
3363 this state and their households or to children who have a chronic
3364 illness or physical, intellectual, developmental or emotional
3365 disability who are residents of this state. A charitable
3366 organization that is exempt from federal income tax under Section
3367 501(c)(3) of the Internal Revenue Code and that meets all other
3368 requirements of this paragraph except that it does not spend at
3369 least fifty percent (50%) of its overall budget in Mississippi may



3370 be a qualifying charitable organization if it spends at least
3371 fifty percent (50%) of its Mississippi budget on services to
3372 qualified individuals in Mississippi and it certifies to the
3373 department that one hundred percent (100%) of the voluntary cash
3374 contributions from the taxpayer will be spent on services to
3375 qualified individuals in Mississippi. Taxpayers choosing to make
3376 donations through an umbrella charitable organization that
3377 collects donations on behalf of member charities shall designate
3378 that the donation be directed to a member charitable organization
3379 that would qualify under this section on a stand-alone basis.
3380 Qualifying charitable organization does not include any entity
3381 that provides, pays for or provides coverage of abortions or that
3382 financially supports any other entity that provides, pays for or
3383 provides coverage of abortions.

3384 (c) "Qualifying foster care charitable organization"
3385 means a qualifying charitable organization that each operating
3386 year provides services to at least one hundred (100) qualified
3387 individuals in this state and spends at least fifty percent (50%)
3388 of its budget on services to qualified individuals in this state.
3389 A charitable organization that is exempt from federal income tax
3390 under Section 501(c)(3) of the Internal Revenue Code and that
3391 meets all other requirements of this paragraph except that it does
3392 not spend at least fifty percent (50%) of its overall budget in
3393 Mississippi may be a qualifying foster care charitable
3394 organization if it spends at least fifty percent (50%) of its



3395 Mississippi budget on services to qualified individuals in
3396 Mississippi and it certifies to the department that one hundred
3397 percent (100%) of the voluntary cash contributions from the
3398 taxpayer will be spent on services to qualified individuals in
3399 Mississippi. For the purposes of this paragraph, "qualified
3400 individual" means a child in a foster care placement program
3401 established by the Department of Child Protection Services, a
3402 child placed under the Safe Families for Children model, or a
3403 child at significant risk of entering a foster care placement
3404 program established by the Department of Child Protection
3405 Services.

3406 (d) "Services" means:

3407 (i) Cash assistance, medical care, child care,
3408 food, clothing, shelter, and job-placement services or any other
3409 assistance that is reasonably necessary to meet immediate basic
3410 needs and that is provided and used in this state;

3411 (ii) Job-training or education services or funding
3412 for parents, foster parents or guardians; or

3413 (iii) Job-training or education services or
3414 funding provided as part of a foster care independent living
3415 program.

3416 (2) Except as provided in subsections (3) and (4) of this
3417 section, a credit is allowed against the taxes imposed by this
3418 chapter for voluntary cash contributions by the taxpayer during
3419 the taxable year to a qualifying charitable organization, other



3420 than a qualifying foster care charitable organization, not to
3421 exceed:

3422 (a) The lesser of Four Hundred Dollars (\$400.00) or the
3423 amount of the contribution in any taxable year for a single
3424 individual or a head of household.

3425 (b) The lesser of Eight Hundred Dollars (\$800.00) or
3426 the amount of the contribution in any taxable year for a married
3427 couple filing a joint return.

3428 (3) A separate credit is allowed against the taxes imposed
3429 by this chapter for voluntary cash contributions during the
3430 taxable year to a qualifying foster care charitable organization.
3431 A contribution to a qualifying foster care charitable organization
3432 does not qualify for, and shall not be included in, any credit
3433 amount under subsection (2) of this section. If the voluntary
3434 cash contribution by the taxpayer is to a qualifying foster care
3435 charitable organization, the credit shall not exceed:

3436 (a) The lesser of Five Hundred Dollars (\$500.00) or the
3437 amount of the contribution in any taxable year for a single
3438 individual or a head of household.

3439 (b) The lesser of One Thousand Dollars (\$1,000.00) or
3440 the amount of the contribution in any taxable year for a married
3441 couple filing a joint return.

3442 (4) Subsections (2) and (3) of this section provide separate
3443 credits against taxes imposed by this chapter depending on the
3444 recipients of the contributions. A taxpayer, including a married



3445 couple filing a joint return, in the same taxable year, may either
3446 or both:

3447 (a) Contribute to a qualifying charitable organization,
3448 other than a qualifying foster care charitable organization, and
3449 claim a credit under subsection (2) of this section.

3450 (b) Contribute to a qualifying foster care charitable
3451 organization and claim a credit under subsection (3) of this
3452 section.

3453 (5) A husband and wife who file separate returns for a
3454 taxable year in which they could have filed a joint return may
3455 each claim only one-half (1/2) of the tax credit that would have
3456 been allowed for a joint return.

3457 (6) If the allowable tax credit exceeds the taxes otherwise
3458 due under this chapter on the claimant's income, or if there are
3459 no taxes due under this chapter, the taxpayer may carry forward
3460 the amount of the claim not used to offset the taxes under this
3461 chapter for not more than five (5) consecutive taxable years'
3462 income tax liability.

3463 (7) The credit allowed by this section is in lieu of a
3464 deduction pursuant to Section 170 of the Internal Revenue Code and
3465 taken for state tax purposes.

3466 (8) Taxpayers taking a credit authorized by this section
3467 shall provide the name of the qualifying charitable organization
3468 and the amount of the contribution to the department on forms
3469 provided by the department.



3470 (9) A qualifying charitable organization shall provide the
3471 department with a written certification that it meets all criteria
3472 to be considered a qualifying charitable organization. The
3473 organization shall also notify the department of any changes that
3474 may affect the qualifications under this section.

3475 (10) The charitable organization's written certification
3476 must be signed by an officer of the organization under penalty of
3477 perjury. The written certification shall include the following:

3478 (a) Verification of the organization's status under
3479 Section 501(c)(3) of the Internal Revenue Code or verification
3480 that the organization is a designated community action agency that
3481 receives community services block grant program monies pursuant to
3482 42 USC 9901.

3483 (b) Financial data indicating the organization's budget
3484 for the organization's prior operating year and the amount of that
3485 budget spent on services to residents of this state who either:

3486 (i) Receive temporary assistance for needy
3487 families benefits;

3488 (ii) Are low-income residents of this state;

3489 (iii) Are children who have a chronic illness or
3490 physical, intellectual, developmental or emotional disability; or

3491 (iv) Are children in a foster care placement
3492 program established by the Department of Child Protection
3493 Services, children placed under the Safe Families for Children
3494 model or children at significant risk of entering a foster care



3495 placement program established by the Department of Child
3496 Protection Services.

3497 (c) A statement that the organization plans to continue
3498 spending at least fifty percent (50%) of its budget on services to
3499 residents of this state who receive temporary assistance for needy
3500 families benefits, who are low-income residents of this state, who
3501 are children who have a chronic illness or physical, intellectual,
3502 developmental or emotional disability or who are children in a
3503 foster care placement program established by the Department of
3504 Child Protection Services, children placed under the Safe Families
3505 for Children model or children at significant risk of entering a
3506 foster care placement program established by the Department of
3507 Child Protection Services. A charitable organization that is
3508 exempt from federal income tax under Section 501(c)(3) of the
3509 Internal Revenue Code and that meets all other requirements for a
3510 qualifying charitable organization or qualifying foster care
3511 charitable organization except that it does not spend at least
3512 fifty percent (50%) of its overall budget in Mississippi shall
3513 submit a statement that it spends at least fifty percent (50%) of
3514 its Mississippi budget on services to qualified individuals in
3515 Mississippi and that one hundred percent (100%) of the voluntary
3516 cash contributions it receives from Mississippi taxpayers will be
3517 spent on services to qualified individuals in Mississippi.

3518 (d) In the case of a foster care charitable
3519 organization, a statement that each operating year it provides



3520 services to at least one hundred (100) qualified individuals in
3521 this state.

3522 (e) A statement that the organization does not provide,
3523 pay for or provide coverage of abortions and does not financially
3524 support any other entity that provides, pays for or provides
3525 coverage of abortions.

3526 (f) Any other information that the department requires
3527 to administer this section.

3528 (11) The department shall review each written certification
3529 and determine whether the organization meets all the criteria to
3530 be considered a qualifying charitable organization and notify the
3531 organization of its determination. The department may also
3532 periodically request recertification from the organization. The
3533 department shall compile and make available to the public a list
3534 of the qualifying charitable organizations.

3535 (12) The aggregate amount of tax credits that may be awarded
3536 under this section in any calendar year shall not exceed Three
3537 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
3538 and for each calendar year thereafter, the aggregate amount of tax
3539 credits that may be awarded under this section in any calendar
3540 year shall not exceed One Million Dollars (\$1,000,000.00). In
3541 addition, any tax credits not awarded under this section before
3542 June 1, 2020, may be allocated during calendar year 2020 under
3543 Section 27-7-22.41 for contributions by taxpayers to eligible
3544 charitable organizations described in Section



3545 27-7-22.41(1)(b)(ii) as provided under such section,
3546 notwithstanding any limitation on the percentage of tax credits
3547 that may be allocated for such contributions.

3548 (13) A taxpayer shall apply for credits with the department
3549 on forms prescribed by the department. In the application the
3550 taxpayer shall certify to the department the dollar amount of the
3551 contributions made or to be made during the calendar year. Within
3552 thirty (30) days after the receipt of an application, the
3553 department shall allocate credits based on the dollar amount of
3554 contributions as certified in the application. However, if the
3555 department cannot allocate the full amount of credits certified in
3556 the application due to the limit on the aggregate amount of
3557 credits that may be awarded under this section in a calendar year,
3558 the department shall so notify the applicant within thirty (30)
3559 days with the amount of credits, if any, that may be allocated to
3560 the applicant in the calendar year. Once the department has
3561 allocated credits to a taxpayer, if the contribution for which a
3562 credit is allocated has not been made as of the date of the
3563 allocation, then the contribution must be made not later than
3564 sixty (60) days from the date of the allocation. If the
3565 contribution is not made within such time period, the allocation
3566 shall be cancelled and returned to the department for
3567 reallocation. Upon final documentation of the contributions, if
3568 the actual dollar amount of the contributions is lower than the



3569 amount estimated, the department shall adjust the tax credit
3570 allowed under this section.

3571 (14) This section shall be repealed from and after January
3572 1, 2025.

3573 **SECTION 25.** Section 27-7-22.41, Mississippi Code of 1972, is
3574 brought forward as follows:

3575 27-7-22.41. (1) For the purposes of this section, the
3576 following words and phrases shall have the meanings ascribed in
3577 this section unless the context clearly indicates otherwise:

3578 (a) "Department" means the Department of Revenue.

3579 (b) "Eligible charitable organization" means an
3580 organization that is exempt from federal income taxation under
3581 Section 501(c)(3) of the Internal Revenue Code and is:

3582 (i) Licensed by or under contract with the
3583 Mississippi Department of Child Protection Services and provides
3584 services for:

3585 1. The prevention and diversion of children
3586 from custody with the Department of Child Protection Services,

3587 2. The safety, care and well-being of
3588 children in custody with the Department of Child Protection
3589 Services, or

3590 3. The express purpose of creating permanency
3591 for children through adoption; or

3592 (ii) Certified by the department as an educational
3593 services charitable organization and provides services to:



3594 1. Children in a foster care placement
3595 program established by the Department of Child Protection
3596 Services, children placed under the Safe Families for Children
3597 model, or children at significant risk of entering a foster care
3598 placement program established by the Department of Child
3599 Protection Services,

3600 2. Children who have a chronic illness
3601 or physical, intellectual, developmental or emotional disability,
3602 or

3603 3. Children eligible for free or reduced
3604 price meals programs under Section 37-11-7, or selected for
3605 participation in the Promise Neighborhoods Program sponsored by
3606 the U.S. Department of Education.

3607 (2) (a) The tax credit authorized in this section shall be
3608 available only to a taxpayer who is a business enterprise engaged
3609 in commercial, industrial or professional activities and operating
3610 as a corporation, limited liability company, partnership or sole
3611 proprietorship. Except as otherwise provided in this section, a
3612 credit is allowed against the taxes imposed by Sections 27-7-5,
3613 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
3614 contributions made by a taxpayer during the taxable year to an
3615 eligible charitable organization. From and after January 1, 2022,
3616 for a taxpayer that is not operating as a corporation, a credit is
3617 also allowed against ad valorem taxes assessed and levied on real
3618 property for voluntary cash contributions made by the taxpayer



3619 during the taxable year to an eligible charitable organization.
3620 The amount of credit that may be utilized by a taxpayer in a
3621 taxable year shall be limited to (i) an amount not to exceed fifty
3622 percent (50%) of the total tax liability of the taxpayer for the
3623 taxes imposed by such sections of law and (ii) an amount not to
3624 exceed fifty percent (50%) of the total tax liability of the
3625 taxpayer for ad valorem taxes assessed and levied on real
3626 property. Any tax credit claimed under this section but not used
3627 in any taxable year may be carried forward for five (5)
3628 consecutive years from the close of the tax year in which the
3629 credits were earned.

3630 (b) A contribution to an eligible charitable
3631 organization for which a credit is claimed under this section does
3632 not qualify for and shall not be included in any credit that may
3633 be claimed under Section 27-7-22.39.

3634 (c) A contribution for which a credit is claimed under
3635 this section may not be used as a deduction by the taxpayer for
3636 state income tax purposes.

3637 (3) Taxpayers taking a credit authorized by this section
3638 shall provide the name of the eligible charitable organization and
3639 the amount of the contribution to the department on forms provided
3640 by the department.

3641 (4) An eligible charitable organization shall provide the
3642 department with a written certification that it meets all criteria
3643 to be considered an eligible charitable organization. An eligible



3644 charitable organization must also provide the department with
3645 written documented proof of its license and/or written contract
3646 with the Mississippi Department of Child Protection Services. The
3647 organization shall also notify the department of any changes that
3648 may affect eligibility under this section.

3649 (5) The eligible charitable organization's written
3650 certification must be signed by an officer of the organization
3651 under penalty of perjury. The written certification shall include
3652 the following:

3653 (a) Verification of the organization's status under
3654 Section 501(c)(3) of the Internal Revenue Code;

3655 (b) A statement that the organization does not provide,
3656 pay for or provide coverage of abortions and does not financially
3657 support any other entity that provides, pays for or provides
3658 coverage of abortions;

3659 (c) Any other information that the department requires
3660 to administer this section.

3661 (6) The department shall review each written certification
3662 and determine whether the organization meets all the criteria to
3663 be considered an eligible charitable organization and notify the
3664 organization of its determination. The department may also
3665 periodically request recertification from the organization. The
3666 department shall compile and make available to the public a list
3667 of eligible charitable organizations.



3668 (7) Tax credits authorized by this section that are earned
3669 by a partnership, limited liability company, S corporation or
3670 other similar pass-through entity, shall be allocated among all
3671 partners, members or shareholders, respectively, either in
3672 proportion to their ownership interest in such entity or as the
3673 partners, members or shareholders mutually agree as provided in an
3674 executed document.

3675 (8) (a) A taxpayer shall apply for credits with the
3676 department on forms prescribed by the department. In the
3677 application the taxpayer shall certify to the department the
3678 dollar amount of the contributions made or to be made during the
3679 calendar year. Within thirty (30) days after the receipt of an
3680 application, the department shall allocate credits based on the
3681 dollar amount of contributions as certified in the application.
3682 However, if the department cannot allocate the full amount of
3683 credits certified in the application due to the limit on the
3684 aggregate amount of credits that may be awarded under this section
3685 in a calendar year, the department shall so notify the applicant
3686 within thirty (30) days with the amount of credits, if any, that
3687 may be allocated to the applicant in the calendar year. Once the
3688 department has allocated credits to a taxpayer, if the
3689 contribution for which a credit is allocated has not been made as
3690 of the date of the allocation, then the contribution must be made
3691 not later than sixty (60) days from the date of the allocation.
3692 If the contribution is not made within such time period, the



3693 allocation shall be cancelled and returned to the department for
3694 reallocation. Upon final documentation of the contributions, if
3695 the actual dollar amount of the contributions is lower than the
3696 amount estimated, the department shall adjust the tax credit
3697 allowed under this section.

3698 (b) A taxpayer who applied for a tax credit under this
3699 section during calendar year 2020, but who was unable to be
3700 awarded the credit due to the limit on the aggregate amount of
3701 credits authorized for calendar year 2020, shall be given priority
3702 for tax credits authorized to be allocated to taxpayers under this
3703 section by Section 27-7-22.39.

3704 (c) For the purposes of using a tax credit against ad
3705 valorem taxes assessed and levied on real property, a taxpayer
3706 shall present to the appropriate tax collector the tax credit
3707 documentation provided to the taxpayer by the Department of
3708 Revenue, and the tax collector shall apply the tax credit against
3709 such ad valorem taxes. The tax collector shall forward the tax
3710 credit documentation to the Department of Revenue along with the
3711 amount of the tax credit applied against ad valorem taxes, and the
3712 department shall disburse funds to the tax collector for the
3713 amount of the tax credit applied against ad valorem taxes. Such
3714 payments by the Department of Revenue shall be made from current
3715 tax collections.

3716 (9) The aggregate amount of tax credits that may be
3717 allocated by the department under this section during a calendar



3718 year shall not exceed Five Million Dollars (\$5,000,000.00), and
3719 not more than fifty percent (50%) of tax credits allocated during
3720 a calendar year may be allocated for contributions to eligible
3721 charitable organizations described in subsection (1)(b)(ii) of
3722 this section. However, for calendar year 2021, the aggregate
3723 amount of tax credits that may be allocated by the department
3724 under this section during a calendar year shall not exceed Ten
3725 Million Dollars (\$10,000,000.00), and for calendar year 2022, and
3726 for each calendar year thereafter, the aggregate amount of tax
3727 credits that may be allocated by the department under this section
3728 during a calendar year shall not exceed Sixteen Million Dollars
3729 (\$16,000,000.00). For calendar year 2021, and for each calendar
3730 year thereafter, fifty percent (50%) of the tax credits allocated
3731 during a calendar year shall be allocated for contributions to
3732 eligible charitable organizations described in subsection
3733 (1)(b)(i) of this section and fifty percent (50%) of the tax
3734 credits allocated during a calendar year shall be allocated for
3735 contributions to eligible charitable organizations described in
3736 subsection (1)(b)(ii) of this section. For calendar year 2022,
3737 and for each calendar year thereafter, of the amount of tax
3738 credits that may be allocated for contributions to eligible
3739 charitable organizations described in subsection (1)(b)(ii) of
3740 this section, fifteen percent (15%) of the tax credits shall be
3741 available solely for allocation for contributions to eligible
3742 charitable organizations described in subsection (1)(b)(ii)2;



3743 however, any such tax credits not allocated before April 1 of a
3744 calendar year may be allocated for contributions to eligible
3745 charitable organizations described in subsection (1)(b)(ii)1 of
3746 this section. For calendar year 2021, and for each calendar year
3747 thereafter, for credits allocated during a calendar year for
3748 contributions to eligible charitable organizations described in
3749 subsection (1)(b)(i) of this section, no more than twenty-five
3750 percent (25%) of such credits may be allocated for contributions
3751 to a single eligible charitable organization. Except as otherwise
3752 provided in this section, for calendar year 2021, and for each
3753 calendar year thereafter, for credits allocated during a calendar
3754 year for contributions to eligible charitable organizations
3755 described in subsection (1)(b)(ii) of this section, no more than
3756 five percent (5%) of such credits may be allocated for
3757 contributions to a single eligible charitable organization.
3758 However, for calendar year 2022, of the additional amount of tax
3759 credits authorized under this section, as amended by Chapter 480,
3760 Laws of 2021, for allocation for contributions to eligible
3761 charitable organizations described in subsection (1)(b)(ii) of
3762 this section, Two Million Dollars (\$2,000,000.00) of the tax
3763 credits shall be available solely for allocation for contributions
3764 to Magnolia Speech School; however, any such tax credits not
3765 allocated before April 1, 2022, may be allocated for contributions
3766 to eligible charitable organizations described in subsection
3767 (1)(b)(ii) of this section.



3768 **SECTION 26.** Section 27-7-207, Mississippi Code of 1972, is
3769 brought forward as follows:

3770 27-7-207. (1) Subject to the limitations provided for in
3771 this section, through calendar year 2023 a taxpayer shall be
3772 allowed a credit against the tax imposed by Chapter 7, Title 27,
3773 in an amount equal to twenty-five percent (25%) of a qualified
3774 contribution to an endowed fund at a qualified community
3775 foundation, subject to the following:

3776 (a) The minimum amount of a qualified contribution
3777 shall be One Thousand Dollars (\$1,000.00).

3778 (b) The maximum amount of a qualified contribution
3779 shall be Two Hundred Thousand Dollars (\$200,000.00).

3780 (c) The total qualified contributions from any
3781 qualified taxpayer eligible for the tax credit authorized under
3782 this section shall be Two Hundred Thousand Dollars (\$200,000.00)
3783 per year.

3784 (2) Except as otherwise provided in this subsection, the
3785 aggregate amount of tax credits authorized under this article
3786 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in
3787 any one (1) calendar year. The credits shall be awarded on a
3788 first-come, first-served basis. If the tax credits authorized for
3789 used in any calendar year are not utilized, the amount not
3790 utilized may be awarded or carried forward in up to five (5)
3791 subsequent calendar years from the year in which such credits are
3792 made available.



3793 (3) If the amount allowable as a credit exceeds the tax
3794 imposed by Chapter 7, Title 27, the amount of such excess may be
3795 carried forward for not more than five (5) subsequent taxable
3796 years.

3797 (4) From and after January 1, 2024, no additional credits
3798 shall be authorized under this section; however, any tax credits
3799 authorized prior to January 1, 2024, and not used, may be carried
3800 forward for not more than five (5) taxable years subsequent to
3801 calendar year 2023.

3802 **SECTION 27.** Section 27-7-312, Mississippi Code of 1972, is
3803 brought forward as follows:

3804 27-7-312. (1) Of the revenue collected under the provisions
3805 of this article from the new direct jobs of a qualified business
3806 or industry as defined in Section 57-62-5 of the Mississippi
3807 Advantage Jobs Act, an amount equal to the estimated amount of the
3808 quarterly incentive payment for which such qualified business or
3809 industry is eligible shall be deposited into the Mississippi
3810 Advantage Jobs Incentive Payment Fund created pursuant to Section
3811 57-62-1 et seq., on or before the twentieth day of the month
3812 following the close of each calendar quarter.

3813 (2) Of the revenue collected under the provisions of this
3814 article from the qualified jobs of a qualified business or
3815 industry as defined in Section 57-99-1, an amount equal to the
3816 estimated amount of the quarterly incentive payment for which such
3817 qualified business or industry is eligible shall be deposited into



3818 the MMEIA Withholding Rebate Fund created pursuant to Section
3819 57-99-5, on or before the twentieth day of the month following the
3820 close of each calendar quarter.

3821 (3) Of the revenue collected under the provisions of this
3822 article from the qualified jobs of a qualified business or
3823 industry as defined in Section 57-100-1, an amount equal to the
3824 estimated amount of the quarterly incentive payment for which such
3825 qualified business or industry is eligible shall be deposited into
3826 the Existing Industry Withholding Rebate Fund created pursuant to
3827 Section 57-100-5, on or before the twentieth day of the month
3828 following the close of each calendar quarter.

3829 (4) Of the revenue collected under the provisions of this
3830 article from the qualified jobs of a qualified business or
3831 industry as defined in Section 57-99-21, an amount equal to the
3832 estimated amount of the quarterly incentive payment for which such
3833 qualified business or industry is eligible shall be deposited into
3834 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or
3835 before the twentieth day of the month following the close of each
3836 calendar quarter.

