

House Amendments to Senate Bill No. 3164

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

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

78 **SECTION 1.** (1) This act shall be known and may be cited as
79 the "Mississippi Tax Freedom Act of 2022."

80 (2) The Legislature finds that:

81 (a) For fiscal year 2021, actual General Fund revenue
82 collections of Six Billion Seven Hundred Forty-one Million Three
83 Hundred Eighty-four Thousand Nine Hundred Seventy-five Dollars
84 (\$6,741,384,975.00) exceeded the General Fund revenue collections
85 estimate of Five Billion Six Hundred Ninety Million Seven Hundred
86 Thousand Dollars (\$5,690,700,000.00) established by the Joint
87 Legislative Budget Committee;

88 (b) The General Fund revenue collections estimate for
89 fiscal year 2022 is Five Billion Nine Hundred Twenty-seven Million
90 Dollars (\$5,927,000,000.00), with an estimate for the first half
91 of fiscal year 2022 of Two Billion Eight Hundred Twenty-four
92 Million Three Hundred Twenty-six Thousand One Hundred Dollars
93 (\$2,824,326,100.00), and actual General Fund revenue collections
94 through the first half of fiscal year 2022 are Three Billion Three

95 Hundred Sixty-nine Million Five Hundred Eighty-three Thousand
96 Seven Hundred Forty-eight Dollars (\$3,369,583,748.00), which
97 significantly exceed estimated General Fund revenue collections
98 for such period;

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

104 (d) For Fiscal Year 2024, The Legislative Budget Report
105 for Fiscal Year 2023 has provided an out year projection for
106 Fiscal Year 2024 of Six Billion Seven Hundred Ninety-seven Million
107 One Hundred Thirty-three Thousand Two Hundred Three Dollars
108 (\$6,797,133,203.00) and this continued level of growth will allow
109 for a sufficient amount of General Fund revenue to be available to
110 offset any loss of General Fund revenue during fiscal year 2024
111 due to changes to the state income tax law and state sales tax law
112 made by this act.

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

115 27-7-21. (a) **Allowance of deductions.** In the case of a
116 resident individual, the exemptions provided by this section, as
117 applicable to individuals, shall be allowed as deductions in
118 computing taxable income.

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

121 (\$5,250.00) for the 1979 and 1980 calendar years * * * ~~and~~, Six
122 Thousand Dollars (\$6,000.00) for each calendar year thereafter
123 through calendar year 2022, and Twenty-two Thousand Seven Hundred
124 Dollars (\$22,700.00) for each calendar year thereafter.

125 (c) **Married individuals.** In the case of married individuals
126 living together, a joint personal exemption of Eight Thousand
127 Dollars (\$8,000.00) for the 1979 and 1980 calendar years and Nine
128 Thousand Five Hundred Dollars (\$9,500.00) for the 1981 through
129 1997 calendar years, Ten Thousand Dollars (\$10,000.00) for the
130 calendar year 1998, Eleven Thousand Dollars (\$11,000.00) for the
131 calendar year 1999, * * * ~~and~~ Twelve Thousand Dollars (\$12,000.00)
132 for each calendar year thereafter through calendar year 2022, and
133 Forty-five Thousand Four Hundred Dollars (\$45,400.00) for each
134 calendar year thereafter. A husband and wife living together
135 shall receive but one (1) personal exemption in the amounts
136 provided for in this subsection for each calendar year against
137 their aggregate income.

138 (d) **Head of family individuals.** In the case of a head of
139 family individual, a personal exemption of Eight Thousand Dollars
140 (\$8,000.00) for the 1979 and 1980 calendar years * * * ~~and~~, Nine
141 Thousand Five Hundred Dollars (\$9,500.00) for each calendar year
142 thereafter through calendar year 2022, and Twenty-one Thousand Six
143 Hundred Dollars (\$21,600.00) for each calendar year thereafter.
144 The term "head of family" means an individual who is single, or
145 married but not living with his spouse for the entire taxable
146 year, who maintains a household which constitutes the principal

147 place of abode of himself and one or more individuals who are
148 dependents under the provisions of Section 152(a) of the Internal
149 Revenue Code of 1954, as amended. The head of family individual
150 shall be entitled to the additional dependent exemption as
151 provided in subsection (e) of this section only to the extent of
152 dependents in excess of the one (1) dependent needed to qualify as
153 head of family.

154 (e) **Additional exemption for dependents.** In the case of any
155 individual having a dependent, other than husband or wife, an
156 additional personal exemption of One Thousand Five Hundred Dollars
157 (\$1,500.00) for each such dependent, except as otherwise provided
158 in subsection (d) of this section. The term "dependent" as used
159 in this subsection shall mean any person or individual who
160 qualifies as a dependent under the provisions of Section 152,
161 Internal Revenue Code of 1954, as amended.

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

167 (g) **Additional exemption for blindness of taxpayer or**
168 **spouse.** In the case of any taxpayer or the spouse of the taxpayer
169 who is blind at the close of the taxable year, an additional
170 exemption of One Thousand Five Hundred Dollars (\$1,500.00). For
171 the purpose of this subsection, an individual is blind only if his
172 central visual acuity does not exceed 20/200 in the better eye

173 with correcting lenses, or if his visual acuity is greater than
174 20/200 but is accompanied by a limitation in the fields of vision
175 such that the widest diameter of the visual field subtends an
176 angle no greater than twenty (20) degrees.

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

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

194 A nonresident individual who is married and whose spouse has
195 income from independent sources must declare the joint income of
196 himself and his spouse from sources within and without Mississippi
197 and claim as a personal exemption that proportion of the
198 authorized personal and additional exemptions which the total net

199 income from Mississippi sources bears to the total net income of
200 both spouses from all sources. If both spouses have income from
201 sources within Mississippi and wish to file separate returns,
202 their combined personal and additional exemptions shall be that
203 proration of the exemption which their combined net income from
204 Mississippi sources is of their total combined net income from all
205 sources. The amount of the personal and additional exemptions so
206 computed may be divided between them in any manner they choose.

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

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

216 (j) **Part-year residents.** An individual who is a resident of
217 Mississippi for only a part of his taxable year by reason of
218 either moving into the state or moving from the state shall be
219 allowed the same personal and additional exemptions as authorized
220 for resident individuals in subsection (a) of this section; the
221 part-year resident shall prorate his exemption on the same basis
222 as nonresidents having net income from within and without the
223 state.

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

226 (l) **Trusts.** In the case of a trust which, under its
227 governing instrument, is required to distribute all of its income
228 currently, a specific exemption of Three Hundred Dollars
229 (\$300.00). In the case of all other trusts, a specific exemption
230 of One Hundred Dollars (\$100.00).

231 (m) **Corporations, foundations, joint ventures, associations.**
232 In the case of a corporation, foundation, joint venture or
233 association taxable herein, there shall be allowed no specific
234 exemption, except as provided under the Growth and Prosperity Act,
235 Sections 57-113-1 through 57-113-7, and Sections 57-113-21 through
236 57-113-27.

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

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

246 (p) (i) On or before December 1, 2024, and on or before
247 December 1 of each succeeding year, the Commissioner of Revenue
248 shall calculate the amount of the increases in the personal
249 exemption for single individuals, the personal exemption for

250 married individuals, and the personal exemption for head of family
251 individuals, that will produce a reduction in revenue equal to the
252 lesser of the tax reduction growth amount calculated as provided
253 in paragraph (ii) of this subsection (p) or One Hundred Fifty
254 Million Dollars (\$150,000,000.00). The commissioner shall
255 increase each of the personal exemptions by the amount calculated
256 in this paragraph (i), rounded down to the nearest One Thousand
257 Dollars (\$1,000.00) increment, and the revised personal exemption
258 amounts calculated by the commissioner shall be effective for the
259 next calendar year. From and after January 1 of the next
260 succeeding year after the date that the Commissioner of Revenue
261 certifies that the reduction in revenue mandated by this paragraph
262 (i) equals or exceeds the remaining revenue produced by the
263 individual income tax, the individual income tax shall stand
264 repealed as provided in Section 27-7-5.

265 (ii) On or before October 1, 2024, and on or before
266 October 1 of each succeeding year, the Legislative Budget Office
267 shall provide to the Commissioner of Revenue the following
268 amounts:

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

272 2. The inflation factor, which shall be determined
273 by dividing the CPI-U for the most recent full fiscal year by the
274 CPI-U for the fiscal year 2023. As used in this paragraph (ii),
275 "CPI-U" means the United States Consumer Price Index for All Urban

276 Consumers, South Region as defined and reported by the United
277 States Department of Labor, Bureau of Labor Statistics;

278 3. The adjusted inflation factor, which is the
279 lesser of a. 1.016 raised to an exponent equal to the number of
280 full fiscal years elapsed since fiscal year 2023 or b. the
281 inflation factor determined under subparagraph 2 of this paragraph
282 (ii); and

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

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

288 b. Subtracting the amount determined under
289 item a of this subparagraph 4, and an amount equal to the amount
290 of general fund revenue loss during the most recent full fiscal
291 year due to the reduction in the sales tax rate under Section
292 27-65-17(1)(n), from the amount of the actual general fund revenue
293 collected during the most recent full fiscal year.

294 (q) Notwithstanding any other provision of this section,
295 with regard to the personal exemptions authorized under this
296 section, a taxpayer may elect to have the taxpayer's individual
297 income tax liability for any year after calendar year 2022
298 assessed with the personal exemptions authorized under this
299 section as it existed on January 1, 2022, or with the personal
300 exemptions authorized under this section, as amended by this act.

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

303 27-65-17. (1) (a) Except as otherwise provided in this
304 section, upon every person engaging or continuing within this
305 state in the business of selling any tangible personal property
306 whatsoever there is hereby levied, assessed and shall be collected
307 a tax equal to seven percent (7%) of the gross proceeds of the
308 retail sales of the business.

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

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

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

324 1. Self-propelled, or

325 2. Mounted so that it is permanently attached
326 to other equipment which is self-propelled or attached to other
327 equipment drawn by a vehicle which is self-propelled.

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

342 (d) Except as otherwise provided in subsection (3) of
343 this section, retail sales of aircraft, automobiles, trucks,
344 truck-tractors, semitrailers and manufactured or mobile homes
345 shall be taxed at the rate of three percent (3%).

346 (e) Sales of manufacturing machinery or manufacturing
347 machine parts when made to a manufacturer or custom processor for
348 plant use only when the machinery and machine parts will be used
349 exclusively and directly within this state in manufacturing a

350 commodity for sale, rental or in processing for a fee shall be
351 taxed at the rate of one and one-half percent (1-1/2%).

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

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

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

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

367 (iv) The enterprise shall manufacture plastics,
368 chemicals, automobiles, aircraft, computers or electronics; or
369 shall be a research and development facility, a computer design or
370 related facility, or a software publishing facility or other
371 technology intensive facility or enterprise as determined by the
372 Mississippi Development Authority;

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

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

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

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

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

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

397 (k) Sales of equipment used or designed for the purpose
398 of assisting disabled persons, such as wheelchair equipment and
399 lifts, that is mounted or attached to or installed on a private
400 carrier of passengers or light carrier of property, as defined in
401 Section 27-51-101, at the time when the private carrier of

402 passengers or light carrier of property is sold shall be taxed at
403 the same rate as the sale of such vehicles under this section.

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

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

414 (n) From and after January 1, 2023, retail sales of
415 food for human consumption not purchased with food stamps issued
416 by the United States Department of Agriculture, or other federal
417 agency, but which would be exempt under Section 27-65-111(o) from
418 the taxes imposed by this chapter if the food items were purchased
419 with food stamps, shall be taxed as follows:

420 (i) From and after January 1, 2023, through
421 December 31, 2023, such sales shall be taxed at the rate of six
422 and three-fourths percent (6-3/4%);

423 (ii) From and after January 1, 2024, through
424 December 31, 2024, such sales shall be taxed at the rate of six
425 and one-half percent (6-1/2%);

426 (iii) From and after January 1, 2025, through
427 December 31, 2025, such sales shall be taxed at the rate of six
428 and one-fourth percent (6-1/4%);

429 (iv) From and after January 1, 2026, through
430 December 31, 2026, such sales shall be taxed at the rate of six
431 percent (6%);

432 (v) From and after January 1, 2027, through
433 December 31, 2027, such sales shall be taxed at the rate of five
434 and three-fourths percent (5-3/4%);

435 (vi) From and after January 1, 2028, through
436 December 31, 2028, such sales shall be taxed at the rate of five
437 and one-half percent (5-1/2%);

438 (vii) From and after January 1, 2029, through
439 December 31, 2029, such sales shall be taxed at the rate of five
440 and one-fourth percent (5-1/4%);

441 (viii) From and after January 1, 2030, through
442 December 31, 2030, such sales shall be taxed at the rate of five
443 percent (5%);

444 (ix) From and after January 1, 2031, through
445 December 31, 2031, such sales shall be taxed at the rate of four
446 and three-fourths percent (4-3/4%);

447 (x) From and after January 1, 2032, through
448 December 31, 2032, such sales shall be taxed at the rate of four
449 and one-half percent (4-1/2%);

450 (xi) From and after January 1, 2033, through
451 December 31, 2033, such sales shall be taxed at the rate of four
452 and one-fourth percent (4-1/4%); and

453 (xii) From and after January 1, 2034, such sales
454 shall be taxed at the rate of four percent (4%).

455 (2) From and after January 1, 1995, retail sales of private
456 carriers of passengers and light carriers of property, as defined
457 in Section 27-51-101, shall be taxed an additional two percent
458 (2%).

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

462 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
463 amended as follows:

464 27-65-75. On or before the fifteenth day of each month, the
465 revenue collected under the provisions of this chapter during the
466 preceding month shall be paid and distributed as follows:

467 (1) (a) On or before August 15, 1992, and each succeeding
468 month thereafter through July 15, 1993, eighteen percent (18%) of
469 the total sales tax revenue collected during the preceding month
470 under the provisions of this chapter, except that collected under
471 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
472 business activities within a municipal corporation shall be
473 allocated for distribution to the municipality and paid to the
474 municipal corporation. Except as otherwise provided in this
475 paragraph (a), on or before August 15, 1993, and each succeeding

476 month thereafter through February 15, 2023, eighteen and one-half
477 percent (18-1/2%) of the total sales tax revenue collected during
478 the preceding month under the provisions of this chapter, except
479 that collected under the provisions of Sections 27-65-15,
480 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
481 a municipal corporation shall be allocated for distribution to the
482 municipality and paid to the municipal corporation. On or before
483 March 15, 2023, and each succeeding month thereafter, eighteen and
484 one-half percent (18-1/2%) of the total sales tax revenue
485 collected during the preceding month under the provisions of this
486 chapter, except that collected under the provisions of Sections
487 27-65-15, 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on
488 business activities within a municipal corporation shall be
489 allocated for distribution to the municipality and paid to the
490 municipal corporation. On or before March 15, 2023, and each
491 succeeding month thereafter through February 15, 2024, nineteen
492 and nineteen one-hundredths percent (19-19/100%) of the total
493 sales tax revenue collected during the preceding month under the
494 provisions of Section 27-65-17(1) (n) on business activities within
495 a municipal corporation shall be allocated for distribution to the
496 municipality and paid to the municipal corporation. On or before
497 March 15, 2024, and each succeeding month thereafter through
498 February 15, 2025, nineteen and ninety-two one-hundredths percent
499 (19-92/100%) of the total sales tax revenue collected during the
500 preceding month under the provisions of Section 27-65-17(1) (n) on
501 business activities within a municipal corporation shall be

502 allocated for distribution to the municipality and paid to the
503 municipal corporation. On or before March 15, 2025, and each
504 succeeding month thereafter through February 15, 2026, twenty and
505 seventy-two one-hundredths percent (20-72/100%) of the total sales
506 tax revenue collected during the preceding month under the
507 provisions of Section 27-65-17(1)(n) on business activities within
508 a municipal corporation shall be allocated for distribution to the
509 municipality and paid to the municipal corporation. On or before
510 March 15, 2026, and each succeeding month thereafter through
511 February 15, 2027, twenty-one and fifty-eight one-hundredths
512 percent (21-58/100%) of the total sales tax revenue collected
513 during the preceding month under the provisions of Section
514 27-65-17(1)(n) on business activities within a municipal
515 corporation shall be allocated for distribution to the
516 municipality and paid to the municipal corporation. On or before
517 March 15, 2027, and each succeeding month thereafter through
518 February 15, 2028, twenty-two and fifty-two one-hundredths percent
519 (22-52/100%) of the total sales tax revenue collected during the
520 preceding month under the provisions of Section 27-65-17(1)(n) on
521 business activities within a municipal corporation shall be
522 allocated for distribution to the municipality and paid to the
523 municipal corporation. On or before March 15, 2028, and each
524 succeeding month thereafter through February 15, 2029,
525 twenty-three and fifty-five one-hundredths percent (23-55/100%) of
526 the total sales tax revenue collected during the preceding month
527 under the provisions of Section 27-65-17(1)(n) on business

528 activities within a municipal corporation shall be allocated for
529 distribution to the municipality and paid to the municipal
530 corporation. On or before March 15, 2029, and each succeeding
531 month thereafter through February 15, 2030, twenty-four and
532 sixty-seven one-hundredths percent (24-67/100%) of the total sales
533 tax revenue collected during the preceding month under the
534 provisions of Section 27-65-17(1)(n) on business activities within
535 a municipal corporation shall be allocated for distribution to the
536 municipality and paid to the municipal corporation. On or before
537 March 15, 2030, and each succeeding month thereafter through
538 February 15, 2031, twenty-five and ninety one-hundredths percent
539 (25-90/100%) of the total sales tax revenue collected during the
540 preceding month under the provisions of Section 27-65-17(1)(n) on
541 business activities within a municipal corporation shall be
542 allocated for distribution to the municipality and paid to the
543 municipal corporation. On or before March 15, 2031, and each
544 succeeding month thereafter through February 15, 2032,
545 twenty-seven and twenty-six one-hundredths percent (27-26/100%) of
546 the total sales tax revenue collected during the preceding month
547 under the provisions of Section 27-65-17(1)(n) on business
548 activities within a municipal corporation shall be allocated for
549 distribution to the municipality and paid to the municipal
550 corporation. On or before March 15, 2032, and each succeeding
551 month thereafter through February 15, 2033, twenty-eight and
552 seventy-eight one-hundredths percent (28-78/100%) of the total
553 sales tax revenue collected during the preceding month under the

554 provisions of Section 27-65-17(1)(n) on business activities within
555 a municipal corporation shall be allocated for distribution to the
556 municipality and paid to the municipal corporation. On or before
557 March 15, 2033, and each succeeding month thereafter through
558 February 15, 2034, thirty and forty-seven one-hundredths percent
559 (30-47/100%) of the total sales tax revenue collected during the
560 preceding month under the provisions of Section 27-65-17(1)(n) on
561 business activities within a municipal corporation shall be
562 allocated for distribution to the municipality and paid to the
563 municipal corporation. On or before March 15, 2034, and each
564 succeeding month thereafter, thirty-two and thirty-seven
565 one-hundredths percent (32-37/100%) of the total sales tax revenue
566 collected during the preceding month under the provisions of
567 Section 27-65-17(1)(n) on business activities within a municipal
568 corporation shall be allocated for distribution to the
569 municipality and paid to the municipal corporation. However, in
570 the event the State Auditor issues a certificate of noncompliance
571 pursuant to Section 21-35-31, the Department of Revenue shall
572 withhold ten percent (10%) of the allocations and payments to the
573 municipality that would otherwise be payable to the municipality
574 under this paragraph (a) until such time that the department
575 receives written notice of the cancellation of a certificate of
576 noncompliance from the State Auditor.

577 A municipal corporation, for the purpose of distributing the
578 tax under this subsection, shall mean and include all incorporated
579 cities, towns and villages.

580 Monies allocated for distribution and credited to a municipal
581 corporation under this paragraph may be pledged as security for a
582 loan if the distribution received by the municipal corporation is
583 otherwise authorized or required by law to be pledged as security
584 for such a loan.

585 In any county having a county seat that is not an
586 incorporated municipality, the distribution provided under this
587 subsection shall be made as though the county seat was an
588 incorporated municipality; however, the distribution to the
589 municipality shall be paid to the county treasury in which the
590 municipality is located, and those funds shall be used for road,
591 bridge and street construction or maintenance in the county.

592 (b) On or before August 15, 2006, and each succeeding
593 month thereafter through February 15, 2023, eighteen and one-half
594 percent (18-1/2%) of the total sales tax revenue collected during
595 the preceding month under the provisions of this chapter, except
596 that collected under the provisions of Sections 27-65-15,
597 27-65-19(3) and 27-65-21, on business activities on the campus of
598 a state institution of higher learning or community or junior
599 college whose campus is not located within the corporate limits of
600 a municipality, shall be allocated for distribution to the state
601 institution of higher learning or community or junior college and
602 paid to the state institution of higher learning or community or
603 junior college. On or before March 15, 2023, and each succeeding
604 month thereafter, eighteen and one-half percent (18-1/2%) of the
605 total sales tax revenue collected during the preceding month under

606 the provisions of this chapter, except that collected under the
607 provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3) and
608 27-65-21, on business activities on the campus of a state
609 institution of higher learning or community or junior college
610 whose campus is not located within the corporate limits of a
611 municipality, shall be allocated for distribution to the state
612 institution of higher learning or community or junior college and
613 paid to the state institution of higher learning or community or
614 junior college. On or before March 15, 2023, and each succeeding
615 month thereafter through February 15, 2024, nineteen and nineteen
616 one-hundredths percent (19-19/100%) of the total sales tax revenue
617 collected during the preceding month under the provisions of
618 Section 27-65-17(1)(n) on business activities on the campus of a
619 state institution of higher learning or community or junior
620 college whose campus is not located within the corporate limits of
621 a municipality, shall be allocated for distribution to the state
622 institution of higher learning or community or junior college and
623 paid to the state institution of higher learning or community or
624 junior college. On or before March 15, 2024, and each succeeding
625 month thereafter through February 15, 2025, nineteen and
626 ninety-two one-hundredths percent (19-92/100%) of the total sales
627 tax revenue collected during the preceding month under the
628 provisions of Section 27-65-17(1)(n) on business activities on the
629 campus of a state institution of higher learning or community or
630 junior college whose campus is not located within the corporate
631 limits of a municipality, shall be allocated for distribution to

632 the state institution of higher learning or community or junior
633 college and paid to the state institution of higher learning or
634 community or junior college. On or before March 15, 2025, and
635 each succeeding month thereafter through February 15, 2026, twenty
636 and seventy-two one-hundredths percent (20-72/100%) of the total
637 sales tax revenue collected during the preceding month under the
638 provisions of Section 27-65-17(1)(n) on business activities on the
639 campus of a state institution of higher learning or community or
640 junior college whose campus is not located within the corporate
641 limits of a municipality, shall be allocated for distribution to
642 the state institution of higher learning or community or junior
643 college and paid to the state institution of higher learning or
644 community or junior college. On or before March 15, 2026, and
645 each succeeding month thereafter through February 15, 2027,
646 twenty-one and fifty-eight one-hundredths percent (21-58/100%) of
647 the total sales tax revenue collected during the preceding month
648 under the provisions of Section 27-65-17(1)(n) on business
649 activities on the campus of a state institution of higher learning
650 or community or junior college whose campus is not located within
651 the corporate limits of a municipality, shall be allocated for
652 distribution to the state institution of higher learning or
653 community or junior college and paid to the state institution of
654 higher learning or community or junior college. On or before
655 March 15, 2027, and each succeeding month thereafter through
656 February 15, 2028, twenty-two and fifty-two one-hundredths percent
657 (22-52/100%) of the total sales tax revenue collected during the

658 preceding month under the provisions of Section 27-65-17(1)(n) on
659 business activities on the campus of a state institution of higher
660 learning or community or junior college whose campus is not
661 located within the corporate limits of a municipality, shall be
662 allocated for distribution to the state institution of higher
663 learning or community or junior college and paid to the state
664 institution of higher learning or community or junior college. On
665 or before March 15, 2028, and each succeeding month thereafter
666 through February 15, 2029, twenty-three and fifty-five
667 one-hundredths percent (23-55/100%) of the total sales tax revenue
668 collected during the preceding month under the provisions of
669 Section 27-65-17(1)(n) on business activities on the campus of a
670 state institution of higher learning or community or junior
671 college whose campus is not located within the corporate limits of
672 a municipality, shall be allocated for distribution to the state
673 institution of higher learning or community or junior college and
674 paid to the state institution of higher learning or community or
675 junior college. On or before March 15, 2029, and each succeeding
676 month thereafter through February 15, 2030, twenty-four and
677 sixty-seven one-hundredths percent (24-67/100%) of the total sales
678 tax revenue collected during the preceding month under the
679 provisions of Section 27-65-17(1)(n) on business activities on the
680 campus of a state institution of higher learning or community or
681 junior college whose campus is not located within the corporate
682 limits of a municipality, shall be allocated for distribution to
683 the state institution of higher learning or community or junior

684 college and paid to the state institution of higher learning or
685 community or junior college. On or before March 15, 2030, and
686 each succeeding month thereafter through February 15, 2031,
687 twenty-five and ninety one-hundredths percent (25-90/100%) of the
688 total sales tax revenue collected during the preceding month under
689 the provisions of Section 27-65-17(1) (n) on business activities on
690 the campus of a state institution of higher learning or community
691 or junior college whose campus is not located within the corporate
692 limits of a municipality, shall be allocated for distribution to
693 the state institution of higher learning or community or junior
694 college and paid to the state institution of higher learning or
695 community or junior college. On or before March 15, 2031, and
696 each succeeding month thereafter through February 15, 2032,
697 twenty-seven and twenty-six one-hundredths percent (27-26/100%) of
698 the total sales tax revenue collected during the preceding month
699 under the provisions of Section 27-65-17(1) (n) on business
700 activities on the campus of a state institution of higher learning
701 or community or junior college whose campus is not located within
702 the corporate limits of a municipality, shall be allocated for
703 distribution to the state institution of higher learning or
704 community or junior college and paid to the state institution of
705 higher learning or community or junior college. On or before
706 March 15, 2032, and each succeeding month thereafter through
707 February 15, 2033, twenty-eight and seventy-eight one-hundredths
708 percent (28-78/100%) of the total sales tax revenue collected
709 during the preceding month under the provisions of Section

710 27-65-17(1) (n) on business activities on the campus of a state
711 institution of higher learning or community or junior college
712 whose campus is not located within the corporate limits of a
713 municipality, shall be allocated for distribution to the state
714 institution of higher learning or community or junior college and
715 paid to the state institution of higher learning or community or
716 junior college. On or before March 15, 2033, and each succeeding
717 month thereafter through February 15, 2034, thirty and forty-seven
718 one-hundredths percent (30-47/100%) of the total sales tax revenue
719 collected during the preceding month under the provisions of
720 Section 27-65-17(1) (n) on business activities on the campus of a
721 state institution of higher learning or community or junior
722 college whose campus is not located within the corporate limits of
723 a municipality, shall be allocated for distribution to the state
724 institution of higher learning or community or junior college and
725 paid to the state institution of higher learning or community or
726 junior college. On or before March 15, 2034, and each succeeding
727 month thereafter, thirty-two and thirty-seven one-hundredths
728 percent (32-37/100%) of the total sales tax revenue collected
729 during the preceding month under the provisions of Section
730 27-65-17(1) (n) on business activities on the campus of a state
731 institution of higher learning or community or junior college
732 whose campus is not located within the corporate limits of a
733 municipality, shall be allocated for distribution to the state
734 institution of higher learning or community or junior college and

735 paid to the state institution of higher learning or community or
736 junior college.

737 (c) On or before August 15, 2018, and each succeeding
738 month thereafter until August 14, 2019, two percent (2%) of the
739 total sales tax revenue collected during the preceding month under
740 the provisions of this chapter, except that collected under the
741 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
742 27-65-24, on business activities within the corporate limits of
743 the City of Jackson, Mississippi, shall be deposited into the
744 Capitol Complex Improvement District Project Fund created in
745 Section 29-5-215. On or before August 15, 2019, and each
746 succeeding month thereafter until August 14, 2020, four percent
747 (4%) of the total sales tax revenue collected during the preceding
748 month under the provisions of this chapter, except that collected
749 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
750 and 27-65-24, on business activities within the corporate limits
751 of the City of Jackson, Mississippi, shall be deposited into the
752 Capitol Complex Improvement District Project Fund created in
753 Section 29-5-215. On or before August 15, 2020, and each
754 succeeding month thereafter through February 15, 2023, six percent
755 (6%) of the total sales tax revenue collected during the preceding
756 month under the provisions of this chapter, except that collected
757 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
758 and 27-65-24, on business activities within the corporate limits
759 of the City of Jackson, Mississippi, shall be deposited into the
760 Capitol Complex Improvement District Project Fund created in

761 Section 29-5-215. On or before March 15, 2023, and each
762 succeeding month thereafter through February 15, 2024, six and
763 three one-hundredths percent (6-3/100%) of the total sales tax
764 revenue collected during the preceding month under the provisions
765 of this chapter, except that collected under the provisions of
766 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
767 activities within the corporate limits of the City of Jackson,
768 Mississippi, shall be deposited into the Capitol Complex
769 Improvement District Project Fund created in Section 29-5-215. On
770 or before March 15, 2024, and each succeeding month thereafter
771 through February 15, 2025, six and five one-hundredths percent
772 (6-5/100%) of the total sales tax revenue collected during the
773 preceding month under the provisions of this chapter, except that
774 collected under the provisions of Sections 27-65-15, 27-65-19(3),
775 27-65-21 and 27-65-24, on business activities within the corporate
776 limits of the City of Jackson, Mississippi, shall be deposited
777 into the Capitol Complex Improvement District Project Fund created
778 in Section 29-5-215. On or before March 15, 2025, and each
779 succeeding month thereafter through February 15, 2026, six and
780 eight one-hundredths percent (6-8/100%) of the total sales tax
781 revenue collected during the preceding month under the provisions
782 of this chapter, except that collected under the provisions of
783 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
784 activities within the corporate limits of the City of Jackson,
785 Mississippi, shall be deposited into the Capitol Complex
786 Improvement District Project Fund created in Section 29-5-215. On

787 or before March 15, 2026, and each succeeding month thereafter
788 through February 15, 2027, six and eleven one-hundredths
789 percent (6-11/100%) of the total sales tax revenue collected during
790 the preceding month under the provisions of this chapter, except
791 that collected under the provisions of Sections 27-65-15,
792 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
793 the corporate limits of the City of Jackson, Mississippi, shall be
794 deposited into the Capitol Complex Improvement District Project
795 Fund created in Section 29-5-215. On or before March 15, 2027,
796 and each succeeding month thereafter through February 15, 2028,
797 six and thirteen one-hundredths percent (6-13/100%) of the total
798 sales tax revenue collected during the preceding month under the
799 provisions of this chapter, except that collected under the
800 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
801 27-65-24, on business activities within the corporate limits of
802 the City of Jackson, Mississippi, shall be deposited into the
803 Capitol Complex Improvement District Project Fund created in
804 Section 29-5-215. On or before March 15, 2028, and each
805 succeeding month thereafter through February 15, 2029, six and
806 sixteen one-hundredths percent (6-16/100%) of the total sales tax
807 revenue collected during the preceding month under the provisions
808 of this chapter, except that collected under the provisions of
809 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
810 activities within the corporate limits of the City of Jackson,
811 Mississippi, shall be deposited into the Capitol Complex
812 Improvement District Project Fund created in Section 29-5-215. On

813 or before March 15, 2029, and each succeeding month thereafter
814 through February 15, 2030, six and nineteen one-hundredths percent
815 (6-19/100%) of the total sales tax revenue collected during the
816 preceding month under the provisions of this chapter, except that
817 collected under the provisions of Sections 27-65-15, 27-65-19(3),
818 27-65-21 and 27-65-24, on business activities within the corporate
819 limits of the City of Jackson, Mississippi, shall be deposited
820 into the Capitol Complex Improvement District Project Fund created
821 in Section 29-5-215. On or before March 15, 2030, and each
822 succeeding month thereafter through February 15, 2031, six and
823 twenty-two one-hundredths percent (6-22/100%) of the total sales
824 tax revenue collected during the preceding month under the
825 provisions of this chapter, except that collected under the
826 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
827 27-65-24, on business activities within the corporate limits of
828 the City of Jackson, Mississippi, shall be deposited into the
829 Capitol Complex Improvement District Project Fund created in
830 Section 29-5-215. On or before March 15, 2031, and each
831 succeeding month thereafter through February 15, 2032, six and
832 twenty-four one-hundredths percent (6-24/100%) of the total sales
833 tax revenue collected during the preceding month under the
834 provisions of this chapter, except that collected under the
835 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
836 27-65-24, on business activities within the corporate limits of
837 the City of Jackson, Mississippi, shall be deposited into the
838 Capitol Complex Improvement District Project Fund created in

839 Section 29-5-215. On or before March 15, 2032, and each
840 succeeding month thereafter through February 15, 2033, six and
841 twenty-seven one-hundredths percent (6-27/100%) of the total sales
842 tax revenue collected during the preceding month under the
843 provisions of this chapter, except that collected under the
844 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
845 27-65-24, on business activities within the corporate limits of
846 the City of Jackson, Mississippi, shall be deposited into the
847 Capitol Complex Improvement District Project Fund created in
848 Section 29-5-215. On or before March 15, 2033, and each
849 succeeding month thereafter through February 15, 2034, six and
850 thirty one-hundredths percent (6-30/100%) of the total sales tax
851 revenue collected during the preceding month under the provisions
852 of this chapter, except that collected under the provisions of
853 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
854 activities within the corporate limits of the City of Jackson,
855 Mississippi, shall be deposited into the Capitol Complex
856 Improvement District Project Fund created in Section 29-5-215. On
857 or before March 15, 2034, and each succeeding month thereafter,
858 six and thirty-three one-hundredths percent (6-33/100%) of the
859 total sales tax revenue collected during the preceding month under
860 the provisions of this chapter, except that collected under the
861 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
862 27-65-24, on business activities within the corporate limits of
863 the City of Jackson, Mississippi, shall be deposited into the

864 Capitol Complex Improvement District Project Fund created in
865 Section 29-5-215.

866 (d) (i) On or before the fifteenth day of the month
867 that the diversion authorized by this section begins, and each
868 succeeding month thereafter, eighteen and one-half percent
869 (18-1/2%) of the total sales tax revenue collected during the
870 preceding month under the provisions of this chapter, except that
871 collected under the provisions of Sections 27-65-15, 27-65-19(3)
872 and 27-65-21, on business activities within a redevelopment
873 project area developed under a redevelopment plan adopted under
874 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
875 allocated for distribution to the county in which the project area
876 is located if:

877 1. The county:

878 a. Borders on the Mississippi Sound and
879 the State of Alabama, or

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

883 2. The county has issued bonds under Section
884 21-45-9 to finance all or a portion of a redevelopment project in
885 the redevelopment project area;

886 3. Any debt service for the indebtedness
887 incurred is outstanding; and

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

891 (ii) Before any sales tax revenue may be allocated
892 for distribution to a county under this paragraph, the county
893 shall certify to the Department of Revenue that the requirements
894 of this paragraph have been met, the amount of bonded indebtedness
895 that has been incurred by the county for the redevelopment project
896 and the expected date the indebtedness incurred by the county will
897 be satisfied.

898 (iii) The diversion of sales tax revenue
899 authorized by this paragraph shall begin the month following the
900 month in which the Department of Revenue determines that the
901 requirements of this paragraph have been met. The diversion shall
902 end the month the indebtedness incurred by the county is
903 satisfied. All revenue received by the county under this
904 paragraph shall be deposited in the fund required to be created in
905 the tax increment financing plan under Section 21-45-11 and be
906 utilized solely to satisfy the indebtedness incurred by the
907 county.

908 (2) On or before September 15, 1987, and each succeeding
909 month thereafter, from the revenue collected under this chapter
910 during the preceding month, One Million One Hundred Twenty-five
911 Thousand Dollars (\$1,125,000.00) shall be allocated for
912 distribution to municipal corporations as defined under subsection
913 (1) of this section in the proportion that the number of gallons

914 of gasoline and diesel fuel sold by distributors to consumers and
915 retailers in each such municipality during the preceding fiscal
916 year bears to the total gallons of gasoline and diesel fuel sold
917 by distributors to consumers and retailers in municipalities
918 statewide during the preceding fiscal year. The Department of
919 Revenue shall require all distributors of gasoline and diesel fuel
920 to report to the department monthly the total number of gallons of
921 gasoline and diesel fuel sold by them to consumers and retailers
922 in each municipality during the preceding month. The Department
923 of Revenue shall have the authority to promulgate such rules and
924 regulations as is necessary to determine the number of gallons of
925 gasoline and diesel fuel sold by distributors to consumers and
926 retailers in each municipality. In determining the percentage
927 allocation of funds under this subsection for the fiscal year
928 beginning July 1, 1987, and ending June 30, 1988, the Department
929 of Revenue may consider gallons of gasoline and diesel fuel sold
930 for a period of less than one (1) fiscal year. For the purposes
931 of this subsection, the term "fiscal year" means the fiscal year
932 beginning July 1 of a year.

933 (3) On or before September 15, 1987, and on or before the
934 fifteenth day of each succeeding month, until the date specified
935 in Section 65-39-35, the proceeds derived from contractors' taxes
936 levied under Section 27-65-21 on contracts for the construction or
937 reconstruction of highways designated under the highway program
938 created under Section 65-3-97 shall, except as otherwise provided
939 in Section 31-17-127, be deposited into the State Treasury to the

940 credit of the State Highway Fund to be used to fund that highway
941 program. The Mississippi Department of Transportation shall
942 provide to the Department of Revenue such information as is
943 necessary to determine the amount of proceeds to be distributed
944 under this subsection.

945 (4) On or before August 15, 1994, and on or before the
946 fifteenth day of each succeeding month through July 15, 1999, from
947 the proceeds of gasoline, diesel fuel or kerosene taxes as
948 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
949 (\$4,000,000.00) shall be deposited in the State Treasury to the
950 credit of a special fund designated as the "State Aid Road Fund,"
951 created by Section 65-9-17. On or before August 15, 1999, and on
952 or before the fifteenth day of each succeeding month, from the
953 total amount of the proceeds of gasoline, diesel fuel or kerosene
954 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
955 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
956 one-fourth percent (23-1/4%) of those funds, whichever is the
957 greater amount, shall be deposited in the State Treasury to the
958 credit of the "State Aid Road Fund," created by Section 65-9-17.
959 Those funds shall be pledged to pay the principal of and interest
960 on state aid road bonds heretofore issued under Sections 19-9-51
961 through 19-9-77, in lieu of and in substitution for the funds
962 previously allocated to counties under this section. Those funds
963 may not be pledged for the payment of any state aid road bonds
964 issued after April 1, 1981; however, this prohibition against the
965 pledging of any such funds for the payment of bonds shall not

966 apply to any bonds for which intent to issue those bonds has been
967 published for the first time, as provided by law before March 29,
968 1981. From the amount of taxes paid into the special fund under
969 this subsection and subsection (9) of this section, there shall be
970 first deducted and paid the amount necessary to pay the expenses
971 of the Office of State Aid Road Construction, as authorized by the
972 Legislature for all other general and special fund agencies. The
973 remainder of the fund shall be allocated monthly to the several
974 counties in accordance with the following formula:

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

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

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

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

988 The amount of funds allocated to any county under this
989 subsection for any fiscal year after fiscal year 1994 shall not be
990 less than the amount allocated to the county for fiscal year 1994.

991 Any reference in the general laws of this state or the
992 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
993 construed to refer and apply to subsection (4) of Section
994 27-65-75.

995 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
996 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
997 the special fund known as the "State Public School Building Fund"
998 created and existing under the provisions of Sections 37-47-1
999 through 37-47-67. Those payments into that fund are to be made on
1000 the last day of each succeeding month hereafter.

1001 (6) An amount each month beginning August 15, 1983, through
1002 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1003 1983, shall be paid into the special fund known as the
1004 Correctional Facilities Construction Fund created in Section 6,
1005 Chapter 542, Laws of 1983.

1006 (7) On or before August 15, 1992, and each succeeding month
1007 thereafter through July 15, 2000, two and two hundred sixty-six
1008 one-thousandths percent (2.266%) of the total sales tax revenue
1009 collected during the preceding month under the provisions of this
1010 chapter, except that collected under the provisions of Section
1011 27-65-17(2), shall be deposited by the department into the School
1012 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1013 or before August 15, 2000, and each succeeding month thereafter
1014 February 15, 2023, two and two hundred sixty-six one-thousandths
1015 percent (2.266%) of the total sales tax revenue collected during
1016 the preceding month under the provisions of this chapter, except

1017 that collected under the provisions of Section 27-65-17(2), shall
1018 be deposited into the School Ad Valorem Tax Reduction Fund created
1019 under Section 37-61-35 until such time that the total amount
1020 deposited into the fund during a fiscal year equals Forty-two
1021 Million Dollars (\$42,000,000.00). Thereafter, the amounts
1022 diverted under this subsection (7) during the fiscal year in
1023 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1024 deposited into the Education Enhancement Fund created under
1025 Section 37-61-33 for appropriation by the Legislature as other
1026 education needs and shall not be subject to the percentage
1027 appropriation requirements set forth in Section 37-61-33. On or
1028 before March 15, 2023, and each succeeding month thereafter
1029 through February 15, 2024, two and two hundred sixty-six
1030 one-thousandths percent (2.266%) of the total sales tax revenue
1031 collected during the preceding month under the provisions of this
1032 chapter, except that collected under the provisions of Section
1033 27-65-17(1)(n) and (2), and two and thirty-five one-hundredths
1034 percent (2.35%) of the total sales tax revenue collected during
1035 the preceding month under the provisions of Section 27-65-17(1)(n)
1036 shall be deposited into the School Ad Valorem Tax Reduction Fund
1037 created under Section 37-61-35 until such time that the total
1038 amount deposited into the fund during a fiscal year equals
1039 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1040 amounts diverted under this subsection (7) during the fiscal year
1041 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1042 deposited into the Education Enhancement Fund created under

1043 Section 37-61-33 for appropriation by the Legislature as other
1044 education needs and shall not be subject to the percentage
1045 appropriation requirements set forth in Section 37-61-33. On or
1046 before March 15, 2024, and each succeeding month thereafter
1047 through February 15, 2025, two and two hundred sixty-six
1048 one-thousandths percent (2.266%) of the total sales tax revenue
1049 collected during the preceding month under the provisions of this
1050 chapter, except that collected under the provisions of Section
1051 27-65-17(1) (n) and (2), and two and forty-four one-hundredths
1052 percent (2.44%) of the total sales tax revenue collected during
1053 the preceding month under the provisions of Section 27-65-17(1) (n)
1054 shall be deposited into the School Ad Valorem Tax Reduction Fund
1055 created under Section 37-61-35 until such time that the total
1056 amount deposited into the fund during a fiscal year equals
1057 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1058 amounts diverted under this subsection (7) during the fiscal year
1059 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1060 deposited into the Education Enhancement Fund created under
1061 Section 37-61-33 for appropriation by the Legislature as other
1062 education needs and shall not be subject to the percentage
1063 appropriation requirements set forth in Section 37-61-33. On or
1064 before March 15, 2025, and each succeeding month thereafter
1065 through February 15, 2026, two and two hundred sixty-six
1066 one-thousandths percent (2.266%) of the total sales tax revenue
1067 collected during the preceding month under the provisions of this
1068 chapter, except that collected under the provisions of Section

1069 27-65-17(1)(n) and (2), and two and fifty-four one-hundredths
1070 percent (2.54%) of the total sales tax revenue collected during
1071 the preceding month under the provisions of Section 27-65-17(1)(n)
1072 shall be deposited into the School Ad Valorem Tax Reduction Fund
1073 created under Section 37-61-35 until such time that the total
1074 amount deposited into the fund during a fiscal year equals
1075 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1076 amounts diverted under this subsection (7) during the fiscal year
1077 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1078 deposited into the Education Enhancement Fund created under
1079 Section 37-61-33 for appropriation by the Legislature as other
1080 education needs and shall not be subject to the percentage
1081 appropriation requirements set forth in Section 37-61-33. On or
1082 before March 15, 2026, and each succeeding month thereafter
1083 through February 15, 2027, two and two hundred sixty-six
1084 one-thousandths percent (2.266%) of the total sales tax revenue
1085 collected during the preceding month under the provisions of this
1086 chapter, except that collected under the provisions of Section
1087 27-65-17(1)(n) and (2), and two and sixty-four one-hundredths
1088 percent (2.64%) of the total sales tax revenue collected during
1089 the preceding month under the provisions of Section 27-65-17(1)(n)
1090 shall be deposited into the School Ad Valorem Tax Reduction Fund
1091 created under Section 37-61-35 until such time that the total
1092 amount deposited into the fund during a fiscal year equals
1093 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1094 amounts diverted under this subsection (7) during the fiscal year

1095 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1096 deposited into the Education Enhancement Fund created under
1097 Section 37-61-33 for appropriation by the Legislature as other
1098 education needs and shall not be subject to the percentage
1099 appropriation requirements set forth in Section 37-61-33. On or
1100 before March 15, 2027, and each succeeding month thereafter
1101 through February 15, 2028, two and two hundred sixty-six
1102 one-thousandths percent (2.266%) of the total sales tax revenue
1103 collected during the preceding month under the provisions of this
1104 chapter, except that collected under the provisions of Section
1105 27-65-17(1) (n) and (2), and two and seventy-six one-hundredths
1106 percent (2.76%) of the total sales tax revenue collected during
1107 the preceding month under the provisions of Section 27-65-17(1) (n)
1108 shall be deposited into the School Ad Valorem Tax Reduction Fund
1109 created under Section 37-61-35 until such time that the total
1110 amount deposited into the fund during a fiscal year equals
1111 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1112 amounts diverted under this subsection (7) during the fiscal year
1113 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1114 deposited into the Education Enhancement Fund created under
1115 Section 37-61-33 for appropriation by the Legislature as other
1116 education needs and shall not be subject to the percentage
1117 appropriation requirements set forth in Section 37-61-33. On or
1118 before March 15, 2028, and each succeeding month thereafter
1119 through February 15, 2029, two and two hundred sixty-six
1120 one-thousandths percent (2.266%) of the total sales tax revenue

1121 collected during the preceding month under the provisions of this
1122 chapter, except that collected under the provisions of Section
1123 27-65-17(1) (n) and (2), and two and eighty-eight one-hundredths
1124 percent (2.88%) of the total sales tax revenue collected during
1125 the preceding month under the provisions of Section 27-65-17(1) (n)
1126 shall be deposited into the School Ad Valorem Tax Reduction Fund
1127 created under Section 37-61-35 until such time that the total
1128 amount deposited into the fund during a fiscal year equals
1129 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1130 amounts diverted under this subsection (7) during the fiscal year
1131 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1132 deposited into the Education Enhancement Fund created under
1133 Section 37-61-33 for appropriation by the Legislature as other
1134 education needs and shall not be subject to the percentage
1135 appropriation requirements set forth in Section 37-61-33. On or
1136 before March 15, 2029, and each succeeding month thereafter
1137 through February 15, 2030, two and two hundred sixty-six
1138 one-thousandths percent (2.266%) of the total sales tax revenue
1139 collected during the preceding month under the provisions of this
1140 chapter, except that collected under the provisions of Section
1141 27-65-17(1) (n) and (2), and three and two one-hundredths percent
1142 (3.02%) of the total sales tax revenue collected during the
1143 preceding month under the provisions of Section 27-65-17(1) (n)
1144 shall be deposited into the School Ad Valorem Tax Reduction Fund
1145 created under Section 37-61-35 until such time that the total
1146 amount deposited into the fund during a fiscal year equals

1147 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1148 amounts diverted under this subsection (7) during the fiscal year
1149 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1150 deposited into the Education Enhancement Fund created under
1151 Section 37-61-33 for appropriation by the Legislature as other
1152 education needs and shall not be subject to the percentage
1153 appropriation requirements set forth in Section 37-61-33. On or
1154 before March 15, 2030, and each succeeding month thereafter
1155 through February 15, 2031, two and two hundred sixty-six
1156 one-thousandths percent (2.266%) of the total sales tax revenue
1157 collected during the preceding month under the provisions of this
1158 chapter, except that collected under the provisions of Section
1159 27-65-17(1) (n) and (2), and three and seventeen one-hundredths
1160 percent (3.17%) of the total sales tax revenue collected during
1161 the preceding month under the provisions of Section 27-65-17(1) (n)
1162 shall be deposited into the School Ad Valorem Tax Reduction Fund
1163 created under Section 37-61-35 until such time that the total
1164 amount deposited into the fund during a fiscal year equals
1165 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1166 amounts diverted under this subsection (7) during the fiscal year
1167 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1168 deposited into the Education Enhancement Fund created under
1169 Section 37-61-33 for appropriation by the Legislature as other
1170 education needs and shall not be subject to the percentage
1171 appropriation requirements set forth in Section 37-61-33. On or
1172 before March 15, 2031, and each succeeding month thereafter

1173 through February 15, 2032, two and two hundred sixty-six
1174 one-thousandths percent (2.266%) of the total sales tax revenue
1175 collected during the preceding month under the provisions of this
1176 chapter, except that collected under the provisions of Section
1177 27-65-17(1) (n) and (2), and three and thirty-four one-hundredths
1178 percent (3.34%) of the total sales tax revenue collected during
1179 the preceding month under the provisions of Section 27-65-17(1) (n)
1180 shall be deposited into the School Ad Valorem Tax Reduction Fund
1181 created under Section 37-61-35 until such time that the total
1182 amount deposited into the fund during a fiscal year equals
1183 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1184 amounts diverted under this subsection (7) during the fiscal year
1185 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1186 deposited into the Education Enhancement Fund created under
1187 Section 37-61-33 for appropriation by the Legislature as other
1188 education needs and shall not be subject to the percentage
1189 appropriation requirements set forth in Section 37-61-33. On or
1190 before March 15, 2032, and each succeeding month thereafter
1191 through February 15, 2033, two and two hundred sixty-six
1192 one-thousandths percent (2.266%) of the total sales tax revenue
1193 collected during the preceding month under the provisions of this
1194 chapter, except that collected under the provisions of Section
1195 27-65-17(1) (n) and (2), and three and fifty-two one-hundredths
1196 percent (3.52%) of the total sales tax revenue collected during
1197 the preceding month under the provisions of Section 27-65-17(1) (n)
1198 shall be deposited into the School Ad Valorem Tax Reduction Fund

1199 created under Section 37-61-35 until such time that the total
1200 amount deposited into the fund during a fiscal year equals
1201 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1202 amounts diverted under this subsection (7) during the fiscal year
1203 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1204 deposited into the Education Enhancement Fund created under
1205 Section 37-61-33 for appropriation by the Legislature as other
1206 education needs and shall not be subject to the percentage
1207 appropriation requirements set forth in Section 37-61-33. On or
1208 before March 15, 2033, and each succeeding month thereafter
1209 through February 15, 2034, two and two hundred sixty-six
1210 one-thousandths percent (2.266%) of the total sales tax revenue
1211 collected during the preceding month under the provisions of this
1212 chapter, except that collected under the provisions of Section
1213 27-65-17(1) (n) and (2), and three and seventy-three one-hundredths
1214 percent (3.73%) of the total sales tax revenue collected during
1215 the preceding month under the provisions of Section 27-65-17(1) (n)
1216 shall be deposited into the School Ad Valorem Tax Reduction Fund
1217 created under Section 37-61-35 until such time that the total
1218 amount deposited into the fund during a fiscal year equals
1219 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1220 amounts diverted under this subsection (7) during the fiscal year
1221 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1222 deposited into the Education Enhancement Fund created under
1223 Section 37-61-33 for appropriation by the Legislature as other
1224 education needs and shall not be subject to the percentage

1225 appropriation requirements set forth in Section 37-61-33. On or
1226 before March 15, 2034, and each succeeding month thereafter, two
1227 and two hundred sixty-six one-thousandths percent (2.266%) of the
1228 total sales tax revenue collected during the preceding month under
1229 the provisions of this chapter, except that collected under the
1230 provisions of Section 27-65-17(1)(n) and (2), and three and
1231 ninety-seven one-hundredths percent (3.97%) of the total sales tax
1232 revenue collected during the preceding month under the provisions
1233 of Section 27-65-17(1)(n) shall be deposited into the School Ad
1234 Valorem Tax Reduction Fund created under Section 37-61-35 until
1235 such time that the total amount deposited into the fund during a
1236 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1237 Thereafter, the amounts diverted under this subsection (7) during
1238 the fiscal year in excess of Forty-two Million Dollars
1239 (\$42,000,000.00) shall be deposited into the Education Enhancement
1240 Fund created under Section 37-61-33 for appropriation by the
1241 Legislature as other education needs and shall not be subject to
1242 the percentage appropriation requirements set forth in Section
1243 37-61-33.