3837 **SECTION 28.** Section 57-62-5, Mississippi Code of 1972, is
3838 brought forward as follows:

3839 **[For businesses or industries that received or applied for**
3840 **incentive payments prior to July 1, 2005, this section shall read**
3841 **as follows:]**



3842 57-62-5. As used in this chapter, the following words and
3843 phrases shall have the meanings ascribed in this section unless
3844 the context clearly indicates otherwise:

3845 (a) "Qualified business or industry" means any
3846 corporation, limited liability company, partnership, sole
3847 proprietorship, business trust or other legal entity and subunits
3848 or affiliates thereof, pursuant to rules and regulations of the
3849 MDA, which provides an average annual salary, excluding benefits
3850 which are not subject to Mississippi income taxes, of at least one
3851 hundred twenty-five percent (125%) of the most recently published
3852 state average annual wage or the most recently published average
3853 annual wage of the county in which the qualified business or
3854 industry is located as determined by the Mississippi Department of
3855 Employment Security, whichever is the lesser. An establishment
3856 shall not be considered to be a qualified business or industry
3857 unless it offers, or will offer within one hundred eighty (180)
3858 days of the date it receives the first incentive payment pursuant
3859 to the provisions of this chapter, a basic health benefits plan to
3860 the individuals it employs in new direct jobs in this state which
3861 is approved by the MDA. Qualified business or industry does not
3862 include retail business or gaming business;

3863 (b) "New direct job" means full-time employment in this
3864 state in a qualified business or industry that has qualified to
3865 receive an incentive payment pursuant to this chapter, which
3866 employment did not exist in this state before the date of approval



3867 by the MDA of the application of the qualified business or
3868 industry pursuant to the provisions of this chapter. "New direct
3869 job" shall include full-time employment in this state of employees
3870 who are employed by an entity other than the establishment that
3871 has qualified to receive an incentive payment and who are leased
3872 to the qualified business or industry, if such employment did not
3873 exist in this state before the date of approval by the MDA of the
3874 application of the establishment;

3875 (c) "Full-time job" means a job of at least thirty-five
3876 (35) hours per week;

3877 (d) "Estimated direct state benefits" means the tax
3878 revenues projected by the MDA to accrue to the state as a result
3879 of the qualified business or industry;

3880 (e) "Estimated direct state costs" means the costs
3881 projected by the MDA to accrue to the state as a result of the
3882 qualified business or industry;

3883 (f) "Estimated net direct state benefits" means the
3884 estimated direct state benefits less the estimated direct state
3885 costs;

3886 (g) "Net benefit rate" means the estimated net direct
3887 state benefits computed as a percentage of gross payroll, provided
3888 that:

3889 (i) Except as otherwise provided in this paragraph
3890 (g), the net benefit rate may be variable and shall not exceed



3891 four percent (4%) of the gross payroll; and shall be set in the
3892 sole discretion of the MDA;

3893 (ii) In no event shall incentive payments,
3894 cumulatively, exceed the estimated net direct state benefits;

3895 (h) "Gross payroll" means wages for new direct jobs of
3896 the qualified business or industry; and

3897 (i) "MDA" means the Mississippi Development Authority.

3898 **[For businesses or industries that received or applied for**
3899 **incentive payments from and after July 1, 2005, but prior to July**
3900 **1, 2010, this section shall read as follows:]**

3901 57-62-5. As used in this chapter, the following words and
3902 phrases shall have the meanings ascribed in this section unless
3903 the context clearly indicates otherwise:

3904 (a) "Qualified business or industry" means any
3905 corporation, limited liability company, partnership, sole
3906 proprietorship, business trust or other legal entity and subunits
3907 or affiliates thereof, pursuant to rules and regulations of the
3908 MDA, which:

3909 (i) Is a data/information processing enterprise
3910 meeting minimum criteria established by the MDA that provides an
3911 average annual salary, excluding benefits which are not subject to
3912 Mississippi income taxes, of at least one hundred percent (100%)
3913 of the most recently published state average annual wage or the
3914 most recently published average annual wage of the county in which
3915 the qualified business or industry is located as determined by the



3916 Mississippi Department of Employment Security, whichever is the
3917 lesser, and creates not less than two hundred (200) new direct
3918 jobs if the enterprise is located in a Tier One or Tier Two area
3919 (as such areas are designated in accordance with Section
3920 57-73-21), or which creates not less than one hundred (100) new
3921 jobs if the enterprise is located in a Tier Three area (as such
3922 areas are designated in accordance with Section 57-73-21);

3923 (ii) Is a manufacturing or distribution enterprise
3924 meeting minimum criteria established by the MDA that provides an
3925 average annual salary, excluding benefits which are not subject to
3926 Mississippi income taxes, of at least one hundred ten percent
3927 (110%) of the most recently published state average annual wage or
3928 the most recently published average annual wage of the county in
3929 which the qualified business or industry is located as determined
3930 by the Mississippi Department of Employment Security, whichever is
3931 the lesser, invests not less than Twenty Million Dollars
3932 (\$20,000,000.00) in land, buildings and equipment, and creates not
3933 less than fifty (50) new direct jobs if the enterprise is located
3934 in a Tier One or Tier Two area (as such areas are designated in
3935 accordance with Section 57-73-21), or which creates not less than
3936 twenty (20) new jobs if the enterprise is located in a Tier Three
3937 area (as such areas are designated in accordance with Section
3938 57-73-21);

3939 (iii) Is a corporation, limited liability company,
3940 partnership, sole proprietorship, business trust or other legal



3941 entity and subunits or affiliates thereof, pursuant to rules and
3942 regulations of the MDA, which provides an average annual salary,
3943 excluding benefits which are not subject to Mississippi income
3944 taxes, of at least one hundred twenty-five percent (125%) of the
3945 most recently published state average annual wage or the most
3946 recently published average annual wage of the county in which the
3947 qualified business or industry is located as determined by the
3948 Mississippi Department of Employment Security, whichever is the
3949 lesser, and creates not less than twenty-five (25) new direct jobs
3950 if the enterprise is located in a Tier One or Tier Two area (as
3951 such areas are designated in accordance with Section 57-73-21), or
3952 which creates not less than ten (10) new jobs if the enterprise is
3953 located in a Tier Three area (as such areas are designated in
3954 accordance with Section 57-73-21). An establishment shall not be
3955 considered to be a qualified business or industry unless it
3956 offers, or will offer within one hundred eighty (180) days of the
3957 date it receives the first incentive payment pursuant to the
3958 provisions of this chapter, a basic health benefits plan to the
3959 individuals it employs in new direct jobs in this state which is
3960 approved by the MDA. Qualified business or industry does not
3961 include retail business or gaming business; or

3962 (iv) Is a research and development or a technology
3963 intensive enterprise meeting minimum criteria established by the
3964 MDA that provides an average annual salary, excluding benefits
3965 which are not subject to Mississippi income taxes, of at least one



3966 hundred fifty percent (150%) of the most recently published state
3967 average annual wage or the most recently published average annual
3968 wage of the county in which the qualified business or industry is
3969 located as determined by the Mississippi Department of Employment
3970 Security, whichever is the lesser, and creates not less than ten
3971 (10) new direct jobs.

3972 An establishment shall not be considered to be a qualified
3973 business or industry unless it offers, or will offer within one
3974 hundred eighty (180) days of the date it receives the first
3975 incentive payment pursuant to the provisions of this chapter, a
3976 basic health benefits plan to the individuals it employs in new
3977 direct jobs in this state which is approved by the MDA. Qualified
3978 business or industry does not include retail business or gaming
3979 business.

3980 (b) "New direct job" means full-time employment in this
3981 state in a qualified business or industry that has qualified to
3982 receive an incentive payment pursuant to this chapter, which
3983 employment did not exist in this state before the date of approval
3984 by the MDA of the application of the qualified business or
3985 industry pursuant to the provisions of this chapter. "New direct
3986 job" shall include full-time employment in this state of employees
3987 who are employed by an entity other than the establishment that
3988 has qualified to receive an incentive payment and who are leased
3989 to the qualified business or industry, if such employment did not



3990 exist in this state before the date of approval by the MDA of the
3991 application of the establishment.

3992 (c) "Full-time job" or "full-time employment" means a
3993 job of at least thirty-five (35) hours per week.

3994 (d) "Estimated direct state benefits" means the tax
3995 revenues projected by the MDA to accrue to the state as a result
3996 of the qualified business or industry.

3997 (e) "Estimated direct state costs" means the costs
3998 projected by the MDA to accrue to the state as a result of the
3999 qualified business or industry.

4000 (f) "Estimated net direct state benefits" means the
4001 estimated direct state benefits less the estimated direct state
4002 costs.

4003 (g) "Net benefit rate" means the estimated net direct
4004 state benefits computed as a percentage of gross payroll, provided
4005 that:

4006 (i) Except as otherwise provided in this paragraph
4007 (g), the net benefit rate may be variable and shall not exceed
4008 four percent (4%) of the gross payroll; and shall be set in the
4009 sole discretion of the MDA;

4010 (ii) In no event shall incentive payments,
4011 cumulatively, exceed the estimated net direct state benefits.

4012 (h) "Gross payroll" means wages for new direct jobs of
4013 the qualified business or industry.

4014 (i) "MDA" means the Mississippi Development Authority.



4015 **[For businesses or industries that apply for incentive**
4016 **payments from and after July 1, 2010, this section shall read as**
4017 **follows:]**

4018 57-62-5. As used in this chapter, the following words and
4019 phrases shall have the meanings ascribed in this section unless
4020 the context clearly indicates otherwise:

4021 (a) "Qualified business or industry" means any
4022 corporation, limited liability company, partnership, sole
4023 proprietorship, business trust or other legal entity and subunits
4024 or affiliates thereof, pursuant to rules and regulations of the
4025 MDA, which:

4026 (i) Is a data/information processing enterprise
4027 meeting minimum criteria established by the MDA that provides an
4028 average annual salary, excluding benefits which are not subject to
4029 Mississippi income taxes, of at least one hundred percent (100%)
4030 of the most recently published state average annual wage or the
4031 most recently published average annual wage of the county in which
4032 the qualified business or industry is located as determined by the
4033 Mississippi Department of Employment Security, whichever is the
4034 lesser, and creates not less than two hundred (200) new direct
4035 jobs;

4036 (ii) Is a corporation, limited liability company,
4037 partnership, sole proprietorship, business trust or other legal
4038 entity and subunits or affiliates thereof, pursuant to rules and
4039 regulations of the MDA, which provides an average annual salary,



4040 excluding benefits which are not subject to Mississippi income
4041 taxes, of at least one hundred ten percent (110%) of the most
4042 recently published state average annual wage or the most recently
4043 published average annual wage of the county in which the qualified
4044 business or industry is located as determined by the Mississippi
4045 Department of Employment Security, whichever is the lesser, and
4046 creates not less than twenty-five (25) new direct jobs; or

4047 (iii) Is a corporation, limited liability company,
4048 partnership, sole proprietorship, business trust or other legal
4049 entity and subunits or affiliates thereof, pursuant to rules and
4050 regulations of the MDA, which is a manufacturer that:

4051 1. Provides an average annual salary,
4052 excluding benefits which are not subject to Mississippi income
4053 taxes, of at least one hundred ten percent (110%) of the most
4054 recently published state average annual wage or the most recently
4055 published average annual wage of the county in which the qualified
4056 business or industry is located as determined by the Mississippi
4057 Department of Employment Security, whichever is the lesser;

4058 2. Has a minimum of five thousand (5,000)
4059 existing employees as of the last day of the previous calendar
4060 year; and

4061 3. MDA determines will create not less than
4062 three thousand (3,000) new direct jobs within forty-eight (48)
4063 months of the date the MDA determines that the applicant is
4064 qualified to receive incentive payments.



4065 An establishment shall not be considered to be a qualified
4066 business or industry unless it offers, or will offer within one
4067 hundred eighty (180) days of the date it receives the first
4068 incentive payment pursuant to the provisions of this chapter, a
4069 basic health benefits plan to the individuals it employs in new
4070 direct jobs in this state which is approved by the MDA. Qualified
4071 business or industry does not include retail business or gaming
4072 business.

4073 (b) "New direct job" means full-time employment in this
4074 state in a qualified business or industry that has qualified to
4075 receive an incentive payment pursuant to this chapter, which
4076 employment did not exist in this state:

4077 (i) Before the date of approval by the MDA of the
4078 application of the qualified business or industry pursuant to the
4079 provisions of this chapter~~;~~; or

4080 (ii) Solely with respect to any farm equipment
4081 manufacturer that locates its North American headquarters to
4082 Mississippi between January 1, 2018, and December 31, 2020, before
4083 a specific date determined by the MDA that falls on or after the
4084 date that the MDA first issues to such farm equipment manufacturer
4085 one or more written commitments or offers of any incentives in
4086 connection with the new headquarters project and related
4087 facilities expected to result in the creation of such new job.

4088 "New direct job" shall include full-time employment in this
4089 state of employees who are employed by an entity other than the



4090 establishment that has qualified to receive an incentive payment
4091 and who are leased to the qualified business or industry, if such
4092 employment did not exist in this state before the date of approval
4093 by the MDA of the application of the establishment.

4094 (c) "Full-time job" or "full-time employment" means a
4095 job of at least thirty-five (35) hours per week.

4096 (d) "Gross payroll" means wages for new direct jobs of
4097 the qualified business or industry.

4098 (e) "MDA" means the Mississippi Development Authority.

4099 **SECTION 29.** Section 57-62-9, Mississippi Code of 1972, is
4100 amended as follows:

4101 **[For businesses or industries that received or applied for**
4102 **incentive payments prior to July 1, 2005, this section shall read**
4103 **as follows:]**

4104 57-62-9. (1) Except as otherwise provided in this section,
4105 a qualified business or industry that meets the qualifications
4106 specified in this chapter may receive quarterly incentive payments
4107 for a period not to exceed ten (10) years from the Department of
4108 Revenue pursuant to the provisions of this chapter in an amount
4109 which shall be equal to the net benefit rate multiplied by the
4110 actual gross payroll of new direct jobs for a calendar quarter as
4111 verified by the Mississippi Department of Employment Security, but
4112 not to exceed the amount of money previously paid into the fund by
4113 the employer. A qualified business or industry that is a project
4114 as defined in Section 57-75-5(f)(iv)1 may elect the date upon



4115 which the ten-year period will begin. Such date may not be later
4116 than sixty (60) months after the date the business or industry
4117 applied for incentive payments.

4118 (2) (a) A qualified business or industry that is a project
4119 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4120 receive incentive payments for an additional period not to exceed
4121 five (5) years beyond the expiration date of the initial ten-year
4122 period if:

4123 (i) The qualified business or industry creates at
4124 least three thousand (3,000) new direct jobs within five (5) years
4125 after the date the business or industry commences commercial
4126 production;

4127 (ii) Within five (5) years after the date the
4128 business or industry commences commercial production, the average
4129 annual wage of the jobs is at least one hundred fifty percent
4130 (150%) of the most recently published state average annual wage or
4131 the most recently published average annual wage of the county in
4132 which the qualified business or industry is located as determined
4133 by the Mississippi Department of Employment Security, whichever is
4134 the lesser. The criteria for the average annual wage requirement
4135 shall be based upon the state average annual wage or the average
4136 annual wage of the county whichever is appropriate, at the time of
4137 creation of the minimum number of jobs, and the threshold
4138 established at that time will remain constant for the duration of
4139 the additional period; and



4140 (iii) The qualified business or industry meets and
4141 maintains the job and wage requirements of subparagraphs (i) and
4142 (ii) of this paragraph (a) for four (4) consecutive calendar
4143 quarters.

4144 (b) A qualified business or industry that is a project
4145 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4146 incentive payments for the additional period provided in paragraph
4147 (a) of this subsection (2) may apply to the MDA to receive
4148 incentive payments for an additional period not to exceed ten (10)
4149 years beyond the expiration date of the additional period provided
4150 in paragraph (a) of this subsection (2) if:

4151 (i) The qualified business or industry creates at
4152 least four thousand (4,000) new direct jobs after qualifying for
4153 the additional incentive period provided in paragraph (a) of this
4154 subsection (2) but before the expiration of the additional period.
4155 For purposes of determining whether the business or industry meets
4156 the minimum jobs requirement of this subparagraph (i), the number
4157 of jobs the business or industry created in order to meet the
4158 minimum jobs requirement of paragraph (a) of this subsection (2)
4159 shall be subtracted from the minimum jobs requirement of this
4160 subparagraph (i);

4161 (ii) The average annual wage of the jobs is at
4162 least one hundred fifty percent (150%) of the most recently
4163 published state average annual wage or the most recently published
4164 average annual wage of the county in which the qualified business



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

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

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

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

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

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



4190 this requirement shall be based upon the state average annual wage
4191 or the average annual wage of the county whichever is appropriate,
4192 at the time of application, and the threshold established upon
4193 application will remain constant for the duration of the project;

4194 (c) The business or industry must create and maintain a
4195 minimum of ten (10) full-time jobs in counties that have an
4196 average unemployment rate over the previous twelve-month period
4197 which is at least one hundred fifty percent (150%) of the most
4198 recently published state unemployment rate, as determined by the
4199 Mississippi Department of Employment Security or in Tier Three
4200 counties as determined under Section 57-73-21. In all other
4201 counties, the business or industry must create and maintain a
4202 minimum of twenty-five (25) full-time jobs. The criteria for this
4203 requirement shall be based on the designation of the county at the
4204 time of the application. The threshold established upon the
4205 application will remain constant for the duration of the project.
4206 The business or industry must meet its job creation commitment
4207 within twenty-four (24) months of the application approval.
4208 However, if the qualified business or industry is applying for
4209 incentive payments for an additional period under subsection (2)
4210 of this section, the business or industry must comply with the
4211 applicable job and wage requirements of subsection (2) of this
4212 section.

4213 (5) The MDA shall determine if the applicant is qualified to
4214 receive incentive payments. If the applicant is determined to be



4215 qualified by the MDA, the MDA shall conduct a cost/benefit
4216 analysis to determine the estimated net direct state benefits and
4217 the net benefit rate applicable for a period not to exceed ten
4218 (10) years and to estimate the amount of gross payroll for the
4219 period. If the applicant is determined to be qualified to receive
4220 incentive payments for an additional period under subsection (2)
4221 of this section, the MDA shall conduct a cost/benefit analysis to
4222 determine the estimated net direct state benefits and the net
4223 benefit rate applicable for the appropriate additional period and
4224 to estimate the amount of gross payroll for the additional period.
4225 In conducting such cost/benefit analysis, the MDA shall consider
4226 quantitative factors, such as the anticipated level of new tax
4227 revenues to the state along with the cost to the state of the
4228 qualified business or industry, and such other criteria as deemed
4229 appropriate by the MDA, including the adequacy of retirement
4230 benefits that the business or industry provides to individuals it
4231 employs in new direct jobs in this state. In no event shall
4232 incentive payments, cumulatively, exceed the estimated net direct
4233 state benefits. Once the qualified business or industry is
4234 approved by the MDA, an agreement shall be deemed to exist between
4235 the qualified business or industry and the State of Mississippi,
4236 requiring the continued incentive payment, together with any
4237 amount due pursuant to subsection (8) of this section, if
4238 applicable, to be made as long as the qualified business or
4239 industry retains its eligibility.



4240 (6) Upon approval of such an application, the MDA shall
4241 notify the Department of Revenue and shall provide it with a copy
4242 of the approved application and the estimated net direct state
4243 benefits. The Department of Revenue may require the qualified
4244 business or industry to submit such additional information as may
4245 be necessary to administer the provisions of this chapter. The
4246 qualified business or industry shall report to the Department of
4247 Revenue periodically to show its continued eligibility for
4248 incentive payments. The qualified business or industry may be
4249 audited by the Department of Revenue to verify such eligibility.
4250 In addition, the State Auditor may conduct performance and
4251 compliance audits under this chapter according to Section
4252 7-7-211(o) and may bill the oversight agency.

4253 (7) If the qualified business or industry is located in an
4254 area that has been declared by the Governor to be a disaster area
4255 and as a result of the disaster the business or industry is unable
4256 to create or maintain the full-time jobs required by this section:

4257 (a) The Commissioner of Revenue may extend the period
4258 of time that the business or industry may receive incentive
4259 payments for a period of time not to exceed two (2) years;

4260 (b) The Commissioner of Revenue may waive the
4261 requirement that a certain number of jobs be maintained for a
4262 period of time not to exceed twenty-four (24) months; and



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

(8) Notwithstanding any other provision of this section to the contrary, from and after January 1, 2023, if the amount of the incentive payment that a qualified business or industry is eligible to receive under this chapter is less than the amount that the incentive payment would have been if the payment had been calculated using any applicable income tax personal exemptions in Section 27-7-21(b), (c) and (d), as such exemptions existed before January 1, 2023, then the qualified business or industry also shall receive a grant equal to the difference between such two (2) amounts. Further, the term "incentive payment," as such term is used in this chapter shall be deemed to not refer to or otherwise include any grant payment payable to a qualified business or industry pursuant to this subsection.

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

57-62-9. (1) (a) Except as otherwise provided in this section, a qualified business or industry that meets the qualifications specified in this chapter may receive quarterly incentive payments for a period not to exceed ten (10) years from the Department of Revenue pursuant to the provisions of this chapter in an amount which shall be equal to the net benefit rate



4288 multiplied by the actual gross payroll of new direct jobs for a
4289 calendar quarter as verified by the Mississippi Department of
4290 Employment Security, but not to exceed:

4291 (i) Ninety percent (90%) of the amount of money
4292 previously paid into the fund by the employer if the employer
4293 provides an average annual salary, excluding benefits which are
4294 not subject to Mississippi income taxes, of at least one hundred
4295 seventy-five percent (175%) of the most recently published state
4296 average annual wage or the most recently published average annual
4297 wage of the county in which the qualified business or industry is
4298 located as determined by the Mississippi Department of Employment
4299 Security, whichever is the lesser;

4300 (ii) Eighty percent (80%) of the amount of money
4301 previously paid into the fund by the employer if the employer
4302 provides an average annual salary, excluding benefits which are
4303 not subject to Mississippi income taxes, of at least one hundred
4304 twenty-five percent (125%) but less than one hundred seventy-five
4305 percent (175%) of the most recently published state average annual
4306 wage or the most recently published average annual wage of the
4307 county in which the qualified business or industry is located as
4308 determined by the Mississippi Department of Employment Security,
4309 whichever is the lesser; or

4310 (iii) Seventy percent (70%) of the amount of money
4311 previously paid into the fund by the employer if the employer
4312 provides an average annual salary, excluding benefits which are



4313 not subject to Mississippi income taxes, of less than one hundred
4314 twenty-five percent (125%) of the most recently published state
4315 average annual wage or the most recently published average annual
4316 wage of the county in which the qualified business or industry is
4317 located as determined by the Mississippi Department of Employment
4318 Security, whichever is the lesser.

4319 (b) A qualified business or industry that is a project
4320 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4321 which the ten-year period will begin. Such date may not be later
4322 than sixty (60) months after the date the business or industry
4323 applied for incentive payments.

4324 (2) (a) A qualified business or industry that is a project
4325 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4326 receive incentive payments for an additional period not to exceed
4327 five (5) years beyond the expiration date of the initial ten-year
4328 period if:

4329 (i) The qualified business or industry creates at
4330 least three thousand (3,000) new direct jobs within five (5) years
4331 after the date the business or industry commences commercial
4332 production;

4333 (ii) Within five (5) years after the date the
4334 business or industry commences commercial production, the average
4335 annual wage of the jobs is at least one hundred fifty percent
4336 (150%) of the most recently published state average annual wage or
4337 the most recently published average annual wage of the county in



4338 which the qualified business or industry is located as determined
4339 by the Mississippi Department of Employment Security, whichever is
4340 the lesser. The criteria for the average annual wage requirement
4341 shall be based upon the state average annual wage or the average
4342 annual wage of the county whichever is appropriate, at the time of
4343 creation of the minimum number of jobs, and the threshold
4344 established at that time will remain constant for the duration of
4345 the additional period; and

4346 (iii) The qualified business or industry meets and
4347 maintains the job and wage requirements of subparagraphs (i) and
4348 (ii) of this paragraph (a) for four (4) consecutive calendar
4349 quarters.