1244 (8) On or before August 15, 1992, and each succeeding month
1245 thereafter February 15, 2023, nine and seventy-three
1246 one-thousandths percent (9.073%) of the total sales tax revenue
1247 collected during the preceding month under the provisions of this
1248 chapter, except that collected under the provisions of Section
1249 27-65-17(2), shall be deposited into the Education Enhancement
1250 Fund created under Section 37-61-33. On or before March 15, 2023,

1251 and each succeeding month thereafter, nine and seventy-three
1252 one-thousandths percent (9.073%) of the total sales tax revenue
1253 collected during the preceding month under the provisions of this
1254 chapter, except that collected under the provisions of Section
1255 27-65-17(1) (n) and (2), shall be deposited into the Education
1256 Enhancement Fund created under Section 37-61-33. On or before
1257 March 15, 2023, and each succeeding month thereafter through
1258 February 15, 2024, nine and forty-one one-hundredths percent
1259 (9.41%) of the total sales tax revenue collected during the
1260 preceding month under the provisions of Section 27-65-17(1) (n)
1261 shall be deposited into the Education Enhancement Fund created
1262 under Section 37-61-33. On or before March 15, 2024, and each
1263 succeeding month thereafter through February 15, 2025, nine and
1264 seventy-seven one-hundredths percent (9.77%) of the total sales
1265 tax revenue collected during the preceding month under the
1266 provisions of Section 27-65-17(1) (n) shall be deposited into the
1267 Education Enhancement Fund created under Section 37-61-33. On or
1268 before March 15, 2025, and each succeeding month thereafter
1269 through February 15, 2026, ten and sixteen one-hundredths percent
1270 (10.16%) of the total sales tax revenue collected during the
1271 preceding month under the provisions of Section 27-65-17(1) (n)
1272 shall be deposited into the Education Enhancement Fund created
1273 under Section 37-61-33. On or before March 15, 2026, and each
1274 succeeding month thereafter through February 15, 2027, ten and
1275 fifty-nine one-hundredths percent (10.59%) of the total sales tax
1276 revenue collected during the preceding month under the provisions

1277 of Section 27-65-17(1)(n) shall be deposited into the Education
1278 Enhancement Fund created under Section 37-61-33. On or before
1279 March 15, 2027, and each succeeding month thereafter through
1280 February 15, 2028, eleven and five one-hundredths percent (11.05%)
1281 of the total sales tax revenue collected during the preceding
1282 month under the provisions of Section 27-65-17(1)(n) shall be
1283 deposited into the Education Enhancement Fund created under
1284 Section 37-61-33. On or before March 15, 2028, and each
1285 succeeding month thereafter through February 15, 2029, eleven and
1286 fifty-five one-hundredths percent (11.55%) of the total sales tax
1287 revenue collected during the preceding month under the provisions
1288 of Section 27-65-17(1)(n) shall be deposited into the Education
1289 Enhancement Fund created under Section 37-61-33. On or before
1290 March 15, 2029, and each succeeding month thereafter through
1291 February 15, 2030, twelve and ten one-hundredths percent (12.10%)
1292 of the total sales tax revenue collected during the preceding
1293 month under the provisions of Section 27-65-17(1)(n) shall be
1294 deposited into the Education Enhancement Fund created under
1295 Section 37-61-33. On or before March 15, 2030, and each
1296 succeeding month thereafter through February 15, 2031, twelve and
1297 seventy one-hundredths percent (12.70%) of the total sales tax
1298 revenue collected during the preceding month under the provisions
1299 of Section 27-65-17(1)(n) shall be deposited into the Education
1300 Enhancement Fund created under Section 37-61-33. On or before
1301 March 15, 2031, and each succeeding month thereafter through
1302 February 15, 2032, thirteen and thirty-seven one-hundredths

1303 percent (13.37%) of the total sales tax revenue collected during
1304 the preceding month under the provisions of Section 27-65-17(1)(n)
1305 shall be deposited into the Education Enhancement Fund created
1306 under Section 37-61-33. On or before March 15, 2032, and each
1307 succeeding month thereafter through February 15, 2033, fourteen
1308 and eleven one-hundredths percent (14.11%) of the total sales tax
1309 revenue collected during the preceding month under the provisions
1310 of Section 27-65-17(1)(n) shall be deposited into the Education
1311 Enhancement Fund created under Section 37-61-33. On or before
1312 March 15, 2033, and each succeeding month thereafter through
1313 February 15, 2034, fourteen and ninety-four one-hundredths percent
1314 (14.94%) of the total sales tax revenue collected during the
1315 preceding month under the provisions of Section 27-65-17(1)(n)
1316 shall be deposited into the Education Enhancement Fund created
1317 under Section 37-61-33. On or before March 15, 2034, and each
1318 succeeding month thereafter, fifteen and eighty-eight
1319 one-hundredths percent (15.88%) of the total sales tax revenue
1320 collected during the preceding month under the provisions of
1321 Section 27-65-17(1)(n) shall be deposited into the Education
1322 Enhancement Fund created under Section 37-61-33.

1323 (9) On or before August 15, 1994, and each succeeding month
1324 thereafter, from the revenue collected under this chapter during
1325 the preceding month, Two Hundred Fifty Thousand Dollars
1326 (\$250,000.00) shall be paid into the State Aid Road Fund.

1327 (10) On or before August 15, 1994, and each succeeding month
1328 thereafter through August 15, 1995, from the revenue collected

1329 under this chapter during the preceding month, Two Million Dollars
1330 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1331 Valorem Tax Reduction Fund established in Section 27-51-105.

1332 (11) Notwithstanding any other provision of this section to
1333 the contrary, on or before February 15, 1995, and each succeeding
1334 month thereafter, the sales tax revenue collected during the
1335 preceding month under the provisions of Section 27-65-17(2) and
1336 the corresponding levy in Section 27-65-23 on the rental or lease
1337 of private carriers of passengers and light carriers of property
1338 as defined in Section 27-51-101 shall be deposited, without
1339 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1340 established in Section 27-51-105.

1341 (12) Notwithstanding any other provision of this section to
1342 the contrary, on or before August 15, 1995, and each succeeding
1343 month thereafter, the sales tax revenue collected during the
1344 preceding month under the provisions of Section 27-65-17(1) on
1345 retail sales of private carriers of passengers and light carriers
1346 of property, as defined in Section 27-51-101 and the corresponding
1347 levy in Section 27-65-23 on the rental or lease of these vehicles,
1348 shall be deposited, after diversion, into the Motor Vehicle Ad
1349 Valorem Tax Reduction Fund established in Section 27-51-105.

1350 (13) On or before July 15, 1994, and on or before the
1351 fifteenth day of each succeeding month thereafter, that portion of
1352 the avails of the tax imposed in Section 27-65-22 that is derived
1353 from activities held on the Mississippi State Fairgrounds Complex
1354 shall be paid into a special fund that is created in the State

1355 Treasury and shall be expended upon legislative appropriation
1356 solely to defray the costs of repairs and renovation at the Trade
1357 Mart and Coliseum.

1358 (14) On or before August 15, 1998, and each succeeding month
1359 thereafter through July 15, 2005, that portion of the avails of
1360 the tax imposed in Section 27-65-23 that is derived from sales by
1361 cotton compresses or cotton warehouses and that would otherwise be
1362 paid into the General Fund shall be deposited in an amount not to
1363 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1364 created under Section 69-37-39. On or before August 15, 2007, and
1365 each succeeding month thereafter through July 15, 2010, that
1366 portion of the avails of the tax imposed in Section 27-65-23 that
1367 is derived from sales by cotton compresses or cotton warehouses
1368 and that would otherwise be paid into the General Fund shall be
1369 deposited in an amount not to exceed Two Million Dollars
1370 (\$2,000,000.00) into the special fund created under Section
1371 69-37-39 until all debts or other obligations incurred by the
1372 Certified Cotton Growers Organization under the Mississippi Boll
1373 Weevil Management Act before January 1, 2007, are satisfied in
1374 full. On or before August 15, 2010, and each succeeding month
1375 thereafter through July 15, 2011, fifty percent (50%) of that
1376 portion of the avails of the tax imposed in Section 27-65-23 that
1377 is derived from sales by cotton compresses or cotton warehouses
1378 and that would otherwise be paid into the General Fund shall be
1379 deposited into the special fund created under Section 69-37-39
1380 until such time that the total amount deposited into the fund

1381 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1382 On or before August 15, 2011, and each succeeding month
1383 thereafter, that portion of the avails of the tax imposed in
1384 Section 27-65-23 that is derived from sales by cotton compresses
1385 or cotton warehouses and that would otherwise be paid into the
1386 General Fund shall be deposited into the special fund created
1387 under Section 69-37-39 until such time that the total amount
1388 deposited into the fund during a fiscal year equals One Million
1389 Dollars (\$1,000,000.00).

1390 (15) Notwithstanding any other provision of this section to
1391 the contrary, on or before September 15, 2000, and each succeeding
1392 month thereafter, the sales tax revenue collected during the
1393 preceding month under the provisions of Section
1394 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
1395 without diversion, into the Telecommunications Ad Valorem Tax
1396 Reduction Fund established in Section 27-38-7.

1397 (16) (a) On or before August 15, 2000, and each succeeding
1398 month thereafter, the sales tax revenue collected during the
1399 preceding month under the provisions of this chapter on the gross
1400 proceeds of sales of a project as defined in Section 57-30-1 shall
1401 be deposited, after all diversions except the diversion provided
1402 for in subsection (1) of this section, into the Sales Tax
1403 Incentive Fund created in Section 57-30-3.

1404 (b) On or before August 15, 2007, and each succeeding
1405 month thereafter, eighty percent (80%) of the sales tax revenue
1406 collected during the preceding month under the provisions of this

1407 chapter from the operation of a tourism project under the
1408 provisions of Sections 57-26-1 through 57-26-5, shall be
1409 deposited, after the diversions required in subsections (7) and
1410 (8) of this section, into the Tourism Project Sales Tax Incentive
1411 Fund created in Section 57-26-3.

1412 (17) Notwithstanding any other provision of this section to
1413 the contrary, on or before April 15, 2002, and each succeeding
1414 month thereafter, the sales tax revenue collected during the
1415 preceding month under Section 27-65-23 on sales of parking
1416 services of parking garages and lots at airports shall be
1417 deposited, without diversion, into the special fund created under
1418 Section 27-5-101(d).

1419 (18) [Repealed]

1420 (19) (a) On or before August 15, 2005, and each succeeding
1421 month thereafter, the sales tax revenue collected during the
1422 preceding month under the provisions of this chapter on the gross
1423 proceeds of sales of a business enterprise located within a
1424 redevelopment project area under the provisions of Sections
1425 57-91-1 through 57-91-11, and the revenue collected on the gross
1426 proceeds of sales from sales made to a business enterprise located
1427 in a redevelopment project area under the provisions of Sections
1428 57-91-1 through 57-91-11 (provided that such sales made to a
1429 business enterprise are made on the premises of the business
1430 enterprise), shall, except as otherwise provided in this
1431 subsection (19), be deposited, after all diversions, into the

1432 Redevelopment Project Incentive Fund as created in Section
1433 57-91-9.

1434 (b) For a municipality participating in the Economic
1435 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1436 the diversion provided for in subsection (1) of this section
1437 attributable to the gross proceeds of sales of a business
1438 enterprise located within a redevelopment project area under the
1439 provisions of Sections 57-91-1 through 57-91-11, and attributable
1440 to the gross proceeds of sales from sales made to a business
1441 enterprise located in a redevelopment project area under the
1442 provisions of Sections 57-91-1 through 57-91-11 (provided that
1443 such sales made to a business enterprise are made on the premises
1444 of the business enterprise), shall be deposited into the
1445 Redevelopment Project Incentive Fund as created in Section
1446 57-91-9, as follows:

1447 (i) For the first six (6) years in which payments
1448 are made to a developer from the Redevelopment Project Incentive
1449 Fund, one hundred percent (100%) of the diversion shall be
1450 deposited into the fund;

1451 (ii) For the seventh year in which such payments
1452 are made to a developer from the Redevelopment Project Incentive
1453 Fund, eighty percent (80%) of the diversion shall be deposited
1454 into the fund;

1455 (iii) For the eighth year in which such payments
1456 are made to a developer from the Redevelopment Project Incentive

1457 Fund, seventy percent (70%) of the diversion shall be deposited
1458 into the fund;

1459 (iv) For the ninth year in which such payments are
1460 made to a developer from the Redevelopment Project Incentive Fund,
1461 sixty percent (60%) of the diversion shall be deposited into the
1462 fund; and

1463 (v) For the tenth year in which such payments are
1464 made to a developer from the Redevelopment Project Incentive Fund,
1465 fifty percent (50%) of the funds shall be deposited into the fund.

1466 (20) On or before January 15, 2007, and each succeeding
1467 month thereafter, eighty percent (80%) of the sales tax revenue
1468 collected during the preceding month under the provisions of this
1469 chapter from the operation of a tourism project under the
1470 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1471 after the diversions required in subsections (7) and (8) of this
1472 section, into the Tourism Sales Tax Incentive Fund created in
1473 Section 57-28-3.

1474 (21) (a) On or before April 15, 2007, and each succeeding
1475 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1476 Dollars (\$150,000.00) of the sales tax revenue collected during
1477 the preceding month under the provisions of this chapter shall be
1478 deposited into the MMEIA Tax Incentive Fund created in Section
1479 57-101-3.

1480 (b) On or before July 15, 2013, and each succeeding
1481 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1482 of the sales tax revenue collected during the preceding month

1483 under the provisions of this chapter shall be deposited into the
1484 Mississippi Development Authority Job Training Grant Fund created
1485 in Section 57-1-451.

1486 (22) Notwithstanding any other provision of this section to
1487 the contrary, on or before August 15, 2009, and each succeeding
1488 month thereafter, the sales tax revenue collected during the
1489 preceding month under the provisions of Section 27-65-201 shall be
1490 deposited, without diversion, into the Motor Vehicle Ad Valorem
1491 Tax Reduction Fund established in Section 27-51-105.

1492 (23) (a) On or before August 15, 2019, and each month
1493 thereafter through July 15, 2020, one percent (1%) of the total
1494 sales tax revenue collected during the preceding month from
1495 restaurants and hotels shall be allocated for distribution to the
1496 Mississippi Development Authority Tourism Advertising Fund
1497 established under Section 57-1-64, to be used exclusively for the
1498 purpose stated therein. On or before August 15, 2020, and each
1499 month thereafter through July 15, 2021, two percent (2%) of the
1500 total sales tax revenue collected during the preceding month from
1501 restaurants and hotels shall be allocated for distribution to the
1502 Mississippi Development Authority Tourism Advertising Fund
1503 established under Section 57-1-64, to be used exclusively for the
1504 purpose stated therein. On or before August 15, 2021, and each
1505 month thereafter, three percent (3%) of the total sales tax
1506 revenue collected during the preceding month from restaurants and
1507 hotels shall be allocated for distribution to the Mississippi
1508 Development Authority Tourism Advertising Fund established under

1509 Section 57-1-64, to be used exclusively for the purpose stated
1510 therein. The revenue diverted pursuant to this subsection shall
1511 not be available for expenditure until February 1, 2020.

1512 (b) The Joint Legislative Committee on Performance
1513 Evaluation and Expenditure Review (PEER) must provide an annual
1514 report to the Legislature indicating the amount of funds deposited
1515 into the Mississippi Development Authority Tourism Advertising
1516 Fund established under Section 57-1-64, and a detailed record of
1517 how the funds are spent.

1518 (24) The remainder of the amounts collected under the
1519 provisions of this chapter shall be paid into the State Treasury
1520 to the credit of the General Fund.

1521 (25) (a) It shall be the duty of the municipal officials of
1522 any municipality that expands its limits, or of any community that
1523 incorporates as a municipality, to notify the commissioner of that
1524 action thirty (30) days before the effective date. Failure to so
1525 notify the commissioner shall cause the municipality to forfeit
1526 the revenue that it would have been entitled to receive during
1527 this period of time when the commissioner had no knowledge of the
1528 action.

1529 (b) (i) Except as otherwise provided in subparagraph
1530 (ii) of this paragraph, if any funds have been erroneously
1531 disbursed to any municipality or any overpayment of tax is
1532 recovered by the taxpayer, the commissioner may make correction
1533 and adjust the error or overpayment with the municipality by

1534 withholding the necessary funds from any later payment to be made
1535 to the municipality.

1536 (ii) Subject to the provisions of Sections
1537 27-65-51 and 27-65-53, if any funds have been erroneously
1538 disbursed to a municipality under subsection (1) of this section
1539 for a period of three (3) years or more, the maximum amount that
1540 may be recovered or withheld from the municipality is the total
1541 amount of funds erroneously disbursed for a period of three (3)
1542 years beginning with the date of the first erroneous disbursement.
1543 However, if during such period, a municipality provides written
1544 notice to the Department of Revenue indicating the erroneous
1545 disbursement of funds, then the maximum amount that may be
1546 recovered or withheld from the municipality is the total amount of
1547 funds erroneously disbursed for a period of one (1) year beginning
1548 with the date of the first erroneous disbursement.

1549 **SECTION 5.** Section 27-7-5, Mississippi Code of 1972, is
1550 amended as follows:

1551 **[Until January 1 of the next succeeding year after the date**
1552 **that the Commissioner of Revenue certifies that the reduction in**
1553 **revenue mandated by Section 27-7-21(p) (i) equals or exceeds the**
1554 **remaining revenue produced by the individual income tax, this**
1555 **section shall read as follows:]**

1556 27-7-5. (1) There is hereby assessed and levied, to be
1557 collected and paid as hereinafter provided, for the calendar year
1558 1983 and fiscal years ending during the calendar year 1983 and all
1559 taxable years thereafter, upon the entire net income of every

1560 resident individual, corporation, association, trust or estate, in
1561 excess of the credits provided, a tax at the following rates:

1562 (a) (i) Through calendar year 2017, on the first Five
1563 Thousand Dollars (\$5,000.00) of taxable income, or any part
1564 thereof, the rate shall be three percent (3%);

1565 (ii) For calendar year 2018, on the first One
1566 Thousand Dollars (\$1,000.00) of taxable income there shall be no
1567 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
1568 taxable income, or any part thereof, the rate shall be three
1569 percent (3%);

1570 (iii) For calendar year 2019, on the first Two
1571 Thousand Dollars (\$2,000.00) of taxable income there shall be no
1572 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
1573 taxable income, or any part thereof, the rate shall be three
1574 percent (3%);

1575 (iv) For calendar year 2020, on the first Three
1576 Thousand Dollars (\$3,000.00) of taxable income there shall be no
1577 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
1578 taxable income, or any part thereof, the rate shall be three
1579 percent (3%);

1580 (v) For calendar year 2021, on the first Four
1581 Thousand Dollars (\$4,000.00) of taxable income there shall be no
1582 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
1583 taxable income, or any part thereof, the rate shall be three
1584 percent (3%);

1585 (vi) For calendar year 2022 and all taxable years
1586 thereafter, there shall be no tax levied on the first Five
1587 Thousand Dollars (\$5,000.00) of taxable income;

1588 (b) On taxable income in excess of Five Thousand
1589 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
1590 (\$10,000.00), or any part thereof, the rate shall be four percent
1591 (4%); and

1592 (c) On all taxable income in excess of Ten Thousand
1593 Dollars (\$10,000.00), the rate shall be five percent (5%).

1594 (2) An S corporation, as defined in Section 27-8-3(1)(g),
1595 shall not be subject to the income tax imposed under this section.

1596 (3) A like tax is hereby imposed to be assessed, collected
1597 and paid annually, except as hereinafter provided, at the rate
1598 specified in this section and as hereinafter provided, upon and
1599 with respect to the entire net income, from all property owned or
1600 sold, and from every business, trade or occupation carried on in
1601 this state by individuals, corporations, partnerships, trusts or
1602 estates, not residents of the State of Mississippi.

1603 (4) In the case of taxpayers having a fiscal year beginning
1604 in a calendar year with a rate in effect that is different than
1605 the rate in effect for the next calendar year and ending in the
1606 next calendar year, the tax due for that taxable year shall be
1607 determined by:

1608 (a) Computing for the full fiscal year the amount of
1609 tax that would be due under the rates in effect for the calendar
1610 year in which the fiscal year begins; and

1611 (b) Computing for the full fiscal year the amount of
1612 tax that would be due under the rates in effect for the calendar
1613 year in which the fiscal year ends; and

1614 (c) Applying to the tax computed under paragraph (a)
1615 the ratio which the number of months falling within the earlier
1616 calendar year bears to the total number of months in the fiscal
1617 year; and

1618 (d) Applying to the tax computed under paragraph (b)
1619 the ratio which the number of months falling within the later
1620 calendar year bears to the total number of months within the
1621 fiscal year; and

1622 (e) Adding to the tax determined under paragraph (c)
1623 the tax determined under paragraph (d) the sum of which shall be
1624 the amount of tax due for the fiscal year.

1625 **[From and after January 1 of the next succeeding year after**
1626 **the date that the Commissioner of Revenue certifies that the**
1627 **reduction in revenue mandated by Section 27-7-21(p) (i) equals or**
1628 **exceeds the remaining revenue produced by the individual income**
1629 **tax, the individual income tax shall stand repealed and this**
1630 **section shall read as follows:]**

1631 27-7-5. (1) There is hereby assessed and levied, to be
1632 collected and paid as hereinafter provided, for the calendar year
1633 1983 and fiscal years ending during the calendar year 1983 and all
1634 taxable years thereafter, upon the entire net income of every
1635 resident * * *~~individual~~, corporation, association, trust or

1636 estate, in excess of the credits provided, a tax at the following
1637 rates:

1638 (a) (i) Through calendar year 2017, on the first Five
1639 Thousand Dollars (\$5,000.00) of taxable income, or any part
1640 thereof, the rate shall be three percent (3%);

1641 (ii) For calendar year 2018, on the first One
1642 Thousand Dollars (\$1,000.00) of taxable income there shall be no
1643 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
1644 taxable income, or any part thereof, the rate shall be three
1645 percent (3%);

1646 (iii) For calendar year 2019, on the first Two
1647 Thousand Dollars (\$2,000.00) of taxable income there shall be no
1648 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
1649 taxable income, or any part thereof, the rate shall be three
1650 percent (3%);

1651 (iv) For calendar year 2020, on the first Three
1652 Thousand Dollars (\$3,000.00) of taxable income there shall be no
1653 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
1654 taxable income, or any part thereof, the rate shall be three
1655 percent (3%);

1656 (v) For calendar year 2021, on the first Four
1657 Thousand Dollars (\$4,000.00) of taxable income there shall be no
1658 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
1659 taxable income, or any part thereof, the rate shall be three
1660 percent (3%);

1661 (vi) For calendar year 2022 and all taxable years
1662 thereafter, there shall be no tax levied on the first Five
1663 Thousand Dollars (\$5,000.00) of taxable income;

1664 (b) On taxable income in excess of Five Thousand
1665 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
1666 (\$10,000.00), or any part thereof, the rate shall be four percent
1667 (4%); and

1668 (c) On all taxable income in excess of Ten Thousand
1669 Dollars (\$10,000.00), the rate shall be five percent (5%).

1670 (2) An S corporation, as defined in Section 27-8-3(1)(g),
1671 shall not be subject to the income tax imposed under this section.

1672 (3) A like tax is hereby imposed to be assessed, collected
1673 and paid annually, except as hereinafter provided, at the rate
1674 specified in this section and as hereinafter provided, upon and
1675 with respect to the entire net income, from all property owned or
1676 sold, and from every business, trade or occupation carried on in
1677 this state by * * *~~individuals~~, corporations, partnerships, trusts
1678 or estates, not residents of the State of Mississippi.

1679 (4) In the case of taxpayers having a fiscal year beginning
1680 in a calendar year with a rate in effect that is different than
1681 the rate in effect for the next calendar year and ending in the
1682 next calendar year, the tax due for that taxable year shall be
1683 determined by:

1684 (a) Computing for the full fiscal year the amount of
1685 tax that would be due under the rates in effect for the calendar
1686 year in which the fiscal year begins; and

1687 (b) Computing for the full fiscal year the amount of
1688 tax that would be due under the rates in effect for the calendar
1689 year in which the fiscal year ends; and

1690 (c) Applying to the tax computed under paragraph (a)
1691 the ratio which the number of months falling within the earlier
1692 calendar year bears to the total number of months in the fiscal
1693 year; and

1694 (d) Applying to the tax computed under paragraph (b)
1695 the ratio which the number of months falling within the later
1696 calendar year bears to the total number of months within the
1697 fiscal year; and

1698 (e) Adding to the tax determined under paragraph (c)
1699 the tax determined under paragraph (d) the sum of which shall be
1700 the amount of tax due for the fiscal year.

1701 **SECTION 6.** Upon the effective date of this act, the State
1702 Fiscal Officer shall transfer the sum of Five Hundred Million
1703 Dollars (\$500,000,000.00) from the Capital Expense Fund created in
1704 Section 27-103-303 to the Budget Stabilization Fund created by
1705 Section 7 of this act.

1706 **SECTION 7.** There is hereby created in the State Treasury a
1707 special fund to be designated as the "Budget Stabilization Fund,"
1708 which shall consist of funds made available by the Legislature in
1709 any manner and funds from any other source designated for deposit
1710 into such fund. Unexpended amounts remaining in the special fund
1711 at the end of a fiscal year shall not lapse into the State General
1712 Fund, and any investment earnings or interest earned on amounts in

1713 the fund shall be deposited to the credit of the fund; however,
1714 any unencumbered monies remaining in the special fund on July 1,
1715 2026, shall be transferred to the Capital Expense Fund created in
1716 Section 27-103-303. Monies in the special fund shall only be
1717 appropriated by the Legislature for budgetary purposes related to
1718 losses of General Fund revenue.

1719 **SECTION 8.** Section 27-7-3, Mississippi Code of 1972, is
1720 brought forward as follows:

1721 27-7-3. When used in this article:

1722 (a) "Taxpayer" includes any individual, partnership,
1723 corporation, association, trust or estate, subject to a tax
1724 imposed hereunder, or whose income is, in whole or in part,
1725 subject to a tax imposed hereunder.

1726 (b) "Domestic," when applied to any corporation or
1727 association, including partnerships, means created or organized in
1728 the State of Mississippi.

1729 (c) "Foreign," when applied to any corporation or
1730 association, including partnerships, means created or organized
1731 outside the State of Mississippi.

1732 (d) "Fiduciary" means a guardian, trustee, executor,
1733 administrator, receiver, conservator, or any person, whether
1734 individual or corporate, acting in any fiduciary capacity, for any
1735 person, trust, or estate.

1736 (e) "Resident" means a natural person and includes, for
1737 the purpose of determining liability for the tax imposed by this
1738 article upon or with reference to the income of any taxable year,

1739 any person domiciled in the State of Mississippi and any other
1740 person who maintains a legal or actual residence within the state.

1741 (f) "Nonresident," when used in connection with this
1742 article, shall apply to any natural person whose domicile and
1743 place of abode is without the State of Mississippi.

1744 (g) "Foreign country" or "foreign government" means any
1745 jurisdiction other than the one embraced within the United States.
1746 The words "United States" includes the states, the District of
1747 Columbia, and the territorial possessions of the United States.

1748 (h) "State Tax Commission" or "Tax Commission" means
1749 the Department of Revenue. "Commission" or "department" also
1750 means the Department of Revenue except where such words are
1751 specifically given other meanings.

1752 (i) "Commissioner," "Chairman of the Mississippi State
1753 Tax Commission," "Chairman of the State Tax Commission," "chairman
1754 of the commission" or "chairman" means the Commissioner of Revenue
1755 of the Department of Revenue.

1756 (j) "Taxable year" means the calendar year, or fiscal
1757 year ending during such calendar year, upon the basis of which the
1758 net income is computed hereunder. "Fiscal year" means an
1759 accounting period of twelve (12) months, ending on the last day of
1760 any month other than December.

1761 (k) "Paid or accrued" means paid or accrued, or paid or
1762 incurred, and these terms, "paid or incurred" or "paid or
1763 accrued," shall be construed according to the method of accounting
1764 or the basis on which the net income is computed. The term

1765 "received for the purpose of computation of net income" means
1766 received or accrued, and the term "received or accrued" shall be
1767 construed according to the method of accounting or the basis on
1768 which the net income is computed.

1769 (1) "Dividend" means any distribution made by a
1770 corporation, association, trust or estate, to its shareholders or
1771 members, whether in cash, other property, or its own stock.

1772 **SECTION 9.** Section 27-7-27, Mississippi Code of 1972, is
1773 brought forward as follows:

1774 27-7-27. (1) The tax imposed under the income tax laws of
1775 the State of Mississippi shall apply to the income of estates of
1776 any kind or property held in trust except:

1777 (a) That a trust forming part of a pension plan, stock
1778 bonus plan, disability or death benefit plan or profit-sharing
1779 plan of an employer for the exclusive benefit of some or all of
1780 his or its employees, or their beneficiaries, to which
1781 contributions are made by such employer, or employees, or both,
1782 for the purpose of distributing to such employees, or their
1783 beneficiaries, the earnings and principal of the fund accumulated
1784 by the trust in accordance with such plan, shall not be taxable
1785 under the income tax laws of the State of Mississippi provided
1786 that the trust is irrevocable and no part of the trust corpus or
1787 income can be used for purposes other than for the exclusive
1788 benefit of employees, or their beneficiaries; but any amount
1789 actually distributed or made available to any distributee shall be

1790 taxable to him in the year in which so distributed or made
1791 available to the extent that it exceeds amounts paid in by him.

1792 (b) That all trusts of real or personal property, or
1793 real and personal property combined, created under a retirement
1794 plan for which provision has been made under the laws of the
1795 United States of America exempting such trust from federal income
1796 tax, shall be exempt from income taxation by the State of
1797 Mississippi.

1798 (2) Notwithstanding the provisions of subsection (1) of this
1799 section, a taxpayer shall include any Mississippi unrelated
1800 business taxable income in computing its taxable income under this
1801 chapter. As used in this subsection "Mississippi unrelated
1802 business taxable income" includes:

1803 (a) "Unrelated business taxable income" as defined
1804 under the provisions of the Internal Revenue Code, as amended, and
1805 not otherwise inconsistent with other provisions of this chapter,
1806 and

1807 (b) Any income attributable to an ownership interest in
1808 an S corporation.

1809 (3) A trust required to include the activity of a
1810 disregarded entity for federal income tax purposes shall do
1811 likewise for the purpose of computing income for this state.

1812 (4) Except as otherwise provided in this section, the gross
1813 and net income shall be determined in the same manner as is
1814 provided by law for any other taxpayer.

1815 **SECTION 10.** Section 27-7-22.5, Mississippi Code of 1972, is
1816 brought forward as follows:

1817 27-7-22.5. (1) (a) For any manufacturer, distributor,
1818 wholesale or retail merchant who pays to a county, municipality,
1819 school district, levee district or any other taxing authority of
1820 the state or a political subdivision thereof, ad valorem taxes
1821 imposed on commodities, raw materials, works-in-process, products,
1822 goods, wares and merchandise held for resale, a credit against the
1823 income taxes imposed under this chapter shall be allowed for the
1824 portion of the ad valorem taxes so paid in the amounts prescribed
1825 in subsection (2).

1826 (b) (i) For any person, firm or corporation who pays
1827 to a county, municipality, school district, levee district or any
1828 other taxing authority of the state or a political subdivision
1829 thereof, ad valorem taxes imposed on rental equipment, a credit
1830 against the income taxes imposed under this chapter shall be
1831 allowed for the portion of the ad valorem taxes so paid in the
1832 amounts prescribed in subsection (2).

1833 (ii) As used in this paragraph, "rental equipment"
1834 means any rental equipment or other rental items which are held
1835 for short-term rental to the public:

- 1836 1. Under rental agreements with no specific
1837 term;
- 1838 2. Under at-will or open-ended agreements; or
- 1839 3. Under rental agreements with terms
1840 ordinarily of less than three hundred sixty-five (365) days; and

1841 4. Is not subject to privilege taxes imposed
1842 in Chapter 19, Title 27, Mississippi Code of 1972.

1843 (2) The tax credit allowed by this section shall not exceed
1844 the amounts set forth in paragraphs (a) through (g) of this
1845 subsection; and may be claimed for each location where such
1846 commodities, raw material, works-in-process, products, goods,
1847 wares, merchandise and/or rental equipment are found and upon
1848 which the ad valorem taxes have been paid. Any tax credit claimed
1849 under this section but not used in any taxable year may be carried
1850 forward for five (5) consecutive years from the close of the tax
1851 year in which the credit was earned.

1852 (a) For the 1994 taxable year, the tax credit for each
1853 location of the taxpayer shall not exceed the lesser of Two
1854 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
1855 State of Mississippi that are attributable to such location.

1856 (b) For the 1995 taxable year, the tax credit for each
1857 location of the taxpayer shall not exceed the lesser of Three
1858 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
1859 State of Mississippi that are attributable to such location.

1860 (c) For the 1996 taxable year, the tax credit for each
1861 location of the taxpayer shall not exceed the lesser of Four
1862 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
1863 State of Mississippi that are attributable to such location.

1864 (d) For the 1997 taxable year and each taxable year
1865 thereafter through taxable year 2013, the tax credit for each
1866 location of the taxpayer shall not exceed the lesser of Five

1867 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
1868 State of Mississippi that are attributable to such location.

1869 (e) For the 2014 taxable year, the tax credit for each
1870 location of the taxpayer shall not exceed the lesser of Ten
1871 Thousand Dollars (\$10,000.00) or the amount of income taxes due
1872 the State of Mississippi that are attributable to such location.

1873 (f) For the 2015 taxable year, the tax credit for each
1874 location of the taxpayer shall not exceed the lesser of Fifteen
1875 Thousand Dollars (\$15,000.00) or the amount of income taxes due
1876 the State of Mississippi that are attributable to such location.

1877 (g) For the 2016 taxable year and each taxable year
1878 thereafter, the tax credit of the taxpayer shall be the lesser of
1879 the amount of the ad valorem taxes described in subsection (1)
1880 paid or the amount of income taxes due the State of Mississippi
1881 that are attributable to such location.

1882 (3) Any amount of ad valorem taxes paid by a taxpayer that
1883 is applied toward the tax credit allowed in this section may not
1884 be used as a deduction by the taxpayer for state income tax
1885 purposes. In the case of a taxpayer that is a partnership,
1886 limited liability company or S corporation, the credit may be
1887 applied only to the tax attributable to partnership, limited
1888 liability company or S corporation income derived from the
1889 taxpayer.

1890 **SECTION 11.** Section 27-7-22.15, Mississippi Code of 1972, is
1891 brought forward as follows:

1892 27-7-22.15. (1) As used in this section, the following
1893 words and phrases shall have the meanings ascribed to herein
1894 unless the context clearly indicates otherwise:

1895 (a) "Approved reforestation practices" means the
1896 following practices for establishing a crop of trees suitable for
1897 manufacturing into forest products:

1898 (i) "Pine and hardwood tree planting practices"
1899 including the cost of seedlings, planting by hand or machine, and
1900 site preparation.

1901 (ii) "Mixed-stand regeneration practices" to
1902 establish a mixed-crop of pine and hardwood trees by planting or
1903 direct seeding, or both, including the cost of seedlings,
1904 seed/acorns, planting, seeding and site preparation.

1905 (iii) "Direct seeding practices" to establish a
1906 crop of pine or oak trees by directly applying seed/acorns to the
1907 site including the cost of seed/acorns, seeding and site
1908 preparation.

1909 (iv) "Post-planting site preparation practices" to
1910 reduce or control undesirable competition within the first growing
1911 season of an established crop of trees.

1912 Approved reforestation practices shall not include the
1913 establishment of orchards, Christmas trees or ornamental trees.

1914 (b) "Eligible tree species" means pine and hardwood
1915 commercial tree species suitable for manufacturing into forest
1916 products.

1917 (c) "Cost-share assistance" means partial financial
1918 payment for approved reforestation practices from the state
1919 government as authorized under Sections 49-19-201 through
1920 49-19-227, or the federal government.

1921 (d) "Eligible owner" means a private individual, group
1922 or association, but the term shall not mean private corporations
1923 which manufacture products or provide public utility services of
1924 any type or any subsidiary of such corporations.

1925 (e) "Eligible lands" means nonindustrial private lands
1926 owned by a private individual, group or association, but shall not
1927 mean lands owned by private corporations which manufacture
1928 products or provide public utility services of any type or any
1929 subsidiary of such corporations.

1930 (f) "Reforestation prescription or plan" means a
1931 written description of the approved reforestation practices that
1932 the eligible owner plans to use and includes a legal description
1933 and map of the area to be reforested, a list of the tree seedling
1934 or seed species to be used in the reforestation and the site
1935 preparation practices that will be utilized.

1936 (2) Subject to the limitations provided in subsection (3) of
1937 this section, upon submission to the State Tax Commission of the
1938 written verification provided for in subsection (5) of this
1939 section and such other documentation as the State Tax Commission
1940 may require, any eligible owner who incurs costs for approved
1941 reforestation practices for eligible tree species on eligible
1942 lands shall be allowed a credit, in an amount equal to the lesser

1943 of fifty percent (50%) of the actual costs of the approved
1944 reforestation practices or fifty percent (50%) of the average cost
1945 of approved practices as established by the Mississippi Forestry
1946 Commission under Section 49-19-219, against the taxes imposed
1947 pursuant to this chapter for the tax year in which the costs are
1948 incurred.

1949 (3) The maximum amount of the credit provided for in
1950 subsection (2) of this section that may be utilized in any one (1)
1951 taxable year shall not exceed the lesser of Ten Thousand Dollars
1952 (\$10,000.00) or the amount of income tax imposed upon the eligible
1953 owner for the taxable year reduced by the sum of all other credits
1954 allowable to the eligible owner under this chapter, except credit
1955 for tax payments made by or on behalf of the eligible owner. Any
1956 unused portion of the credit may be carried forward for succeeding
1957 tax years. The maximum dollar amount of the credit provided for
1958 in subsection (2) of this section that an eligible owner may
1959 utilize during his lifetime shall be Seventy-five Thousand Dollars
1960 (\$75,000.00) in the aggregate.

1961 (4) If an eligible owner receives any state or federal cost
1962 share assistance funds to defray the cost of an approved
1963 reforestation practice, the cost of that practice on the same acre
1964 or acres within the same tax year is not eligible for the credit
1965 provided in this section unless the eligible owner's adjusted
1966 gross income is less than the federal earned income credit level.

1967 (5) To be eligible for the tax credit, an eligible owner
1968 must have a reforestation prescription or plan prepared for the

1969 eligible lands by a graduate forester of a college, school or
1970 university accredited by the Society of American Foresters or by a
1971 registered forester under the Foresters Registration Law of 1977.
1972 The forester must verify in writing that the reforestation
1973 practices were completed and that the reforestation prescription
1974 or plan was followed.

1975 **SECTION 12.** Section 27-7-22.21, Mississippi Code of 1972, is
1976 brought forward as follows:

1977 27-7-22.21. (1) As used in this section, the following
1978 words and phrases shall have the following meanings, unless the
1979 context clearly indicates otherwise:

1980 (a) "Eligible land" means nonindustrial private lands
1981 in the state that are adjacent to and along a stream which is
1982 fully nominated to the Mississippi Scenic Streams Stewardship
1983 Program, or nonindustrial private lands in the state which are
1984 considered to be priority sites for conservation under the
1985 Mississippi Natural Heritage Program.

1986 (b) "Eligible owner" means a private individual, group
1987 or association other than a private corporation, or any subsidiary
1988 thereof, which manufactures products or provides public utility
1989 services of any type.

1990 (c) "Interest in land" means any right in real
1991 property, including access thereto or improvements thereon, or
1992 water, including, but not limited to, a fee simple easement, a
1993 conservation easement, provided such interest complies with the
1994 requirements of the United States Internal Revenue Code Section

1995 170(h), partial interest, mineral right, remainder or future
1996 interest, or other interest or right in real property.

1997 (d) "Land" or "lands" means real property, with or
1998 without improvements thereon, rights-of-way, water and riparian
1999 rights, easements, privileges and all other rights or interests of
2000 any land or description in, relating to, or connected with real
2001 property.

2002 (e) "Allowable transaction costs" mean the costs of the
2003 appraisal of the lands or interests in lands, including
2004 conservation easements, that are being donated, of the baseline
2005 survey of the natural features, animals and plants present on the
2006 site, of engineering and surveying fees, of maintenance fees, of
2007 monitoring fees and of legal fees, including the costs of document
2008 preparation, title review and title insurance.

2009 (f) "Specified conservation purposes" mean the
2010 preservation of stream bank habitats and the stability of stream
2011 banks, or the protection of land necessary because of high
2012 biodiversity significance or high protection urgency due to the
2013 presence of exemplary natural communities or species of special
2014 concern, including threatened or endangered species.

2015 (2) For the taxable years beginning on or after January 1,
2016 2003, for any income taxpayer who is an eligible owner, a credit
2017 against the taxes imposed by this chapter shall be allowed in the
2018 amounts provided in this section upon the donation of land or an
2019 interest in land for specified conservation purposes.

2020 (3) The credit provided for in this section shall be fifty
2021 percent (50%) of the allowable transaction costs involved in the
2022 donation for the tax year in which the allowable transaction costs
2023 occur. The aggregate amount of the credit provided in this
2024 section for allowable transaction costs shall not exceed the
2025 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
2026 imposed upon the taxpayer for the taxable year reduced by the sum
2027 of all other credits allowable to such taxpayer under this
2028 chapter, except credit for tax payments made by or on behalf of
2029 the taxpayer. Any unused portion of the credit may be carried
2030 forward for ten (10) succeeding tax years. The maximum dollar
2031 amount of the credit provided for in this section that an eligible
2032 owner may utilize during his lifetime shall be Ten Thousand
2033 Dollars (\$10,000.00) in the aggregate.

2034 (4) To be eligible for the credit provided for in this
2035 section, an eligible owner must demonstrate that the donation
2036 qualifies as a conservation contribution under Section 170(h) of
2037 the United States Internal Revenue Code of 1986, by means of being
2038 a donation in perpetuity, for conservation purposes and made to a
2039 qualified holder or donee. A letter from the donee indicating
2040 acceptance and a completed copy of the appropriate United States
2041 Internal Revenue Service form shall constitute proof of
2042 acceptance. The eligible owner also must submit any other
2043 documentation that the State Tax Commission may require.

2044 **SECTION 13.** Section 27-7-22.22, Mississippi Code of 1972, is
2045 brought forward as follows:

2046 27-7-22.22. (1) A credit is allowed against the taxes
2047 imposed by this chapter to a taxpayer for allowing land owned by
2048 the taxpayer to be used as a natural area preserve, a wildlife
2049 refuge or habitat area, a wildlife management area, or for the
2050 purpose of providing public outdoor recreational opportunities, as
2051 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
2052 the following conditions and limitations:

2053 (a) The land may not be under lease to the Mississippi
2054 Commission on Wildlife, Fisheries and Parks, and the commission
2055 must approve the land as being suitable for the uses described in
2056 this section.

2057 (b) The amount of the tax credit allowed by this
2058 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
2059 land in each taxable year.

2060 (c) In no event shall the amount of the tax credits
2061 allowed by this section for a taxable year exceed the taxpayer's
2062 liability for those taxes. Any unused credit amount shall be
2063 allowed to be carried forward for five (5) years from the close of
2064 the taxable year in which the land was approved for such a use.
2065 No such credit shall be allowed the taxpayer against prior years'
2066 tax liability.

2067 (2) To claim a credit allowed by this section, the taxpayer
2068 shall provide any information required by the Mississippi
2069 Commission on Wildlife, Fisheries and Parks or the Mississippi
2070 Commissioner of Revenue. Every taxpayer claiming a credit under
2071 this section shall maintain and make available for inspection by

2072 the Mississippi Commission on Wildlife, Fisheries and Parks or the
2073 Mississippi Commissioner of Revenue any records that either entity
2074 considers necessary to determine and verify the amount of the
2075 credit to which the taxpayer is entitled. The burden of proving
2076 eligibility for a credit and the amount of the credit rests upon
2077 the taxpayer, and no credit may be allowed to a taxpayer that
2078 fails to maintain adequate records or to make them available for
2079 inspection.

2080 (3) Upon approval of the Commission on Wildlife, Fisheries
2081 and Parks under subsection (1) (a), a taxpayer seeking to claim any
2082 tax credit provided for under this section must submit an
2083 application to the Mississippi Commissioner of Revenue for
2084 approval of the tax credit. The Mississippi Commissioner of
2085 Revenue shall promulgate the rules and forms on which the
2086 application is to be submitted. The Mississippi Commissioner of
2087 Revenue shall review the application and may approve such
2088 application upon determining that it meets the requirements of
2089 this section within sixty (60) days after receiving the
2090 application.

2091 **SECTION 14.** Section 27-7-22.31, Mississippi Code of 1972, is
2092 amended as follows:

2093 27-7-22.31. (1) As used in this section:

2094 (a) "Certified historic structure" means a property
2095 located in Mississippi that has been:

2096 (i) Listed individually on the National Register
2097 of Historic Places; or

2098 (ii) Determined eligible for the National Register
2099 of Historic Places by the Secretary of the United States
2100 Department of the Interior and will be listed within thirty (30)
2101 months of claiming the rebate or credit authorized by this
2102 section; or

2103 (iii) Property designated a Mississippi Landmark
2104 by the Department of Archives and History pursuant to Section
2105 39-7-3 et seq.

2106 (b) "Eligible property" means property located in
2107 Mississippi and offered or used for residential or business
2108 purposes.

2109 (c) "Structure in a certified historic district" means
2110 a structure (and its structural components) located in Mississippi
2111 which:

2112 (i) Is listed in the National Register of Historic
2113 Places; or

2114 (ii) Has been determined eligible for the National
2115 Register of Historic Places by the Secretary of the United States
2116 Department of the Interior and will be listed within thirty (30)
2117 months of claiming the rebate or credit authorized by this
2118 section; or

2119 (iii) Is located in a registered historic district
2120 listed on the National Register of Historic Places or located in a
2121 potential district that has been determined eligible for the
2122 National Register of Historic Places by the Secretary of the
2123 United States Department of the Interior and will be listed within

2124 thirty (30) months of claiming the rebate or credit authorized by
2125 this section, and is certified by the Secretary of the United
2126 States Department of the Interior as being of historic
2127 significance to the district; or

2128 (iv) Is certified by the Mississippi Department of
2129 Archives and History as contributing to the historic significance
2130 of:

2131 1. A certified historic district listed on
2132 the National Register of Historic Places; or

2133 2. A potential district that has been
2134 determined eligible for the National Register of Historic Places
2135 by the Secretary of the United States Department of the Interior
2136 and will be listed within thirty (30) months of claiming the
2137 rebate or credit authorized by this section; or

2138 3. A local district that has been certified
2139 by the United States Department of the Interior.

2140 (d) "Department" means the Department of Archives and
2141 History.

2142 (2) Any taxpayer incurring costs and expenses for the
2143 rehabilitation of eligible property, which is a certified historic
2144 structure or a structure in a certified historic district, shall
2145 be entitled to a rebate or credit against the taxes imposed
2146 pursuant to this chapter in an amount equal to twenty-five percent
2147 (25%) of the total costs and expenses of rehabilitation incurred
2148 after January 1, 2006, which shall include, but not be limited to,
2149 qualified rehabilitation expenditures as defined under Section

2150 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
2151 the related regulations thereunder:

2152 (a) If the costs and expenses associated with
2153 rehabilitation exceed:

2154 (i) Five Thousand Dollars (\$5,000.00) in the case
2155 of an owner-occupied dwelling; or

2156 (ii) Fifty percent (50%) of the adjusted basis in
2157 the property in the case of all other properties; and

2158 (b) The rehabilitation is consistent with the standards
2159 of the Secretary of the United States Department of the Interior
2160 as determined by the department.

2161 (3) Any taxpayer eligible for the rebate or credit
2162 authorized by this section may claim the rebate or credit in
2163 phases if:

2164 (a) There is a written set of architectural plans and
2165 specifications for all phases of the rehabilitation (written plans
2166 outlining and describing all phases of the rehabilitation shall be
2167 accepted as written plans and specifications);

2168 (b) The written set of architectural plans and
2169 specifications are completed before the physical work on the
2170 rehabilitation begins; and

2171 (c) The project receives final certification by the
2172 department within sixty (60) months of the project start date
2173 certified in the first phase.

2174 (4) (a) (i) If the amount of the tax credit established by
2175 this section exceeds the total state income tax liability for the

2176 credit year, the amount that exceeds the total state income tax
2177 liability may be carried forward for the ten (10) succeeding tax
2178 years.

2179 (ii) In lieu of claiming a tax credit, the
2180 taxpayer may elect to claim a rebate in the amount of seventy-five
2181 percent (75%) of the amount that would be eligible to claim as a
2182 credit. The election must be made in the year in which the rebate
2183 is certified.

2184 (iii) Rebate requests shall be submitted to the
2185 department on forms prescribed by the department. The department
2186 will then provide the taxpayer with a voucher for the approved
2187 amount. Within twelve (12) months of the issuance of the voucher
2188 by the department, the taxpayer may submit the voucher to the
2189 Department of Revenue to receive payment. Rebates shall be made
2190 from current tax collections.

2191 (b) Not-for-profit entities, including, but not limited
2192 to, nonprofit corporations organized under Section 79-11-101 et
2193 seq., shall be ineligible for the rebate or credit authorized by
2194 this section. Credits granted to a partnership, a limited
2195 liability company taxed as a partnership or multiple owners of
2196 property shall be passed through to the partners, members or
2197 owners on a pro rata basis or pursuant to an executed agreement
2198 among the partners, members or owners documenting an alternative
2199 distribution method. Partners, members or other owners of a
2200 pass-through entity are not eligible to elect a refund of excess
2201 credit in lieu of a carryforward of the credit. However, a

2202 partnership or limited liability company taxed as a partnership
2203 may elect to claim a rebate at the entity level on a form
2204 prescribed by the department. Additionally, excess tax credits
2205 that are attributable to rehabilitated property that was placed in
2206 service by a pass-through entity prior to January 1, 2011, and
2207 that have previously been allocated to and are held by another
2208 pass-through entity prior to January 1, 2011, may be refunded to
2209 such other pass-through entity.

2210 (5) (a) (i) To claim the rebate or credit authorized
2211 pursuant to this section, the taxpayer shall apply to the
2212 department which shall determine the amount of eligible
2213 rehabilitation costs and expenses and whether the rehabilitation
2214 is consistent with the standards of the Secretary of the United
2215 States Department of the Interior. The department shall issue a
2216 certificate evidencing the date of the rebate or credit and amount
2217 of eligible rebate or credit if the taxpayer is found to be
2218 eligible for the tax rebate or credit. The taxpayer shall attach
2219 the certificate to all income tax returns on which the credit is
2220 claimed. Except as otherwise provided in this paragraph (a), the
2221 department shall not issue certificates evidencing the eligible
2222 rebate or credit which will result in rebates or credits being
2223 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
2224 any one (1) calendar year for projects with total qualified
2225 rehabilitation costs and expenses of One Million Seven Hundred
2226 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
2227 shall also not issue certificates evidencing the eligible rebate

2228 or credit which will result in rebates or credits being awarded in
2229 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
2230 calendar year for projects with total qualified rehabilitation
2231 costs and expenses of less than One Million Seven Hundred Fifty
2232 Thousand Dollars (\$1,750,000.00).

2233 (ii) If claiming a credit instead of a rebate, the
2234 taxpayer shall claim such credit on the income tax return for the
2235 tax year for which the credit is certified.

2236 (b) The date of the rebate or credit shall be certified
2237 in the following order:

2238 (i) The rebate or credit shall be certified based
2239 on the date of project completion.

2240 (ii) If the eligible rebate or credit exceeds the
2241 available limit in the year in which the project is completed, the
2242 rebate or credit shall be certified based on the date the
2243 certification is issued by the department. The department shall
2244 issue the certification in the first calendar year in which the
2245 requested rebate or credit would not exceed the calendar year
2246 limit.

2247 (c) The aggregate amount of tax rebates * * * ~~or,~~
2248 credits or grants that may be awarded under this section shall not
2249 exceed One Hundred Eighty Million Dollars (\$180,000,000.00).

2250 (6) (a) The rebate * * * ~~or,~~ credit or grant received by a
2251 taxpayer pursuant to this section is subject to recapture if:

2252 (i) The property is one that has been determined
2253 eligible for the National Register of Historic Places but is not

2254 listed on the National Register of Historic Places within thirty
2255 (30) months of claiming the rebate or credit authorized by this
2256 section;

2257 (ii) The potential district in which the property
2258 is located is not listed on the National Register of Historic
2259 Places within thirty (30) months of claiming the rebate or credit
2260 authorized by this section; or

2261 (iii) The project has not received final
2262 certification by the department within sixty (60) months of the
2263 project start date certified in the first phase.

2264 (b) The taxpayer shall notify the department and the
2265 Department of Revenue if any of the situations that subject the
2266 credit to recapture occur.

2267 (7) (a) The board of trustees of the department shall
2268 establish fees to be charged for the services performed by the
2269 department under this section and shall publish the fee schedule.
2270 The fees contained in the schedule shall be in amounts reasonably
2271 calculated to recover the costs incurred by the department for the
2272 administration of this section. Any taxpayer desiring to
2273 participate in the tax credits authorized by this section shall
2274 pay the appropriate fee as contained in the fee schedule to the
2275 department, which shall be used by the department, without
2276 appropriation, to offset the administrative costs of the
2277 department associated with its duties under this section.

2278 (b) There is hereby created within the State Treasury a
2279 special fund into which shall be deposited all the fees collected

2280 by the department pursuant to this section. Money deposited into
2281 the fund shall not lapse at the end of any fiscal year and
2282 investment earnings on the proceeds in such special fund shall be
2283 deposited into such fund. Money from the fund shall be disbursed
2284 upon warrants issued by the State Fiscal Officer upon requisitions
2285 signed by the executive director of the department to assist the
2286 department in carrying out its duties under this section.

2287 (8) This section shall only apply to taxpayers:

2288 (a) Who have been issued a certificate evidencing the
2289 eligible credit before December 31, 2030; or

2290 (b) Who, before December 31, 2030, have received a
2291 determination in writing from the Mississippi Department of
2292 Archives and History, in accordance with the department's Historic
2293 Preservation Certificate Application, Part 2, that the
2294 rehabilitation is consistent with the historic character of the
2295 property and that the property meets the United States Secretary
2296 of the Interior's Standards for Rehabilitation, or will meet the
2297 standards if certain specified conditions are met, and, who are
2298 issued a certificate evidencing the eligible credit on or after
2299 December 31, 2030.