4350 (b) A qualified business or industry that is a project
4351 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4352 incentive payments for the additional period provided in paragraph
4353 (a) of this subsection (2) may apply to the MDA to receive
4354 incentive payments for an additional period not to exceed ten (10)
4355 years beyond the expiration date of the additional period provided
4356 in paragraph (a) of this subsection (2) if:

4357 (i) The qualified business or industry creates at
4358 least four thousand (4,000) new direct jobs after qualifying for
4359 the additional incentive period provided in paragraph (a) of this
4360 subsection (2) but before the expiration of the additional period.
4361 For purposes of determining whether the business or industry meets
4362 the minimum jobs requirement of this subparagraph (i), the number



4363 of jobs the business or industry created in order to meet the
4364 minimum jobs requirement of paragraph (a) of this subsection (2)
4365 shall be subtracted from the minimum jobs requirement of this
4366 subparagraph (i);

4367 (ii) The average annual wage of the jobs is at
4368 least one hundred fifty percent (150%) of the most recently
4369 published state average annual wage or the most recently published
4370 average annual wage of the county in which the qualified business
4371 or industry is located as determined by the Mississippi Department
4372 of Employment Security, whichever is the lesser. The criteria for
4373 the average annual wage requirement shall be based upon the state
4374 average annual wage or the average annual wage of the county
4375 whichever is appropriate, at the time of creation of the minimum
4376 number of jobs, and the threshold established at that time will
4377 remain constant for the duration of the additional period; and

4378 (iii) The qualified business or industry meets and
4379 maintains the job and wage requirements of subparagraphs (i) and
4380 (ii) of this paragraph (b) for four (4) consecutive calendar
4381 quarters.

4382 (3) In order to receive incentive payments, an establishment
4383 shall apply to the MDA. The application shall be on a form
4384 prescribed by the MDA and shall contain such information as may be
4385 required by the MDA to determine if the applicant is qualified.



4386 (4) (a) In order to qualify to receive such payments, the
4387 establishment applying shall be required to meet the definition of
4388 the term "qualified business or industry";

4389 (b) The criteria for the average annual salary
4390 requirement shall be based upon the state average annual wage or
4391 the average annual wage of the county whichever is appropriate, at
4392 the time of application, and the threshold established upon
4393 application will remain constant for the duration of the project;

4394 (c) The business or industry must meet its job creation
4395 commitment within twenty-four (24) months of the application
4396 approval. However, if the qualified business or industry is
4397 applying for incentive payments for an additional period under
4398 subsection (2) of this section, the business or industry must
4399 comply with the applicable job and wage requirements of subsection
4400 (2) of this section.

4401 (5) (a) The MDA shall determine if the applicant is
4402 qualified to receive incentive payments.

4403 (b) If the applicant is determined to be qualified to
4404 receive incentive payments for an additional period under
4405 subsection (2) of this section, the MDA shall conduct a
4406 cost/benefit analysis to determine the estimated net direct state
4407 benefits and the net benefit rate applicable for the appropriate
4408 additional period and to estimate the amount of gross payroll for
4409 the additional period. In conducting such cost/benefit analysis,
4410 the MDA shall consider quantitative factors, such as the



4411 anticipated level of new tax revenues to the state along with the
4412 cost to the state of the qualified business or industry, and such
4413 other criteria as deemed appropriate by the MDA, including the
4414 adequacy of retirement benefits that the business or industry
4415 provides to individuals it employs in new direct jobs in this
4416 state. In no event shall incentive payments, cumulatively, exceed
4417 the estimated net direct state benefits. Once the qualified
4418 business or industry is approved by the MDA, an agreement shall be
4419 deemed to exist between the qualified business or industry and the
4420 State of Mississippi, requiring the continued incentive payment,
4421 together with any amount due pursuant to subsection (8) of this
4422 section, if applicable, to be made as long as the qualified
4423 business or industry retains its eligibility.

4424 (6) Upon approval of such an application, the MDA shall
4425 notify the Department of Revenue and shall provide it with a copy
4426 of the approved application and the estimated net direct state
4427 benefits. The Department of Revenue may require the qualified
4428 business or industry to submit such additional information as may
4429 be necessary to administer the provisions of this chapter. The
4430 qualified business or industry shall report to the Department of
4431 Revenue periodically to show its continued eligibility for
4432 incentive payments. The qualified business or industry may be
4433 audited by the Department of Revenue to verify such eligibility.
4434 In addition, the State Auditor may conduct performance and



4435 compliance audits under this chapter according to Section
4436 7-7-211(o) and may bill the oversight agency.

4437 (7) If the qualified business or industry is located in an
4438 area that has been declared by the Governor to be a disaster area
4439 and as a result of the disaster the business or industry is unable
4440 to create or maintain the full-time jobs required by this section:

4441 (a) The Commissioner of Revenue may extend the period
4442 of time that the business or industry may receive incentive
4443 payments for a period of time not to exceed two (2) years;

4444 (b) The Commissioner of Revenue may waive the
4445 requirement that a certain number of jobs be maintained for a
4446 period of time not to exceed twenty-four (24) months; and

4447 (c) The MDA may extend the period of time within which
4448 the jobs must be created for a period of time not to exceed
4449 twenty-four (24) months.

4450 (8) Notwithstanding any other provision of this section to
4451 the contrary, from and after January 1, 2023, if the amount of the
4452 incentive payment that a qualified business or industry is
4453 eligible to receive under this chapter is less than the amount
4454 that the incentive payment would have been if the payment had been
4455 calculated using any applicable income tax personal exemptions in
4456 Section 27-7-21(b), (c) and (d), as such exemptions existed before
4457 January 1, 2023, then the qualified business or industry also
4458 shall receive a grant equal to the difference between such two (2)
4459 amounts. Further, the term "incentive payment", as such term is



used in this chapter shall be deemed to not refer to or otherwise include any grant payment payable to a qualified business or industry pursuant to this subsection.

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

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

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

(c) A qualified business or industry as defined in Section 57-62-5(a)(iii) may elect the date upon which the ten-year period will begin and may elect to begin receiving incentive



4485 payments as early as the second quarter after that date.
4486 Incentive payments will be calculated on all jobs above the
4487 existing number of jobs as of the date the MDA determines that the
4488 applicant is qualified to receive incentive payments. In the
4489 event that the qualified business or industry falls below the
4490 number of existing jobs at the time of determination that the
4491 applicant is qualified to receive the incentive payment, the
4492 incentive payment shall cease until the qualified business or
4493 industry once again exceeds that number. If after forty-eight
4494 (48) months, the qualified business or industry has failed to
4495 create at least three thousand (3,000) new direct jobs, incentive
4496 payments shall cease and the qualified business or industry shall
4497 not be qualified to receive further incentive payments.

4498 (2) (a) A qualified business or industry that is a project
4499 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4500 receive incentive payments for an additional period not to exceed
4501 five (5) years beyond the expiration date of the initial ten-year
4502 period if:

4503 (i) The qualified business or industry creates at
4504 least three thousand (3,000) new direct jobs within five (5) years
4505 after the date the business or industry commences commercial
4506 production;

4507 (ii) Within five (5) years after the date the
4508 business or industry commences commercial production, the average
4509 annual wage of the jobs is at least one hundred fifty percent



4510 (150%) of the most recently published state average annual wage or
4511 the most recently published average annual wage of the county in
4512 which the qualified business or industry is located as determined
4513 by the Mississippi Department of Employment Security, whichever is
4514 the lesser. The criteria for the average annual wage requirement
4515 shall be based upon the state average annual wage or the average
4516 annual wage of the county whichever is appropriate, at the time of
4517 creation of the minimum number of jobs, and the threshold
4518 established at that time will remain constant for the duration of
4519 the additional period; and

4520 (iii) The qualified business or industry meets and
4521 maintains the job and wage requirements of subparagraphs (i) and
4522 (ii) of this paragraph (a) for four (4) consecutive calendar
4523 quarters.

4524 (b) A qualified business or industry that is a project
4525 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4526 incentive payments for the additional period provided in paragraph
4527 (a) of this subsection (2) may apply to the MDA to receive
4528 incentive payments for an additional period not to exceed ten (10)
4529 years beyond the expiration date of the additional period provided
4530 in paragraph (a) of this subsection (2) if:

4531 (i) The qualified business or industry creates at
4532 least four thousand (4,000) new direct jobs after qualifying for
4533 the additional incentive period provided in paragraph (a) of this
4534 subsection (2) but before the expiration of the additional period.



4535 For purposes of determining whether the business or industry meets
4536 the minimum jobs requirement of this subparagraph (i), the number
4537 of jobs the business or industry created in order to meet the
4538 minimum jobs requirement of paragraph (a) of this subsection (2)
4539 shall be subtracted from the minimum jobs requirement of this
4540 subparagraph (i);

4541 (ii) The average annual wage of the jobs is at
4542 least one hundred fifty percent (150%) of the most recently
4543 published state average annual wage or the most recently published
4544 average annual wage of the county in which the qualified business
4545 or industry is located as determined by the Mississippi Department
4546 of Employment Security, whichever is the lesser. The criteria for
4547 the average annual wage requirement shall be based upon the state
4548 average annual wage or the average annual wage of the county
4549 whichever is appropriate, at the time of creation of the minimum
4550 number of jobs, and the threshold established at that time will
4551 remain constant for the duration of the additional period; and

4552 (iii) The qualified business or industry meets and
4553 maintains the job and wage requirements of subparagraphs (i) and
4554 (ii) of this paragraph (b) for four (4) consecutive calendar
4555 quarters.

4556 (3) In order to receive incentive payments, an establishment
4557 shall apply to the MDA. The application shall be on a form
4558 prescribed by the MDA and shall contain such information as may be
4559 required by the MDA to determine if the applicant is qualified.



4560 (4) (a) In order to qualify to receive such payments, the
4561 establishment applying shall be required to meet the definition of
4562 the term "qualified business or industry";

4563 (b) The criteria for the average annual salary
4564 requirement shall be based upon the state average annual wage or
4565 the average annual wage of the county whichever is appropriate, at
4566 the time of application, and the threshold established upon
4567 application will remain constant for the duration of the project;

4568 (c) Except as otherwise provided for a qualified
4569 business or industry as defined in Section 57-62-5(a)(iii), the
4570 business or industry must meet its job creation commitment within
4571 twenty-four (24) months of the application approval. However, if
4572 the qualified business or industry is applying for incentive
4573 payments for an additional period under subsection (2) of this
4574 section, the business or industry must comply with the applicable
4575 job and wage requirements of subsection (2) of this section.

4576 (5) (a) The MDA shall determine if the applicant is
4577 qualified to receive incentive payments.

4578 (b) If the applicant is determined to be qualified to
4579 receive incentive payments for an additional period under
4580 subsection (2) of this section, the MDA shall conduct an analysis
4581 to estimate the amount of gross payroll for the appropriate
4582 additional period. Incentive payments, cumulatively, shall not
4583 exceed ninety percent (90%) of the amount of actual income tax
4584 withheld for employees with new direct jobs, but in no event more



4585 than four percent (4%) of the total annual salary paid for new
4586 direct jobs during the additional period, excluding benefits which
4587 are not subject to Mississippi income taxes. Once the qualified
4588 business or industry is approved by the MDA, an agreement shall be
4589 deemed to exist between the qualified business or industry and the
4590 State of Mississippi, requiring the continued incentive payment,
4591 together with any amount due pursuant to subsection (8) of this
4592 section, if applicable, to be made as long as the qualified
4593 business or industry retains its eligibility.

4594 (6) Upon approval of such an application, the MDA shall
4595 notify the Department of Revenue and shall provide it with a copy
4596 of the approved application and the minimum job and salary
4597 requirements. The Department of Revenue may require the qualified
4598 business or industry to submit such additional information as may
4599 be necessary to administer the provisions of this chapter. The
4600 qualified business or industry shall report to the Department of
4601 Revenue periodically to show its continued eligibility for
4602 incentive payments. The qualified business or industry may be
4603 audited by the Department of Revenue to verify such eligibility.
4604 In addition, the State Auditor may conduct performance and
4605 compliance audits under this chapter according to Section
4606 7-7-211(o) and may bill the oversight agency.

4607 (7) If the qualified business or industry is located in an
4608 area that has been declared by the Governor to be a disaster area



and as a result of the disaster the business or industry is unable to create or maintain the full-time jobs required by this section:

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

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

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

(8) Notwithstanding any other provision of this section to the contrary, from and after January 1, 2023, if the amount of the incentive payment that a qualified business or industry is eligible to receive under this chapter is less than the amount that the incentive payment would have been if the payment had been calculated using any applicable income tax personal exemptions in Section 27-7-21(b), (c) and (d), as such exemptions existed before January 1, 2023, then the qualified business or industry also shall receive a grant equal to the difference between such two (2) amounts. Further, the term "incentive payment", as such term is used in this chapter shall be deemed to not refer to or otherwise include any grant payment payable to a qualified business or industry pursuant to this subsection.



SECTION 30. Section 57-62-11, Mississippi Code of 1972, is amended as follows:

57-62-11. (1) There is created in the State Treasury a special fund to be known as the Mississippi Advantage Jobs Incentive Payment Fund, into which shall be deposited withholding tax revenue required to be deposited into such fund pursuant to Section 27-7-312 and any other monies designated for deposit therein. The money in the fund shall be used for the purpose of making the incentive payments and grants authorized under this chapter.

(2) The Mississippi Advantage Jobs Incentive Payment Fund shall be administered by the Department of Revenue, and monies in the fund, less three percent (3%) to be retained by the Department of Revenue to pay the reasonable and necessary expenses of the Department of Revenue in administering its duties under this chapter, shall be expended pursuant to the approved application. Amounts in the fund at the end of any fiscal year that are not necessary to make future incentive payments and grants shall be paid into the General Fund.

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

SECTION 31. Section 57-62-13, Mississippi Code of 1972, is brought forward as follows:



4657 57-62-13. (1) As soon as practicable after the end of a
4658 calendar quarter for which a qualified business or industry has
4659 qualified to receive an incentive payment, the qualified business
4660 or industry shall file a claim for the payment with the Department
4661 of Revenue and shall specify the actual number of new direct jobs
4662 created and maintained by the business or industry for the
4663 calendar quarter and the gross payroll thereof. The Department of
4664 Revenue shall verify the actual number of new direct jobs created
4665 and maintained by the business or industry and compliance with the
4666 average annual wage requirements for such business or industry
4667 under this chapter. If the qualified business or industry files a
4668 claim for an incentive payment during an additional incentive
4669 period provided under Section 57-62-9(2), the Department of
4670 Revenue shall verify the actual number of new direct jobs created
4671 and maintained by the business or industry and compliance with the
4672 average annual wage requirements for such business or industry
4673 under this chapter. If the Department of Revenue is not able to
4674 provide such verification utilizing all available resources, the
4675 Department of Revenue may request such additional information from
4676 the business or industry as may be necessary.

4677 (2) (a) Except as otherwise provided in this chapter, the
4678 business or industry must meet the salary and job requirements of
4679 this chapter for four (4) consecutive calendar quarters prior to
4680 payment of the first incentive payment. Except as otherwise
4681 provided in Section 57-62-9, if the business or industry does not



4682 maintain the salary or job requirements of this chapter at any
4683 other time during the ten-year period after the date the first
4684 payment was made, the incentive payments shall not be made and
4685 shall not be resumed until such time as the actual verified number
4686 of new direct jobs created and maintained by the business or
4687 industry equals or exceeds the requirements of this chapter for
4688 one (1) calendar quarter.

4689 (b) If the business or industry is qualified to receive
4690 incentive payments for an additional period provided under Section
4691 57-62-9(2), the business or industry must meet the wage and job
4692 requirements of Section 57-62-9(2), for four (4) consecutive
4693 calendar quarters prior to payment of the first incentive payment.
4694 If the business or industry does not maintain the wage or job
4695 requirements of Section 57-62-9(2), at any other time during the
4696 appropriate additional period after the date the first payment was
4697 made, the incentive payments shall not be made and shall not be
4698 resumed until such time as the actual verified number of new
4699 direct jobs created and maintained by the business or industry
4700 equals or exceeds the amounts specified in Section 57-62-9(2), for
4701 one (1) calendar quarter.

4702 (3) An establishment that has qualified pursuant to this
4703 chapter may receive payments only in accordance with the provision
4704 under which it initially applied and was approved. If an
4705 establishment that is receiving incentive payments expands, it may
4706 apply for additional incentive payments based on the new gross



4707 payroll for new direct jobs anticipated from the expansion only,
4708 pursuant to this chapter.

4709 (4) As soon as practicable after verification of the
4710 qualified business or industry meeting the requirements of this
4711 chapter and all rules and regulations, the Department of Finance
4712 and Administration, upon requisition of the Department of Revenue,
4713 shall issue a warrant drawn on the Mississippi Advantage Jobs
4714 Incentive Payment Fund to the establishment in the amount of the
4715 incentive payment as determined pursuant to subsection (1) of this
4716 section for the calendar quarter.

4717 **SECTION 32.** Section 57-89-3, Mississippi Code of 1972, is
4718 brought forward as follows:

4719 57-89-3. As used in this chapter, the following terms shall
4720 have the meanings ascribed in this section unless the context
4721 clearly indicates otherwise:

4722 (a) "Base investment" means the actual investment made
4723 and expended in Mississippi by a motion picture production company
4724 in connection with the production of a state-certified production
4725 in the state. The term "base investment" includes amounts
4726 expended in Mississippi by a motion picture production company as
4727 per diem and housing allowances in connection with the production
4728 of a state-certified production in the state. The term "base
4729 investment" shall not include payroll. However, in the case of a
4730 motion picture production company, or its owner, principal,
4731 member, production partner, independent contractor director or



4732 producer, or subsidiary company that (i) is designated and
4733 pre-qualified by the Mississippi Development Authority as
4734 Mississippi-based or a Mississippi resident; (ii) has filed income
4735 taxes in the State of Mississippi during each of the previous
4736 three (3) years; and (iii) has engaged in activities related to
4737 the production of at least two (2) motion pictures in Mississippi
4738 during the past ten (10) years, base investment may include
4739 payroll and fringes paid for any employee who is not a resident
4740 and whose wages are subject to the Mississippi Income Tax
4741 Withholding Law of 1968, if so requested by the motion picture
4742 production company. A motion picture production company must
4743 submit such a request to the Mississippi Development Authority at
4744 the time the company submits an application for approval as a
4745 state-certified production. In addition, if base investment
4746 includes payroll and fringes, and the payroll and fringes paid for
4747 an employee exceeds Five Million Dollars (\$5,000,000.00), then
4748 only the first Five Million Dollars (\$5,000,000.00) of such
4749 payroll and fringes may be included in base investment.

4750 (b) "Employee" means an individual directly involved in
4751 the physical production and/or post-production of a motion picture
4752 produced in the state and who is employed by a:

4753 (i) Motion picture production company that is
4754 directly involved in the physical production and/or
4755 post-production of a motion picture in the state;



4756 (ii) Personal service corporation retained by a
4757 motion picture production company to provide persons used directly
4758 in the physical production and/or post-production of a motion
4759 picture in the state; or

4760 (iii) Payroll service or loan-out company that is
4761 retained by a motion picture production company to provide
4762 employees who work directly in the physical production and/or
4763 post-production of a motion picture in the state.

4764 (c) "Fringes" means costs paid by a motion picture
4765 production company on or after September 1, 2013, for employee
4766 benefits that are not subject to state income tax. Fringes may
4767 include, but are not limited to, payments by an employer for
4768 unemployment insurance, Federal Insurance Contribution Act (FICA),
4769 workers' compensation insurance, pension and welfare benefits and
4770 health insurance premiums.

4771 (d) "Motion picture" means a nationally distributed
4772 feature-length film, video, DVD, television program or series,
4773 commercial, or computer or video game made in Mississippi, in
4774 whole or in part, for theatrical or DVD release or television
4775 viewing or as a television pilot or viewing through streaming
4776 video or internet delivery, or for playing on a video game
4777 console, personal computer or handheld device. The term "motion
4778 picture" shall not include the production of television coverage
4779 of news and athletic events, or a film, video, DVD, television



4780 program, series, or commercial that contains any material or
4781 performance defined in Section 97-29-103.

4782 (e) "Motion picture production company" means a company
4783 engaged in the business of producing nationally distributed motion
4784 pictures, videos, DVDs, television programs or series,
4785 commercials, or computer or video games intended for a theatrical
4786 release, for television viewing or for playing on a video game
4787 console, personal computer or handheld device. The term "motion
4788 picture production company" includes a company engaged in the
4789 business of making such productions through the use of animation,
4790 interactive media, preproduction and post-production 3D
4791 applications, video game cinematics, virtual production, visual
4792 effects, and motion capture within the fields of feature film,
4793 television, commercials and games. The term "motion picture
4794 production company" shall not mean or include any company owned,
4795 affiliated, or controlled, in whole or in part, by any company or
4796 person which is in default on a loan made by the state or a loan
4797 guaranteed by the state, or any company or person who has ever
4798 declared bankruptcy under which an obligation of the company or
4799 person to pay or repay public funds or monies was discharged as a
4800 part of such bankruptcy.

4801 (f) "Payroll" means salary, wages or other compensation
4802 including related benefits paid to employees upon which
4803 Mississippi income tax is due and has been withheld.



4804 (g) "Resident" or "resident of Mississippi" means a
4805 natural person, and for the purpose of determining eligibility for
4806 the rebate provided by Section 57-89-7, any person domiciled in
4807 the State of Mississippi and any other person who maintains a
4808 permanent place of abode within the state and spends in the
4809 aggregate more than six (6) months of each year within the state.

4810 (h) "State" means the State of Mississippi.

4811 (i) "State-certified production" means a motion picture
4812 approved by the Mississippi Development Authority produced by a
4813 motion picture production company in the state. An application
4814 for approval as a state-certified production must be submitted to
4815 the Mississippi Development Authority before production of the
4816 project begins.

4817 **SECTION 33.** Section 57-89-7, Mississippi Code of 1972, is
4818 brought forward as follows:

4819 57-89-7. (1) (a) A motion picture production company that
4820 expends at least Fifty Thousand Dollars (\$50,000.00) in base
4821 investment, payroll and/or fringes, in the state shall be entitled
4822 to a rebate of a portion of the base investment made by the motion
4823 picture production company. Subject to the provisions of this
4824 section, the amount of the rebate shall be equal to twenty-five
4825 percent (25%) of the base investment made by the motion picture
4826 production company.

4827 (b) In addition to the rebates authorized under
4828 paragraphs (a), (c) and (d) of this subsection, a motion picture



4829 production company may receive a rebate equal to twenty-five
4830 percent (25%) of payroll and fringes paid for any employee who is
4831 not a resident and whose wages are subject to the Mississippi
4832 Income Tax Withholding Law of 1968. However, if the payroll and
4833 fringes paid for an employee exceeds Five Million Dollars
4834 (\$5,000,000.00), then the rebate is authorized only for the first
4835 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

4836 (c) In addition to the rebates authorized under
4837 paragraphs (a), (b) and (d) of this subsection, a motion picture
4838 production company may receive a rebate equal to thirty percent
4839 (30%) of payroll and fringes paid for any employee who is a
4840 resident and whose wages are subject to the Mississippi Income Tax
4841 Withholding Law of 1968. However, if the payroll and fringes paid
4842 for an employee exceeds Five Million Dollars (\$5,000,000.00), then
4843 the rebate is authorized only for the first Five Million Dollars
4844 (\$5,000,000.00) of such payroll and fringes.

4845 (d) In addition to the rebates authorized in paragraphs
4846 (a), (b) and (c) of this subsection, a motion picture production
4847 company may receive an additional rebate equal to five percent
4848 (5%) of the payroll and fringes paid for any employee who is an
4849 honorably discharged veteran of the United States Armed Forces and
4850 whose wages are subject to the Mississippi Income Tax Withholding
4851 Law of 1968.

4852 (e) If a motion picture has physical production
4853 activities and/or post-production activities both inside and



4854 outside the state, then the motion picture production company
4855 shall be required to provide an itemized accounting for each
4856 employee regarding such activities inside and outside the state
4857 for the purposes of proration of eligible payroll based on the
4858 percentage of activities performed in the state.

4859 (f) The total amount of rebates authorized for a motion
4860 picture project shall not exceed Ten Million Dollars
4861 (\$10,000,000.00) in the aggregate.

4862 (g) The total amount of rebates authorized in any
4863 fiscal year shall not exceed Twenty Million Dollars
4864 (\$20,000,000.00) in the aggregate.

4865 (2) A motion picture production company desiring a rebate
4866 under this section must submit a rebate request to the Department
4867 of Revenue upon completion of the project. The request must
4868 include a detailed accounting of the base investment made by the
4869 motion picture production company and any other information
4870 required by the Department of Revenue. Rebates made by the
4871 Department of Revenue under this section shall be made from
4872 current income tax collections. The Department of Revenue shall
4873 not approve any application for a rebate under subsection (1)(b)
4874 of this section after July 1, 2017.