2300 (9) Notwithstanding any other provision of this section to
2301 the contrary, from and after January 1, 2023, if the amount of the
2302 credit or rebate that a taxpayer is eligible to receive or to use
2303 is less than the amount of credit or rebate that the taxpayer
2304 would have been eligible to receive or to use if the taxpayer's
2305 income tax liability had been calculated using any applicable

2306 income tax personal exemptions in Section 27-7-21(b), (c) and (d),
2307 as such exemptions existed before January 1, 2023, then the
2308 taxpayer shall receive a grant from the Department of Revenue
2309 equal to the difference between such two (2) amounts. Grants made
2310 by the Department of Revenue under this section shall be made from
2311 current tax collections.

2312 **SECTION 15.** Section 27-7-22.32, Mississippi Code of 1972, is
2313 brought forward as follows:

2314 **[Through December 31, 2023, this section shall read as**
2315 **follows:]**

2316 27-7-22.32. (1) (a) There shall be allowed as a credit
2317 against the tax imposed by this chapter the amount of the
2318 qualified adoption expenses paid or incurred, not to exceed Two
2319 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
2320 child legally adopted by a taxpayer under the laws of this state
2321 during calendar year 2006 or during any calendar year thereafter
2322 through calendar year 2017, and not to exceed Five Thousand
2323 Dollars (\$5,000.00) for each dependent child legally adopted by a
2324 taxpayer under the laws of this state during any calendar year
2325 thereafter. A taxpayer claiming a credit under this paragraph (a)
2326 may not claim a credit under paragraph (b) of this subsection for
2327 the adoption of the same child.

2328 (b) There shall be allowed as a credit against the tax
2329 imposed by this chapter the amount of Five Thousand Dollars
2330 (\$5,000.00) for each dependent child legally adopted by a taxpayer
2331 under the laws of this state through the Mississippi Department of

2332 Child Protection Services during calendar year 2018 or during any
2333 calendar year thereafter. A taxpayer claiming a credit under this
2334 paragraph (b) may not claim a credit under paragraph (a) of this
2335 subsection for the adoption of the same child.

2336 (2) The tax credit under this section may be claimed for the
2337 taxable year in which the adoption becomes final under the laws of
2338 this state. Any tax credit claimed under this section but not
2339 used in any taxable year may be carried forward for the five (5)
2340 succeeding tax years. A tax credit is allowed under this section
2341 for any child for which an exemption is claimed during the same
2342 taxable year under Section 27-7-21(e). For the purposes of this
2343 section, the term "qualified adoption expenses" means and has the
2344 same definition as that term has in 26 USCS 36C.

2345 **[From and after January 1, 2024, this section shall read as**
2346 **follows:]**

2347 27-7-22.32. There shall be allowed as a credit against the
2348 tax imposed by this chapter the amount of the qualified adoption
2349 expenses paid or incurred, not to exceed Two Thousand Five Hundred
2350 Dollars (\$2,500.00), for each dependent child legally adopted by a
2351 taxpayer under the laws of this state during calendar year 2006 or
2352 during any calendar year thereafter. The tax credit under this
2353 section may be claimed for the taxable year in which the adoption
2354 becomes final under the laws of this state. Any tax credit
2355 claimed under this section but not used in any taxable year may be
2356 carried forward for the three (3) succeeding tax years. A tax
2357 credit is allowed under this section for any child for which an

2358 exemption is claimed during the same taxable year under Section
2359 27-7-21(e). For the purposes of this section, the term "qualified
2360 adoption expenses" means and has the same definition as that term
2361 has in 26 USCS 36C.

2362 **SECTION 16.** Section 27-7-22.33, Mississippi Code of 1972, is
2363 brought forward as follows:

2364 27-7-22.33. (1) A taxpayer shall be allowed a credit
2365 against the income taxes imposed under this chapter in an amount
2366 equal to twenty-five percent (25%) of the premium costs paid
2367 during the taxable year for a qualified long-term care insurance
2368 policy as defined in Section 7702B of the Internal Revenue Code
2369 that offers coverage to either the individual, the individual's
2370 spouse, the individual's parent or parent-in-law, or the
2371 individual's dependent as defined in Section 152 of the Internal
2372 Revenue Code.

2373 (2) No taxpayer shall be entitled to the credit with respect
2374 to the same expended amounts for qualified long-term care
2375 insurance which are claimed by another taxpayer.

2376 (3) The credit allowed by this section shall not exceed Five
2377 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
2378 whichever is less, for each qualified long-term care insurance
2379 policy. Any unused tax credit shall not be allowed to be carried
2380 forward to apply to the taxpayer's succeeding year's tax
2381 liability.

2382 (4) No credit shall be allowed under this section with
2383 respect to any premium for qualified long-term care insurance

2384 either deducted or subtracted by the taxpayer in arriving at his
2385 net taxable income under this section or with respect to any
2386 premiums for qualified long-term care insurance which were
2387 excluded from his net taxable income.

2388 **SECTION 17.** Section 27-7-22.37, Mississippi Code of 1972, is
2389 brought forward as follows:

2390 27-7-22.37. (1) There shall be allowed as a credit against
2391 the tax imposed by Section 27-7-5 the amount of the qualified
2392 prekindergarten program support contributions paid to approved
2393 providers, lead partners or collaboratives, not to exceed One
2394 Million Dollars (\$1,000,000.00), by any individual, corporation or
2395 other entity having taxable income under the laws of this state
2396 during calendar year 2013 or during any calendar year thereafter.
2397 In order to qualify for a tax credit, such contributions may
2398 support the local match requirement of approved providers, lead
2399 partners or collaboratives as is necessary to match
2400 state-appropriated funds, and any such providers, lead partners or
2401 collaboratives shall be approved by the State Department of
2402 Education.

2403 (2) Any unused portion of the credit may be carried forward
2404 for three (3) tax years.

2405 (3) Any prekindergarten program support contribution shall
2406 be verified by submission to the Mississippi Department of Revenue
2407 of a copy of the receipt provided to the donor taxpayer by the
2408 prekindergarten program recipient or such other written
2409 verification as may be required by the Department of Revenue.

2410 (4) The maximum amount of donations accepted by the
2411 Department of Revenue in calendar year 2014 shall not exceed Eight
2412 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
2413 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
2414 year 2016 and calendar years thereafter shall not exceed
2415 Thirty-two Million Dollars (\$32,000,000.00), or what is
2416 appropriated by the Legislature to fund Chapter 493, Laws of 2013
2417 each year.

2418 (5) The Mississippi Department of Revenue shall promulgate
2419 rules necessary to effectuate the purposes of Chapter 493, Laws of
2420 2013. Such rules shall include a means of informing the public of
2421 the existence of the prekindergarten support program and the
2422 application process for provider, lead partner and collaborative
2423 candidates.

2424 **SECTION 18.** Section 27-7-22.39, Mississippi Code of 1972, is
2425 brought forward as follows:

2426 27-7-22.39. (1) As used in this section:

2427 (a) "Low-income residents" means persons whose
2428 household income is less than one hundred fifty percent (150%) of
2429 the federal poverty level.

2430 (b) "Qualifying charitable organization" means a
2431 charitable organization that is exempt from federal income
2432 taxation under Section 501(c)(3) of the Internal Revenue Code or
2433 is a designated community action agency that receives community
2434 services block grant program monies pursuant to 42 USC 9901. The
2435 organization must spend at least fifty percent (50%) of its budget

2436 on services to residents of this state who receive temporary
2437 assistance for needy families benefits or low-income residents of
2438 this state and their households or to children who have a chronic
2439 illness or physical, intellectual, developmental or emotional
2440 disability who are residents of this state. A charitable
2441 organization that is exempt from federal income tax under Section
2442 501(c)(3) of the Internal Revenue Code and that meets all other
2443 requirements of this paragraph except that it does not spend at
2444 least fifty percent (50%) of its overall budget in Mississippi may
2445 be a qualifying charitable organization if it spends at least
2446 fifty percent (50%) of its Mississippi budget on services to
2447 qualified individuals in Mississippi and it certifies to the
2448 department that one hundred percent (100%) of the voluntary cash
2449 contributions from the taxpayer will be spent on services to
2450 qualified individuals in Mississippi. Taxpayers choosing to make
2451 donations through an umbrella charitable organization that
2452 collects donations on behalf of member charities shall designate
2453 that the donation be directed to a member charitable organization
2454 that would qualify under this section on a stand-alone basis.
2455 Qualifying charitable organization does not include any entity
2456 that provides, pays for or provides coverage of abortions or that
2457 financially supports any other entity that provides, pays for or
2458 provides coverage of abortions.

2459 (c) "Qualifying foster care charitable organization"
2460 means a qualifying charitable organization that each operating
2461 year provides services to at least one hundred (100) qualified

2462 individuals in this state and spends at least fifty percent (50%)
2463 of its budget on services to qualified individuals in this state.
2464 A charitable organization that is exempt from federal income tax
2465 under Section 501(c)(3) of the Internal Revenue Code and that
2466 meets all other requirements of this paragraph except that it does
2467 not spend at least fifty percent (50%) of its overall budget in
2468 Mississippi may be a qualifying foster care charitable
2469 organization if it spends at least fifty percent (50%) of its
2470 Mississippi budget on services to qualified individuals in
2471 Mississippi and it certifies to the department that one hundred
2472 percent (100%) of the voluntary cash contributions from the
2473 taxpayer will be spent on services to qualified individuals in
2474 Mississippi. For the purposes of this paragraph, "qualified
2475 individual" means a child in a foster care placement program
2476 established by the Department of Child Protection Services, a
2477 child placed under the Safe Families for Children model, or a
2478 child at significant risk of entering a foster care placement
2479 program established by the Department of Child Protection
2480 Services.

2481 (d) "Services" means:

2482 (i) Cash assistance, medical care, child care,
2483 food, clothing, shelter, and job-placement services or any other
2484 assistance that is reasonably necessary to meet immediate basic
2485 needs and that is provided and used in this state;

2486 (ii) Job-training or education services or funding
2487 for parents, foster parents or guardians; or

2488 (iii) Job-training or education services or
2489 funding provided as part of a foster care independent living
2490 program.

2491 (2) Except as provided in subsections (3) and (4) of this
2492 section, a credit is allowed against the taxes imposed by this
2493 chapter for voluntary cash contributions by the taxpayer during
2494 the taxable year to a qualifying charitable organization, other
2495 than a qualifying foster care charitable organization, not to
2496 exceed:

2497 (a) The lesser of Four Hundred Dollars (\$400.00) or the
2498 amount of the contribution in any taxable year for a single
2499 individual or a head of household.

2500 (b) The lesser of Eight Hundred Dollars (\$800.00) or
2501 the amount of the contribution in any taxable year for a married
2502 couple filing a joint return.

2503 (3) A separate credit is allowed against the taxes imposed
2504 by this chapter for voluntary cash contributions during the
2505 taxable year to a qualifying foster care charitable organization.
2506 A contribution to a qualifying foster care charitable organization
2507 does not qualify for, and shall not be included in, any credit
2508 amount under subsection (2) of this section. If the voluntary
2509 cash contribution by the taxpayer is to a qualifying foster care
2510 charitable organization, the credit shall not exceed:

2511 (a) The lesser of Five Hundred Dollars (\$500.00) or the
2512 amount of the contribution in any taxable year for a single
2513 individual or a head of household.

2514 (b) The lesser of One Thousand Dollars (\$1,000.00) or
2515 the amount of the contribution in any taxable year for a married
2516 couple filing a joint return.

2517 (4) Subsections (2) and (3) of this section provide separate
2518 credits against taxes imposed by this chapter depending on the
2519 recipients of the contributions. A taxpayer, including a married
2520 couple filing a joint return, in the same taxable year, may either
2521 or both:

2522 (a) Contribute to a qualifying charitable organization,
2523 other than a qualifying foster care charitable organization, and
2524 claim a credit under subsection (2) of this section.

2525 (b) Contribute to a qualifying foster care charitable
2526 organization and claim a credit under subsection (3) of this
2527 section.

2528 (5) A husband and wife who file separate returns for a
2529 taxable year in which they could have filed a joint return may
2530 each claim only one-half (1/2) of the tax credit that would have
2531 been allowed for a joint return.

2532 (6) If the allowable tax credit exceeds the taxes otherwise
2533 due under this chapter on the claimant's income, or if there are
2534 no taxes due under this chapter, the taxpayer may carry forward
2535 the amount of the claim not used to offset the taxes under this
2536 chapter for not more than five (5) consecutive taxable years'
2537 income tax liability.

2538 (7) The credit allowed by this section is in lieu of a
2539 deduction pursuant to Section 170 of the Internal Revenue Code and
2540 taken for state tax purposes.

2541 (8) Taxpayers taking a credit authorized by this section
2542 shall provide the name of the qualifying charitable organization
2543 and the amount of the contribution to the department on forms
2544 provided by the department.

2545 (9) A qualifying charitable organization shall provide the
2546 department with a written certification that it meets all criteria
2547 to be considered a qualifying charitable organization. The
2548 organization shall also notify the department of any changes that
2549 may affect the qualifications under this section.

2550 (10) The charitable organization's written certification
2551 must be signed by an officer of the organization under penalty of
2552 perjury. The written certification shall include the following:

2553 (a) Verification of the organization's status under
2554 Section 501(c)(3) of the Internal Revenue Code or verification
2555 that the organization is a designated community action agency that
2556 receives community services block grant program monies pursuant to
2557 42 USC 9901.

2558 (b) Financial data indicating the organization's budget
2559 for the organization's prior operating year and the amount of that
2560 budget spent on services to residents of this state who either:

2561 (i) Receive temporary assistance for needy
2562 families benefits;

2563 (ii) Are low-income residents of this state;

2564 (iii) Are children who have a chronic illness or
2565 physical, intellectual, developmental or emotional disability; or

2566 (iv) Are children in a foster care placement
2567 program established by the Department of Child Protection
2568 Services, children placed under the Safe Families for Children
2569 model or children at significant risk of entering a foster care
2570 placement program established by the Department of Child
2571 Protection Services.

2572 (c) A statement that the organization plans to continue
2573 spending at least fifty percent (50%) of its budget on services to
2574 residents of this state who receive temporary assistance for needy
2575 families benefits, who are low-income residents of this state, who
2576 are children who have a chronic illness or physical, intellectual,
2577 developmental or emotional disability or who are children in a
2578 foster care placement program established by the Department of
2579 Child Protection Services, children placed under the Safe Families
2580 for Children model or children at significant risk of entering a
2581 foster care placement program established by the Department of
2582 Child Protection Services. A charitable organization that is
2583 exempt from federal income tax under Section 501(c)(3) of the
2584 Internal Revenue Code and that meets all other requirements for a
2585 qualifying charitable organization or qualifying foster care
2586 charitable organization except that it does not spend at least
2587 fifty percent (50%) of its overall budget in Mississippi shall
2588 submit a statement that it spends at least fifty percent (50%) of
2589 its Mississippi budget on services to qualified individuals in

2590 Mississippi and that one hundred percent (100%) of the voluntary
2591 cash contributions it receives from Mississippi taxpayers will be
2592 spent on services to qualified individuals in Mississippi.

2593 (d) In the case of a foster care charitable
2594 organization, a statement that each operating year it provides
2595 services to at least one hundred (100) qualified individuals in
2596 this state.

2597 (e) A statement that the organization does not provide,
2598 pay for or provide coverage of abortions and does not financially
2599 support any other entity that provides, pays for or provides
2600 coverage of abortions.

2601 (f) Any other information that the department requires
2602 to administer this section.

2603 (11) The department shall review each written certification
2604 and determine whether the organization meets all the criteria to
2605 be considered a qualifying charitable organization and notify the
2606 organization of its determination. The department may also
2607 periodically request recertification from the organization. The
2608 department shall compile and make available to the public a list
2609 of the qualifying charitable organizations.

2610 (12) The aggregate amount of tax credits that may be awarded
2611 under this section in any calendar year shall not exceed Three
2612 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
2613 and for each calendar year thereafter, the aggregate amount of tax
2614 credits that may be awarded under this section in any calendar
2615 year shall not exceed One Million Dollars (\$1,000,000.00). In

2616 addition, any tax credits not awarded under this section before
2617 June 1, 2020, may be allocated during calendar year 2020 under
2618 Section 27-7-22.41 for contributions by taxpayers to eligible
2619 charitable organizations described in Section
2620 27-7-22.41(1)(b)(ii) as provided under such section,
2621 notwithstanding any limitation on the percentage of tax credits
2622 that may be allocated for such contributions.

2623 (13) A taxpayer shall apply for credits with the department
2624 on forms prescribed by the department. In the application the
2625 taxpayer shall certify to the department the dollar amount of the
2626 contributions made or to be made during the calendar year. Within
2627 thirty (30) days after the receipt of an application, the
2628 department shall allocate credits based on the dollar amount of
2629 contributions as certified in the application. However, if the
2630 department cannot allocate the full amount of credits certified in
2631 the application due to the limit on the aggregate amount of
2632 credits that may be awarded under this section in a calendar year,
2633 the department shall so notify the applicant within thirty (30)
2634 days with the amount of credits, if any, that may be allocated to
2635 the applicant in the calendar year. Once the department has
2636 allocated credits to a taxpayer, if the contribution for which a
2637 credit is allocated has not been made as of the date of the
2638 allocation, then the contribution must be made not later than
2639 sixty (60) days from the date of the allocation. If the
2640 contribution is not made within such time period, the allocation
2641 shall be cancelled and returned to the department for

2642 reallocation. Upon final documentation of the contributions, if
2643 the actual dollar amount of the contributions is lower than the
2644 amount estimated, the department shall adjust the tax credit
2645 allowed under this section.

2646 (14) This section shall be repealed from and after January
2647 1, 2025.

2648 **SECTION 19.** Section 27-7-22.41, Mississippi Code of 1972, is
2649 brought forward as follows:

2650 27-7-22.41. (1) For the purposes of this section, the
2651 following words and phrases shall have the meanings ascribed in
2652 this section unless the context clearly indicates otherwise:

2653 (a) "Department" means the Department of Revenue.

2654 (b) "Eligible charitable organization" means an
2655 organization that is exempt from federal income taxation under
2656 Section 501(c)(3) of the Internal Revenue Code and is:

2657 (i) Licensed by or under contract with the
2658 Mississippi Department of Child Protection Services and provides
2659 services for:

2660 1. The prevention and diversion of children
2661 from custody with the Department of Child Protection Services,

2662 2. The safety, care and well-being of
2663 children in custody with the Department of Child Protection
2664 Services, or

2665 3. The express purpose of creating permanency
2666 for children through adoption; or

2667 (ii) Certified by the department as an educational
2668 services charitable organization and provides services to:

2669 1. Children in a foster care placement
2670 program established by the Department of Child Protection
2671 Services, children placed under the Safe Families for Children
2672 model, or children at significant risk of entering a foster care
2673 placement program established by the Department of Child
2674 Protection Services,

2675 2. Children who have a chronic illness
2676 or physical, intellectual, developmental or emotional disability,
2677 or

2678 3. Children eligible for free or reduced
2679 price meals programs under Section 37-11-7, or selected for
2680 participation in the Promise Neighborhoods Program sponsored by
2681 the U.S. Department of Education.

2682 (2) (a) The tax credit authorized in this section shall be
2683 available only to a taxpayer who is a business enterprise engaged
2684 in commercial, industrial or professional activities and operating
2685 as a corporation, limited liability company, partnership or sole
2686 proprietorship. Except as otherwise provided in this section, a
2687 credit is allowed against the taxes imposed by Sections 27-7-5,
2688 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2689 contributions made by a taxpayer during the taxable year to an
2690 eligible charitable organization. From and after January 1, 2022,
2691 for a taxpayer that is not operating as a corporation, a credit is
2692 also allowed against ad valorem taxes assessed and levied on real

2693 property for voluntary cash contributions made by the taxpayer
2694 during the taxable year to an eligible charitable organization.
2695 The amount of credit that may be utilized by a taxpayer in a
2696 taxable year shall be limited to (i) an amount not to exceed fifty
2697 percent (50%) of the total tax liability of the taxpayer for the
2698 taxes imposed by such sections of law and (ii) an amount not to
2699 exceed fifty percent (50%) of the total tax liability of the
2700 taxpayer for ad valorem taxes assessed and levied on real
2701 property. Any tax credit claimed under this section but not used
2702 in any taxable year may be carried forward for five (5)
2703 consecutive years from the close of the tax year in which the
2704 credits were earned.

2705 (b) A contribution to an eligible charitable
2706 organization for which a credit is claimed under this section does
2707 not qualify for and shall not be included in any credit that may
2708 be claimed under Section 27-7-22.39.

2709 (c) A contribution for which a credit is claimed under
2710 this section may not be used as a deduction by the taxpayer for
2711 state income tax purposes.

2712 (3) Taxpayers taking a credit authorized by this section
2713 shall provide the name of the eligible charitable organization and
2714 the amount of the contribution to the department on forms provided
2715 by the department.

2716 (4) An eligible charitable organization shall provide the
2717 department with a written certification that it meets all criteria
2718 to be considered an eligible charitable organization. An eligible

2719 charitable organization must also provide the department with
2720 written documented proof of its license and/or written contract
2721 with the Mississippi Department of Child Protection Services. The
2722 organization shall also notify the department of any changes that
2723 may affect eligibility under this section.

2724 (5) The eligible charitable organization's written
2725 certification must be signed by an officer of the organization
2726 under penalty of perjury. The written certification shall include
2727 the following:

2728 (a) Verification of the organization's status under
2729 Section 501(c) (3) of the Internal Revenue Code;

2730 (b) A statement that the organization does not provide,
2731 pay for or provide coverage of abortions and does not financially
2732 support any other entity that provides, pays for or provides
2733 coverage of abortions;

2734 (c) Any other information that the department requires
2735 to administer this section.

2736 (6) The department shall review each written certification
2737 and determine whether the organization meets all the criteria to
2738 be considered an eligible charitable organization and notify the
2739 organization of its determination. The department may also
2740 periodically request recertification from the organization. The
2741 department shall compile and make available to the public a list
2742 of eligible charitable organizations.

2743 (7) Tax credits authorized by this section that are earned
2744 by a partnership, limited liability company, S corporation or

2745 other similar pass-through entity, shall be allocated among all
2746 partners, members or shareholders, respectively, either in
2747 proportion to their ownership interest in such entity or as the
2748 partners, members or shareholders mutually agree as provided in an
2749 executed document.

2750 (8) (a) A taxpayer shall apply for credits with the
2751 department on forms prescribed by the department. In the
2752 application the taxpayer shall certify to the department the
2753 dollar amount of the contributions made or to be made during the
2754 calendar year. Within thirty (30) days after the receipt of an
2755 application, the department shall allocate credits based on the
2756 dollar amount of contributions as certified in the application.
2757 However, if the department cannot allocate the full amount of
2758 credits certified in the application due to the limit on the
2759 aggregate amount of credits that may be awarded under this section
2760 in a calendar year, the department shall so notify the applicant
2761 within thirty (30) days with the amount of credits, if any, that
2762 may be allocated to the applicant in the calendar year. Once the
2763 department has allocated credits to a taxpayer, if the
2764 contribution for which a credit is allocated has not been made as
2765 of the date of the allocation, then the contribution must be made
2766 not later than sixty (60) days from the date of the allocation.
2767 If the contribution is not made within such time period, the
2768 allocation shall be cancelled and returned to the department for
2769 reallocation. Upon final documentation of the contributions, if
2770 the actual dollar amount of the contributions is lower than the

2771 amount estimated, the department shall adjust the tax credit
2772 allowed under this section.

2773 (b) A taxpayer who applied for a tax credit under this
2774 section during calendar year 2020, but who was unable to be
2775 awarded the credit due to the limit on the aggregate amount of
2776 credits authorized for calendar year 2020, shall be given priority
2777 for tax credits authorized to be allocated to taxpayers under this
2778 section by Section 27-7-22.39.

2779 (c) For the purposes of using a tax credit against ad
2780 valorem taxes assessed and levied on real property, a taxpayer
2781 shall present to the appropriate tax collector the tax credit
2782 documentation provided to the taxpayer by the Department of
2783 Revenue, and the tax collector shall apply the tax credit against
2784 such ad valorem taxes. The tax collector shall forward the tax
2785 credit documentation to the Department of Revenue along with the
2786 amount of the tax credit applied against ad valorem taxes, and the
2787 department shall disburse funds to the tax collector for the
2788 amount of the tax credit applied against ad valorem taxes. Such
2789 payments by the Department of Revenue shall be made from current
2790 tax collections.

2791 (9) The aggregate amount of tax credits that may be
2792 allocated by the department under this section during a calendar
2793 year shall not exceed Five Million Dollars (\$5,000,000.00), and
2794 not more than fifty percent (50%) of tax credits allocated during
2795 a calendar year may be allocated for contributions to eligible
2796 charitable organizations described in subsection (1)(b)(ii) of

2797 this section. However, for calendar year 2021, the aggregate
2798 amount of tax credits that may be allocated by the department
2799 under this section during a calendar year shall not exceed Ten
2800 Million Dollars (\$10,000,000.00), and for calendar year 2022, and
2801 for each calendar year thereafter, the aggregate amount of tax
2802 credits that may be allocated by the department under this section
2803 during a calendar year shall not exceed Sixteen Million Dollars
2804 (\$16,000,000.00). For calendar year 2021, and for each calendar
2805 year thereafter, fifty percent (50%) of the tax credits allocated
2806 during a calendar year shall be allocated for contributions to
2807 eligible charitable organizations described in subsection
2808 (1)(b)(i) of this section and fifty percent (50%) of the tax
2809 credits allocated during a calendar year shall be allocated for
2810 contributions to eligible charitable organizations described in
2811 subsection (1)(b)(ii) of this section. For calendar year 2022,
2812 and for each calendar year thereafter, of the amount of tax
2813 credits that may be allocated for contributions to eligible
2814 charitable organizations described in subsection (1)(b)(ii) of
2815 this section, fifteen percent (15%) of the tax credits shall be
2816 available solely for allocation for contributions to eligible
2817 charitable organizations described in subsection (1)(b)(ii)2;
2818 however, any such tax credits not allocated before April 1 of a
2819 calendar year may be allocated for contributions to eligible
2820 charitable organizations described in subsection (1)(b)(ii)1 of
2821 this section. For calendar year 2021, and for each calendar year
2822 thereafter, for credits allocated during a calendar year for

2823 contributions to eligible charitable organizations described in
2824 subsection (1)(b)(i) of this section, no more than twenty-five
2825 percent (25%) of such credits may be allocated for contributions
2826 to a single eligible charitable organization. Except as otherwise
2827 provided in this section, for calendar year 2021, and for each
2828 calendar year thereafter, for credits allocated during a calendar
2829 year for contributions to eligible charitable organizations
2830 described in subsection (1)(b)(ii) of this section, no more than
2831 five percent (5%) of such credits may be allocated for
2832 contributions to a single eligible charitable organization.
2833 However, for calendar year 2022, of the additional amount of tax
2834 credits authorized under this section, as amended by Chapter 480,
2835 Laws of 2021, for allocation for contributions to eligible
2836 charitable organizations described in subsection (1)(b)(ii) of
2837 this section, Two Million Dollars (\$2,000,000.00) of the tax
2838 credits shall be available solely for allocation for contributions
2839 to Magnolia Speech School; however, any such tax credits not
2840 allocated before April 1, 2022, may be allocated for contributions
2841 to eligible charitable organizations described in subsection
2842 (1)(b)(ii) of this section.