4875 (3) The Department of Revenue shall have all powers
4876 necessary to implement and administer the provisions of this
4877 section, and the Department of Revenue shall promulgate rules and



4878 regulations, in accordance with the Mississippi Administrative
4879 Procedures Law, necessary for the implementation of this section.

4880 (4) The State Auditor may conduct performance and compliance
4881 audits under this chapter according to Section 7-7-211(o) and may
4882 bill the oversight agency.

4883 **SECTION 34.** Section 57-99-1, Mississippi Code of 1972, is
4884 amended as follows:

4885 57-99-1. As used in Sections 57-99-1 through 57-99-9, the
4886 following words and phrases shall have the meanings ascribed in
4887 this section unless the context clearly indicates otherwise:

4888 (a) "Qualified business or industry" means any company
4889 and affiliates thereof, pursuant to rules and regulations of the
4890 MDA, which is:

4891 (i) A project that has been certified by the MMEIA
4892 as a project defined in Section 57-75-5(f)(xxi) and creates at
4893 least one thousand five hundred (1,500) jobs within sixty (60)
4894 months of the beginning of the project;

4895 (ii) A project that has been certified by the
4896 MMEIA as a project defined in Section 57-75-5(f)(xxii) and creates
4897 at least five hundred (500) jobs within seventy-two (72) months of
4898 the beginning of the project;

4899 (iii) A project:

4900 1. That has been certified by the MMEIA as a
4901 project defined in Section 57-75-5(f)(xxviii);



4902 2. Creates at least twenty-five (25) jobs
4903 within sixty (60) months of the beginning of the project; and
4904 3. In which the average annual wages and
4905 taxable benefits of the jobs created by such project are at least
4906 one hundred ten percent (110%) of the most recently published
4907 average annual wage of the state or the most recently published
4908 average annual wage of the county in which the project is located,
4909 as determined by the Mississippi Department of Employment
4910 Security, whichever is the lesser; or
4911 (iv) A project:
4912 1. That has been certified by the MMEIA as a
4913 project defined in Section 57-75-5(f)(xxix);
4914 2. That creates at least twenty-five (25)
4915 jobs within sixty (60) months following the date required by the
4916 MMEIA and prescribed by written agreement between the MMEIA and
4917 the enterprise establishing the project described in item 1 of
4918 this subparagraph (iv); and
4919 3. In which the average annual wages of the
4920 jobs created by such project are at least one hundred ten percent
4921 (110%) of the most recently published average annual wage of the
4922 state, as determined by the Mississippi Department of Employment
4923 Security.
4924 (b) "Qualified job" means full-time employment in this
4925 state within the project site of a qualified business or industry
4926 that has qualified to receive an incentive payment pursuant to



4927 Sections 57-99-1 through 57-99-9, which employment did not exist
4928 in this state before the date of approval by the MDA of the
4929 application of the qualified business or industry pursuant to the
4930 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"
4931 also shall include full-time employment in this state of employees
4932 who are employed by an entity other than the establishment that
4933 has qualified to receive an incentive payment such as employees
4934 who are leased to and managed by the qualified business or
4935 industry, if such employment did not exist in this state before
4936 the date of approval by the MDA of the application of the
4937 establishment; provided, however, that in order for a qualified
4938 business or industry to receive incentive payments for such
4939 employees, the actual employer of the employees must agree to such
4940 payments being made to the qualified business or industry.

4941 (c) "Full-time employment" means a job of at least
4942 thirty-five (35) hours per week.

4943 (d) "Rebate amount" means the amount of Mississippi
4944 income taxes withheld from employees in qualified jobs that is
4945 available for rebate to the qualified business or industry,
4946 provided that:

4947 (i) Except as otherwise provided in this paragraph
4948 (d), the rebate amount shall be three and one-half percent
4949 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

4950 (ii) Except as otherwise provided in Section



4951 57-99-3(5), in no event shall incentive payments exceed the actual
4952 Mississippi income taxes withheld from employees in qualified jobs
4953 that are available for rebate to the qualified business or
4954 industry.

4955 (e) "MDA" means the Mississippi Development Authority.

4956 (f) "MMEIA" means the Mississippi Major Economic Impact
4957 Authority.

4958 **SECTION 35.** Section 57-99-3, Mississippi Code of 1972, is
4959 amended as follows:

4960 57-99-3. (1) Except as otherwise provided in this section,
4961 a qualified business or industry that meets the qualifications
4962 specified in Sections 57-99-1 through 57-99-9 may receive
4963 quarterly incentive payments for a period not to exceed
4964 twenty-five (25) years from the Department of Revenue pursuant to
4965 the provisions of Sections 57-99-1 through 57-99-9 in an amount
4966 which shall be equal to the lesser of three and one-half percent
4967 (3-1/2%) of the wages and taxable benefits for qualified jobs or
4968 the actual amount of Mississippi income tax withheld by the
4969 employer for the qualified jobs. A qualified business or industry
4970 may elect the date upon which the incentive rebate period will
4971 begin. Such date may not be later than sixty (60) months after
4972 the date the business or industry applied for incentive payments;
4973 however, in the case of a qualified business or industry described
4974 in Section 57-99-1(a)(ii), such date may not be later than
4975 seventy-two (72) months after the date the business or industry



4976 applied for incentive payments, or for a qualified business or
4977 industry described in Section 57-99-1(a)(iv), such date may not be
4978 later than the date that is sixty (60) months after the earlier
4979 of:

4980 (a) The date the qualified business or industry applied
4981 for incentive payments; or

4982 (b) The start of commercial production as defined in a
4983 definitive agreement between such qualified business or industry
4984 and the MDA.

4985 (2) In order to receive incentive payments, an establishment
4986 shall apply to the MDA. The application shall be on a form
4987 prescribed by the MDA and shall contain such information as may be
4988 required by the MDA to determine if the applicant is qualified.

4989 (3) In order to qualify to receive such payments, the
4990 establishment applying shall be required to:

4991 (a) Be engaged in a qualified business or industry; and

4992 (b) The business or industry must create and maintain
4993 the minimum number of qualified jobs as set forth in Section
4994 57-99-1. Establishments that are approved as a qualified business
4995 or industry under Sections 57-99-1 through 57-99-9 may not receive
4996 incentive payments under Section 57-62-1 et seq.

4997 (4) Upon approval of such an application, the MDA shall
4998 notify the Department of Revenue and shall provide it with a copy
4999 of the approved application. The Department of Revenue may
5000 require the qualified business or industry to submit such



5001 additional information as may be necessary to administer the
5002 provisions of Sections 57-99-1 through 57-99-9. The qualified
5003 business or industry shall report to the Department of Revenue
5004 periodically to show its continued eligibility for incentive
5005 payments. The qualified business or industry may be audited by
5006 the Department of Revenue to verify such eligibility.

5007 (5) Notwithstanding any other provision of Sections 57-99-1
5008 through 57-99-9 to the contrary, from and after January 1, 2023,
5009 if the amount of the incentive payments that a qualified business
5010 or industry is eligible to receive under Sections 57-99-1 through
5011 57-99-9 is less than the amount that the incentive payments would
5012 have been if the payments had been calculated using any applicable
5013 income tax personal exemptions in Section 27-7-21(b), (c) and (d),
5014 as such exemptions existed before January 1, 2023, then the
5015 qualified business or industry also shall receive a grant equal to
5016 the difference between such two (2) amounts. Further, the term
5017 "incentive payment", as such term is used in Sections 57-99-1
5018 through 57-99-9 shall be deemed to not refer to or otherwise
5019 include any grant payment payable to a qualified business or
5020 industry pursuant to this subsection.

5021 **SECTION 36.** Section 57-99-5, Mississippi Code of 1972, is
5022 amended as follows:

5023 57-99-5. (1) There is created in the State Treasury a
5024 special fund to be known as the "MMEIA Withholding Rebate Fund,"
5025 into which shall be deposited withholding tax revenue required to



5026 be deposited into such fund pursuant to Section 27-7-312 and any
5027 other monies designated for deposit therein. The money in the
5028 fund shall be used for the purpose of making the incentive
5029 payments and grants authorized under Sections 57-99-1 through
5030 57-99-9.

5031 (2) The liability of the State of Mississippi to make the
5032 incentive payments and grants authorized under Sections 57-99-1
5033 through 57-99-9 shall be limited to the balance contained in the
5034 fund.

5035 **SECTION 37.** Section 57-99-7, Mississippi Code of 1972, is
5036 brought forward as follows:

5037 57-99-7. (1) As soon as practicable after the end of a
5038 calendar quarter for which a qualified business or industry has
5039 qualified to receive an incentive payment, the qualified business
5040 or industry shall file a claim for the payment with the State Tax
5041 Commission and shall specify the actual number of qualified jobs
5042 created and maintained by the business or industry for the
5043 calendar quarter and the wages and taxable benefits thereof. The
5044 State Tax Commission shall verify the actual number of qualified
5045 jobs created and maintained by the business or industry. If the
5046 State Tax Commission is not able to provide such verification
5047 utilizing all available resources, the State Tax Commission may
5048 request such additional information from the business or industry
5049 as may be necessary.



5050 (2) The business or industry must meet the job requirements
5051 of Sections 57-99-1 through 57-99-9 for four (4) consecutive
5052 calendar quarters prior to payment of the first incentive payment.
5053 If the business or industry does not maintain the job requirements
5054 of Sections 57-99-1 through 57-99-9 at any other time during the
5055 twenty-five-year period after the date the first payment was made,
5056 the incentive payments shall not be made and shall not be resumed
5057 until such time as the actual verified number of qualified jobs
5058 created and maintained by the business or industry equals or
5059 exceeds the requirements of Sections 57-99-1 through 57-99-9 for
5060 one (1) calendar quarter.

5061 (3) An establishment that has qualified pursuant to Sections
5062 57-99-1 through 57-99-9 may receive payments only in accordance
5063 with the provision under which it initially applied and was
5064 approved. If an establishment that is receiving incentive
5065 payments expands, it may apply for additional incentive payments
5066 based on the wages and taxable benefits for qualified jobs
5067 anticipated from the expansion only, pursuant to Sections 57-99-1
5068 through 57-99-9.

5069 (4) As soon as practicable after verification of the
5070 qualified business or industry meeting the requirements of
5071 Sections 57-99-1 through 57-99-9 and all rules and regulations,
5072 the Department of Finance and Administration, upon requisition of
5073 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5074 Withholding Rebate Fund to the establishment in the amount of the



5075 rebate as determined pursuant to subsection (1) of this section
5076 for the calendar quarter.

5077 **SECTION 38.** Section 57-99-21, Mississippi Code of 1972, is
5078 brought forward as follows:

5079 57-99-21. As used in Sections 57-99-21 through 57-99-29, the
5080 following words and phrases shall have the meanings ascribed in
5081 this section unless the context clearly indicates otherwise:

5082 (a) "Qualified business or industry" means any
5083 enterprise which is a project that has been certified by the
5084 Mississippi Major Economic Impact Authority (MMEIA) as a project
5085 defined in Section 57-75-5(f)(xxiv).

5086 (b) "Qualified job" means full-time employment at the
5087 location of the manufacturing plant in this state of a qualified
5088 business or industry that has qualified to receive an incentive
5089 payment pursuant to Sections 57-99-21 through 57-99-29, which
5090 employment existed in this state at the location of the
5091 manufacturing plant on July 1, 2009.

5092 (c) "Full-time employment" means a job of at least
5093 thirty-five (35) hours per week.

5094 (d) "Rebate amount" means the amount of Mississippi
5095 income taxes withheld from employees in qualified jobs that is
5096 available for rebate to the qualified business or industry,
5097 provided that:



5098 (i) Except as otherwise provided in this paragraph
5099 (d), the rebate amount shall be one percent (1%) of the wages and
5100 taxable benefits for qualified jobs;

5101 (ii) In no event shall incentive payments exceed
5102 the actual Mississippi income taxes withheld from employees in
5103 qualified jobs that are available for rebate to the qualified
5104 business or industry; and

5105 (iii) In no event shall the aggregate amount of
5106 incentive payments authorized under Sections 57-99-21 through
5107 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

5108 (e) "MDA" means the Mississippi Development Authority.

5109 **SECTION 39.** Section 57-99-23, Mississippi Code of 1972, is
5110 brought forward as follows:

5111 57-99-23. (1) Except as otherwise provided in this section,
5112 a qualified business or industry that meets the qualifications
5113 specified in Sections 57-99-21 through 57-99-29 may receive
5114 quarterly incentive payments for a period not to exceed ten (10)
5115 years from the State Tax Commission pursuant to the provisions of
5116 Sections 57-99-21 through 57-99-29 in an amount which shall be
5117 equal to the lesser of one percent (1%) of the wages and taxable
5118 benefits for qualified jobs or the actual amount of Mississippi
5119 income tax withheld by the employer for the qualified jobs.

5120 (2) In order to receive incentive payments, an establishment
5121 shall apply to the MDA by not later than July 1, 2010. The
5122 application shall be on a form prescribed by the MDA and shall



5123 contain such information as may be required by the MDA to
5124 determine if the applicant is qualified.

5125 (3) In order to qualify to receive such payments, the
5126 establishment applying shall be required to:

5127 (a) Be engaged in a qualified business or industry; and

5128 (b) The business or industry must maintain a minimum of
5129 one thousand two hundred (1,200) qualified jobs.

5130 (4) Upon approval of such an application, the MDA shall
5131 notify the State Tax Commission and shall provide it with a copy
5132 of the approved application. The State Tax Commission may require
5133 the qualified business or industry to submit such additional
5134 information as may be necessary to administer the provisions of
5135 Sections 57-99-21 through 57-99-29. The qualified business or
5136 industry shall report to the State Tax Commission periodically to
5137 show its continued eligibility for incentive payments. The
5138 qualified business or industry may be audited by the State Tax
5139 Commission to verify such eligibility.

5140 **SECTION 40.** Section 57-99-25, Mississippi Code of 1972, is
5141 brought forward as follows:

5142 57-99-25. (1) There is created in the State Treasury a
5143 special fund to be known as the "MMEIA Rebate Fund" into which
5144 shall be deposited withholding tax revenue required to be
5145 deposited into such fund pursuant to Section 27-7-312. The money
5146 in the fund shall be used for the purpose of making the incentive
5147 payments authorized under Sections 57-99-21 through 57-99-29.



5148 (2) The liability of the State of Mississippi to make the
5149 incentive payments authorized under Sections 57-99-21 through
5150 57-99-29 shall be limited to the balance contained in the fund.

5151 **SECTION 41.** Section 57-99-27, Mississippi Code of 1972, is
5152 brought forward as follows:

5153 57-99-27. (1) As soon as practicable after the end of a
5154 calendar quarter for which a qualified business or industry has
5155 qualified to receive an incentive payment, the qualified business
5156 or industry shall file a claim for the payment with the State Tax
5157 Commission and shall specify the actual number of qualified jobs
5158 created and maintained by the business or industry for the
5159 calendar quarter and the wages and taxable benefits thereof. The
5160 State Tax Commission shall verify the actual number of qualified
5161 jobs maintained by the business or industry. If the State Tax
5162 Commission is not able to provide such verification utilizing all
5163 available resources, the State Tax Commission may request such
5164 additional information from the business or industry as may be
5165 necessary.

5166 (2) If the business or industry does not maintain the job
5167 requirements of Sections 57-99-21 through 57-99-29 at any other
5168 time during the ten-year period after the date the first payment
5169 was made, the incentive payments shall not be made and shall not
5170 be resumed until such time as the actual verified number of
5171 qualified jobs created and maintained by the business or industry



5172 equals or exceeds the requirements of Sections 57-99-21 through
5173 57-99-29 for one (1) calendar quarter.

5174 (3) An establishment that has qualified pursuant to Sections
5175 57-99-21 through 57-99-29 may receive payments only in accordance
5176 with the provision under which it initially applied and was
5177 approved.

5178 (4) As soon as practicable after verification of the
5179 qualified business or industry meeting the requirements of
5180 Sections 57-99-21 through 57-99-29 and all rules and regulations,
5181 the Department of Finance and Administration, upon requisition of
5182 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5183 Withholding Rebate Fund to the establishment in the amount of the
5184 rebate as determined pursuant to subsection (1) of this section
5185 for the calendar quarter.

5186 **SECTION 42.** Section 37-148-3, Mississippi Code of 1972, is
5187 brought forward as follows:

5188 37-148-3. As used in this chapter, the following words and
5189 phrases have the meanings ascribed in this section unless the
5190 context clearly indicates otherwise:

5191 (a) "College" means the state institutions of higher
5192 learning in Mississippi which are accredited by the Southern
5193 Association of Colleges and Schools.

5194 (b) "Investor" means a natural person, partnership,
5195 limited liability company, association, corporation, business
5196 trust or other business entity, not formed for the specific



5197 purpose of acquiring the rebate offered, which is subject to
5198 Mississippi income tax.

5199 (c) "Qualified research" means the systematic
5200 investigative process that is undertaken for the purpose of
5201 discovering information. The term "qualified research" does not
5202 include research conducted outside the State of Mississippi or
5203 research expenses that are already being funded by any grant,
5204 contract or otherwise by another person or governmental entity.

5205 (d) "Research agreement" means a written contract,
5206 grant or cooperative agreement entered into between a person and a
5207 college or research corporation for the performance of qualified
5208 research. All qualified research costs generating a SMART
5209 Business Rebate must be spent by the college or research
5210 corporation on qualified research undertaken according to a
5211 research agreement.

5212 (e) "Research corporation" means any research
5213 corporation formed under Section 37-147-15 if the corporation is
5214 wholly owned by or affiliated with a college and all income and
5215 profits of the corporation inure to the benefit of the college.

5216 (f) "Qualified research costs" means costs paid or
5217 incurred by an investor to a college or research corporation for
5218 qualified research undertaken according to a research agreement.

5219 (g) "State" means the State of Mississippi or a
5220 governmental entity of the State of Mississippi.



5221 (h) "IHL" means the Board of Trustees of State
5222 Institutions of Higher Learning in Mississippi.

5223 (i) "SMART Business" means Strengthening Mississippi
5224 Academic Research Through Business.

5225 (j) "Applicant" means a college or research corporation
5226 applying for SMART Business Accelerate Initiative funds to develop
5227 state-owned intellectual property into products and services.

5228 (k) "Qualified validation expense" includes, but is not
5229 limited to, services that accelerate the development of early
5230 product concepts, conducting proof-of-concept studies, and
5231 manufacturing prototypes to perform research validation.

5232 Qualified validation expense does not include salaries or wages
5233 associated with a licensee of state-owned intellectual property,
5234 legal fees or any payment in conflict with state law.

5235 (l) "Research validation" means research intended to
5236 validate the commercial viability of state-owned intellectual
5237 property.

5238 (m) "Disbursement" means a grant of funds to support
5239 research validation.

5240 **SECTION 43.** Section 37-148-5, Mississippi Code of 1972, is
5241 brought forward as follows:

5242 37-148-5. (1) The SMART Business Act shall include the
5243 SMART Business Rebate to promote research partnerships between
5244 colleges and investors and the SMART Business Accelerate



5245 Initiative to promote the development of state-owned intellectual
5246 property.

5247 (2) The SMART Business Rebate shall be implemented as
5248 follows:

5249 (a) Subject to the provisions of this chapter, an
5250 investor incurring qualified research costs subject to a research
5251 agreement is eligible for a rebate equal to twenty-five percent
5252 (25%) of the investor's qualified research costs.

5253 (b) An investor incurring research costs may not claim
5254 a rebate pursuant to this chapter greater than One Million Dollars
5255 (\$1,000,000.00) in any fiscal year.

5256 (c) The total amount of rebates issued under the SMART
5257 Business Rebate by the state in any fiscal year may not exceed
5258 Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

5259 (d) Investors desiring to apply for the SMART Business
5260 rebate authorized by this chapter shall submit an application to
5261 IHL which must contain, at a minimum, the following:

5262 (i) A description of the qualified research to be
5263 conducted by the college or research corporation;

5264 (ii) A proposed budget;

5265 (iii) An estimated date for completion of the
5266 qualified research; and

5267 (iv) Such additional information as may be
5268 requested by IHL.



5269 (e) IHL shall review each application to determine if
5270 the investor has satisfied all of the requirements of this
5271 section.

5272 (f) Within sixty (60) days of receiving an application,
5273 IHL shall issue or refuse to issue a SMART Business Rebate
5274 certificate. The SMART Business Rebate certificate must include
5275 the amount of the rebate the investor is eligible to claim,
5276 subject to subsection (1) of this section. IHL must notify the
5277 Department of Revenue when a SMART Business Rebate certificate is
5278 issued.

5279 (g) To claim a rebate, the investor must submit a
5280 rebate allocation claim to the Department of Revenue. The rebate
5281 allocation claim must include, at a minimum, the SMART Business
5282 Rebate certificate issued by IHL and proof of payment to the
5283 college or research corporation for qualified research conducted
5284 according to the research agreement.

5285 (h) The Department of Revenue may request an audit from
5286 the investor submitting a rebate allocation claim, at the
5287 investor's expense, to verify the investor has satisfied the
5288 requirements of this chapter.

5289 (i) The Department of Revenue shall issue rebates
5290 available under this subsection from current income tax
5291 collections.



5292 (j) Rebates must be allocated to investors by the
5293 Department of Revenue in the order that SMART Business Rebate
5294 certificates are issued by IHL.

5295 (3) The SMART Business Accelerate Initiative shall be
5296 implemented as follows:

5297 (a) Subject to the provisions of this chapter, an
5298 applicant performing research validation pursuant to a research
5299 agreement is eligible for a disbursement of up to One Hundred
5300 Fifty Thousand Dollars (\$150,000.00) for the applicant's qualified
5301 validation expenses.

5302 (b) The total amount of disbursements issued by the
5303 state under the SMART Business Accelerate Initiative in any fiscal
5304 year may not exceed One Million Five Hundred Thousand Dollars
5305 (\$1,500,000.00).

5306 (c) Applicants desiring to apply for a SMART Business
5307 Accelerate Initiative disbursement authorized by this chapter
5308 shall submit an application to IHL which must contain, at a
5309 minimum, the following:

5310 (i) A description of the research validation to be
5311 conducted by the college or research corporation using funds from
5312 the disbursement;

5313 (ii) A proposed budget of qualified validation
5314 expenses;



5315 (iii) A certified determination from the applicant
5316 that the proposed research validation is necessary to develop
5317 state-owned intellectual property into products and services; and

5318 (iv) Such additional information as may be
5319 requested by IHL.

5320 (d) IHL shall review each application to determine if
5321 the applicant has satisfied all of the requirements of this
5322 section.

5323 (e) Within sixty (60) days of receiving an application,
5324 IHL shall issue or refuse to issue a SMART Business Accelerate
5325 Initiative disbursement certificate. The SMART Business
5326 Accelerate Initiative disbursement certificate must include the
5327 amount of the disbursement the applicant is eligible to receive,
5328 subject to paragraphs (a) and (b) of this subsection. IHL must
5329 notify the Department of Revenue when a SMART Business Accelerate
5330 Initiative disbursement certificate is issued.

5331 (f) IHL shall develop a process for accepting,
5332 reviewing and selecting proposals for SMART Business Accelerate
5333 Initiative disbursements and notifying the Department of Revenue
5334 when applicants have been selected to receive disbursements.

5335 (g) The Department of Revenue shall issue disbursements
5336 available under this subsection from current income tax
5337 collections.

5338 **SECTION 44.** Section 57-105-1, Mississippi Code of 1972, is
5339 brought forward as follows:



5340 57-105-1. (1) As used in this section:

5341 (a) "Adjusted purchase price" means the investment in
5342 the qualified community development entity for the qualified
5343 equity investment, substantially all of the proceeds of which are
5344 used to make qualified low-income community investments in
5345 Mississippi.

5346 For the purposes of calculating the amount of qualified
5347 low-income community investments held by a qualified community
5348 development entity, an investment will be considered held by a
5349 qualified community development entity even if the investment has
5350 been sold or repaid; provided that the qualified community
5351 development entity reinvests an amount equal to the capital
5352 returned to or recovered by the qualified community development
5353 entity from the original investment, exclusive of any profits
5354 realized, in another qualified low-income community investment in
5355 Mississippi, including any federal Indian reservation located
5356 within the geographical boundary of Mississippi within twelve (12)
5357 months of the receipt of such capital. A qualified community
5358 development entity will not be required to reinvest capital
5359 returned from the qualified low-income community investments after
5360 the sixth anniversary of the issuance of the qualified equity
5361 investment, the proceeds of which were used to make the qualified
5362 low-income community investment, and the qualified low-income
5363 community investment will be considered held by the qualified



5364 community development entity through the seventh anniversary of
5365 the qualified equity investment's issuance.

5366 (b) "Applicable percentage" means:

5367 (i) For any equity investment issued prior to July
5368 1, 2008, four percent (4%) for each of the second through seventh
5369 credit allowance dates for purposes of the taxes imposed by
5370 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
5371 the second through seventh credit allowance dates for purposes of
5372 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

5373 (ii) For any equity investment issued from and
5374 after July 1, 2008, eight percent (8%) for each of the first
5375 through third credit allowance dates for purposes of the taxes
5376 imposed by Section 27-7-5 or the taxes imposed by Sections
5377 27-15-103, 27-15-109 and 27-15-123.

5378 (c) "Credit allowance date" means, with respect to any
5379 qualified equity investment:

5380 (i) The later of:

5381 1. The date upon which the qualified equity
5382 investment is initially made; or

5383 2. The date upon which the Mississippi
5384 Development Authority issues a certificate under subsection (4) of
5385 this section; and

5386 (ii) 1. For equity investments issued prior to
5387 July 1, 2008, each of the subsequent six (6) anniversary dates of
5388 the date upon which the investment is initially made; or



5389 2. For equity investments issued from and
5390 after July 1, 2008, each of the subsequent two (2) anniversary
5391 dates of the date determined as provided for in subparagraph (i)
5392 of this paragraph.

5393 (d) "Qualified community development entity" shall have
5394 the meaning ascribed to such term in Section 45D of the Internal
5395 Revenue Code of 1986, as amended, if the entity has entered into
5396 an Allocation Agreement with the Community Development Financial
5397 Institutions Fund of the United States Department of the Treasury
5398 with respect to credits authorized by Section 45D of the Internal
5399 Revenue Code of 1986, as amended.

5400 (e) "Qualified active low-income community business"
5401 shall have the meaning ascribed to such term in Section 45D of the
5402 Internal Revenue Code of 1986, as amended.

5403 (f) "Qualified equity investment" shall have the
5404 meaning ascribed to such term in Section 45D of the Internal
5405 Revenue Code of 1986, as amended. The investment does not have to
5406 be designated as a qualified equity investment by the Community
5407 Development Financial Institutions Fund of the United States
5408 Treasury to be considered a qualified equity investment under this
5409 section but otherwise must meet the definition under the Internal
5410 Revenue Code. In addition to meeting the definition in Section
5411 45D of the Internal Revenue Code such investment must also:

5412 (i) Have been acquired after January 1, 2007, at
5413 its original issuance solely in exchange for cash; and



5414 (ii) Have been allocated by the Mississippi
5415 Development Authority.

5416 For the purposes of this section, such investment shall be
5417 deemed a qualified equity investment on the later of the date such
5418 qualified equity investment is made or the date on which the
5419 Mississippi Development Authority issues a certificate under
5420 subsection (4) of this section allocating credits based on such
5421 investment.

5422 (g) "Qualified low-income community investment" shall
5423 have the meaning ascribed to such term in Section 45D of the
5424 Internal Revenue Code of 1986, as amended; provided, however, that
5425 the maximum amount of qualified low-income community investments
5426 issued for a single qualified active low-income community
5427 business, on an aggregate basis with all of its affiliates, that
5428 may be included for purposes of allocating any credits under this
5429 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
5430 the aggregate, whether issued by one (1) or several qualified
5431 community development entities.

5432 (2) A taxpayer that holds a qualified equity investment on
5433 the credit allowance date shall be entitled to a credit applicable
5434 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
5435 and 27-15-123 during the taxable year that includes the credit
5436 allowance date. The amount of the credit shall be equal to the
5437 applicable percentage of the adjusted purchase price paid to the
5438 qualified community development entity for the qualified equity



investment. The amount of the credit that may be utilized in any one (1) tax year shall be limited to an amount not greater than the total tax liability of the taxpayer for the taxes imposed by the above-referenced sections. The credit shall not be refundable or transferable. Any unused portion of the credit may be carried forward for seven (7) taxable years beyond the credit allowance date on which the credit was earned. The maximum aggregate amount of qualified equity investments that may be allocated by the Mississippi Development Authority may not exceed an amount that would result in taxpayers claiming in any one (1) state fiscal year credits in excess of Fifteen Million Dollars (\$15,000,000.00), exclusive of credits that might be carried forward from previous taxable years; however, a maximum of one-third (1/3) of this amount may be allocated as credits for taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any taxpayer claiming a credit under this section against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 shall not be required to pay any additional tax under Section 27-15-123 as a result of claiming such credit. The Mississippi Development Authority shall allocate credits within this limit as provided for in subsection (4) of this section.

(3) Tax credits authorized by this section that are earned by a partnership, limited liability company, S corporation or other similar pass-through entity, shall be allocated among all partners, members or shareholders, respectively, either in



5464 proportion to their ownership interest in such entity or as the
5465 partners, members or shareholders mutually agree as provided in an
5466 executed document. Such allocation shall be made each taxable
5467 year of such pass-through entity which contains a credit allowance
5468 date.

5469 (4) The qualified community development entity shall apply
5470 for credits with the Mississippi Development Authority on forms
5471 prescribed by the Mississippi Development Authority. The
5472 qualified community development entity must pay an application fee
5473 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
5474 Authority at the time the application is submitted. In the
5475 application the qualified community development entity shall
5476 certify to the Mississippi Development Authority the dollar amount
5477 of the qualified equity investments made or to be made in this
5478 state, including in any federal Indian reservation located within
5479 the state's geographical boundary, during the first twelve-month
5480 period following the initial credit allowance date. The
5481 Mississippi Development Authority shall allocate credits based on
5482 the dollar amount of qualified equity investments as certified in
5483 the application. Once the Mississippi Development Authority has
5484 allocated credits to a qualified community development entity, if
5485 the corresponding qualified equity investment has not been issued
5486 as of the date of such allocation, then the corresponding
5487 qualified equity investment must be issued not later than one
5488 hundred twenty (120) days from the date of such allocation. If



5489 the qualified equity investment is not issued within such time
5490 period, the allocation shall be cancelled and returned to the
5491 Mississippi Development Authority for reallocation. Upon final
5492 documentation of the qualified low-income community investments,
5493 if the actual dollar amount of the investments is lower than the
5494 amount estimated, the Mississippi Development Authority shall
5495 adjust the tax credit allowed under this section. The Department
5496 of Revenue may recapture all of the credit allowed under this
5497 section if:

5498 (a) Any amount of federal tax credits available with
5499 respect to a qualified equity investment that is eligible for a
5500 tax credit under this section is recaptured under Section 45D of
5501 the Internal Revenue Code of 1986, as amended; or

5502 (b) The qualified community development entity redeems
5503 or makes any principal repayment with respect to a qualified
5504 equity investment prior to the seventh anniversary of the issuance
5505 of the qualified equity investment; or

5506 (c) The qualified community development entity fails to
5507 maintain at least eighty-five percent (85%) of the proceeds of the
5508 qualified equity investment in qualified low-income community
5509 investments in Mississippi at any time prior to the seventh
5510 anniversary of the issuance of the qualified equity investment.

5511 Any credits that are subject to recapture under this
5512 subsection shall be recaptured from the taxpayer that actually
5513 claimed the credit.



5514 The Mississippi Development Authority shall not allocate any
5515 credits under this section after July 1,~~2021~~ 2024.

5516 (5) Each qualified community development entity that
5517 receives qualified equity investments to make qualified low-income
5518 community investments in Mississippi must annually report to the
5519 Mississippi Development Authority the North American Industry
5520 Classification System Code, the county, the dollars invested, the
5521 number of jobs assisted and the number of jobs assisted with wages
5522 over one hundred percent (100%) of the federal poverty level for a
5523 family of four (4) of each qualified low-income community
5524 investment.

5525 (6) The Mississippi Development Authority shall file an
5526 annual report on all qualified low-income community investments
5527 with the Governor, the Clerk of the House of Representatives, the
5528 Secretary of the Senate and the Secretary of State describing the
5529 North American Industry Classification System Code, the county,
5530 the dollars invested, the number of jobs assisted and the number
5531 of jobs assisted with wages over one hundred percent (100%) of the
5532 federal poverty level for a family of four (4) of each qualified
5533 low-income community investment. The annual report will be posted
5534 on the Mississippi Development Authority's Internet website.

5535 (7) (a) The purpose of this subsection is to authorize the
5536 creation and establishment of public benefit corporations for
5537 financing arrangements regarding public property and facilities.

5538 (b) As used in this subsection:



5539 (i) "New Markets Tax Credit transaction" means any
5540 financing transaction which utilizes either this section or
5541 Section 45D of the Internal Revenue Code of 1986, as amended.

5542 (ii) "Public benefit corporation" means a
5543 nonprofit corporation formed or designated by a public entity to
5544 carry out the purposes of this subsection.

5545 (iii) "Public entity or public entities" includes
5546 utility districts, regional solid waste authorities, regional
5547 utility authorities, community hospitals, regional airport
5548 authorities, municipal airport authorities, community and junior
5549 colleges, educational building corporations established by or on
5550 behalf of the state institutions of higher learning, school
5551 districts, planning and development districts, county economic
5552 development districts, urban renewal agencies, any other regional
5553 or local economic development authority, agency or governmental
5554 entity, and any other regional or local industrial development
5555 authority, agency or governmental entity.

5556 (iv) "Public property or facilities" means any
5557 property or facilities owned or leased by a public entity or
5558 public benefit corporation.

5559 (c) Notwithstanding any other provision of law to the
5560 contrary, public entities are authorized pursuant to this
5561 subsection to create one or more public benefit corporations or
5562 designate an existing corporation as a public benefit corporation
5563 for the purpose of entering into financing agreements and engaging



5564 in New Markets Tax Credit transactions, which shall include,
5565 without limitation, arrangements to plan, acquire, renovate,
5566 construct, lease, sublease, manage, operate and/or improve new or
5567 existing public property or facilities located within the
5568 boundaries or service area of the public entity. Any financing
5569 arrangement authorized under this subsection shall further any
5570 purpose of the public entity and may include a term of up to fifty
5571 (50) years.

5572 (d) Notwithstanding any other provision of law to the
5573 contrary and in order to facilitate the acquisition, renovation,
5574 construction, leasing, subleasing, management, operating and/or
5575 improvement of new or existing public property or facilities to
5576 further any purpose of a public entity, public entities are
5577 authorized to enter into financing arrangements in order to
5578 transfer public property or facilities to and/or from public
5579 benefit corporations, including, without limitation, sales,
5580 sale-leasebacks, leases and lease-leasebacks, provided such
5581 transfer is related to any New Markets Tax Credit transaction
5582 furthering any purpose of the public entity. Any such transfer
5583 under this paragraph (d) and the public property or facilities
5584 transferred in connection therewith shall be exempted from any
5585 limitation or requirements with respect to leasing, acquiring,
5586 and/or constructing public property or facilities.

5587 (e) With respect to a New Markets Tax Credit
5588 transaction, public entities and public benefit corporations are



5589 authorized to enter into financing arrangements with any
5590 governmental, nonprofit or for-profit entity in order to leverage
5591 funds not otherwise available to public entities for the
5592 acquisition, construction and/or renovation of properties
5593 transferred to such public benefit corporations. The use of any
5594 funds loaned by or contributed by a public benefit corporation or
5595 borrowed by or otherwise made available to a public benefit
5596 corporation in such financing arrangement shall be dedicated
5597 solely to (i) the development of new properties or facilities
5598 and/or the renovation of existing properties or facilities or
5599 operation of properties or facilities, and/or (ii) the payment of
5600 costs and expenditures related to any such financing arrangements,
5601 including, but not limited to, funding any reserves required in
5602 connection therewith, the repayment of any indebtedness incurred
5603 in connection therewith, and the payment of fees and expenses
5604 incurred in connection with the closing, administration,
5605 accounting and/or compliance with respect to the New Markets Tax
5606 Credit transaction.

5607 (f) A public benefit corporation created pursuant to
5608 this subsection shall not be a political subdivision of the state
5609 but shall be a nonprofit corporation organized and governed under
5610 the provisions of the laws of this state and shall be a special
5611 purpose corporation established to facilitate New Markets Tax
5612 Credit transactions consistent with the requirements of this
5613 section.



5614 (g) Neither this subsection nor anything herein
5615 contained is or shall be construed as a restriction or limitation
5616 upon any powers which the public entity or public benefit
5617 corporation might otherwise have under any laws of this state, and
5618 this subsection is cumulative to any such powers. This subsection
5619 does and shall be construed to provide a complete additional and
5620 alternative method for the doing of the things authorized thereby
5621 and shall be regarded as supplemental and additional to powers
5622 conferred by other laws.

5623 (8) The Mississippi Development Authority shall promulgate
5624 rules and regulations to implement the provisions of this section.

5625 **SECTION 45.** Section 27-25-503, Mississippi Code of 1972, is
5626 brought forward as follows:

5627 27-25-503. (1) (a) Except as otherwise provided in this
5628 section, there is levied, to be collected as provided in this
5629 article, annual privilege taxes upon every person engaging or
5630 continuing within this state in the business of producing, or
5631 severing oil from the soil or water for sale, transport, storage,
5632 profit or for commercial use. The amount of the tax shall be
5633 measured by the value of the oil produced, and shall be levied and
5634 assessed at the rate of six percent (6%) of the value of the oil
5635 at the point of production.

5636 (b) The tax shall be levied and assessed at the rate of
5637 three percent (3%) of the value of the oil at the point of
5638 production on oil produced by an enhanced oil recovery method in



5639 which carbon dioxide is used; provided, that such carbon dioxide
5640 is transported by pipeline to the oil well site and on oil
5641 produced by any other enhanced oil recovery method approved and
5642 permitted by the State Oil and Gas Board on or after April 1,
5643 1994, pursuant to Section 53-3-101 et seq.

5644 (c) (i) The tax shall be levied and assessed at the
5645 rate of one and three-tenths percent (1.3%) of the value of the
5646 oil at the point of production on oil produced from a horizontally
5647 drilled well or from any horizontally drilled recompletion well
5648 from which production commences from and after July 1, 2013, for a
5649 period of thirty (30) months beginning on the date of first sale
5650 of production or until payout of the well cost is achieved,
5651 whichever first occurs. Thereafter, the tax shall be levied and
5652 assessed as provided for in paragraph (a) of this subsection.

5653 (ii) Payout of a horizontally drilled well or
5654 horizontally drilled recompletion well shall be deemed to have
5655 occurred the first day of the next month after gross revenues,
5656 less royalties and severance taxes, equal to the cost to drill and
5657 complete the well.

5658 (iii) Each operator must apply by letter to the
5659 State Oil and Gas Board for the reduced rate provided in this
5660 paragraph (c), and shall provide the board with the status of
5661 payout on a semiannual basis of any horizontally drilled well or
5662 horizontally drilled recompletion well by signed affidavit
5663 executed by a company representative.



5664 (iv) This paragraph (c) shall be repealed from and
5665 after July 1, 2023; however, any horizontally drilled well or
5666 horizontally drilled recompletion well from which production
5667 commences before July 1, 2023, shall be taxed as provided for in
5668 this paragraph (c) notwithstanding that the repeal of this
5669 paragraph (c) has become effective.

5670 (2) The tax is levied upon the entire production in this
5671 state regardless of the place of sale or to whom sold, or by whom
5672 used, or the fact that the delivery may be made to points outside
5673 the state, and the tax shall accrue at the time the oil is severed
5674 from the soil, or water, and in its natural, unrefined or
5675 unmanufactured state.

5676 (3) (a) Oil produced from a discovery well for which
5677 drilling or re-entry commenced on or after April 1, 1994, but
5678 before July 1, 1999, shall be exempt from the taxes levied under
5679 this section for a period of five (5) years beginning on the date
5680 of first sale of production from such well, provided that the
5681 average monthly sales price of such oil does not exceed
5682 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil
5683 produced from a discovery well as described in this paragraph (a)
5684 shall be repealed from and after July 1, 2003, provided that any
5685 such production for which a permit was granted by the board before
5686 July 1, 2003, shall be exempt for an entire period of five (5)
5687 years, notwithstanding that the repeal of this provision has
5688 become effective. Oil produced from development wells or



5689 replacement wells drilled in connection with discovery wells for
5690 which drilling commenced on or after January 1, 1994, but before
5691 July 1, 1999, shall be assessed at the rate of three percent (3%)
5692 of the value of the oil at the point of production for a period of
5693 three (3) years. The reduced rate of assessment of oil produced
5694 from development wells or replacement wells as described in this
5695 paragraph (a) shall be repealed from and after January 1, 2003,
5696 provided that any such production for which drilling commenced
5697 before January 1, 2003, shall be assessed at the reduced rate for
5698 an entire period of three (3) years, notwithstanding that the
5699 repeal of this provision has become effective.

5700 (b) Oil produced from a discovery well for which
5701 drilling or re-entry commenced on or after July 1, 1999, shall be
5702 assessed at the rate of three percent (3%) of the value of the oil
5703 at the point of production for a period of five (5) years
5704 beginning on the date of first sale of production from such well,
5705 provided that the average monthly sales price of such oil does not
5706 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of
5707 assessment of oil produced from a discovery well as described in
5708 this paragraph (b) shall be repealed from and after July 1, 2003,
5709 provided that any such production for which a permit was granted
5710 by the board before July 1, 2003, shall be assessed at the reduced
5711 rate for an entire period of five (5) years, notwithstanding that
5712 the repeal of this provision has become effective. Oil produced
5713 from development wells or replacement wells drilled in connection



5714 with discovery wells for which drilling commenced on or after July
5715 1, 1999, shall be assessed at the rate of three percent (3%) of
5716 the value of the oil at the point of production for a period of
5717 three (3) years. The reduced rate of assessment of oil produced
5718 from development wells or replacement wells as described in this
5719 paragraph (b) shall be repealed from and after January 1, 2003,
5720 provided that any such production for which drilling commenced
5721 before July 1, 2003, shall be assessed at the reduced rate for an
5722 entire period of three (3) years, notwithstanding that the repeal
5723 of this provision has become effective.

5724 (4) (a) Oil produced from a development well for which
5725 drilling commenced on or after April 1, 1994, but before July 1,
5726 1999, and for which three-dimensional seismic was utilized in
5727 connection with the drilling of such well shall be assessed at the
5728 rate of three percent (3%) of the value of the oil at the point of
5729 production for a period of five (5) years, provided that the
5730 average monthly sales price of such oil does not exceed
5731 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of
5732 assessment of oil produced from a development well as described in
5733 this paragraph (a) and for which three-dimensional seismic was
5734 utilized shall be repealed from and after July 1, 2003, provided
5735 that any such production for which a permit was granted by the
5736 board before July 1, 2003, shall be assessed at the reduced rate
5737 for an entire period of five (5) years, notwithstanding that the
5738 repeal of this provision has become effective.



5739 (b) Oil produced from a development well for which
5740 drilling commenced on or after July 1, 1999, and for which
5741 three-dimensional seismic was utilized in connection with the
5742 drilling of such well shall be assessed at the rate of three
5743 percent (3%) of the value of the oil at the point of production
5744 for a period of five (5) years, provided that the average monthly
5745 sales price of such oil does not exceed Twenty Dollars (\$20.00)
5746 per barrel. The reduced rate of assessment of oil produced from a
5747 development well as described in this paragraph (b) and for which
5748 three-dimensional seismic was utilized shall be repealed from and
5749 after July 1, 2003, provided that any such production for which a
5750 permit was granted by the board before July 1, 2003, shall be
5751 assessed at the reduced rate for an entire period of five (5)
5752 years, notwithstanding that the repeal of this provision has
5753 become effective.

5754 (5) (a) Oil produced before July 1, 1999, from a two-year
5755 inactive well as defined in Section 27-25-501 shall be exempt from
5756 the taxes levied under this section for a period of three (3)
5757 years beginning on the date of first sale of production from such
5758 well, provided that the average monthly sales price of such oil
5759 does not exceed Twenty-five Dollars (\$25.00) per barrel. The
5760 exemption for oil produced from an inactive well shall be repealed
5761 from and after July 1, 2003, provided that any such production
5762 which began before July 1, 2003, shall be exempt for an entire



5763 period of three (3) years, notwithstanding that the repeal of this
5764 provision has become effective.

5765 (b) Oil produced on or after July 1, 1999, from a
5766 two-year inactive well as defined in Section 27-25-501 shall be
5767 exempt from the taxes levied under this section for a period of
5768 three (3) years beginning on the date of first sale of production
5769 from such well, provided that the average monthly sales price of
5770 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The
5771 exemption for oil produced from an inactive well shall be repealed
5772 from and after July 1, 2003, provided that any such production
5773 which began before July 1, 2003, shall be exempt for an entire
5774 period of three (3) years, notwithstanding that the repeal of this
5775 provision has become effective.

5776 (6) [Repealed]

5777 (7) The State Oil and Gas Board shall have the exclusive
5778 authority to determine the qualification of wells defined in
5779 paragraphs (n) through (t) of Section 27-25-501.

5780 **SECTION 46.** Section 27-25-505, Mississippi Code of 1972, is
5781 brought forward as follows:

5782 **[With regard to any county which is exempt from the**
5783 **provisions of Section 19-2-3, this section shall read as follows:]**

5784 27-25-505. (1) All taxes levied in this article and
5785 collected by the Department of Revenue shall be paid into the
5786 State Treasury on the same day collected.



5787 (2) Except as otherwise provided in this section, the
5788 commissioner shall apportion all the tax collections made pursuant
5789 to this article to the state and to the county in which the oil
5790 was produced, in accordance with the following schedule and so
5791 certify such apportionment to the State Treasurer at the end of
5792 each month:

5793 On the first Six Hundred Thousand Dollars (\$600,000.00) or
5794 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
5795 the state and thirty-three and one-third percent (33-1/3%) to the
5796 county.

5797 Above and exceeding Six Hundred Thousand Dollars
5798 (\$600,000.00), or any part thereof, ninety percent (90%) to the
5799 state and ten percent (10%) to the county through June 30, 1989;
5800 eighty-five percent (85%) to the state and fifteen percent (15%)
5801 to the county from July 1, 1989, through June 30, 1990; eighty
5802 percent (80%) to the state and twenty percent (20%) to the county
5803 from July 1, 1990, through June 30, 2015; seventy-nine percent
5804 (79%) to the state and twenty-one percent (21%) to the county from
5805 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
5806 to the state and twenty-two percent (22%) to the county from July
5807 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
5808 state and twenty-three percent (23%) to the county from July 1,
5809 2017, through June 30, 2018; seventy-six percent (76%) to the
5810 state and twenty-four percent (24%) to the county from July 1,
5811 2018, through June 30, 2019; and seventy-four percent (74%) to the



5812 state and twenty-six percent (26%) to the county for each fiscal
5813 year thereafter.

5814 (3) The state's share of all oil severance taxes collected
5815 pursuant to this article shall be deposited as provided for in
5816 Section 27-25-506.

5817 (4) The commissioner shall apportion all the tax collections
5818 made pursuant to Section 27-25-503(1)(c) to the county in which
5819 the oil was produced.

5820 (5) The State Treasurer shall remit the county's share of
5821 taxes collected pursuant to this article on or before the
5822 twentieth day of the month next succeeding the month in which the
5823 collections were made, for division among the municipalities and
5824 taxing districts of the county. He shall accompany his remittance
5825 with a report to the county receiving the funds prepared by the
5826 commissioner showing from whom the tax was collected. Upon
5827 receipt of the funds, the board of supervisors of the county shall
5828 allocate the funds to the municipalities and to the various
5829 maintenance and bond and interest funds of the county, school
5830 districts, supervisors districts and road districts, as provided
5831 in this subsection.