2843 **SECTION 20.** Section 27-7-207, Mississippi Code of 1972, is
2844 brought forward as follows:

2845 27-7-207. (1) Subject to the limitations provided for in
2846 this section, through calendar year 2023 a taxpayer shall be
2847 allowed a credit against the tax imposed by Chapter 7, Title 27,
2848 in an amount equal to twenty-five percent (25%) of a qualified

2849 contribution to an endowed fund at a qualified community
2850 foundation, subject to the following:

2851 (a) The minimum amount of a qualified contribution
2852 shall be One Thousand Dollars (\$1,000.00).

2853 (b) The maximum amount of a qualified contribution
2854 shall be Two Hundred Thousand Dollars (\$200,000.00).

2855 (c) The total qualified contributions from any
2856 qualified taxpayer eligible for the tax credit authorized under
2857 this section shall be Two Hundred Thousand Dollars (\$200,000.00)
2858 per year.

2859 (2) Except as otherwise provided in this subsection, the
2860 aggregate amount of tax credits authorized under this article
2861 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in
2862 any one (1) calendar year. The credits shall be awarded on a
2863 first-come, first-served basis. If the tax credits authorized for
2864 used in any calendar year are not utilized, the amount not
2865 utilized may be awarded or carried forward in up to five (5)
2866 subsequent calendar years from the year in which such credits are
2867 made available.

2868 (3) If the amount allowable as a credit exceeds the tax
2869 imposed by Chapter 7, Title 27, the amount of such excess may be
2870 carried forward for not more than five (5) subsequent taxable
2871 years.

2872 (4) From and after January 1, 2024, no additional credits
2873 shall be authorized under this section; however, any tax credits
2874 authorized prior to January 1, 2024, and not used, may be carried

2875 forward for not more than five (5) taxable years subsequent to
2876 calendar year 2023.

2877 **SECTION 21.** Section 27-7-312, Mississippi Code of 1972, is
2878 brought forward as follows:

2879 27-7-312. (1) Of the revenue collected under the provisions
2880 of this article from the new direct jobs of a qualified business
2881 or industry as defined in Section 57-62-5 of the Mississippi
2882 Advantage Jobs Act, an amount equal to the estimated amount of the
2883 quarterly incentive payment for which such qualified business or
2884 industry is eligible shall be deposited into the Mississippi
2885 Advantage Jobs Incentive Payment Fund created pursuant to Section
2886 57-62-1 et seq., on or before the twentieth day of the month
2887 following the close of each calendar quarter.

2888 (2) Of the revenue collected under the provisions of this
2889 article from the qualified jobs of a qualified business or
2890 industry as defined in Section 57-99-1, an amount equal to the
2891 estimated amount of the quarterly incentive payment for which such
2892 qualified business or industry is eligible shall be deposited into
2893 the MMEIA Withholding Rebate Fund created pursuant to Section
2894 57-99-5, on or before the twentieth day of the month following the
2895 close of each calendar quarter.

2896 (3) Of the revenue collected under the provisions of this
2897 article from the qualified jobs of a qualified business or
2898 industry as defined in Section 57-100-1, an amount equal to the
2899 estimated amount of the quarterly incentive payment for which such
2900 qualified business or industry is eligible shall be deposited into

2901 the Existing Industry Withholding Rebate Fund created pursuant to
2902 Section 57-100-5, on or before the twentieth day of the month
2903 following the close of each calendar quarter.

2904 (4) Of the revenue collected under the provisions of this
2905 article from the qualified jobs of a qualified business or
2906 industry as defined in Section 57-99-21, an amount equal to the
2907 estimated amount of the quarterly incentive payment for which such
2908 qualified business or industry is eligible shall be deposited into
2909 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or
2910 before the twentieth day of the month following the close of each
2911 calendar quarter.

2912 **SECTION 22.** Section 57-62-5, Mississippi Code of 1972, is
2913 brought forward as follows:

2914 **[For businesses or industries that received or applied for**
2915 **incentive payments prior to July 1, 2005, this section shall read**
2916 **as follows:]**

2917 57-62-5. As used in this chapter, the following words and
2918 phrases shall have the meanings ascribed in this section unless
2919 the context clearly indicates otherwise:

2920 (a) "Qualified business or industry" means any
2921 corporation, limited liability company, partnership, sole
2922 proprietorship, business trust or other legal entity and subunits
2923 or affiliates thereof, pursuant to rules and regulations of the
2924 MDA, which provides an average annual salary, excluding benefits
2925 which are not subject to Mississippi income taxes, of at least one
2926 hundred twenty-five percent (125%) of the most recently published

2927 state average annual wage or the most recently published average
2928 annual wage of the county in which the qualified business or
2929 industry is located as determined by the Mississippi Department of
2930 Employment Security, whichever is the lesser. An establishment
2931 shall not be considered to be a qualified business or industry
2932 unless it offers, or will offer within one hundred eighty (180)
2933 days of the date it receives the first incentive payment pursuant
2934 to the provisions of this chapter, a basic health benefits plan to
2935 the individuals it employs in new direct jobs in this state which
2936 is approved by the MDA. Qualified business or industry does not
2937 include retail business or gaming business;

2938 (b) "New direct job" means full-time employment in this
2939 state in a qualified business or industry that has qualified to
2940 receive an incentive payment pursuant to this chapter, which
2941 employment did not exist in this state before the date of approval
2942 by the MDA of the application of the qualified business or
2943 industry pursuant to the provisions of this chapter. "New direct
2944 job" shall include full-time employment in this state of employees
2945 who are employed by an entity other than the establishment that
2946 has qualified to receive an incentive payment and who are leased
2947 to the qualified business or industry, if such employment did not
2948 exist in this state before the date of approval by the MDA of the
2949 application of the establishment;

2950 (c) "Full-time job" means a job of at least thirty-five
2951 (35) hours per week;

2952 (d) "Estimated direct state benefits" means the tax
2953 revenues projected by the MDA to accrue to the state as a result
2954 of the qualified business or industry;

2955 (e) "Estimated direct state costs" means the costs
2956 projected by the MDA to accrue to the state as a result of the
2957 qualified business or industry;

2958 (f) "Estimated net direct state benefits" means the
2959 estimated direct state benefits less the estimated direct state
2960 costs;

2961 (g) "Net benefit rate" means the estimated net direct
2962 state benefits computed as a percentage of gross payroll, provided
2963 that:

2964 (i) Except as otherwise provided in this paragraph
2965 (g), the net benefit rate may be variable and shall not exceed
2966 four percent (4%) of the gross payroll; and shall be set in the
2967 sole discretion of the MDA;

2968 (ii) In no event shall incentive payments,
2969 cumulatively, exceed the estimated net direct state benefits;

2970 (h) "Gross payroll" means wages for new direct jobs of
2971 the qualified business or industry; and

2972 (i) "MDA" means the Mississippi Development Authority.

2973 **[For businesses or industries that received or applied for**
2974 **incentive payments from and after July 1, 2005, but prior to July**
2975 **1, 2010, this section shall read as follows:]**

2976 57-62-5. As used in this chapter, the following words and
2977 phrases shall have the meanings ascribed in this section unless
2978 the context clearly indicates otherwise:

2979 (a) "Qualified business or industry" means any
2980 corporation, limited liability company, partnership, sole
2981 proprietorship, business trust or other legal entity and subunits
2982 or affiliates thereof, pursuant to rules and regulations of the
2983 MDA, which:

2984 (i) Is a data/information processing enterprise
2985 meeting minimum criteria established by the MDA that provides an
2986 average annual salary, excluding benefits which are not subject to
2987 Mississippi income taxes, of at least one hundred percent (100%)
2988 of the most recently published state average annual wage or the
2989 most recently published average annual wage of the county in which
2990 the qualified business or industry is located as determined by the
2991 Mississippi Department of Employment Security, whichever is the
2992 lesser, and creates not less than two hundred (200) new direct
2993 jobs if the enterprise is located in a Tier One or Tier Two area
2994 (as such areas are designated in accordance with Section
2995 57-73-21), or which creates not less than one hundred (100) new
2996 jobs if the enterprise is located in a Tier Three area (as such
2997 areas are designated in accordance with Section 57-73-21);

2998 (ii) Is a manufacturing or distribution enterprise
2999 meeting minimum criteria established by the MDA that provides an
3000 average annual salary, excluding benefits which are not subject to
3001 Mississippi income taxes, of at least one hundred ten percent

3002 (110%) of the most recently published state average annual wage or
3003 the most recently published average annual wage of the county in
3004 which the qualified business or industry is located as determined
3005 by the Mississippi Department of Employment Security, whichever is
3006 the lesser, invests not less than Twenty Million Dollars
3007 (\$20,000,000.00) in land, buildings and equipment, and creates not
3008 less than fifty (50) new direct jobs if the enterprise is located
3009 in a Tier One or Tier Two area (as such areas are designated in
3010 accordance with Section 57-73-21), or which creates not less than
3011 twenty (20) new jobs if the enterprise is located in a Tier Three
3012 area (as such areas are designated in accordance with Section
3013 57-73-21);

3014 (iii) Is a corporation, limited liability company,
3015 partnership, sole proprietorship, business trust or other legal
3016 entity and subunits or affiliates thereof, pursuant to rules and
3017 regulations of the MDA, which provides an average annual salary,
3018 excluding benefits which are not subject to Mississippi income
3019 taxes, of at least one hundred twenty-five percent (125%) of the
3020 most recently published state average annual wage or the most
3021 recently published average annual wage of the county in which the
3022 qualified business or industry is located as determined by the
3023 Mississippi Department of Employment Security, whichever is the
3024 lesser, and creates not less than twenty-five (25) new direct jobs
3025 if the enterprise is located in a Tier One or Tier Two area (as
3026 such areas are designated in accordance with Section 57-73-21), or
3027 which creates not less than ten (10) new jobs if the enterprise is

3028 located in a Tier Three area (as such areas are designated in
3029 accordance with Section 57-73-21). An establishment shall not be
3030 considered to be a qualified business or industry unless it
3031 offers, or will offer within one hundred eighty (180) days of the
3032 date it receives the first incentive payment pursuant to the
3033 provisions of this chapter, a basic health benefits plan to the
3034 individuals it employs in new direct jobs in this state which is
3035 approved by the MDA. Qualified business or industry does not
3036 include retail business or gaming business; or

3037 (iv) Is a research and development or a technology
3038 intensive enterprise meeting minimum criteria established by the
3039 MDA that provides an average annual salary, excluding benefits
3040 which are not subject to Mississippi income taxes, of at least one
3041 hundred fifty percent (150%) of the most recently published state
3042 average annual wage or the most recently published average annual
3043 wage of the county in which the qualified business or industry is
3044 located as determined by the Mississippi Department of Employment
3045 Security, whichever is the lesser, and creates not less than ten
3046 (10) new direct jobs.

3047 An establishment shall not be considered to be a qualified
3048 business or industry unless it offers, or will offer within one
3049 hundred eighty (180) days of the date it receives the first
3050 incentive payment pursuant to the provisions of this chapter, a
3051 basic health benefits plan to the individuals it employs in new
3052 direct jobs in this state which is approved by the MDA. Qualified

3053 business or industry does not include retail business or gaming
3054 business.

3055 (b) "New direct job" means full-time employment in this
3056 state in a qualified business or industry that has qualified to
3057 receive an incentive payment pursuant to this chapter, which
3058 employment did not exist in this state before the date of approval
3059 by the MDA of the application of the qualified business or
3060 industry pursuant to the provisions of this chapter. "New direct
3061 job" shall include full-time employment in this state of employees
3062 who are employed by an entity other than the establishment that
3063 has qualified to receive an incentive payment and who are leased
3064 to the qualified business or industry, if such employment did not
3065 exist in this state before the date of approval by the MDA of the
3066 application of the establishment.

3067 (c) "Full-time job" or "full-time employment" means a
3068 job of at least thirty-five (35) hours per week.

3069 (d) "Estimated direct state benefits" means the tax
3070 revenues projected by the MDA to accrue to the state as a result
3071 of the qualified business or industry.

3072 (e) "Estimated direct state costs" means the costs
3073 projected by the MDA to accrue to the state as a result of the
3074 qualified business or industry.

3075 (f) "Estimated net direct state benefits" means the
3076 estimated direct state benefits less the estimated direct state
3077 costs.

3078 (g) "Net benefit rate" means the estimated net direct
3079 state benefits computed as a percentage of gross payroll, provided
3080 that:

3081 (i) Except as otherwise provided in this paragraph
3082 (g), the net benefit rate may be variable and shall not exceed
3083 four percent (4%) of the gross payroll; and shall be set in the
3084 sole discretion of the MDA;

3085 (ii) In no event shall incentive payments,
3086 cumulatively, exceed the estimated net direct state benefits.

3087 (h) "Gross payroll" means wages for new direct jobs of
3088 the qualified business or industry.

3089 (i) "MDA" means the Mississippi Development Authority.

3090 **[For businesses or industries that apply for incentive**
3091 **payments from and after July 1, 2010, this section shall read as**
3092 **follows:]**

3093 57-62-5. As used in this chapter, the following words and
3094 phrases shall have the meanings ascribed in this section unless
3095 the context clearly indicates otherwise:

3096 (a) "Qualified business or industry" means any
3097 corporation, limited liability company, partnership, sole
3098 proprietorship, business trust or other legal entity and subunits
3099 or affiliates thereof, pursuant to rules and regulations of the
3100 MDA, which:

3101 (i) Is a data/information processing enterprise
3102 meeting minimum criteria established by the MDA that provides an
3103 average annual salary, excluding benefits which are not subject to

3104 Mississippi income taxes, of at least one hundred percent (100%)
3105 of the most recently published state average annual wage or the
3106 most recently published average annual wage of the county in which
3107 the qualified business or industry is located as determined by the
3108 Mississippi Department of Employment Security, whichever is the
3109 lesser, and creates not less than two hundred (200) new direct
3110 jobs;

3111 (ii) Is a corporation, limited liability company,
3112 partnership, sole proprietorship, business trust or other legal
3113 entity and subunits or affiliates thereof, pursuant to rules and
3114 regulations of the MDA, which provides an average annual salary,
3115 excluding benefits which are not subject to Mississippi income
3116 taxes, of at least one hundred ten percent (110%) of the most
3117 recently published state average annual wage or the most recently
3118 published average annual wage of the county in which the qualified
3119 business or industry is located as determined by the Mississippi
3120 Department of Employment Security, whichever is the lesser, and
3121 creates not less than twenty-five (25) new direct jobs; or

3122 (iii) Is a corporation, limited liability company,
3123 partnership, sole proprietorship, business trust or other legal
3124 entity and subunits or affiliates thereof, pursuant to rules and
3125 regulations of the MDA, which is a manufacturer that:

3126 1. Provides an average annual salary,
3127 excluding benefits which are not subject to Mississippi income
3128 taxes, of at least one hundred ten percent (110%) of the most
3129 recently published state average annual wage or the most recently

3130 published average annual wage of the county in which the qualified
3131 business or industry is located as determined by the Mississippi
3132 Department of Employment Security, whichever is the lesser;

3133 2. Has a minimum of five thousand (5,000)
3134 existing employees as of the last day of the previous calendar
3135 year; and

3136 3. MDA determines will create not less than
3137 three thousand (3,000) new direct jobs within forty-eight (48)
3138 months of the date the MDA determines that the applicant is
3139 qualified to receive incentive payments.

3140 An establishment shall not be considered to be a qualified
3141 business or industry unless it offers, or will offer within one
3142 hundred eighty (180) days of the date it receives the first
3143 incentive payment pursuant to the provisions of this chapter, a
3144 basic health benefits plan to the individuals it employs in new
3145 direct jobs in this state which is approved by the MDA. Qualified
3146 business or industry does not include retail business or gaming
3147 business.

3148 (b) "New direct job" means full-time employment in this
3149 state in a qualified business or industry that has qualified to
3150 receive an incentive payment pursuant to this chapter, which
3151 employment did not exist in this state:

3152 (i) Before the date of approval by the MDA of the
3153 application of the qualified business or industry pursuant to the
3154 provisions of this chapter; or

3155 (ii) Solely with respect to any farm equipment
3156 manufacturer that locates its North American headquarters to
3157 Mississippi between January 1, 2018, and December 31, 2020, before
3158 a specific date determined by the MDA that falls on or after the
3159 date that the MDA first issues to such farm equipment manufacturer
3160 one or more written commitments or offers of any incentives in
3161 connection with the new headquarters project and related
3162 facilities expected to result in the creation of such new job.

3163 "New direct job" shall include full-time employment in this
3164 state of employees who are employed by an entity other than the
3165 establishment that has qualified to receive an incentive payment
3166 and who are leased to the qualified business or industry, if such
3167 employment did not exist in this state before the date of approval
3168 by the MDA of the application of the establishment.

3169 (c) "Full-time job" or "full-time employment" means a
3170 job of at least thirty-five (35) hours per week.

3171 (d) "Gross payroll" means wages for new direct jobs of
3172 the qualified business or industry.

3173 (e) "MDA" means the Mississippi Development Authority.

3174 **SECTION 23.** Section 57-62-9, Mississippi Code of 1972, is
3175 amended as follows:

3176 **[For businesses or industries that received or applied for**
3177 **incentive payments prior to July 1, 2005, this section shall read**
3178 **as follows:]**

3179 57-62-9. (1) Except as otherwise provided in this section,
3180 a qualified business or industry that meets the qualifications

3181 specified in this chapter may receive quarterly incentive payments
3182 for a period not to exceed ten (10) years from the Department of
3183 Revenue pursuant to the provisions of this chapter in an amount
3184 which shall be equal to the net benefit rate multiplied by the
3185 actual gross payroll of new direct jobs for a calendar quarter as
3186 verified by the Mississippi Department of Employment Security, but
3187 not to exceed the amount of money previously paid into the fund by
3188 the employer. A qualified business or industry that is a project
3189 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
3190 which the ten-year period will begin. Such date may not be later
3191 than sixty (60) months after the date the business or industry
3192 applied for incentive payments.

3193 (2) (a) A qualified business or industry that is a project
3194 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
3195 receive incentive payments for an additional period not to exceed
3196 five (5) years beyond the expiration date of the initial ten-year
3197 period if:

3198 (i) The qualified business or industry creates at
3199 least three thousand (3,000) new direct jobs within five (5) years
3200 after the date the business or industry commences commercial
3201 production;

3202 (ii) Within five (5) years after the date the
3203 business or industry commences commercial production, the average
3204 annual wage of the jobs is at least one hundred fifty percent
3205 (150%) of the most recently published state average annual wage or
3206 the most recently published average annual wage of the county in

3207 which the qualified business or industry is located as determined
3208 by the Mississippi Department of Employment Security, whichever is
3209 the lesser. The criteria for the average annual wage requirement
3210 shall be based upon the state average annual wage or the average
3211 annual wage of the county whichever is appropriate, at the time of
3212 creation of the minimum number of jobs, and the threshold
3213 established at that time will remain constant for the duration of
3214 the additional period; and

3215 (iii) The qualified business or industry meets and
3216 maintains the job and wage requirements of subparagraphs (i) and
3217 (ii) of this paragraph (a) for four (4) consecutive calendar
3218 quarters.

3219 (b) A qualified business or industry that is a project
3220 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
3221 incentive payments for the additional period provided in paragraph
3222 (a) of this subsection (2) may apply to the MDA to receive
3223 incentive payments for an additional period not to exceed ten (10)
3224 years beyond the expiration date of the additional period provided
3225 in paragraph (a) of this subsection (2) if:

3226 (i) The qualified business or industry creates at
3227 least four thousand (4,000) new direct jobs after qualifying for
3228 the additional incentive period provided in paragraph (a) of this
3229 subsection (2) but before the expiration of the additional period.
3230 For purposes of determining whether the business or industry meets
3231 the minimum jobs requirement of this subparagraph (i), the number
3232 of jobs the business or industry created in order to meet the

3233 minimum jobs requirement of paragraph (a) of this subsection (2)
3234 shall be subtracted from the minimum jobs requirement of this
3235 subparagraph (i);

3236 (ii) The average annual wage of the jobs is at
3237 least one hundred fifty percent (150%) of the most recently
3238 published state average annual wage or the most recently published
3239 average annual wage of the county in which the qualified business
3240 or industry is located as determined by the Mississippi Department
3241 of Employment Security, whichever is the lesser. The criteria for
3242 the average annual wage requirement shall be based upon the state
3243 average annual wage or the average annual wage of the county
3244 whichever is appropriate, at the time of creation of the minimum
3245 number of jobs, and the threshold established at that time will
3246 remain constant for the duration of the additional period; and

3247 (iii) The qualified business or industry meets and
3248 maintains the job and wage requirements of subparagraphs (i) and
3249 (ii) of this paragraph (b) for four (4) consecutive calendar
3250 quarters.

3251 (3) In order to receive incentive payments, an establishment
3252 shall apply to the MDA. The application shall be on a form
3253 prescribed by the MDA and shall contain such information as may be
3254 required by the MDA to determine if the applicant is qualified.

3255 (4) In order to qualify to receive such payments, the
3256 establishment applying shall be required to:

3257 (a) Be engaged in a qualified business or industry;

3258 (b) Provide an average salary, excluding benefits which
3259 are not subject to Mississippi income taxes, of at least one
3260 hundred twenty-five percent (125%) of the most recently published
3261 state average annual wage or the most recently published average
3262 annual wage of the county in which the qualified business or
3263 industry is located as determined by the Mississippi Department of
3264 Employment Security, whichever is the lesser. The criteria for
3265 this requirement shall be based upon the state average annual wage
3266 or the average annual wage of the county whichever is appropriate,
3267 at the time of application, and the threshold established upon
3268 application will remain constant for the duration of the project;

3269 (c) The business or industry must create and maintain a
3270 minimum of ten (10) full-time jobs in counties that have an
3271 average unemployment rate over the previous twelve-month period
3272 which is at least one hundred fifty percent (150%) of the most
3273 recently published state unemployment rate, as determined by the
3274 Mississippi Department of Employment Security or in Tier Three
3275 counties as determined under Section 57-73-21. In all other
3276 counties, the business or industry must create and maintain a
3277 minimum of twenty-five (25) full-time jobs. The criteria for this
3278 requirement shall be based on the designation of the county at the
3279 time of the application. The threshold established upon the
3280 application will remain constant for the duration of the project.
3281 The business or industry must meet its job creation commitment
3282 within twenty-four (24) months of the application approval.
3283 However, if the qualified business or industry is applying for

3284 incentive payments for an additional period under subsection (2)
3285 of this section, the business or industry must comply with the
3286 applicable job and wage requirements of subsection (2) of this
3287 section.

3288 (5) The MDA shall determine if the applicant is qualified to
3289 receive incentive payments. If the applicant is determined to be
3290 qualified by the MDA, the MDA shall conduct a cost/benefit
3291 analysis to determine the estimated net direct state benefits and
3292 the net benefit rate applicable for a period not to exceed ten
3293 (10) years and to estimate the amount of gross payroll for the
3294 period. If the applicant is determined to be qualified to receive
3295 incentive payments for an additional period under subsection (2)
3296 of this section, the MDA shall conduct a cost/benefit analysis to
3297 determine the estimated net direct state benefits and the net
3298 benefit rate applicable for the appropriate additional period and
3299 to estimate the amount of gross payroll for the additional period.
3300 In conducting such cost/benefit analysis, the MDA shall consider
3301 quantitative factors, such as the anticipated level of new tax
3302 revenues to the state along with the cost to the state of the
3303 qualified business or industry, and such other criteria as deemed
3304 appropriate by the MDA, including the adequacy of retirement
3305 benefits that the business or industry provides to individuals it
3306 employs in new direct jobs in this state. In no event shall
3307 incentive payments, cumulatively, exceed the estimated net direct
3308 state benefits. Once the qualified business or industry is
3309 approved by the MDA, an agreement shall be deemed to exist between

3310 the qualified business or industry and the State of Mississippi,
3311 requiring the continued incentive payment, together with any
3312 amount due pursuant to subsection (8) of this section, if
3313 applicable, to be made as long as the qualified business or
3314 industry retains its eligibility.

3315 (6) Upon approval of such an application, the MDA shall
3316 notify the Department of Revenue and shall provide it with a copy
3317 of the approved application and the estimated net direct state
3318 benefits. The Department of Revenue may require the qualified
3319 business or industry to submit such additional information as may
3320 be necessary to administer the provisions of this chapter. The
3321 qualified business or industry shall report to the Department of
3322 Revenue periodically to show its continued eligibility for
3323 incentive payments. The qualified business or industry may be
3324 audited by the Department of Revenue to verify such eligibility.
3325 In addition, the State Auditor may conduct performance and
3326 compliance audits under this chapter according to Section
3327 7-7-211(o) and may bill the oversight agency.

3328 (7) If the qualified business or industry is located in an
3329 area that has been declared by the Governor to be a disaster area
3330 and as a result of the disaster the business or industry is unable
3331 to create or maintain the full-time jobs required by this section:

3332 (a) The Commissioner of Revenue may extend the period
3333 of time that the business or industry may receive incentive
3334 payments for a period of time not to exceed two (2) years;

3335 (b) The Commissioner of Revenue may waive the
3336 requirement that a certain number of jobs be maintained for a
3337 period of time not to exceed twenty-four (24) months; and

3338 (c) The MDA may extend the period of time within which
3339 the jobs must be created for a period of time not to exceed
3340 twenty-four (24) months.

3341 (8) Notwithstanding any other provision of this section to
3342 the contrary, from and after January 1, 2023, if the amount of the
3343 incentive payment that a qualified business or industry is
3344 eligible to receive under this chapter is less than the amount
3345 that the incentive payment would have been if the payment had been
3346 calculated using any applicable income tax personal exemptions in
3347 Section 27-7-21(b), (c) and (d), as such exemptions existed before
3348 January 1, 2023, then the qualified business or industry also
3349 shall receive a grant equal to the difference between such two (2)
3350 amounts. Further, the term "incentive payment," as such term is
3351 used in this chapter shall be deemed to not refer to or otherwise
3352 include any grant payment payable to a qualified business or
3353 industry pursuant to this subsection.