5832 (6) Except as provided in subsection (8) of this section,
5833 when there are any oil producing properties within the corporate
5834 limits of any municipality, then the municipality shall
5835 participate in the division of the tax returned to the county in
5836 which the municipality is located, in the proportion which the tax



5837 on production of oil from any properties located within the
5838 municipal corporate limits bears to the tax on the total
5839 production of oil in the county. In no event, however, shall the
5840 amount allocated to municipalities exceed one-third (1/3) of the
5841 tax produced in the municipality and returned to the county. Any
5842 amount received by any municipality as a result of the allocation
5843 provided for in this subsection shall be used only for such
5844 purposes as are authorized by law.

5845 (7) Except as provided in subsection (8) of this section,
5846 the balance remaining of any amount of tax returned to the county
5847 after the allocation to municipalities shall be divided among the
5848 various maintenance and bond interest funds of the county, school
5849 districts, supervisors districts and road districts, in the
5850 discretion of the board of supervisors, and the board shall make
5851 the division in consideration of the needs of the various taxing
5852 districts. The funds so allocated shall be used only for purposes
5853 as are authorized by law.

5854 (8) Any amount above and exceeding Six Hundred Thousand
5855 Dollars (\$600,000.00) that is remitted to the county that is more
5856 than twenty percent (20%) of the taxes above and exceeding Six
5857 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
5858 in the county, shall be utilized by the county for infrastructure
5859 repairs.



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

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

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

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

Above and exceeding Six Hundred Thousand Dollars
(\$600,000.00), or any part thereof, ninety percent (90%) to the
state and ten percent (10%) to the county through June 30, 1989;
eighty-five percent (85%) to the state and fifteen percent (15%)
to the county from July 1, 1989, through June 30, 1990; eighty
percent (80%) to the state and twenty percent (20%) to the county
from July 1, 1990, through June 30, 2015; seventy-nine percent
(79%) to the state and twenty-one percent (21%) to the county from
July 1, 2015, through June 30, 2016; seventy-eight percent (78%)



5885 to the state and twenty-two percent (22%) to the county from July
5886 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
5887 state and twenty-three percent (23%) to the county from July 1,
5888 2017, through June 30, 2018; seventy-six percent (76%) to the
5889 state and twenty-four percent (24%) to the county from July 1,
5890 2018, through June 30, 2019; and seventy-four percent (74%) to the
5891 state and twenty-six percent (26%) to the county for each fiscal
5892 year thereafter.

5893 (3) The state's share of all oil severance taxes collected
5894 pursuant to this article shall be deposited as provided for in
5895 Section 27-25-506.

5896 (4) The commissioner shall apportion all the tax collections
5897 made pursuant to the tax levied in Section 27-25-503(1)(c) to the
5898 county in which the oil was produced.

5899 (5) The State Treasurer shall remit the county's share of
5900 the taxes collected pursuant to this article on or before the
5901 twentieth day of the month next succeeding the month in which the
5902 collections were made, for division among the municipalities and
5903 taxing districts of the county. He shall accompany his remittance
5904 with a report to the county receiving the funds prepared by the
5905 commissioner showing from whom the tax was collected. Upon
5906 receipt of the funds, the board of supervisors of the county shall
5907 allocate the funds to the municipalities and to the various
5908 maintenance and bond and interest funds of the county and school
5909 districts, as provided in this subsection.



5910 (6) Except as provided in subsection (8) of this section,
5911 when there are any oil producing properties within the corporate
5912 limits of any municipality, then the municipality shall
5913 participate in the division of the tax returned to the county in
5914 which the municipality is located, in the proportion which the tax
5915 on production of oil from any properties located within the
5916 municipal corporate limits bears to the tax on the total
5917 production of oil in the county. In no event, however, shall the
5918 amount allocated to municipalities exceed one-third (1/3) of the
5919 tax produced in the municipality and returned to the county. Any
5920 amount received by any municipality as a result of the allocation
5921 provided in this subsection shall be used only for such purposes
5922 as are authorized by law.

5923 (7) Except as provided in subsection (8) of this section,
5924 the balance remaining of any amount of tax returned to the county
5925 after the allocation to municipalities shall be divided among the
5926 various maintenance and bond interest funds of the county and
5927 school districts, in the discretion of the board of supervisors,
5928 and the board shall make the division in consideration of the
5929 needs of the various taxing districts. The funds so allocated
5930 shall be used only for purposes as are authorized by law.

5931 (8) Any amount above and exceeding Six Hundred Thousand
5932 Dollars (\$600,000.00) that is remitted to the county that is more
5933 than twenty percent (20%) of the taxes above and exceeding Six
5934 Hundred Thousand Dollars (\$600,000.00) collected on oil produced



5935 in the county, shall be utilized by the county for infrastructure
5936 repairs.

5937 **SECTION 47.** Section 27-25-703, Mississippi Code of 1972, is
5938 brought forward as follows:

5939 27-25-703. (1) (a) Except as otherwise provided in this
5940 section, there is hereby levied, to be collected as provided in
5941 this article, annual privilege taxes upon every person engaging or
5942 continuing within this state in the business of producing, or
5943 severing gas from below the soil or water for sale, transport,
5944 storage, profit or for commercial use. The amount of the tax
5945 shall be measured by the value of the gas produced and shall be
5946 levied and assessed at a rate of six percent (6%) of the value of
5947 the gas at the point of production, except as otherwise provided
5948 in subsection (4) of this section.

5949 (b) (i) The tax shall be levied and assessed at the
5950 rate of one and three-tenths percent (1.3%) of the value of the
5951 gas at the point of production on gas produced from a horizontally
5952 drilled well or from any horizontally drilled recompletion well
5953 from which production commences from and after July 1, 2013, for a
5954 period of thirty (30) months beginning on the date of first sale
5955 of production or until payout of the well cost is achieved,
5956 whichever first occurs. Thereafter, the tax shall be levied and
5957 assessed as provided for in paragraph (a) of this subsection.

5958 (ii) Payout of a horizontally drilled well or
5959 horizontally drilled recompletion well shall be deemed to have



5960 occurred the first day of the next month after gross revenues,
5961 less royalties and severance taxes, equal to the cost to drill and
5962 complete the well.

5963 (iii) Each operator must apply by letter to the
5964 State Oil and Gas Board for the reduced rate provided in this
5965 paragraph (b), and shall provide the board with the status of
5966 payout on a semiannual basis of any horizontally drilled well or
5967 horizontally drilled recompletion well by signed affidavit
5968 executed by a company representative.

5969 (iv) This paragraph (b) shall be repealed from and
5970 after July 1, 2023; however, any horizontally drilled well or
5971 horizontally drilled recompletion well from which production
5972 commences before July 1, 2023, shall be taxed as provided for in
5973 this paragraph (b) notwithstanding that the repeal of this
5974 paragraph (b) has become effective.

5975 (2) The tax is levied upon the entire production in this
5976 state, regardless of the place of sale or to whom sold or by whom
5977 used, or the fact that the delivery may be made to points outside
5978 the state, but not levied upon that gas, lawfully injected into
5979 the earth for cycling, repressuring, lifting or enhancing the
5980 recovery of oil, nor upon gas lawfully vented or flared in
5981 connection with the production of oil, nor upon gas condensed into
5982 liquids on which the oil severance tax of six percent (6%) is
5983 paid; however, if any gas so injected into the earth is sold for
5984 such purposes, then the gas so sold shall not be excluded in



5985 computing the tax. The tax shall accrue at the time the gas is
5986 produced or severed from the soil or water, and in its natural,
5987 unrefined or unmanufactured state.

5988 (3) Natural gas and condensate produced from any wells for
5989 which drilling is commenced after March 15, 1987, and before July
5990 1, 1990, shall be exempt from the tax levied under this section
5991 for a period of two (2) years beginning on the date of first sale
5992 of production from such wells.

5993 (4) (a) Any well which begins commercial production of
5994 occluded natural gas from coal seams on or after March 20, 1990,
5995 and before July 1, 1993, shall be taxed at the rate of three and
5996 one-half percent (3-1/2%) of the gross value of the occluded
5997 natural gas from coal seams at the point of production for a
5998 period of five (5) years after such well begins production.

5999 (b) Any well which begins commercial production of
6000 occluded natural gas from coal seams on or after July 1, 2004, and
6001 before July 1, 2007, shall be taxed at the rate of three percent
6002 (3%) of the gross value of the occluded natural gas from coal
6003 seams at the point of production for a period of five (5) years
6004 beginning on the date of the first sale of production from such
6005 well.

6006 (5) (a) Natural gas produced from discovery wells for which
6007 drilling or re-entry commenced on or after April 1, 1994, but
6008 before July 1, 1999, shall be exempt from the tax levied under
6009 this section for a period of five (5) years beginning on the



6010 earlier of one (1) year from completion of the well or the date of
6011 first sale from such well, provided that the average monthly sales
6012 price of such gas does not exceed Three Dollars and Fifty Cents
6013 (\$3.50) per one thousand (1,000) cubic feet. The exemption for
6014 natural gas produced from discovery wells as described in this
6015 paragraph (a) shall be repealed from and after July 1, 2003,
6016 provided that any such production for which a permit was granted
6017 by the board before July 1, 2003, shall be exempt for an entire
6018 period of five (5) years, notwithstanding that the repeal of this
6019 provision has become effective. Natural gas produced from
6020 development wells or replacement wells drilled in connection with
6021 discovery wells for which drilling commenced on or after January
6022 1, 1994, shall be assessed at a rate of three percent (3%) of the
6023 value thereof at the point of production for a period of three (3)
6024 years. The reduced rate of assessment of natural gas produced
6025 from development wells or replacement wells as described in this
6026 paragraph (a) shall be repealed from and after January 1, 2003,
6027 provided that any such production for which drilling commenced
6028 before January 1, 2003, shall be assessed at the reduced rate for
6029 an entire period of three (3) years, notwithstanding that the
6030 repeal of this provision has become effective.

6031 (b) Natural gas produced from discovery wells for which
6032 drilling or re-entry commenced on or after July 1, 1999, shall be
6033 assessed at a rate of three percent (3%) of the value thereof at
6034 the point of production for a period of five (5) years beginning



6035 on the earlier of one (1) year from completion of the well or the
6036 date of first sale from such well, provided that the average
6037 monthly sales price of such gas does not exceed Two Dollars and
6038 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The
6039 reduced rate of assessment of natural gas produced from discovery
6040 wells as described in this paragraph (b) shall be repealed from
6041 and after July 1, 2003, provided that any such production for
6042 which a permit was granted by the board before July 1, 2003, shall
6043 be assessed at the reduced rate for an entire period of five (5)
6044 years, notwithstanding that the repeal of this provision has
6045 become effective. Natural gas produced from development wells or
6046 replacement wells drilled in connection with discovery wells for
6047 which drilling commenced on or after July 1, 1999, shall be
6048 assessed at a rate of three percent (3%) of the value thereof at
6049 the point of production for a period of three (3) years. The
6050 reduced rate of assessment of natural gas produced from
6051 development wells or replacement wells as described in this
6052 paragraph (b) shall be repealed from and after January 1, 2003,
6053 provided that any such production for which drilling commenced
6054 before January 1, 2003, shall be assessed at the reduced rate for
6055 an entire period of three (3) years, notwithstanding that the
6056 repeal of this provision has become effective.

6057 (6) (a) Gas produced from a development well for which
6058 drilling commenced on or after April 1, 1994, but before July 1,
6059 1999, and for which three-dimensional seismic was utilized in



6060 connection with the drilling of such well, shall be assessed at a
6061 rate of three percent (3%) of the value of the gas at the point of
6062 production for a period of five (5) years, provided that the
6063 average monthly sales price of such gas does not exceed Three
6064 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic
6065 feet. The reduced rate of assessment of gas produced from a
6066 development well as described in this subsection and for which
6067 three-dimensional seismic was utilized shall be repealed from and
6068 after July 1, 2003, provided that any such production for which a
6069 permit was granted by the board before July 1, 2003, shall be
6070 assessed at the reduced rate for an entire period of five (5)
6071 years, notwithstanding that the repeal of this provision has
6072 become effective.

6073 (b) Gas produced from a development well for which
6074 drilling commenced on or after July 1, 1999, and for which
6075 three-dimensional seismic was utilized in connection with the
6076 drilling of such well, shall be assessed at a rate of three
6077 percent (3%) of the value of the gas at the point of production
6078 for a period of five (5) years, provided that the average monthly
6079 sales price of such gas does not exceed Two Dollars and Fifty
6080 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced
6081 rate of assessment of gas produced from a development well as
6082 described in this paragraph (b) and for which three-dimensional
6083 seismic was utilized shall be repealed from and after July 1,
6084 2003, provided that any such production for which a permit was



6085 granted by the board before July 1, 2003, shall be assessed at the
6086 reduced rate for an entire period of five (5) years,
6087 notwithstanding that the repeal of this provision has become
6088 effective.

6089 (7) (a) Natural gas produced before July 1, 1999, from a
6090 two-year inactive well as defined in Section 27-25-701 shall be
6091 exempt from the taxes levied under this section for a period of
6092 three (3) years beginning on the date of first sale of production
6093 from such well, provided that the average monthly sales price of
6094 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per
6095 one thousand (1,000) cubic feet. The exemption for natural gas
6096 produced from an inactive well as described in this subsection
6097 shall be repealed from and after July 1, 2003, provided that any
6098 such production which began before July 1, 2003, shall be exempt
6099 for an entire period of three (3) years, notwithstanding that the
6100 repeal of this provision has become effective.

6101 (b) Natural gas produced on or after July 1, 1999, from
6102 a two-year inactive well as defined in Section 27-25-701 shall be
6103 exempt from the taxes levied under this section for a period of
6104 three (3) years beginning on the date of first sale of production
6105 from such well, provided that the average monthly sales price of
6106 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per
6107 one thousand (1,000) cubic feet. The exemption for natural gas
6108 produced from an inactive well as described in this paragraph (b)
6109 shall be repealed from and after July 1, 2003, provided that any



6110 such production which began before July 1, 2003, shall be exempt
6111 for an entire period of three (3) years, notwithstanding that the
6112 repeal of this provision has become effective.

6113 (8) The State Oil and Gas Board shall have the exclusive
6114 authority to determine the qualification of wells defined in
6115 paragraphs (n) through (t) of Section 27-25-701.

6116 **SECTION 48.** Section 27-25-705, Mississippi Code of 1972, is
6117 brought forward as follows:

6118 **[With regard to any county which is exempt from the**
6119 **provisions of Section 19-2-3, this section shall read as follows:]**

6120 27-25-705. (1) All taxes levied in this article and
6121 collected by the department shall be paid into the State Treasury
6122 on the same day in which the taxes are collected.

6123 (2) Except as otherwise provided in this section, the
6124 commissioner shall apportion all the tax collections made pursuant
6125 to this article to the state and to the county in which the gas
6126 was produced, in the proportion of sixty-six and two-thirds
6127 percent (66-2/3%) to the state and thirty-three and one-third
6128 percent (33-1/3%) to the county.

6129 (3) The commissioner shall apportion all the tax collections
6130 made pursuant to Section 27-25-703(1)(b) to the county in which
6131 the gas is produced.

6132 (4) When the producer of gas subject to the tax levied in
6133 this article increases the price of the gas sold and such increase
6134 is subject to approval by a federal regulatory board or



6135 commission, and when the producer of the gas so requests, the
6136 State Treasurer is hereby authorized to hold the severance tax
6137 collected on the price increase in escrow until such time as the
6138 price increase or a portion thereof is finally granted or
6139 approved. The severance tax thus held in escrow shall be
6140 deposited by the State Treasurer to an account in a state
6141 depository to be invested in an interest-bearing account in the
6142 manner provided by law. When the price increase in question or a
6143 portion thereof is granted or approved, the commissioner shall
6144 compute the correct severance tax due on the increase and certify
6145 the amount of tax thus computed. This amount and interest earned
6146 from the depository shall be distributed to the General Fund and
6147 to the county or counties proportionately as provided in this
6148 subsection. The balance, if any, of the tax and interest held in
6149 escrow on the price increase shall be returned to the taxpayer.

6150 (5) The state's share of all gas severance taxes collected
6151 pursuant to this section shall be deposited as provided for in
6152 Section 27-25-506.

6153 (6) The commissioner shall certify at the end of each month
6154 the apportionment to each county to the State Treasurer, who shall
6155 remit the county's share of the funds on or before the twentieth
6156 day of the month next succeeding the month in which the
6157 collections were made for division among the municipalities and
6158 taxing districts of the county. The commissioner shall submit a
6159 report to the State Treasurer for distribution to each county



6160 receiving the funds showing from whom the tax and interest, if
6161 any, were collected. Upon receipt of the funds, the board of
6162 supervisors of the county shall allocate the funds to the
6163 municipalities and to the various maintenance and bond and
6164 interest funds of the county, school districts, supervisors
6165 districts and road districts, as provided in this subsection.

6166 When there are any gas producing properties within the
6167 corporate limits of any municipality, then the municipality shall
6168 participate in the division of the tax and interest, if any,
6169 returned to the county in which the municipality is located in the
6170 proportion which the tax on production of gas from properties
6171 located within the municipal corporate limits bears to the tax on
6172 total production of gas in the county. In no event, however,
6173 shall the amount allocated to the municipalities exceed one-third
6174 (1/3) of the tax and interest produced in the municipality and
6175 returned to the county. Any amount received by any municipality
6176 as a result of the allocation provided for in this subsection
6177 shall be used for such purposes as are authorized by law.

6178 The balance remaining of any funds returned to the county
6179 after the allocation to municipalities shall be divided among the
6180 various maintenance and bond and interest funds of the county,
6181 school districts, supervisors districts and road districts, in the
6182 discretion of the board of supervisors, and the board shall make
6183 the division in consideration of the needs of the various taxing



districts. The funds so allocated shall be used only for such purposes as are authorized by law.

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

27-25-705. (1) All taxes herein levied in this article and collected by the department shall be paid into the State Treasury on the same day in which the taxes are collected.

(2) Except as otherwise provided in this section, the commissioner shall apportion all the tax collections made pursuant to this article to the state and to the county in which the gas was produced, in the proportion of sixty-six and two-thirds percent ($66\frac{2}{3}\%$) to the state and thirty-three and one-third percent ($33\frac{1}{3}\%$) to the county.

(3) The commissioner shall apportion all the tax collections made pursuant to Section 27-25-703(1)(b) to the county in which the gas is produced.

(4) When the producer of gas subject to the tax levied in this article increases the price of the gas sold and the increase is subject to approval by a federal regulatory board or commission, and when the producer of the gas so requests, the State Treasurer is hereby authorized to hold the severance tax collected on the price increase in escrow until such time as the price increase or a portion thereof is finally granted or approved. The severance tax thus held in escrow shall be



6209 deposited by the State Treasurer to an account in a state
6210 depository to be invested in an interest-bearing account in the
6211 manner provided by law. When the price increase in question or a
6212 portion thereof is granted or approved, the commissioner shall
6213 compute the correct severance tax due on the increase and certify
6214 the amount of tax thus computed. This amount and interest earned
6215 from the depository shall be distributed to the General Fund and
6216 to the county or counties proportionately as provided in this
6217 subsection. The balance, if any, of the tax and interest held in
6218 escrow on the price increase shall be returned to the taxpayer.

6219 (5) The state's share of all gas severance taxes collected
6220 pursuant to this section shall be deposited as provided for in
6221 Section 27-25-506.

6222 (6) The commissioner shall certify at the end of each month
6223 the apportionment to each county to the State Treasurer, who shall
6224 remit the county's share of the funds on or before the twentieth
6225 day of the month next succeeding the month in which the
6226 collections were made for division among the municipalities and
6227 taxing districts of the county. The commissioner shall submit a
6228 report to the State Treasurer for distribution to each county
6229 receiving the funds showing from whom the tax and interest, if
6230 any, were collected. Upon receipt of the funds, the board of
6231 supervisors of the county shall allocate the funds to the
6232 municipalities and to the various maintenance and bond and



6233 interest funds of the county and school districts, as provided in
6234 this subsection.

6235 When there are any gas producing properties within the
6236 corporate limits of any municipality, then the municipality shall
6237 participate in the division of the tax and interest, if any,
6238 returned to the county in which the municipality is located in the
6239 proportion which the tax on production of gas from properties
6240 located within the municipal corporate limits bears to the tax on
6241 total production of gas in the county. In no event, however,
6242 shall the amount allocated to the municipalities exceed one-third
6243 (1/3) of the tax and interest produced in the municipality and
6244 returned to the county. Any amount received by any municipality
6245 as a result of the allocation provided for in this subsection
6246 shall be used for such purposes as are authorized by law.

6247 The balance remaining of any funds returned to the county
6248 after the allocation to municipalities shall be divided among the
6249 various maintenance and bond and interest funds of the county and
6250 school districts, in the discretion of the board of supervisors,
6251 and the board shall make the division in consideration of the
6252 needs of the various taxing districts. The funds so allocated
6253 shall be used only for such purposes as are authorized by law.

6254 **SECTION 49.** Section 27-65-101, Mississippi Code of 1972, is
6255 brought forward as follows:

6256 27-65-101. (1) The exemptions from the provisions of this
6257 chapter which are of an industrial nature or which are more



6258 properly classified as industrial exemptions than any other
6259 exemption classification of this chapter shall be confined to
6260 those persons or property exempted by this section or by the
6261 provisions of the Constitution of the United States or the State
6262 of Mississippi. No industrial exemption as now provided by any
6263 other section except Section 57-3-33 shall be valid as against the
6264 tax herein levied. Any subsequent industrial exemption from the
6265 tax levied hereunder shall be provided by amendment to this
6266 section. No exemption provided in this section shall apply to
6267 taxes levied by Section 27-65-15 or 27-65-21.

6268 The tax levied by this chapter shall not apply to the
6269 following:

6270 (a) Sales of boxes, crates, cartons, cans, bottles and
6271 other packaging materials to manufacturers and wholesalers for use
6272 as containers or shipping materials to accompany goods sold by
6273 said manufacturers or wholesalers where possession thereof will
6274 pass to the customer at the time of sale of the goods contained
6275 therein and sales to anyone of containers or shipping materials
6276 for use in ships engaged in international commerce.

6277 (b) Sales of raw materials, catalysts, processing
6278 chemicals, welding gases or other industrial processing gases
6279 (except natural gas) to a manufacturer for use directly in
6280 manufacturing or processing a product for sale or rental or
6281 repairing or reconditioning vessels or barges of fifty (50) tons
6282 load displacement and over. For the purposes of this exemption,



6283 electricity used directly in the electrolysis process in the
6284 production of sodium chlorate shall be considered a raw material.
6285 This exemption shall not apply to any property used as fuel except
6286 to the extent that such fuel comprises by-products which have no
6287 market value.

6288 (c) The gross proceeds of sales of dry docks, offshore
6289 drilling equipment for use in oil or natural gas exploration or
6290 production, vessels or barges of fifty (50) tons load displacement
6291 and over, when the vessels or barges are sold by the manufacturer
6292 or builder thereof. In addition to other types of equipment,
6293 offshore drilling equipment for use in oil or natural gas
6294 exploration or production shall include aircraft used
6295 predominately to transport passengers or property to or from
6296 offshore oil or natural gas exploration or production platforms or
6297 vessels, and engines, accessories and spare parts for such
6298 aircraft.

6299 (d) Sales to commercial fishermen of commercial fishing
6300 boats of over five (5) tons load displacement and not more than
6301 fifty (50) tons load displacement as registered with the United
6302 States Coast Guard and licensed by the Mississippi Commission on
6303 Marine Resources.

6304 (e) The gross income from repairs to vessels and barges
6305 engaged in foreign trade or interstate transportation.



6306 (f) Sales of petroleum products to vessels or barges
6307 for consumption in marine international commerce or interstate
6308 transportation businesses.

6309 (g) Sales and rentals of rail rolling stock (and
6310 component parts thereof) for ultimate use in interstate commerce
6311 and gross income from services with respect to manufacturing,
6312 repairing, cleaning, altering, reconditioning or improving such
6313 rail rolling stock (and component parts thereof).

6314 (h) Sales of raw materials, catalysts, processing
6315 chemicals, welding gases or other industrial processing gases
6316 (except natural gas) used or consumed directly in manufacturing,
6317 repairing, cleaning, altering, reconditioning or improving such
6318 rail rolling stock (and component parts thereof). This exemption
6319 shall not apply to any property used as fuel.

6320 (i) Sales of machinery or tools or repair parts
6321 therefor or replacements thereof, fuel or supplies used directly
6322 in manufacturing, converting or repairing ships, vessels or barges
6323 of three thousand (3,000) tons load displacement and over, but not
6324 to include office and plant supplies or other equipment not
6325 directly used on the ship, vessel or barge being built, converted
6326 or repaired. For purposes of this exemption, "ships, vessels or
6327 barges" shall not include floating structures described in Section
6328 27-65-18.

6329 (j) Sales of tangible personal property to persons
6330 operating ships in international commerce for use or consumption



6331 on board such ships. This exemption shall be limited to cases in
6332 which procedures satisfactory to the commissioner, ensuring
6333 against use in this state other than on such ships, are
6334 established.

6335 (k) Sales of materials used in the construction of a
6336 building, or any addition or improvement thereon, and sales of any
6337 machinery and equipment not later than three (3) months after the
6338 completion of construction of the building, or any addition
6339 thereon, to be used therein, to qualified businesses, as defined
6340 in Section 57-51-5, which are located in a county or portion
6341 thereof designated as an enterprise zone pursuant to Sections
6342 57-51-1 through 57-51-15.

6343 (l) Sales of materials used in the construction of a
6344 building, or any addition or improvement thereon, and sales of any
6345 machinery and equipment not later than three (3) months after the
6346 completion of construction of the building, or any addition
6347 thereon, to be used therein, to qualified businesses, as defined
6348 in Section 57-54-5.

6349 (m) Income from storage and handling of perishable
6350 goods by a public storage warehouse.

6351 (n) The value of natural gas lawfully injected into the
6352 earth for cycling, repressuring or lifting of oil, or lawfully
6353 vented or flared in connection with the production of oil;
6354 however, if any gas so injected into the earth is sold for such
6355 purposes, then the gas so sold shall not be exempt.



6356 (o) The gross collections from self-service commercial
6357 laundrying, drying, cleaning and pressing equipment.

6358 (p) Sales of materials used in the construction of a
6359 building, or any addition or improvement thereon, and sales of any
6360 machinery and equipment not later than three (3) months after the
6361 completion of construction of the building, or any addition
6362 thereon, to be used therein, to qualified companies, certified as
6363 such by the Mississippi Development Authority under Section
6364 57-53-1.

6365 (q) Sales of component materials used in the
6366 construction of a building, or any addition or improvement
6367 thereon, sales of machinery and equipment to be used therein, and
6368 sales of manufacturing or processing machinery and equipment which
6369 is permanently attached to the ground or to a permanent foundation
6370 and which is not by its nature intended to be housed within a
6371 building structure, not later than three (3) months after the
6372 initial start-up date, to permanent business enterprises engaging
6373 in manufacturing or processing in Tier Three areas (as such term
6374 is defined in Section 57-73-21), which businesses are certified by
6375 the Department of Revenue as being eligible for the exemption
6376 granted in this paragraph (q).

6377 (r) (i) Sales of component materials used in the
6378 construction of a building, or any addition or improvement
6379 thereon, and sales of any machinery and equipment not later than
6380 three (3) months after the completion of the building, addition or



6381 improvement thereon, to be used therein, for any company
6382 establishing or transferring its national or regional headquarters
6383 from within or outside the State of Mississippi and creating a
6384 minimum of twenty (20) jobs at the new headquarters in this state.
6385 The Department of Revenue shall establish criteria and prescribe
6386 procedures to determine if a company qualifies as a national or
6387 regional headquarters for the purpose of receiving the exemption
6388 provided in this subparagraph (i).

6389 (ii) Sales of component materials used in the
6390 construction of a building, or any addition or improvement
6391 thereon, and sales of any machinery and equipment not later than
6392 three (3) months after the completion of the building, addition or
6393 improvement thereon, to be used therein, for any company expanding
6394 or making additions after January 1, 2013, to its national or
6395 regional headquarters within the State of Mississippi and creating
6396 a minimum of twenty (20) new jobs at the headquarters as a result
6397 of the expansion or additions. The Department of Revenue shall
6398 establish criteria and prescribe procedures to determine if a
6399 company qualifies as a national or regional headquarters for the
6400 purpose of receiving the exemption provided in this subparagraph
6401 (ii).

6402 (s) The gross proceeds from the sale of semitrailers,
6403 trailers, boats, travel trailers, motorcycles, all-terrain cycles
6404 and rotary-wing aircraft if exported from this state within



6405 forty-eight (48) hours and registered and first used in another
6406 state.

6407 (t) Gross income from the storage and handling of
6408 natural gas in underground salt domes and in other underground
6409 reservoirs, caverns, structures and formations suitable for such
6410 storage.

6411 (u) Sales of machinery and equipment to nonprofit
6412 organizations if the organization:

6413 (i) Is tax exempt pursuant to Section 501(c)(4) of
6414 the Internal Revenue Code of 1986, as amended;

6415 (ii) Assists in the implementation of the
6416 contingency plan or area contingency plan, and which is created in
6417 response to the requirements of Title IV, Subtitle B of the Oil
6418 Pollution Act of 1990, Public Law 101-380; and

6419 (iii) Engages primarily in programs to contain,
6420 clean up and otherwise mitigate spills of oil or other substances
6421 occurring in the United States coastal and tidal waters.

6422 For purposes of this exemption, "machinery and equipment"
6423 means any ocean-going vessels, barges, booms, skimmers and other
6424 capital equipment used primarily in the operations of nonprofit
6425 organizations referred to herein.

6426 (v) Sales or leases of materials and equipment to
6427 approved business enterprises as provided under the Growth and
6428 Prosperity Act.



6429 (w) From and after July 1, 2001, sales of pollution
6430 control equipment to manufacturers or custom processors for
6431 industrial use. For the purposes of this exemption, "pollution
6432 control equipment" means equipment, devices, machinery or systems
6433 used or acquired to prevent, control, monitor or reduce air, water
6434 or groundwater pollution, or solid or hazardous waste as required
6435 by federal or state law or regulation.

6436 (x) Sales or leases to a manufacturer of motor vehicles
6437 or powertrain components operating a project that has been
6438 certified by the Mississippi Major Economic Impact Authority as a
6439 project as defined in Section 57-75-5(f)(iv)1, Section
6440 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
6441 equipment; special tooling such as dies, molds, jigs and similar
6442 items treated as special tooling for federal income tax purposes;
6443 or repair parts therefor or replacements thereof; repair services
6444 thereon; fuel, supplies, electricity, coal and natural gas used
6445 directly in the manufacture of motor vehicles or motor vehicle
6446 parts or used to provide climate control for manufacturing areas.

6447 (y) Sales or leases of component materials, machinery
6448 and equipment used in the construction of a building, or any
6449 addition or improvement thereon to an enterprise operating a
6450 project that has been certified by the Mississippi Major Economic
6451 Impact Authority as a project as defined in Section
6452 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)



6453 or Section 57-75-5(f) (xxviii) and any other sales or leases
6454 required to establish or operate such project.

6455 (z) Sales of component materials and equipment to a
6456 business enterprise as provided under Section 57-64-33.

6457 (aa) The gross income from the stripping and painting
6458 of commercial aircraft engaged in foreign or interstate
6459 transportation business.

6460 (bb) [Repealed]

6461 (cc) Sales or leases to an enterprise owning or
6462 operating a project that has been designated by the Mississippi
6463 Major Economic Impact Authority as a project as defined in Section
6464 57-75-5(f) (xviii) of machinery and equipment; special tooling such
6465 as dies, molds, jigs and similar items treated as special tooling
6466 for federal income tax purposes; or repair parts therefor or
6467 replacements thereof; repair services thereon; fuel, supplies,
6468 electricity, coal and natural gas used directly in the
6469 manufacturing/production operations of the project or used to
6470 provide climate control for manufacturing/production areas.

6471 (dd) Sales or leases of component materials, machinery
6472 and equipment used in the construction of a building, or any
6473 addition or improvement thereon to an enterprise owning or
6474 operating a project that has been designated by the Mississippi
6475 Major Economic Impact Authority as a project as defined in Section
6476 57-75-5(f) (xviii) and any other sales or leases required to
6477 establish or operate such project.



6478 (ee) Sales of parts used in the repair and servicing of
6479 aircraft not registered in Mississippi engaged exclusively in the
6480 business of foreign or interstate transportation to businesses
6481 engaged in aircraft repair and maintenance.

6482 (ff) Sales of component materials used in the
6483 construction of a facility, or any addition or improvement
6484 thereon, and sales or leases of machinery and equipment not later
6485 than three (3) months after the completion of construction of the
6486 facility, or any addition or improvement thereto, to be used in
6487 the building or any addition or improvement thereto, to a
6488 permanent business enterprise operating a data/information
6489 enterprise in Tier Three areas (as such areas are designated in
6490 accordance with Section 57-73-21), meeting minimum criteria
6491 established by the Mississippi Development Authority.

6492 (gg) Sales of component materials used in the
6493 construction of a facility, or any addition or improvement
6494 thereto, and sales of machinery and equipment not later than three
6495 (3) months after the completion of construction of the facility,
6496 or any addition or improvement thereto, to be used in the facility
6497 or any addition or improvement thereto, to technology intensive
6498 enterprises for industrial purposes in Tier Three areas (as such
6499 areas are designated in accordance with Section 57-73-21), as
6500 certified by the Department of Revenue. For purposes of this
6501 paragraph, an enterprise must meet the criteria provided for in



6502 Section 27-65-17(1)(f) in order to be considered a technology
6503 intensive enterprise.

6504 (hh) Sales of component materials used in the
6505 replacement, reconstruction or repair of a building or facility
6506 that has been destroyed or sustained extensive damage as a result
6507 of a disaster declared by the Governor, sales of machinery and
6508 equipment to be used therein to replace machinery or equipment
6509 damaged or destroyed as a result of such disaster, including, but
6510 not limited to, manufacturing or processing machinery and
6511 equipment which is permanently attached to the ground or to a
6512 permanent foundation and which is not by its nature intended to be
6513 housed within a building structure, to enterprises or companies
6514 that were eligible for the exemptions authorized in paragraph (q),
6515 (r), (ff) or (gg) of this subsection during initial construction
6516 of the building that was destroyed or damaged, which enterprises
6517 or companies are certified by the Department of Revenue as being
6518 eligible for the exemption granted in this paragraph.

6519 (ii) Sales of software or software services transmitted
6520 by the Internet to a destination outside the State of Mississippi
6521 where the first use of such software or software services by the
6522 purchaser occurs outside the State of Mississippi.

6523 (jj) Gross income of public storage warehouses derived
6524 from the temporary storage of raw materials that are to be used in
6525 an eligible facility as defined in Section 27-7-22.35.



6526 (kk) Sales of component building materials and
6527 equipment for initial construction of facilities or expansion of
6528 facilities as authorized under Sections 57-113-1 through 57-113-7
6529 and Sections 57-113-21 through 57-113-27.

6530 (ll) Sales and leases of machinery and equipment
6531 acquired in the initial construction to establish facilities as
6532 authorized in Sections 57-113-1 through 57-113-7.

6533 (mm) Sales and leases of replacement hardware, software
6534 or other necessary technology to operate a data center as
6535 authorized under Sections 57-113-21 through 57-113-27.

6536 (nn) Sales of component materials used in the
6537 construction of a building, or any addition or improvement
6538 thereon, and sales or leases of machinery and equipment not later
6539 than three (3) months after the completion of the construction of
6540 the facility, to be used in the facility, to permanent business
6541 enterprises operating a facility producing renewable crude oil
6542 from biomass harvested or produced, in whole or in part, in
6543 Mississippi, which businesses meet minimum criteria established by
6544 the Mississippi Development Authority. As used in this paragraph,
6545 the term "biomass" shall have the meaning ascribed to such term in
6546 Section 57-113-1.

6547 (oo) Sales of supplies, equipment and other personal
6548 property to an organization that is exempt from taxation under
6549 Section 501(c)(3) of the Internal Revenue Code and is the host
6550 organization coordinating a professional golf tournament played or



6551 to be played in this state and the supplies, equipment or other
6552 personal property will be used for purposes related to the golf
6553 tournament and related activities.

6554 (pp) Sales of materials used in the construction of a
6555 health care industry facility, as defined in Section 57-117-3, or
6556 any addition or improvement thereon, and sales of any machinery
6557 and equipment not later than three (3) months after the completion
6558 of construction of the facility, or any addition thereon, to be
6559 used therein, to qualified businesses, as defined in Section
6560 57-117-3. This paragraph shall be repealed from and after July 1,
6561 2022.

6562 (qq) Sales or leases to a manufacturer of automotive
6563 parts operating a project that has been certified by the
6564 Mississippi Major Economic Impact Authority as a project as
6565 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
6566 or repair parts therefor or replacements thereof; repair services
6567 thereon; fuel, supplies, electricity, coal, nitrogen and natural
6568 gas used directly in the manufacture of automotive parts or used
6569 to provide climate control for manufacturing areas.

6570 (rr) Gross collections derived from guided tours on any
6571 navigable waters of this state, which include providing
6572 accommodations, guide services and/or related equipment operated
6573 by or under the direction of the person providing the tour, for
6574 the purposes of outdoor tourism. The exemption provided in this



6575 paragraph (rr) does not apply to the sale of tangible personal
6576 property by a person providing such tours.

6577 (ss) Retail sales of truck-tractors and semitrailers
6578 used in interstate commerce and registered under the International
6579 Registration Plan (IRP) or any similar reciprocity agreement or
6580 compact relating to the proportional registration of commercial
6581 vehicles entered into as provided for in Section 27-19-143.

6582 (tt) Sales exempt under the Facilitating Business Rapid
6583 Response to State Declared Disasters Act of 2015 (Sections
6584 27-113-1 through 27-113-9).

6585 (uu) Sales or leases to an enterprise and its
6586 affiliates operating a project that has been certified by the
6587 Mississippi Major Economic Impact Authority as a project as
6588 defined in Section 57-75-5(f)(xxix) of:

6589 (i) All personal property and fixtures, including
6590 without limitation, sales or leases to the enterprise and its
6591 affiliates of:

6592 1. Manufacturing machinery and equipment;

6593 2. Special tooling such as dies, molds, jigs
6594 and similar items treated as special tooling for federal income
6595 tax purposes;

6596 3. Component building materials, machinery
6597 and equipment used in the construction of buildings, and any other
6598 additions or improvements to the project site for the project;



6599 4. Nonmanufacturing furniture, fixtures and
6600 equipment (inclusive of all communications, computer, server,
6601 software and other hardware equipment); and

6602 5. Fuel, supplies (other than
6603 nonmanufacturing consumable supplies and water), electricity,
6604 nitrogen gas and natural gas used directly in the
6605 manufacturing/production operations of such project or used to
6606 provide climate control for manufacturing/production areas of such
6607 project;

6608 (ii) All replacements of, repair parts for or
6609 services to repair items described in subparagraph (i)1, 2 and 3
6610 of this paragraph; and

6611 (iii) All services taxable pursuant to Section
6612 27-65-23 required to establish, support, operate, repair and/or
6613 maintain such project.

6614 (vv) Sales or leases to an enterprise operating a
6615 project that has been certified by the Mississippi Major Economic
6616 Impact Authority as a project as defined in Section
6617 57-75-5(f) (xxx) of:

6618 (i) Purchases required to establish and operate
6619 the project, including, but not limited to, sales of component
6620 building materials, machinery and equipment required to establish
6621 the project facility and any additions or improvements thereon;
6622 and



6623 (ii) Machinery, special tools (such as dies,
6624 molds, and jigs) or repair parts thereof, or replacements and
6625 lease thereof, repair services thereon, fuel, supplies and
6626 electricity, coal and natural gas used in the manufacturing
6627 process and purchased by the enterprise owning or operating the
6628 project for the benefit of the project.

6629 (wv) Sales of component materials used in the
6630 construction of a building, or any expansion or improvement
6631 thereon, sales of machinery and/or equipment to be used therein,
6632 and sales of processing machinery and equipment which is
6633 permanently attached to the ground or to a permanent foundation
6634 which is not by its nature intended to be housed in a building
6635 structure, no later than three (3) months after initial startup,
6636 expansion or improvement of a permanent enterprise solely engaged
6637 in the conversion of natural sand into proppants used in oil and
6638 gas exploration and development with at least ninety-five percent
6639 (95%) of such proppants used in the production of oil and/or gas
6640 from horizontally drilled wells and/or horizontally drilled
6641 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6642 (2) Sales of component materials used in the construction of
6643 a building, or any addition or improvement thereon, sales of
6644 machinery and equipment to be used therein, and sales of
6645 manufacturing or processing machinery and equipment which is
6646 permanently attached to the ground or to a permanent foundation
6647 and which is not by its nature intended to be housed within a



6648 building structure, not later than three (3) months after the
6649 initial start-up date, to permanent business enterprises engaging
6650 in manufacturing or processing in Tier Two areas and Tier One
6651 areas (as such areas are designated in accordance with Section
6652 57-73-21), which businesses are certified by the Department of
6653 Revenue as being eligible for the exemption granted in this
6654 subsection, shall be exempt from one-half (1/2) of the taxes
6655 imposed on such transactions under this chapter.

6656 (3) Sales of component materials used in the construction of
6657 a facility, or any addition or improvement thereon, and sales or
6658 leases of machinery and equipment not later than three (3) months
6659 after the completion of construction of the facility, or any
6660 addition or improvement thereto, to be used in the building or any
6661 addition or improvement thereto, to a permanent business
6662 enterprise operating a data/information enterprise in Tier Two
6663 areas and Tier One areas (as such areas are designated in
6664 accordance with Section 57-73-21), which businesses meet minimum
6665 criteria established by the Mississippi Development Authority,
6666 shall be exempt from one-half (1/2) of the taxes imposed on such
6667 transaction under this chapter.

6668 (4) Sales of component materials used in the construction of
6669 a facility, or any addition or improvement thereto, and sales of
6670 machinery and equipment not later than three (3) months after the
6671 completion of construction of the facility, or any addition or
6672 improvement thereto, to be used in the building or any addition or



6673 improvement thereto, to technology intensive enterprises for
6674 industrial purposes in Tier Two areas and Tier One areas (as such
6675 areas are designated in accordance with Section 57-73-21), which
6676 businesses are certified by the Department of Revenue as being
6677 eligible for the exemption granted in this subsection, shall be
6678 exempt from one-half (1/2) of the taxes imposed on such
6679 transactions under this chapter. For purposes of this subsection,
6680 an enterprise must meet the criteria provided for in Section
6681 27-65-17(1)(f) in order to be considered a technology intensive
6682 enterprise.

6683 (5) (a) For purposes of this subsection:

6684 (i) "Telecommunications enterprises" shall have
6685 the meaning ascribed to such term in Section 57-73-21;

6686 (ii) "Tier One areas" mean counties designated as
6687 Tier One areas pursuant to Section 57-73-21;

6688 (iii) "Tier Two areas" mean counties designated as
6689 Tier Two areas pursuant to Section 57-73-21;

6690 (iv) "Tier Three areas" mean counties designated
6691 as Tier Three areas pursuant to Section 57-73-21; and

6692 (v) "Equipment used in the deployment of broadband
6693 technologies" means any equipment capable of being used for or in
6694 connection with the transmission of information at a rate, prior
6695 to taking into account the effects of any signal degradation, that
6696 is not less than three hundred eighty-four (384) kilobits per
6697 second in at least one (1) direction, including, but not limited



6698 to, asynchronous transfer mode switches, digital subscriber line
6699 access multiplexers, routers, servers, multiplexers, fiber optics
6700 and related equipment.

6701 (b) Sales of equipment to telecommunications
6702 enterprises after June 30, 2003, and before July 1, 2025, that is
6703 installed in Tier One areas and used in the deployment of
6704 broadband technologies shall be exempt from one-half (1/2) of the
6705 taxes imposed on such transactions under this chapter.

6706 (c) Sales of equipment to telecommunications
6707 enterprises after June 30, 2003, and before July 1, 2025, that is
6708 installed in Tier Two and Tier Three areas and used in the
6709 deployment of broadband technologies shall be exempt from the
6710 taxes imposed on such transactions under this chapter.

6711 (6) Sales of component materials used in the replacement,
6712 reconstruction or repair of a building that has been destroyed or
6713 sustained extensive damage as a result of a disaster declared by
6714 the Governor, sales of machinery and equipment to be used therein
6715 to replace machinery or equipment damaged or destroyed as a result
6716 of such disaster, including, but not limited to, manufacturing or
6717 processing machinery and equipment which is permanently attached
6718 to the ground or to a permanent foundation and which is not by its
6719 nature intended to be housed within a building structure, to
6720 enterprises that were eligible for the partial exemptions provided
6721 for in subsections (2), (3) and (4) of this section during initial
6722 construction of the building that was destroyed or damaged, which



6723 enterprises are certified by the Department of Revenue as being
6724 eligible for the partial exemption granted in this subsection,
6725 shall be exempt from one-half (1/2) of the taxes imposed on such
6726 transactions under this chapter.

6727 **SECTION 50.** Section 27-65-103, Mississippi Code of 1972, is
6728 brought forward as follows:

6729 27-65-103. The exemptions from the provisions of this
6730 chapter which are of an agricultural nature or which are more
6731 properly classified as agricultural exemptions than any other
6732 exemption classification of this chapter shall be confined to
6733 those persons or property exempted by this section or by
6734 provisions of the Constitution of the United States or the State
6735 of Mississippi. No agricultural exemption as now provided by any
6736 other section shall be valid as against the tax herein levied.
6737 Any subsequent agricultural exemption from the tax levied
6738 hereunder shall be provided by amendment to this section.

6739 No exemption provided in this section shall apply to taxes
6740 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6741 The tax levied by this chapter shall not apply to the
6742 following:

6743 (a) The gross proceeds of sales of lint cotton, seed
6744 cotton, baled cotton, whether compressed or not, and cottonseed
6745 and soybeans in their original condition. Retail sales of seeds,
6746 livestock feed, poultry feed, fish feed and fertilizers. Sales of
6747 defoliants, insecticides, fungicides, herbicides and baby chicks



6748 used in growing agricultural products for market. Bagging and
6749 ties for baling cotton, hay-baling wire and twine, boxes, bags and
6750 cans used in growing or preparing agricultural products for market
6751 when possession thereof will pass to the customer at the time of
6752 sale of the product contained therein. Sales of ice to commercial
6753 fishermen purchased for use in the preservation of seafood or to
6754 producers for use in the refrigeration of vegetables for market.

6755 (b) The sales by producers of livestock, poultry, fish,
6756 honey bees or other products of farm, grove, apiary or garden when
6757 such products are sold in the original state or condition of
6758 preparation for sale before such products are subjected to any
6759 other process within a class of business or sold by a producer
6760 through an established store, as defined in the Privilege Tax Law.
6761 However, except as otherwise provided in this paragraph (b), this
6762 exemption shall not apply to ornamental plants which bear no fruit
6763 of commercial value. The exemption provided in this paragraph (b)
6764 shall apply to Christmas trees, hay, straw, fresh cut flowers and
6765 similar products when (i) grown in Mississippi and (ii) cut,
6766 severed or otherwise removed from the farm, grove, garden or other
6767 place of production and first sold from such place of production
6768 in the original state or condition of preparation for sale. All
6769 sales by agricultural cooperative associations organized under
6770 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title
6771 79, Mississippi Code of 1972, of agricultural products produced by



6772 members for market before such products are subjected to any
6773 manufacturing process.

6774 (c) The gross proceeds of retail sales of mules,
6775 horses, honey bees and other livestock.

6776 (d) Income from grading, excavating, ditching, dredging
6777 or landscaping activities performed for a farmer on a farm for
6778 agricultural or soil erosion purposes.

6779 (e) The gross proceeds of sales of all antibiotics,
6780 hormones and hormone preparations, drugs, medicines and other
6781 medications including serums and vaccines, vitamins, minerals or
6782 other nutrients for use in the production and growing of fish,
6783 livestock, honey bees and poultry by whomever sold. Such
6784 exemption shall be in addition to the exemption provided in this
6785 section for feed for fish, livestock, honey bees and poultry.

6786 (f) Sales of food products and honey that are grown,
6787 made or processed in Mississippi and sold from farmers' markets
6788 that have been certified by the Mississippi Department of
6789 Agriculture and Commerce.