3354 **[For businesses or industries that received or applied for**
3355 **incentive payments from and after July 1, 2005, but prior to July**
3356 **1, 2010, this section shall read as follows:]**

3357 57-62-9. (1) (a) Except as otherwise provided in this
3358 section, a qualified business or industry that meets the
3359 qualifications specified in this chapter may receive quarterly
3360 incentive payments for a period not to exceed ten (10) years from

3361 the Department of Revenue pursuant to the provisions of this
3362 chapter in an amount which shall be equal to the net benefit rate
3363 multiplied by the actual gross payroll of new direct jobs for a
3364 calendar quarter as verified by the Mississippi Department of
3365 Employment Security, but not to exceed:

3366 (i) Ninety percent (90%) of the amount of money
3367 previously paid into the fund by the employer if the employer
3368 provides an average annual salary, excluding benefits which are
3369 not subject to Mississippi income taxes, of at least one hundred
3370 seventy-five percent (175%) of the most recently published state
3371 average annual wage or the most recently published average annual
3372 wage of the county in which the qualified business or industry is
3373 located as determined by the Mississippi Department of Employment
3374 Security, whichever is the lesser;

3375 (ii) Eighty percent (80%) of the amount of money
3376 previously paid into the fund by the employer if the employer
3377 provides an average annual salary, excluding benefits which are
3378 not subject to Mississippi income taxes, of at least one hundred
3379 twenty-five percent (125%) but less than one hundred seventy-five
3380 percent (175%) of the most recently published state average annual
3381 wage or the most recently published average annual wage of the
3382 county in which the qualified business or industry is located as
3383 determined by the Mississippi Department of Employment Security,
3384 whichever is the lesser; or

3385 (iii) Seventy percent (70%) of the amount of money
3386 previously paid into the fund by the employer if the employer

3387 provides an average annual salary, excluding benefits which are
3388 not subject to Mississippi income taxes, of less than one hundred
3389 twenty-five percent (125%) of the most recently published state
3390 average annual wage or the most recently published average annual
3391 wage of the county in which the qualified business or industry is
3392 located as determined by the Mississippi Department of Employment
3393 Security, whichever is the lesser.

3394 (b) A qualified business or industry that is a project
3395 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
3396 which the ten-year period will begin. Such date may not be later
3397 than sixty (60) months after the date the business or industry
3398 applied for incentive payments.

3399 (2) (a) A qualified business or industry that is a project
3400 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
3401 receive incentive payments for an additional period not to exceed
3402 five (5) years beyond the expiration date of the initial ten-year
3403 period if:

3404 (i) The qualified business or industry creates at
3405 least three thousand (3,000) new direct jobs within five (5) years
3406 after the date the business or industry commences commercial
3407 production;

3408 (ii) Within five (5) years after the date the
3409 business or industry commences commercial production, the average
3410 annual wage of the jobs is at least one hundred fifty percent
3411 (150%) of the most recently published state average annual wage or
3412 the most recently published average annual wage of the county in

3413 which the qualified business or industry is located as determined
3414 by the Mississippi Department of Employment Security, whichever is
3415 the lesser. The criteria for the average annual wage requirement
3416 shall be based upon the state average annual wage or the average
3417 annual wage of the county whichever is appropriate, at the time of
3418 creation of the minimum number of jobs, and the threshold
3419 established at that time will remain constant for the duration of
3420 the additional period; and

3421 (iii) The qualified business or industry meets and
3422 maintains the job and wage requirements of subparagraphs (i) and
3423 (ii) of this paragraph (a) for four (4) consecutive calendar
3424 quarters.

3425 (b) A qualified business or industry that is a project
3426 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
3427 incentive payments for the additional period provided in paragraph
3428 (a) of this subsection (2) may apply to the MDA to receive
3429 incentive payments for an additional period not to exceed ten (10)
3430 years beyond the expiration date of the additional period provided
3431 in paragraph (a) of this subsection (2) if:

3432 (i) The qualified business or industry creates at
3433 least four thousand (4,000) new direct jobs after qualifying for
3434 the additional incentive period provided in paragraph (a) of this
3435 subsection (2) but before the expiration of the additional period.
3436 For purposes of determining whether the business or industry meets
3437 the minimum jobs requirement of this subparagraph (i), the number
3438 of jobs the business or industry created in order to meet the

3439 minimum jobs requirement of paragraph (a) of this subsection (2)
3440 shall be subtracted from the minimum jobs requirement of this
3441 subparagraph (i);

3442 (ii) The average annual wage of the jobs is at
3443 least one hundred fifty percent (150%) of the most recently
3444 published state average annual wage or the most recently published
3445 average annual wage of the county in which the qualified business
3446 or industry is located as determined by the Mississippi Department
3447 of Employment Security, whichever is the lesser. The criteria for
3448 the average annual wage requirement shall be based upon the state
3449 average annual wage or the average annual wage of the county
3450 whichever is appropriate, at the time of creation of the minimum
3451 number of jobs, and the threshold established at that time will
3452 remain constant for the duration of the additional period; and

3453 (iii) The qualified business or industry meets and
3454 maintains the job and wage requirements of subparagraphs (i) and
3455 (ii) of this paragraph (b) for four (4) consecutive calendar
3456 quarters.

3457 (3) In order to receive incentive payments, an establishment
3458 shall apply to the MDA. The application shall be on a form
3459 prescribed by the MDA and shall contain such information as may be
3460 required by the MDA to determine if the applicant is qualified.

3461 (4) (a) In order to qualify to receive such payments, the
3462 establishment applying shall be required to meet the definition of
3463 the term "qualified business or industry";

3464 (b) The criteria for the average annual salary
3465 requirement shall be based upon the state average annual wage or
3466 the average annual wage of the county whichever is appropriate, at
3467 the time of application, and the threshold established upon
3468 application will remain constant for the duration of the project;

3469 (c) The business or industry must meet its job creation
3470 commitment within twenty-four (24) months of the application
3471 approval. However, if the qualified business or industry is
3472 applying for incentive payments for an additional period under
3473 subsection (2) of this section, the business or industry must
3474 comply with the applicable job and wage requirements of subsection
3475 (2) of this section.

3476 (5) (a) The MDA shall determine if the applicant is
3477 qualified to receive incentive payments.

3478 (b) If the applicant is determined to be qualified to
3479 receive incentive payments for an additional period under
3480 subsection (2) of this section, the MDA shall conduct a
3481 cost/benefit analysis to determine the estimated net direct state
3482 benefits and the net benefit rate applicable for the appropriate
3483 additional period and to estimate the amount of gross payroll for
3484 the additional period. In conducting such cost/benefit analysis,
3485 the MDA shall consider quantitative factors, such as the
3486 anticipated level of new tax revenues to the state along with the
3487 cost to the state of the qualified business or industry, and such
3488 other criteria as deemed appropriate by the MDA, including the
3489 adequacy of retirement benefits that the business or industry

3490 provides to individuals it employs in new direct jobs in this
3491 state. In no event shall incentive payments, cumulatively, exceed
3492 the estimated net direct state benefits. Once the qualified
3493 business or industry is approved by the MDA, an agreement shall be
3494 deemed to exist between the qualified business or industry and the
3495 State of Mississippi, requiring the continued incentive payment,
3496 together with any amount due pursuant to subsection (8) of this
3497 section, if applicable, to be made as long as the qualified
3498 business or industry retains its eligibility.

3499 (6) Upon approval of such an application, the MDA shall
3500 notify the Department of Revenue and shall provide it with a copy
3501 of the approved application and the estimated net direct state
3502 benefits. The Department of Revenue may require the qualified
3503 business or industry to submit such additional information as may
3504 be necessary to administer the provisions of this chapter. The
3505 qualified business or industry shall report to the Department of
3506 Revenue periodically to show its continued eligibility for
3507 incentive payments. The qualified business or industry may be
3508 audited by the Department of Revenue to verify such eligibility.
3509 In addition, the State Auditor may conduct performance and
3510 compliance audits under this chapter according to Section
3511 7-7-211(o) and may bill the oversight agency.

3512 (7) If the qualified business or industry is located in an
3513 area that has been declared by the Governor to be a disaster area
3514 and as a result of the disaster the business or industry is unable
3515 to create or maintain the full-time jobs required by this section:

3516 (a) The Commissioner of Revenue may extend the period
3517 of time that the business or industry may receive incentive
3518 payments for a period of time not to exceed two (2) years;

3519 (b) The Commissioner of Revenue may waive the
3520 requirement that a certain number of jobs be maintained for a
3521 period of time not to exceed twenty-four (24) months; and

3522 (c) The MDA may extend the period of time within which
3523 the jobs must be created for a period of time not to exceed
3524 twenty-four (24) months.

3525 (8) Notwithstanding any other provision of this section to
3526 the contrary, from and after January 1, 2023, if the amount of the
3527 incentive payment that a qualified business or industry is
3528 eligible to receive under this chapter is less than the amount
3529 that the incentive payment would have been if the payment had been
3530 calculated using any applicable income tax personal exemptions in
3531 Section 27-7-21(b), (c) and (d), as such exemptions existed before
3532 January 1, 2023, then the qualified business or industry also
3533 shall receive a grant equal to the difference between such two (2)
3534 amounts. Further, the term "incentive payment", as such term is
3535 used in this chapter shall be deemed to not refer to or otherwise
3536 include any grant payment payable to a qualified business or
3537 industry pursuant to this subsection.

3538 **[For businesses or industries that apply for incentive**
3539 **payments from and after July 1, 2010, this section shall read as**
3540 **follows:]**

3541 57-62-9. (1) (a) Except as otherwise provided in this
3542 section, a qualified business or industry that meets the
3543 qualifications specified in this chapter may receive quarterly
3544 incentive payments for a period not to exceed ten (10) years from
3545 the Department of Revenue pursuant to the provisions of this
3546 chapter in an amount which shall be equal to ninety percent (90%)
3547 of the amount of actual income tax withheld for employees with new
3548 direct jobs, but in no event more than four percent (4%) of the
3549 total annual salary paid for new direct jobs during such period,
3550 excluding benefits which are not subject to Mississippi income
3551 taxes.

3552 (b) A qualified business or industry that is a project
3553 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
3554 which the ten-year period will begin. Such date may not be later
3555 than sixty (60) months after the date the business or industry
3556 applied for incentive payments.

3557 (c) A qualified business or industry as defined in
3558 Section 57-62-5(a)(iii) may elect the date upon which the ten-year
3559 period will begin and may elect to begin receiving incentive
3560 payments as early as the second quarter after that date.
3561 Incentive payments will be calculated on all jobs above the
3562 existing number of jobs as of the date the MDA determines that the
3563 applicant is qualified to receive incentive payments. In the
3564 event that the qualified business or industry falls below the
3565 number of existing jobs at the time of determination that the
3566 applicant is qualified to receive the incentive payment, the

3567 incentive payment shall cease until the qualified business or
3568 industry once again exceeds that number. If after forty-eight
3569 (48) months, the qualified business or industry has failed to
3570 create at least three thousand (3,000) new direct jobs, incentive
3571 payments shall cease and the qualified business or industry shall
3572 not be qualified to receive further incentive payments.

3573 (2) (a) A qualified business or industry that is a project
3574 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
3575 receive incentive payments for an additional period not to exceed
3576 five (5) years beyond the expiration date of the initial ten-year
3577 period if:

3578 (i) The qualified business or industry creates at
3579 least three thousand (3,000) new direct jobs within five (5) years
3580 after the date the business or industry commences commercial
3581 production;

3582 (ii) Within five (5) years after the date the
3583 business or industry commences commercial production, the average
3584 annual wage of the jobs is at least one hundred fifty percent
3585 (150%) of the most recently published state average annual wage or
3586 the most recently published average annual wage of the county in
3587 which the qualified business or industry is located as determined
3588 by the Mississippi Department of Employment Security, whichever is
3589 the lesser. The criteria for the average annual wage requirement
3590 shall be based upon the state average annual wage or the average
3591 annual wage of the county whichever is appropriate, at the time of
3592 creation of the minimum number of jobs, and the threshold

3593 established at that time will remain constant for the duration of
3594 the additional period; and

3595 (iii) The qualified business or industry meets and
3596 maintains the job and wage requirements of subparagraphs (i) and
3597 (ii) of this paragraph (a) for four (4) consecutive calendar
3598 quarters.

3599 (b) A qualified business or industry that is a project
3600 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
3601 incentive payments for the additional period provided in paragraph
3602 (a) of this subsection (2) may apply to the MDA to receive
3603 incentive payments for an additional period not to exceed ten (10)
3604 years beyond the expiration date of the additional period provided
3605 in paragraph (a) of this subsection (2) if:

3606 (i) The qualified business or industry creates at
3607 least four thousand (4,000) new direct jobs after qualifying for
3608 the additional incentive period provided in paragraph (a) of this
3609 subsection (2) but before the expiration of the additional period.
3610 For purposes of determining whether the business or industry meets
3611 the minimum jobs requirement of this subparagraph (i), the number
3612 of jobs the business or industry created in order to meet the
3613 minimum jobs requirement of paragraph (a) of this subsection (2)
3614 shall be subtracted from the minimum jobs requirement of this
3615 subparagraph (i);

3616 (ii) The average annual wage of the jobs is at
3617 least one hundred fifty percent (150%) of the most recently
3618 published state average annual wage or the most recently published

3619 average annual wage of the county in which the qualified business
3620 or industry is located as determined by the Mississippi Department
3621 of Employment Security, whichever is the lesser. The criteria for
3622 the average annual wage requirement shall be based upon the state
3623 average annual wage or the average annual wage of the county
3624 whichever is appropriate, at the time of creation of the minimum
3625 number of jobs, and the threshold established at that time will
3626 remain constant for the duration of the additional period; and

3627 (iii) The qualified business or industry meets and
3628 maintains the job and wage requirements of subparagraphs (i) and
3629 (ii) of this paragraph (b) for four (4) consecutive calendar
3630 quarters.

3631 (3) In order to receive incentive payments, an establishment
3632 shall apply to the MDA. The application shall be on a form
3633 prescribed by the MDA and shall contain such information as may be
3634 required by the MDA to determine if the applicant is qualified.

3635 (4) (a) In order to qualify to receive such payments, the
3636 establishment applying shall be required to meet the definition of
3637 the term "qualified business or industry";

3638 (b) The criteria for the average annual salary
3639 requirement shall be based upon the state average annual wage or
3640 the average annual wage of the county whichever is appropriate, at
3641 the time of application, and the threshold established upon
3642 application will remain constant for the duration of the project;

3643 (c) Except as otherwise provided for a qualified
3644 business or industry as defined in Section 57-62-5(a)(iii), the

3645 business or industry must meet its job creation commitment within
3646 twenty-four (24) months of the application approval. However, if
3647 the qualified business or industry is applying for incentive
3648 payments for an additional period under subsection (2) of this
3649 section, the business or industry must comply with the applicable
3650 job and wage requirements of subsection (2) of this section.

3651 (5) (a) The MDA shall determine if the applicant is
3652 qualified to receive incentive payments.

3653 (b) If the applicant is determined to be qualified to
3654 receive incentive payments for an additional period under
3655 subsection (2) of this section, the MDA shall conduct an analysis
3656 to estimate the amount of gross payroll for the appropriate
3657 additional period. Incentive payments, cumulatively, shall not
3658 exceed ninety percent (90%) of the amount of actual income tax
3659 withheld for employees with new direct jobs, but in no event more
3660 than four percent (4%) of the total annual salary paid for new
3661 direct jobs during the additional period, excluding benefits which
3662 are not subject to Mississippi income taxes. Once the qualified
3663 business or industry is approved by the MDA, an agreement shall be
3664 deemed to exist between the qualified business or industry and the
3665 State of Mississippi, requiring the continued incentive payment,
3666 together with any amount due pursuant to subsection (8) of this
3667 section, if applicable, to be made as long as the qualified
3668 business or industry retains its eligibility.

3669 (6) Upon approval of such an application, the MDA shall
3670 notify the Department of Revenue and shall provide it with a copy

3671 of the approved application and the minimum job and salary
3672 requirements. The Department of Revenue may require the qualified
3673 business or industry to submit such additional information as may
3674 be necessary to administer the provisions of this chapter. The
3675 qualified business or industry shall report to the Department of
3676 Revenue periodically to show its continued eligibility for
3677 incentive payments. The qualified business or industry may be
3678 audited by the Department of Revenue to verify such eligibility.
3679 In addition, the State Auditor may conduct performance and
3680 compliance audits under this chapter according to Section
3681 7-7-211(o) and may bill the oversight agency.

3682 (7) If the qualified business or industry is located in an
3683 area that has been declared by the Governor to be a disaster area
3684 and as a result of the disaster the business or industry is unable
3685 to create or maintain the full-time jobs required by this section:

3686 (a) The Commissioner of Revenue may extend the period
3687 of time that the business or industry may receive incentive
3688 payments for a period of time not to exceed two (2) years;

3689 (b) The Commissioner of Revenue may waive the
3690 requirement that a certain number of jobs be maintained for a
3691 period of time not to exceed twenty-four (24) months; and

3692 (c) The MDA may extend the period of time within which
3693 the jobs must be created for a period of time not to exceed
3694 twenty-four (24) months.

3695 (8) Notwithstanding any other provision of this section to
3696 the contrary, from and after January 1, 2023, if the amount of the

3697 incentive payment that a qualified business or industry is
3698 eligible to receive under this chapter is less than the amount
3699 that the incentive payment would have been if the payment had been
3700 calculated using any applicable income tax personal exemptions in
3701 Section 27-7-21(b), (c) and (d), as such exemptions existed before
3702 January 1, 2023, then the qualified business or industry also
3703 shall receive a grant equal to the difference between such two (2)
3704 amounts. Further, the term "incentive payment", as such term is
3705 used in this chapter shall be deemed to not refer to or otherwise
3706 include any grant payment payable to a qualified business or
3707 industry pursuant to this subsection.

3708 **SECTION 24.** Section 57-62-11, Mississippi Code of 1972, is
3709 amended as follows:

3710 57-62-11. (1) There is created in the State Treasury a
3711 special fund to be known as the Mississippi Advantage Jobs
3712 Incentive Payment Fund, into which shall be deposited withholding
3713 tax revenue required to be deposited into such fund pursuant to
3714 Section 27-7-312 and any other monies designated for deposit
3715 therein. The money in the fund shall be used for the purpose of
3716 making the incentive payments and grants authorized under this
3717 chapter.

3718 (2) The Mississippi Advantage Jobs Incentive Payment Fund
3719 shall be administered by the Department of Revenue, and monies in
3720 the fund, less three percent (3%) to be retained by the Department
3721 of Revenue to pay the reasonable and necessary expenses of the
3722 Department of Revenue in administering its duties under this

3723 chapter, shall be expended pursuant to the approved application.
3724 Amounts in the fund at the end of any fiscal year that are not
3725 necessary to make future incentive payments and grants shall be
3726 paid into the General Fund.

3727 (3) The liability of the State of Mississippi to make the
3728 incentive payments and grants authorized under this chapter shall
3729 be limited to the balance contained in the fund.

3730 **SECTION 25.** Section 57-62-13, Mississippi Code of 1972, is
3731 brought forward as follows:

3732 57-62-13. (1) As soon as practicable after the end of a
3733 calendar quarter for which a qualified business or industry has
3734 qualified to receive an incentive payment, the qualified business
3735 or industry shall file a claim for the payment with the Department
3736 of Revenue and shall specify the actual number of new direct jobs
3737 created and maintained by the business or industry for the
3738 calendar quarter and the gross payroll thereof. The Department of
3739 Revenue shall verify the actual number of new direct jobs created
3740 and maintained by the business or industry and compliance with the
3741 average annual wage requirements for such business or industry
3742 under this chapter. If the qualified business or industry files a
3743 claim for an incentive payment during an additional incentive
3744 period provided under Section 57-62-9(2), the Department of
3745 Revenue shall verify the actual number of new direct jobs created
3746 and maintained by the business or industry and compliance with the
3747 average annual wage requirements for such business or industry
3748 under this chapter. If the Department of Revenue is not able to

3749 provide such verification utilizing all available resources, the
3750 Department of Revenue may request such additional information from
3751 the business or industry as may be necessary.

3752 (2) (a) Except as otherwise provided in this chapter, the
3753 business or industry must meet the salary and job requirements of
3754 this chapter for four (4) consecutive calendar quarters prior to
3755 payment of the first incentive payment. Except as otherwise
3756 provided in Section 57-62-9, if the business or industry does not
3757 maintain the salary or job requirements of this chapter at any
3758 other time during the ten-year period after the date the first
3759 payment was made, the incentive payments shall not be made and
3760 shall not be resumed until such time as the actual verified number
3761 of new direct jobs created and maintained by the business or
3762 industry equals or exceeds the requirements of this chapter for
3763 one (1) calendar quarter.

3764 (b) If the business or industry is qualified to receive
3765 incentive payments for an additional period provided under Section
3766 57-62-9(2), the business or industry must meet the wage and job
3767 requirements of Section 57-62-9(2), for four (4) consecutive
3768 calendar quarters prior to payment of the first incentive payment.
3769 If the business or industry does not maintain the wage or job
3770 requirements of Section 57-62-9(2), at any other time during the
3771 appropriate additional period after the date the first payment was
3772 made, the incentive payments shall not be made and shall not be
3773 resumed until such time as the actual verified number of new
3774 direct jobs created and maintained by the business or industry

3775 equals or exceeds the amounts specified in Section 57-62-9(2), for
3776 one (1) calendar quarter.

3777 (3) An establishment that has qualified pursuant to this
3778 chapter may receive payments only in accordance with the provision
3779 under which it initially applied and was approved. If an
3780 establishment that is receiving incentive payments expands, it may
3781 apply for additional incentive payments based on the new gross
3782 payroll for new direct jobs anticipated from the expansion only,
3783 pursuant to this chapter.

3784 (4) As soon as practicable after verification of the
3785 qualified business or industry meeting the requirements of this
3786 chapter and all rules and regulations, the Department of Finance
3787 and Administration, upon requisition of the Department of Revenue,
3788 shall issue a warrant drawn on the Mississippi Advantage Jobs
3789 Incentive Payment Fund to the establishment in the amount of the
3790 incentive payment as determined pursuant to subsection (1) of this
3791 section for the calendar quarter.

3792 **SECTION 26.** Section 57-89-3, Mississippi Code of 1972, is
3793 brought forward as follows:

3794 57-89-3. As used in this chapter, the following terms shall
3795 have the meanings ascribed in this section unless the context
3796 clearly indicates otherwise:

3797 (a) "Base investment" means the actual investment made
3798 and expended in Mississippi by a motion picture production company
3799 in connection with the production of a state-certified production
3800 in the state. The term "base investment" includes amounts

3801 expended in Mississippi by a motion picture production company as
3802 per diem and housing allowances in connection with the production
3803 of a state-certified production in the state. The term "base
3804 investment" shall not include payroll. However, in the case of a
3805 motion picture production company, or its owner, principal,
3806 member, production partner, independent contractor director or
3807 producer, or subsidiary company that (i) is designated and
3808 pre-qualified by the Mississippi Development Authority as
3809 Mississippi-based or a Mississippi resident; (ii) has filed income
3810 taxes in the State of Mississippi during each of the previous
3811 three (3) years; and (iii) has engaged in activities related to
3812 the production of at least two (2) motion pictures in Mississippi
3813 during the past ten (10) years, base investment may include
3814 payroll and fringes paid for any employee who is not a resident
3815 and whose wages are subject to the Mississippi Income Tax
3816 Withholding Law of 1968, if so requested by the motion picture
3817 production company. A motion picture production company must
3818 submit such a request to the Mississippi Development Authority at
3819 the time the company submits an application for approval as a
3820 state-certified production. In addition, if base investment
3821 includes payroll and fringes, and the payroll and fringes paid for
3822 an employee exceeds Five Million Dollars (\$5,000,000.00), then
3823 only the first Five Million Dollars (\$5,000,000.00) of such
3824 payroll and fringes may be included in base investment.

3825 (b) "Employee" means an individual directly involved in
3826 the physical production and/or post-production of a motion picture
3827 produced in the state and who is employed by a:

3828 (i) Motion picture production company that is
3829 directly involved in the physical production and/or
3830 post-production of a motion picture in the state;

3831 (ii) Personal service corporation retained by a
3832 motion picture production company to provide persons used directly
3833 in the physical production and/or post-production of a motion
3834 picture in the state; or

3835 (iii) Payroll service or loan-out company that is
3836 retained by a motion picture production company to provide
3837 employees who work directly in the physical production and/or
3838 post-production of a motion picture in the state.

3839 (c) "Fringes" means costs paid by a motion picture
3840 production company on or after September 1, 2013, for employee
3841 benefits that are not subject to state income tax. Fringes may
3842 include, but are not limited to, payments by an employer for
3843 unemployment insurance, Federal Insurance Contribution Act (FICA),
3844 workers' compensation insurance, pension and welfare benefits and
3845 health insurance premiums.

3846 (d) "Motion picture" means a nationally distributed
3847 feature-length film, video, DVD, television program or series,
3848 commercial, or computer or video game made in Mississippi, in
3849 whole or in part, for theatrical or DVD release or television
3850 viewing or as a television pilot or viewing through streaming

3851 video or internet delivery, or for playing on a video game
3852 console, personal computer or handheld device. The term "motion
3853 picture" shall not include the production of television coverage
3854 of news and athletic events, or a film, video, DVD, television
3855 program, series, or commercial that contains any material or
3856 performance defined in Section 97-29-103.

3857 (e) "Motion picture production company" means a company
3858 engaged in the business of producing nationally distributed motion
3859 pictures, videos, DVDs, television programs or series,
3860 commercials, or computer or video games intended for a theatrical
3861 release, for television viewing or for playing on a video game
3862 console, personal computer or handheld device. The term "motion
3863 picture production company" includes a company engaged in the
3864 business of making such productions through the use of animation,
3865 interactive media, preproduction and post-production 3D
3866 applications, video game cinematics, virtual production, visual
3867 effects, and motion capture within the fields of feature film,
3868 television, commercials and games. The term "motion picture
3869 production company" shall not mean or include any company owned,
3870 affiliated, or controlled, in whole or in part, by any company or
3871 person which is in default on a loan made by the state or a loan
3872 guaranteed by the state, or any company or person who has ever
3873 declared bankruptcy under which an obligation of the company or
3874 person to pay or repay public funds or monies was discharged as a
3875 part of such bankruptcy.

3876 (f) "Payroll" means salary, wages or other compensation
3877 including related benefits paid to employees upon which
3878 Mississippi income tax is due and has been withheld.

3879 (g) "Resident" or "resident of Mississippi" means a
3880 natural person, and for the purpose of determining eligibility for
3881 the rebate provided by Section 57-89-7, any person domiciled in
3882 the State of Mississippi and any other person who maintains a
3883 permanent place of abode within the state and spends in the
3884 aggregate more than six (6) months of each year within the state.

3885 (h) "State" means the State of Mississippi.

3886 (i) "State-certified production" means a motion picture
3887 approved by the Mississippi Development Authority produced by a
3888 motion picture production company in the state. An application
3889 for approval as a state-certified production must be submitted to
3890 the Mississippi Development Authority before production of the
3891 project begins.

3892 **SECTION 27.** Section 57-89-7, Mississippi Code of 1972, is
3893 brought forward as follows:

3894 57-89-7. (1) (a) A motion picture production company that
3895 expends at least Fifty Thousand Dollars (\$50,000.00) in base
3896 investment, payroll and/or fringes, in the state shall be entitled
3897 to a rebate of a portion of the base investment made by the motion
3898 picture production company. Subject to the provisions of this
3899 section, the amount of the rebate shall be equal to twenty-five
3900 percent (25%) of the base investment made by the motion picture
3901 production company.