6790 **SECTION 51.** Section 27-65-105, Mississippi Code of 1972, is
6791 brought forward as follows:

6792 27-65-105. The exemption from the provisions of this chapter
6793 which are of a governmental nature or which are more properly
6794 classified as governmental exemptions than any other exemption
6795 classification of this chapter shall be confined to those persons
6796 or property exempted by this section or by provisions of the



6797 Constitutions of the United States or the State of Mississippi.
6798 No governmental exemption as now provided by any other section
6799 shall be valid as against the tax herein levied. Any subsequent
6800 governmental exemption from the tax levied hereunder shall be
6801 provided by amendment to this section.

6802 No exemption provided in this section shall apply to taxes
6803 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
6804 except as provided by paragraph (f) of this section.

6805 The tax levied by this chapter shall not apply to the
6806 following:

6807 (a) Sales of property, labor, services or products
6808 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
6809 when sold to and billed directly to and payment therefor is made
6810 directly by the United States government, the State of Mississippi
6811 and its departments, institutions, counties and municipalities or
6812 departments or school districts of said counties and
6813 municipalities.

6814 The exemption from the tax imposed under this chapter shall
6815 not apply to sales of tangible personal property or specified
6816 digital products, labor or services to contractors purchasing in
6817 the performance of contracts with the United States, the State of
6818 Mississippi, counties and municipalities.

6819 (b) Sales to schools, when such schools are supported
6820 wholly or in part by funds provided by the State of Mississippi,
6821 provided that this exemption does not apply to sales of property



6822 which is not to be used in the ordinary operation of the school,
6823 or which is to be resold to the students or the public.

6824 (c) Amounts received from the sale of school textbooks
6825 to students.

6826 (d) Sales to the Mississippi Band of Choctaw Indians,
6827 but not to Indians individually.

6828 (e) Sales of firefighting equipment to governmental
6829 fire departments or volunteer fire departments for their use.

6830 (f) Sales of any gas from any project, as defined in
6831 the Municipal Gas Authority of Mississippi Law, to any
6832 municipality shall not be subject to sales, use or other tax.

6833 (g) Sales of home medical equipment and home medical
6834 supplies listed as eligible for payment under Title XVIII of the
6835 Social Security Act or under the state plan for medical assistance
6836 under Title XIX of the Social Security Act, prosthetics,
6837 orthotics, hearing aids, hearing devices, prescription eyeglasses,
6838 oxygen and oxygen equipment, when ordered or prescribed by a
6839 licensed physician for medical purposes of a patient, and when
6840 payment for such equipment or supplies, or both, is made, in part
6841 or in whole, under the provisions of the Medicare or Medicaid
6842 program, then the entire sale shall be exempt from the taxes
6843 imposed by this chapter. Payment does not have to be made, in
6844 whole or in part by any particular person to be eligible for this
6845 exemption. Purchases of home medical equipment and supplies by a
6846 provider of home health services or a provider of hospice services



6847 are eligible for this exemption if the purchases otherwise meet
6848 the requirements of this paragraph.

6849 (h) Sales to regional educational service agencies
6850 established under Section 37-7-345.

6851 (i) Sales of buses and other motor vehicles, and parts
6852 and labor used to maintain and/or repair such buses and motor
6853 vehicles, to an entity that (a) has entered into a contract with a
6854 school board under Section 37-41-31 for the purpose of
6855 transporting students to and from schools and (b) uses or will use
6856 the buses and other motor vehicles for such transportation
6857 purposes. This paragraph (i) shall apply to contracts entered
6858 into or renewed on or after July 1, 2010.

6859 (j) Parking at events held solely for religious or
6860 charitable purposes at livestock facilities, agriculture
6861 facilities or other facilities constructed, renovated or expanded
6862 with funds for the grant program authorized under Section 18,
6863 Chapter 530, Laws of 1995.

6864 (k) Sales of tangible personal property, labor,
6865 services or products to schools and school districts under a
6866 program that is administered by or coordinated with an agency,
6867 commission, department or other instrumentality of the United
6868 States government when payment for the tangible personal property,
6869 labor, services or products is made by or through a nonprofit
6870 organization or other entity established by or for the benefit of
6871 the agency, commission, department or other instrumentality of the



6872 United States government administering or coordinating such
6873 program.

6874 **SECTION 52.** Section 27-65-107, Mississippi Code of 1972, is
6875 brought forward as follows:

6876 27-65-107. The exemptions from the provisions of this
6877 chapter which relate to utilities or which are more properly
6878 classified as utility exemptions than any other exemption
6879 classification of this chapter shall be confined to those persons
6880 or property exempted by this section or by provisions of the
6881 Constitutions of the United States or the State of Mississippi.
6882 No utility exemption as now provided by any other section shall be
6883 valid as against the tax herein levied. Any subsequent utility
6884 exemption from the tax levied hereunder shall be provided by
6885 amendment to this section.

6886 No exemption provided in this section shall apply to taxes
6887 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6888 The tax levied by this chapter shall not apply to the
6889 following:

6890 (a) Sales and rentals of locomotives, rail rolling
6891 stock and materials for their repair, locomotive water, when made
6892 to a railroad whose rates are fixed by the Interstate Commerce
6893 Commission or the Mississippi Public Service Commission.

6894 (b) Rentals of manufacturing machinery to a
6895 manufacturer or custom processor where such manufacturer or custom
6896 processor is engaged in, and such machinery is used in, the



6897 manufacture of containers made from timber or wood for sale. The
6898 tax, likewise, shall not apply to replacement or repair parts of
6899 such machinery used in such manufacture.

6900 (c) Sales of tangible personal property and services to
6901 nonprofit water associations or corporations in which no part of
6902 the net earnings inures to the benefit of any private shareholder,
6903 group or individual. Only sales of property or services which are
6904 ordinary and necessary to the operation of such organizations are
6905 exempt from tax.

6906 (d) Wholesale sales of tangible personal property for
6907 resale under Section 27-65-19.

6908 (e) From and after July 1, 2003, sales of fuel used to
6909 produce electric power by a company primarily engaged in the
6910 business of producing, generating or distributing electric power
6911 for sale.

6912 (f) Sales of electricity, current, power, steam, coal,
6913 natural gas, liquefied petroleum gas or other fuel to a
6914 manufacturer, custom processor, data center meeting the criteria
6915 provided for in Section 57-113-21, technology intensive enterprise
6916 meeting the criteria provided for in Section 27-65-17(1)(f), or
6917 public service company for industrial purposes, which shall
6918 include that used to generate electricity, to operate an
6919 electrical distribution or transmission system, to operate
6920 pipeline compressor or pumping stations, or to operate railroad
6921 locomotives.



6922 (g) Sales of electricity, current, power, steam, coal,
6923 natural gas, liquefied petroleum gas or other fuel to a producer
6924 or processor for use directly in the production of poultry or
6925 poultry products, the production of livestock and livestock
6926 products, the production of domesticated fish and domesticated
6927 fish products, the production of marine aquaculture products, the
6928 production of plants or food by commercial horticulturists, the
6929 processing of milk and milk products, the processing of poultry
6930 and livestock feed, and the irrigation of farm crops.

6931 (h) Sales of electricity, current, power, steam, coal,
6932 natural gas, liquefied petroleum gas or other fuel to a commercial
6933 fisherman, shrimper or oysterman.

6934 (i) Sales exempt under the Facilitating Business Rapid
6935 Response to State Declared Disasters Act of 2015 (Sections
6936 27-113-1 through 27-113-9).

6937 (j) Sales of electricity, current, power, steam, coal,
6938 natural gas, liquefied petroleum gas or other fuel to a permanent
6939 enterprise that is eligible for the exemption authorized in
6940 Section 27-65-101(1)(ww) upon completion of the expansion upon
6941 which such exemption is based; however, in order to be eligible
6942 for the exemption authorized by this paragraph, the expansion
6943 must:

6944 (i) Create at least eighty-five (85) full-time
6945 jobs in this state with an average annual wage of at least Sixty
6946 Thousand Dollars (\$60,000.00); and



6947 (ii) Have at least Eighty Million Dollars
6948 (\$80,000,000.00) in new investment at the existing facility.

6949 **SECTION 53.** Section 27-65-111, Mississippi Code of 1972, is
6950 brought forward as follows:

6951 27-65-111. The exemptions from the provisions of this
6952 chapter which are not industrial, agricultural or governmental, or
6953 which do not relate to utilities or taxes, or which are not
6954 properly classified as one (1) of the exemption classifications of
6955 this chapter, shall be confined to persons or property exempted by
6956 this section or by the Constitution of the United States or the
6957 State of Mississippi. No exemptions as now provided by any other
6958 section, except the classified exemption sections of this chapter
6959 set forth herein, shall be valid as against the tax herein levied.
6960 Any subsequent exemption from the tax levied hereunder, except as
6961 indicated above, shall be provided by amendments to this section.

6962 No exemption provided in this section shall apply to taxes
6963 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6964 The tax levied by this chapter shall not apply to the
6965 following:

6966 (a) Sales of tangible personal property and services to
6967 hospitals or infirmaries owned and operated by a corporation or
6968 association in which no part of the net earnings inures to the
6969 benefit of any private shareholder, group or individual, and which
6970 are subject to and governed by Sections 41-7-123 through 41-7-127.



6971 Only sales of tangible personal property or services which
6972 are ordinary and necessary to the operation of such hospitals and
6973 infirmaries are exempted from tax.

6974 (b) Sales of daily or weekly newspapers, and
6975 periodicals or publications of scientific, literary or educational
6976 organizations exempt from federal income taxation under Section
6977 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
6978 March 31, 1975, and subscription sales of all magazines.

6979 (c) Sales of coffins, caskets and other materials used
6980 in the preparation of human bodies for burial.

6981 (d) Sales of tangible personal property for immediate
6982 export to a foreign country.

6983 (e) Sales of tangible personal property to an
6984 orphanage, old men's or ladies' home, supported wholly or in part
6985 by a religious denomination, fraternal nonprofit organization or
6986 other nonprofit organization.

6987 (f) Sales of tangible personal property, labor or
6988 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
6989 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
6990 corporation or association in which no part of the net earnings
6991 inures to the benefit of any private shareholder, group or
6992 individual.

6993 (g) Sales to elementary and secondary grade schools,
6994 junior and senior colleges owned and operated by a corporation or
6995 association in which no part of the net earnings inures to the



6996 benefit of any private shareholder, group or individual, and which
6997 are exempt from state income taxation, provided that this
6998 exemption does not apply to sales of property or services which
6999 are not to be used in the ordinary operation of the school, or
7000 which are to be resold to the students or the public.

7001 (h) The gross proceeds of retail sales and the use or
7002 consumption in this state of drugs and medicines:

7003 (i) Prescribed for the treatment of a human being
7004 by a person authorized to prescribe the medicines, and dispensed
7005 or prescription filled by a registered pharmacist in accordance
7006 with law; or

7007 (ii) Furnished by a licensed physician, surgeon,
7008 dentist or podiatrist to his own patient for treatment of the
7009 patient; or

7010 (iii) Furnished by a hospital for treatment of any
7011 person pursuant to the order of a licensed physician, surgeon,
7012 dentist or podiatrist; or

7013 (iv) Sold to a licensed physician, surgeon,
7014 podiatrist, dentist or hospital for the treatment of a human
7015 being; or

7016 (v) Sold to this state or any political
7017 subdivision or municipal corporation thereof, for use in the
7018 treatment of a human being or furnished for the treatment of a
7019 human being by a medical facility or clinic maintained by this



7020 state or any political subdivision or municipal corporation
7021 thereof.

7022 "Medicines," as used in this paragraph (h), shall mean and
7023 include any substance or preparation intended for use by external
7024 or internal application to the human body in the diagnosis, cure,
7025 mitigation, treatment or prevention of disease and which is
7026 commonly recognized as a substance or preparation intended for
7027 such use; provided that "medicines" do not include any auditory,
7028 prosthetic, ophthalmic or ocular device or appliance, any dentures
7029 or parts thereof or any artificial limbs or their replacement
7030 parts, articles which are in the nature of splints, bandages,
7031 pads, compresses, supports, dressings, instruments, apparatus,
7032 contrivances, appliances, devices or other mechanical, electronic,
7033 optical or physical equipment or article or the component parts
7034 and accessories thereof, or any alcoholic beverage or any other
7035 drug or medicine not commonly referred to as a prescription drug.

7036 Notwithstanding the preceding sentence of this paragraph (h),
7037 "medicines" as used in this paragraph (h), shall mean and include
7038 sutures, whether or not permanently implanted, bone screws, bone
7039 pins, pacemakers and other articles permanently implanted in the
7040 human body to assist the functioning of any natural organ, artery,
7041 vein or limb and which remain or dissolve in the body.

7042 "Hospital," as used in this paragraph (h), shall have the
7043 meaning ascribed to it in Section 41-9-3, Mississippi Code of
7044 1972.



7045 Insulin furnished by a registered pharmacist to a person for
7046 treatment of diabetes as directed by a physician shall be deemed
7047 to be dispensed on prescription within the meaning of this
7048 paragraph (h).

7049 (i) Retail sales of automobiles, trucks and
7050 truck-tractors if exported from this state within forty-eight (48)
7051 hours and registered and first used in another state.

7052 (j) Sales of tangible personal property or services to
7053 the Salvation Army and the Muscular Dystrophy Association, Inc.

7054 (k) From July 1, 1985, through December 31, 1992,
7055 retail sales of "alcohol blended fuel" as such term is defined in
7056 Section 75-55-5. The gasoline-alcohol blend or the straight
7057 alcohol eligible for this exemption shall not contain alcohol
7058 distilled outside the State of Mississippi.

7059 (l) Sales of tangible personal property or services to
7060 the Institute for Technology Development.

7061 (m) The gross proceeds of retail sales of food and
7062 drink for human consumption made through vending machines serviced
7063 by full line vendors from and not connected with other taxable
7064 businesses.

7065 (n) The gross proceeds of sales of motor fuel.

7066 (o) Retail sales of food for human consumption
7067 purchased with food stamps issued by the United States Department
7068 of Agriculture, or other federal agency, from and after October 1,
7069 1987, or from and after the expiration of any waiver granted



7070 pursuant to federal law, the effect of which waiver is to permit
7071 the collection by the state of tax on such retail sales of food
7072 for human consumption purchased with food stamps.

7073 (p) Sales of cookies for human consumption by the Girl
7074 Scouts of America no part of the net earnings from which sales
7075 inures to the benefit of any private group or individual.

7076 (q) Gifts or sales of tangible personal property or
7077 services to public or private nonprofit museums of art.

7078 (r) Sales of tangible personal property or services to
7079 alumni associations of state-supported colleges or universities.

7080 (s) Sales of tangible personal property or services to
7081 National Association of Junior Auxiliaries, Inc., and chapters of
7082 the National Association of Junior Auxiliaries, Inc.

7083 (t) Sales of tangible personal property or services to
7084 domestic violence shelters which qualify for state funding under
7085 Sections 93-21-101 through 93-21-113.

7086 (u) Sales of tangible personal property or services to
7087 the National Multiple Sclerosis Society, Mississippi Chapter.

7088 (v) Retail sales of food for human consumption
7089 purchased with food instruments issued the Mississippi Band of
7090 Choctaw Indians under the Women, Infants and Children Program
7091 (WIC) funded by the United States Department of Agriculture.

7092 (w) Sales of tangible personal property or services to
7093 a private company, as defined in Section 57-61-5, which is making



7094 such purchases with proceeds of bonds issued under Section 57-61-1
7095 et seq., the Mississippi Business Investment Act.

7096 (x) The gross collections from the operation of
7097 self-service, coin-operated car washing equipment and sales of the
7098 service of washing motor vehicles with portable high-pressure
7099 washing equipment on the premises of the customer.

7100 (y) Sales of tangible personal property or services to
7101 the Mississippi Technology Alliance.

7102 (z) Sales of tangible personal property to nonprofit
7103 organizations that provide foster care, adoption services and
7104 temporary housing for unwed mothers and their children if the
7105 organization is exempt from federal income taxation under Section
7106 501(c)(3) of the Internal Revenue Code.

7107 (aa) Sales of tangible personal property to nonprofit
7108 organizations that provide residential rehabilitation for persons
7109 with alcohol and drug dependencies if the organization is exempt
7110 from federal income taxation under Section 501(c)(3) of the
7111 Internal Revenue Code.

7112 (bb) (i) Retail sales of an article of clothing or
7113 footwear designed to be worn on or about the human body and retail
7114 sales of school supplies if the sales price of the article of
7115 clothing or footwear or school supply is less than One Hundred
7116 Dollars (\$100.00) and the sale takes place during a period
7117 beginning at 12:01 a.m. on the last Friday in July and ending at



7118 12:00 midnight the following Saturday. This paragraph (bb) shall
7119 not apply to:

7120 1. Accessories including jewelry, handbags,
7121 luggage, umbrellas, wallets, watches, briefcases, garment bags and
7122 similar items carried on or about the human body, without regard
7123 to whether worn on the body in a manner characteristic of
7124 clothing;

7125 2. The rental of clothing or footwear; and

7126 3. Skis, swim fins, roller blades, skates and
7127 similar items worn on the foot.

7128 (ii) For purposes of this paragraph (bb), "school
7129 supplies" means items that are commonly used by a student in a
7130 course of study. The following is an all-inclusive list:

- 7131 1. Backpacks;
7132 2. Binder pockets;
7133 3. Binders;
7134 4. Blackboard chalk;
7135 5. Book bags;
7136 6. Calculators;
7137 7. Cellophane tape;
7138 8. Clays and glazes;
7139 9. Compasses;
7140 10. Composition books;
7141 11. Crayons;
7142 12. Dictionaries and thesauruses;



7143	13. Dividers;
7144	14. Erasers;
7145	15. Folders: expandable, pocket, plastic and
7146	manila;
7147	16. Glue, paste and paste sticks;
7148	17. Highlighters;
7149	18. Index card boxes;
7150	19. Index cards;
7151	20. Legal pads;
7152	21. Lunch boxes;
7153	22. Markers;
7154	23. Notebooks;
7155	24. Paintbrushes for artwork;
7156	25. Paints: acrylic, tempera and oil;
7157	26. Paper: loose-leaf ruled notebook paper,
7158	copy paper, graph paper, tracing paper, manila paper, colored
7159	paper, poster board and construction paper;
7160	27. Pencil boxes and other school supply
7161	boxes;
7162	28. Pencil sharpeners;
7163	29. Pencils;
7164	30. Pens;
7165	31. Protractors;
7166	32. Reference books;
7167	33. Reference maps and globes;



- 34. Rulers;
- 35. Scissors;
- 36. Sheet music;
- 37. Sketch and drawing pads;
- 38. Textbooks;
- 39. Watercolors;
- 40. Workbooks; and
- 41. Writing tablets.

(iii) From and after January 1, 2010, the governing authorities of a municipality, for retail sales occurring within the corporate limits of the municipality, may suspend the application of the exemption provided for in this paragraph (bb) by adoption of a resolution to that effect stating the date upon which the suspension shall take effect. A certified copy of the resolution shall be furnished to the Department of Revenue at least ninety (90) days prior to the date upon which the municipality desires such suspension to take effect.

(cc) The gross proceeds of sales of tangible personal property made for the sole purpose of raising funds for a school or an organization affiliated with a school.

As used in this paragraph (cc), "school" means any public or private school that teaches courses of instruction to students in any grade from kindergarten through Grade 12.

(dd) Sales of durable medical equipment and home medical supplies when ordered or prescribed by a licensed



7193 physician for medical purposes of a patient. As used in this
7194 paragraph (dd), "durable medical equipment" and "home medical
7195 supplies" mean equipment, including repair and replacement parts
7196 for the equipment or supplies listed under Title XVIII of the
7197 Social Security Act or under the state plan for medical assistance
7198 under Title XIX of the Social Security Act, prosthetics,
7199 orthotics, hearing aids, hearing devices, prescription eyeglasses,
7200 oxygen and oxygen equipment. Payment does not have to be made, in
7201 whole or in part, by any particular person to be eligible for this
7202 exemption. Purchases of home medical equipment and supplies by a
7203 provider of home health services or a provider of hospice services
7204 are eligible for this exemption if the purchases otherwise meet
7205 the requirements of this paragraph.

7206 (ee) Sales of tangible personal property or services to
7207 Mississippi Blood Services.

7208 (ff) (i) Subject to the provisions of this paragraph
7209 (ff), retail sales of firearms, ammunition and hunting supplies if
7210 sold during the annual Mississippi Second Amendment Weekend
7211 holiday beginning at 12:01 a.m. on the last Friday in August and
7212 ending at 12:00 midnight the following Sunday. For the purposes
7213 of this paragraph (ff), "hunting supplies" means tangible personal
7214 property used for hunting, including, and limited to, archery
7215 equipment, firearm and archery cases, firearm and archery
7216 accessories, hearing protection, holsters, belts and slings.
7217 Hunting supplies does not include animals used for hunting.



7218 (ii) This paragraph (ff) shall apply only if one
7219 or more of the following occur:

7220 1. Title to and/or possession of an eligible
7221 item is transferred from a seller to a purchaser; and/or

7222 2. A purchaser orders and pays for an
7223 eligible item and the seller accepts the order for immediate
7224 shipment, even if delivery is made after the time period provided
7225 in subparagraph (i) of this paragraph (ff), provided that the
7226 purchaser has not requested or caused the delay in shipment.

7227 (gg) Sales of nonperishable food items to charitable
7228 organizations that are exempt from federal income taxation under
7229 Section 501(c)(3) of the Internal Revenue Code and operate a food
7230 bank or food pantry or food lines.

7231 (hh) Sales of tangible personal property or services to
7232 the United Way of the Pine Belt Region, Inc.

7233 (ii) Sales of tangible personal property or services to
7234 the Mississippi Children's Museum or any subsidiary or affiliate
7235 thereof operating a satellite or branch museum within this state.

7236 (jj) Sales of tangible personal property or services to
7237 the Jackson Zoological Park.

7238 (kk) Sales of tangible personal property or services to
7239 the Hattiesburg Zoo.

7240 (ll) Gross proceeds from sales of food, merchandise or
7241 other concessions at an event held solely for religious or
7242 charitable purposes at livestock facilities, agriculture



7243 facilities or other facilities constructed, renovated or expanded
7244 with funds for the grant program authorized under Section 18,
7245 Chapter 530, Laws of 1995.

7246 (mm) Sales of tangible personal property and services
7247 to the Diabetes Foundation of Mississippi and the Mississippi
7248 Chapter of the Juvenile Diabetes Research Foundation.

7249 (nn) Sales of potting soil, mulch, or other soil
7250 amendments used in growing ornamental plants which bear no fruit
7251 of commercial value when sold to commercial plant nurseries that
7252 operate exclusively at wholesale and where no retail sales can be
7253 made.

7254 (oo) Sales of tangible personal property or services to
7255 the University of Mississippi Medical Center Research Development
7256 Foundation.

7257 (pp) Sales of tangible personal property or services to
7258 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
7259 Mississippi Beautiful, Inc.

7260 (qq) Sales of tangible personal property or services to
7261 the Friends of Children's Hospital.

7262 (rr) Sales of tangible personal property or services to
7263 the Pinecrest Weekend Backpacks for Kids located in Corinth,
7264 Mississippi.

7265 (ss) Sales of hearing aids when ordered or prescribed
7266 by a licensed physician, audiologist or hearing aid specialist for
7267 the medical purposes of a patient.



7268 (tt) Sales exempt under the Facilitating Business Rapid
7269 Response to State Declared Disasters Act of 2015 (Sections
7270 27-113-1 through 27-113-9).

7271 (uu) Sales of tangible personal property or services to
7272 the Junior League of Jackson.

7273 (vv) Sales of tangible personal property or services to
7274 the Mississippi's Toughest Kids Foundation for use in the
7275 construction, furnishing and equipping of buildings and related
7276 facilities and infrastructure at Camp Kamassa in Copiah County,
7277 Mississippi. This paragraph (vv) shall stand repealed on July 1,
7278 2022.

7279 (wv) Sales of tangible personal property or services to
7280 MS Gulf Coast Buddy Sports, Inc.

7281 (xx) Sales of tangible personal property or services to
7282 Biloxi Lions, Inc.

7283 (yy) Sales of tangible personal property or services to
7284 Lions Sight Foundation of Mississippi, Inc.

7285 (zz) Sales of tangible personal property and services
7286 to the Goldring/Woldenberg Institute of Southern Jewish Life
7287 (ISJL).

7288 **SECTION 54.** This act shall take effect and be in force from
7289 and after July 1, 2022.