3902 (b) In addition to the rebates authorized under
3903 paragraphs (a), (c) and (d) of this subsection, a motion picture
3904 production company may receive a rebate equal to twenty-five
3905 percent (25%) of payroll and fringes paid for any employee who is
3906 not a resident and whose wages are subject to the Mississippi
3907 Income Tax Withholding Law of 1968. However, if the payroll and
3908 fringes paid for an employee exceeds Five Million Dollars
3909 (\$5,000,000.00), then the rebate is authorized only for the first
3910 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

3911 (c) In addition to the rebates authorized under
3912 paragraphs (a), (b) and (d) of this subsection, a motion picture
3913 production company may receive a rebate equal to thirty percent
3914 (30%) of payroll and fringes paid for any employee who is a
3915 resident and whose wages are subject to the Mississippi Income Tax
3916 Withholding Law of 1968. However, if the payroll and fringes paid
3917 for an employee exceeds Five Million Dollars (\$5,000,000.00), then
3918 the rebate is authorized only for the first Five Million Dollars
3919 (\$5,000,000.00) of such payroll and fringes.

3920 (d) In addition to the rebates authorized in paragraphs
3921 (a), (b) and (c) of this subsection, a motion picture production
3922 company may receive an additional rebate equal to five percent
3923 (5%) of the payroll and fringes paid for any employee who is an
3924 honorably discharged veteran of the United States Armed Forces and
3925 whose wages are subject to the Mississippi Income Tax Withholding
3926 Law of 1968.

3927 (e) If a motion picture has physical production
3928 activities and/or post-production activities both inside and
3929 outside the state, then the motion picture production company
3930 shall be required to provide an itemized accounting for each
3931 employee regarding such activities inside and outside the state
3932 for the purposes of proration of eligible payroll based on the
3933 percentage of activities performed in the state.

3934 (f) The total amount of rebates authorized for a motion
3935 picture project shall not exceed Ten Million Dollars
3936 (\$10,000,000.00) in the aggregate.

3937 (g) The total amount of rebates authorized in any
3938 fiscal year shall not exceed Twenty Million Dollars
3939 (\$20,000,000.00) in the aggregate.

3940 (2) A motion picture production company desiring a rebate
3941 under this section must submit a rebate request to the Department
3942 of Revenue upon completion of the project. The request must
3943 include a detailed accounting of the base investment made by the
3944 motion picture production company and any other information
3945 required by the Department of Revenue. Rebates made by the
3946 Department of Revenue under this section shall be made from
3947 current income tax collections. The Department of Revenue shall
3948 not approve any application for a rebate under subsection (1)(b)
3949 of this section after July 1, 2017.

3950 (3) The Department of Revenue shall have all powers
3951 necessary to implement and administer the provisions of this
3952 section, and the Department of Revenue shall promulgate rules and

3953 regulations, in accordance with the Mississippi Administrative
3954 Procedures Law, necessary for the implementation of this section.

3955 (4) The State Auditor may conduct performance and compliance
3956 audits under this chapter according to Section 7-7-211(o) and may
3957 bill the oversight agency.

3958 **SECTION 28.** Section 57-99-1, Mississippi Code of 1972, is
3959 amended as follows:

3960 57-99-1. As used in Sections 57-99-1 through 57-99-9, the
3961 following words and phrases shall have the meanings ascribed in
3962 this section unless the context clearly indicates otherwise:

3963 (a) "Qualified business or industry" means any company
3964 and affiliates thereof, pursuant to rules and regulations of the
3965 MDA, which is:

3966 (i) A project that has been certified by the MMEIA
3967 as a project defined in Section 57-75-5(f)(xxi) and creates at
3968 least one thousand five hundred (1,500) jobs within sixty (60)
3969 months of the beginning of the project;

3970 (ii) A project that has been certified by the
3971 MMEIA as a project defined in Section 57-75-5(f)(xxii) and creates
3972 at least five hundred (500) jobs within seventy-two (72) months of
3973 the beginning of the project;

3974 (iii) A project:

3975 1. That has been certified by the MMEIA as a
3976 project defined in Section 57-75-5(f)(xxviii);

3977 2. Creates at least twenty-five (25) jobs
3978 within sixty (60) months of the beginning of the project; and

3979 3. In which the average annual wages and
3980 taxable benefits of the jobs created by such project are at least
3981 one hundred ten percent (110%) of the most recently published
3982 average annual wage of the state or the most recently published
3983 average annual wage of the county in which the project is located,
3984 as determined by the Mississippi Department of Employment
3985 Security, whichever is the lesser; or

3986 (iv) A project:

3987 1. That has been certified by the MMEIA as a
3988 project defined in Section 57-75-5(f) (xxix);

3989 2. That creates at least twenty-five (25)
3990 jobs within sixty (60) months following the date required by the
3991 MMEIA and prescribed by written agreement between the MMEIA and
3992 the enterprise establishing the project described in item 1 of
3993 this subparagraph (iv); and

3994 3. In which the average annual wages of the
3995 jobs created by such project are at least one hundred ten percent
3996 (110%) of the most recently published average annual wage of the
3997 state, as determined by the Mississippi Department of Employment
3998 Security.

3999 (b) "Qualified job" means full-time employment in this
4000 state within the project site of a qualified business or industry
4001 that has qualified to receive an incentive payment pursuant to
4002 Sections 57-99-1 through 57-99-9, which employment did not exist
4003 in this state before the date of approval by the MDA of the
4004 application of the qualified business or industry pursuant to the

4005 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"
4006 also shall include full-time employment in this state of employees
4007 who are employed by an entity other than the establishment that
4008 has qualified to receive an incentive payment such as employees
4009 who are leased to and managed by the qualified business or
4010 industry, if such employment did not exist in this state before
4011 the date of approval by the MDA of the application of the
4012 establishment; provided, however, that in order for a qualified
4013 business or industry to receive incentive payments for such
4014 employees, the actual employer of the employees must agree to such
4015 payments being made to the qualified business or industry.

4016 (c) "Full-time employment" means a job of at least
4017 thirty-five (35) hours per week.

4018 (d) "Rebate amount" means the amount of Mississippi
4019 income taxes withheld from employees in qualified jobs that is
4020 available for rebate to the qualified business or industry,
4021 provided that:

4022 (i) Except as otherwise provided in this paragraph
4023 (d), the rebate amount shall be three and one-half percent
4024 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

4025 (ii) Except as otherwise provided in Section
4026 57-99-3(5), in no event shall incentive payments exceed the actual
4027 Mississippi income taxes withheld from employees in qualified jobs
4028 that are available for rebate to the qualified business or
4029 industry.

4030 (e) "MDA" means the Mississippi Development Authority.

4031 (f) "MMEIA" means the Mississippi Major Economic Impact
4032 Authority.

4033 **SECTION 29.** Section 57-99-3, Mississippi Code of 1972, is
4034 amended as follows:

4035 57-99-3. (1) Except as otherwise provided in this section,
4036 a qualified business or industry that meets the qualifications
4037 specified in Sections 57-99-1 through 57-99-9 may receive
4038 quarterly incentive payments for a period not to exceed
4039 twenty-five (25) years from the Department of Revenue pursuant to
4040 the provisions of Sections 57-99-1 through 57-99-9 in an amount
4041 which shall be equal to the lesser of three and one-half percent
4042 (3-1/2%) of the wages and taxable benefits for qualified jobs or
4043 the actual amount of Mississippi income tax withheld by the
4044 employer for the qualified jobs. A qualified business or industry
4045 may elect the date upon which the incentive rebate period will
4046 begin. Such date may not be later than sixty (60) months after
4047 the date the business or industry applied for incentive payments;
4048 however, in the case of a qualified business or industry described
4049 in Section 57-99-1(a)(ii), such date may not be later than
4050 seventy-two (72) months after the date the business or industry
4051 applied for incentive payments, or for a qualified business or
4052 industry described in Section 57-99-1(a)(iv), such date may not be
4053 later than the date that is sixty (60) months after the earlier
4054 of:

4055 (a) The date the qualified business or industry applied
4056 for incentive payments; or

4057 (b) The start of commercial production as defined in a
4058 definitive agreement between such qualified business or industry
4059 and the MDA.

4060 (2) In order to receive incentive payments, an establishment
4061 shall apply to the MDA. The application shall be on a form
4062 prescribed by the MDA and shall contain such information as may be
4063 required by the MDA to determine if the applicant is qualified.

4064 (3) In order to qualify to receive such payments, the
4065 establishment applying shall be required to:

4066 (a) Be engaged in a qualified business or industry; and

4067 (b) The business or industry must create and maintain
4068 the minimum number of qualified jobs as set forth in Section
4069 57-99-1. Establishments that are approved as a qualified business
4070 or industry under Sections 57-99-1 through 57-99-9 may not receive
4071 incentive payments under Section 57-62-1 et seq.

4072 (4) Upon approval of such an application, the MDA shall
4073 notify the Department of Revenue and shall provide it with a copy
4074 of the approved application. The Department of Revenue may
4075 require the qualified business or industry to submit such
4076 additional information as may be necessary to administer the
4077 provisions of Sections 57-99-1 through 57-99-9. The qualified
4078 business or industry shall report to the Department of Revenue
4079 periodically to show its continued eligibility for incentive
4080 payments. The qualified business or industry may be audited by
4081 the Department of Revenue to verify such eligibility.

4082 (5) Notwithstanding any other provision of Sections 57-99-1
4083 through 57-99-9 to the contrary, from and after January 1, 2023,
4084 if the amount of the incentive payments that a qualified business
4085 or industry is eligible to receive under Sections 57-99-1 through
4086 57-99-9 is less than the amount that the incentive payments would
4087 have been if the payments had been calculated using any applicable
4088 income tax personal exemptions in Section 27-7-21(b), (c) and (d),
4089 as such exemptions existed before January 1, 2023, then the
4090 qualified business or industry also shall receive a grant equal to
4091 the difference between such two (2) amounts. Further, the term
4092 "incentive payment", as such term is used in Sections 57-99-1
4093 through 57-99-9 shall be deemed to not refer to or otherwise
4094 include any grant payment payable to a qualified business or
4095 industry pursuant to this subsection.

4096 **SECTION 30.** Section 57-99-5, Mississippi Code of 1972, is
4097 amended as follows:

4098 57-99-5. (1) There is created in the State Treasury a
4099 special fund to be known as the "MMEIA Withholding Rebate Fund,"
4100 into which shall be deposited withholding tax revenue required to
4101 be deposited into such fund pursuant to Section 27-7-312 and any
4102 other monies designated for deposit therein. The money in the
4103 fund shall be used for the purpose of making the incentive
4104 payments and grants authorized under Sections 57-99-1 through
4105 57-99-9.

4106 (2) The liability of the State of Mississippi to make the
4107 incentive payments and grants authorized under Sections 57-99-1

4108 through 57-99-9 shall be limited to the balance contained in the
4109 fund.

4110 **SECTION 31.** Section 57-99-7, Mississippi Code of 1972, is
4111 brought forward as follows:

4112 57-99-7. (1) As soon as practicable after the end of a
4113 calendar quarter for which a qualified business or industry has
4114 qualified to receive an incentive payment, the qualified business
4115 or industry shall file a claim for the payment with the State Tax
4116 Commission and shall specify the actual number of qualified jobs
4117 created and maintained by the business or industry for the
4118 calendar quarter and the wages and taxable benefits thereof. The
4119 State Tax Commission shall verify the actual number of qualified
4120 jobs created and maintained by the business or industry. If the
4121 State Tax Commission is not able to provide such verification
4122 utilizing all available resources, the State Tax Commission may
4123 request such additional information from the business or industry
4124 as may be necessary.

4125 (2) The business or industry must meet the job requirements
4126 of Sections 57-99-1 through 57-99-9 for four (4) consecutive
4127 calendar quarters prior to payment of the first incentive payment.
4128 If the business or industry does not maintain the job requirements
4129 of Sections 57-99-1 through 57-99-9 at any other time during the
4130 twenty-five-year period after the date the first payment was made,
4131 the incentive payments shall not be made and shall not be resumed
4132 until such time as the actual verified number of qualified jobs
4133 created and maintained by the business or industry equals or

4134 exceeds the requirements of Sections 57-99-1 through 57-99-9 for
4135 one (1) calendar quarter.

4136 (3) An establishment that has qualified pursuant to Sections
4137 57-99-1 through 57-99-9 may receive payments only in accordance
4138 with the provision under which it initially applied and was
4139 approved. If an establishment that is receiving incentive
4140 payments expands, it may apply for additional incentive payments
4141 based on the wages and taxable benefits for qualified jobs
4142 anticipated from the expansion only, pursuant to Sections 57-99-1
4143 through 57-99-9.

4144 (4) As soon as practicable after verification of the
4145 qualified business or industry meeting the requirements of
4146 Sections 57-99-1 through 57-99-9 and all rules and regulations,
4147 the Department of Finance and Administration, upon requisition of
4148 the State Tax Commission, shall issue a warrant drawn on the MMEIA
4149 Withholding Rebate Fund to the establishment in the amount of the
4150 rebate as determined pursuant to subsection (1) of this section
4151 for the calendar quarter.

4152 **SECTION 32.** Section 57-99-21, Mississippi Code of 1972, is
4153 brought forward as follows:

4154 57-99-21. As used in Sections 57-99-21 through 57-99-29, the
4155 following words and phrases shall have the meanings ascribed in
4156 this section unless the context clearly indicates otherwise:

4157 (a) "Qualified business or industry" means any
4158 enterprise which is a project that has been certified by the

4159 Mississippi Major Economic Impact Authority (MMEIA) as a project
4160 defined in Section 57-75-5(f) (xxiv).

4161 (b) "Qualified job" means full-time employment at the
4162 location of the manufacturing plant in this state of a qualified
4163 business or industry that has qualified to receive an incentive
4164 payment pursuant to Sections 57-99-21 through 57-99-29, which
4165 employment existed in this state at the location of the
4166 manufacturing plant on July 1, 2009.

4167 (c) "Full-time employment" means a job of at least
4168 thirty-five (35) hours per week.

4169 (d) "Rebate amount" means the amount of Mississippi
4170 income taxes withheld from employees in qualified jobs that is
4171 available for rebate to the qualified business or industry,
4172 provided that:

4173 (i) Except as otherwise provided in this paragraph
4174 (d), the rebate amount shall be one percent (1%) of the wages and
4175 taxable benefits for qualified jobs;

4176 (ii) In no event shall incentive payments exceed
4177 the actual Mississippi income taxes withheld from employees in
4178 qualified jobs that are available for rebate to the qualified
4179 business or industry; and

4180 (iii) In no event shall the aggregate amount of
4181 incentive payments authorized under Sections 57-99-21 through
4182 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

4183 (e) "MDA" means the Mississippi Development Authority.

4184 **SECTION 33.** Section 57-99-23, Mississippi Code of 1972, is
4185 brought forward as follows:

4186 57-99-23. (1) Except as otherwise provided in this section,
4187 a qualified business or industry that meets the qualifications
4188 specified in Sections 57-99-21 through 57-99-29 may receive
4189 quarterly incentive payments for a period not to exceed ten (10)
4190 years from the State Tax Commission pursuant to the provisions of
4191 Sections 57-99-21 through 57-99-29 in an amount which shall be
4192 equal to the lesser of one percent (1%) of the wages and taxable
4193 benefits for qualified jobs or the actual amount of Mississippi
4194 income tax withheld by the employer for the qualified jobs.

4195 (2) In order to receive incentive payments, an establishment
4196 shall apply to the MDA by not later than July 1, 2010. The
4197 application shall be on a form prescribed by the MDA and shall
4198 contain such information as may be required by the MDA to
4199 determine if the applicant is qualified.

4200 (3) In order to qualify to receive such payments, the
4201 establishment applying shall be required to:

4202 (a) Be engaged in a qualified business or industry; and

4203 (b) The business or industry must maintain a minimum of
4204 one thousand two hundred (1,200) qualified jobs.

4205 (4) Upon approval of such an application, the MDA shall
4206 notify the State Tax Commission and shall provide it with a copy
4207 of the approved application. The State Tax Commission may require
4208 the qualified business or industry to submit such additional
4209 information as may be necessary to administer the provisions of

4210 Sections 57-99-21 through 57-99-29. The qualified business or
4211 industry shall report to the State Tax Commission periodically to
4212 show its continued eligibility for incentive payments. The
4213 qualified business or industry may be audited by the State Tax
4214 Commission to verify such eligibility.

4215 **SECTION 34.** Section 57-99-25, Mississippi Code of 1972, is
4216 brought forward as follows:

4217 57-99-25. (1) There is created in the State Treasury a
4218 special fund to be known as the "MMEIA Rebate Fund" into which
4219 shall be deposited withholding tax revenue required to be
4220 deposited into such fund pursuant to Section 27-7-312. The money
4221 in the fund shall be used for the purpose of making the incentive
4222 payments authorized under Sections 57-99-21 through 57-99-29.

4223 (2) The liability of the State of Mississippi to make the
4224 incentive payments authorized under Sections 57-99-21 through
4225 57-99-29 shall be limited to the balance contained in the fund.

4226 **SECTION 35.** Section 57-99-27, Mississippi Code of 1972, is
4227 brought forward as follows:

4228 57-99-27. (1) As soon as practicable after the end of a
4229 calendar quarter for which a qualified business or industry has
4230 qualified to receive an incentive payment, the qualified business
4231 or industry shall file a claim for the payment with the State Tax
4232 Commission and shall specify the actual number of qualified jobs
4233 created and maintained by the business or industry for the
4234 calendar quarter and the wages and taxable benefits thereof. The
4235 State Tax Commission shall verify the actual number of qualified

4236 jobs maintained by the business or industry. If the State Tax
4237 Commission is not able to provide such verification utilizing all
4238 available resources, the State Tax Commission may request such
4239 additional information from the business or industry as may be
4240 necessary.

4241 (2) If the business or industry does not maintain the job
4242 requirements of Sections 57-99-21 through 57-99-29 at any other
4243 time during the ten-year period after the date the first payment
4244 was made, the incentive payments shall not be made and shall not
4245 be resumed until such time as the actual verified number of
4246 qualified jobs created and maintained by the business or industry
4247 equals or exceeds the requirements of Sections 57-99-21 through
4248 57-99-29 for one (1) calendar quarter.

4249 (3) An establishment that has qualified pursuant to Sections
4250 57-99-21 through 57-99-29 may receive payments only in accordance
4251 with the provision under which it initially applied and was
4252 approved.

4253 (4) As soon as practicable after verification of the
4254 qualified business or industry meeting the requirements of
4255 Sections 57-99-21 through 57-99-29 and all rules and regulations,
4256 the Department of Finance and Administration, upon requisition of
4257 the State Tax Commission, shall issue a warrant drawn on the MMEIA
4258 Withholding Rebate Fund to the establishment in the amount of the
4259 rebate as determined pursuant to subsection (1) of this section
4260 for the calendar quarter.

4261 **SECTION 36.** Section 37-148-3, Mississippi Code of 1972, is
4262 brought forward as follows:

4263 37-148-3. As used in this chapter, the following words and
4264 phrases have the meanings ascribed in this section unless the
4265 context clearly indicates otherwise:

4266 (a) "College" means the state institutions of higher
4267 learning in Mississippi which are accredited by the Southern
4268 Association of Colleges and Schools.

4269 (b) "Investor" means a natural person, partnership,
4270 limited liability company, association, corporation, business
4271 trust or other business entity, not formed for the specific
4272 purpose of acquiring the rebate offered, which is subject to
4273 Mississippi income tax.

4274 (c) "Qualified research" means the systematic
4275 investigative process that is undertaken for the purpose of
4276 discovering information. The term "qualified research" does not
4277 include research conducted outside the State of Mississippi or
4278 research expenses that are already being funded by any grant,
4279 contract or otherwise by another person or governmental entity.

4280 (d) "Research agreement" means a written contract,
4281 grant or cooperative agreement entered into between a person and a
4282 college or research corporation for the performance of qualified
4283 research. All qualified research costs generating a SMART
4284 Business Rebate must be spent by the college or research
4285 corporation on qualified research undertaken according to a
4286 research agreement.

4287 (e) "Research corporation" means any research
4288 corporation formed under Section 37-147-15 if the corporation is
4289 wholly owned by or affiliated with a college and all income and
4290 profits of the corporation inure to the benefit of the college.

4291 (f) "Qualified research costs" means costs paid or
4292 incurred by an investor to a college or research corporation for
4293 qualified research undertaken according to a research agreement.

4294 (g) "State" means the State of Mississippi or a
4295 governmental entity of the State of Mississippi.

4296 (h) "IHL" means the Board of Trustees of State
4297 Institutions of Higher Learning in Mississippi.

4298 (i) "SMART Business" means Strengthening Mississippi
4299 Academic Research Through Business.

4300 (j) "Applicant" means a college or research corporation
4301 applying for SMART Business Accelerate Initiative funds to develop
4302 state-owned intellectual property into products and services.

4303 (k) "Qualified validation expense" includes, but is not
4304 limited to, services that accelerate the development of early
4305 product concepts, conducting proof-of-concept studies, and
4306 manufacturing prototypes to perform research validation.
4307 Qualified validation expense does not include salaries or wages
4308 associated with a licensee of state-owned intellectual property,
4309 legal fees or any payment in conflict with state law.

4310 (l) "Research validation" means research intended to
4311 validate the commercial viability of state-owned intellectual
4312 property.

4313 (m) "Disbursement" means a grant of funds to support
4314 research validation.

4315 **SECTION 37.** Section 37-148-5, Mississippi Code of 1972, is
4316 brought forward as follows:

4317 37-148-5. (1) The SMART Business Act shall include the
4318 SMART Business Rebate to promote research partnerships between
4319 colleges and investors and the SMART Business Accelerate
4320 Initiative to promote the development of state-owned intellectual
4321 property.

4322 (2) The SMART Business Rebate shall be implemented as
4323 follows:

4324 (a) Subject to the provisions of this chapter, an
4325 investor incurring qualified research costs subject to a research
4326 agreement is eligible for a rebate equal to twenty-five percent
4327 (25%) of the investor's qualified research costs.

4328 (b) An investor incurring research costs may not claim
4329 a rebate pursuant to this chapter greater than One Million Dollars
4330 (\$1,000,000.00) in any fiscal year.

4331 (c) The total amount of rebates issued under the SMART
4332 Business Rebate by the state in any fiscal year may not exceed
4333 Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

4334 (d) Investors desiring to apply for the SMART Business
4335 rebate authorized by this chapter shall submit an application to
4336 IHL which must contain, at a minimum, the following:

4337 (i) A description of the qualified research to be
4338 conducted by the college or research corporation;

4339 (ii) A proposed budget;

4340 (iii) An estimated date for completion of the

4341 qualified research; and

4342 (iv) Such additional information as may be

4343 requested by IHL.

4344 (e) IHL shall review each application to determine if

4345 the investor has satisfied all of the requirements of this

4346 section.

4347 (f) Within sixty (60) days of receiving an application,

4348 IHL shall issue or refuse to issue a SMART Business Rebate

4349 certificate. The SMART Business Rebate certificate must include

4350 the amount of the rebate the investor is eligible to claim,

4351 subject to subsection (1) of this section. IHL must notify the

4352 Department of Revenue when a SMART Business Rebate certificate is

4353 issued.

4354 (g) To claim a rebate, the investor must submit a

4355 rebate allocation claim to the Department of Revenue. The rebate

4356 allocation claim must include, at a minimum, the SMART Business

4357 Rebate certificate issued by IHL and proof of payment to the

4358 college or research corporation for qualified research conducted

4359 according to the research agreement.

4360 (h) The Department of Revenue may request an audit from

4361 the investor submitting a rebate allocation claim, at the

4362 investor's expense, to verify the investor has satisfied the

4363 requirements of this chapter.

4364 (i) The Department of Revenue shall issue rebates
4365 available under this subsection from current income tax
4366 collections.

4367 (j) Rebates must be allocated to investors by the
4368 Department of Revenue in the order that SMART Business Rebate
4369 certificates are issued by IHL.

4370 (3) The SMART Business Accelerate Initiative shall be
4371 implemented as follows:

4372 (a) Subject to the provisions of this chapter, an
4373 applicant performing research validation pursuant to a research
4374 agreement is eligible for a disbursement of up to One Hundred
4375 Fifty Thousand Dollars (\$150,000.00) for the applicant's qualified
4376 validation expenses.

4377 (b) The total amount of disbursements issued by the
4378 state under the SMART Business Accelerate Initiative in any fiscal
4379 year may not exceed One Million Five Hundred Thousand Dollars
4380 (\$1,500,000.00).

4381 (c) Applicants desiring to apply for a SMART Business
4382 Accelerate Initiative disbursement authorized by this chapter
4383 shall submit an application to IHL which must contain, at a
4384 minimum, the following:

4385 (i) A description of the research validation to be
4386 conducted by the college or research corporation using funds from
4387 the disbursement;

4388 (ii) A proposed budget of qualified validation
4389 expenses;

4390 (iii) A certified determination from the applicant
4391 that the proposed research validation is necessary to develop
4392 state-owned intellectual property into products and services; and

4393 (iv) Such additional information as may be
4394 requested by IHL.

4395 (d) IHL shall review each application to determine if
4396 the applicant has satisfied all of the requirements of this
4397 section.

4398 (e) Within sixty (60) days of receiving an application,
4399 IHL shall issue or refuse to issue a SMART Business Accelerate
4400 Initiative disbursement certificate. The SMART Business
4401 Accelerate Initiative disbursement certificate must include the
4402 amount of the disbursement the applicant is eligible to receive,
4403 subject to paragraphs (a) and (b) of this subsection. IHL must
4404 notify the Department of Revenue when a SMART Business Accelerate
4405 Initiative disbursement certificate is issued.

4406 (f) IHL shall develop a process for accepting,
4407 reviewing and selecting proposals for SMART Business Accelerate
4408 Initiative disbursements and notifying the Department of Revenue
4409 when applicants have been selected to receive disbursements.

4410 (g) The Department of Revenue shall issue disbursements
4411 available under this subsection from current income tax
4412 collections.

4413 **SECTION 38.** Section 57-105-1, Mississippi Code of 1972, is
4414 brought forward as follows:

4415 57-105-1. (1) As used in this section:

4416 (a) "Adjusted purchase price" means the investment in
4417 the qualified community development entity for the qualified
4418 equity investment, substantially all of the proceeds of which are
4419 used to make qualified low-income community investments in
4420 Mississippi.

4421 For the purposes of calculating the amount of qualified
4422 low-income community investments held by a qualified community
4423 development entity, an investment will be considered held by a
4424 qualified community development entity even if the investment has
4425 been sold or repaid; provided that the qualified community
4426 development entity reinvests an amount equal to the capital
4427 returned to or recovered by the qualified community development
4428 entity from the original investment, exclusive of any profits
4429 realized, in another qualified low-income community investment in
4430 Mississippi, including any federal Indian reservation located
4431 within the geographical boundary of Mississippi within twelve (12)
4432 months of the receipt of such capital. A qualified community
4433 development entity will not be required to reinvest capital
4434 returned from the qualified low-income community investments after
4435 the sixth anniversary of the issuance of the qualified equity
4436 investment, the proceeds of which were used to make the qualified
4437 low-income community investment, and the qualified low-income
4438 community investment will be considered held by the qualified
4439 community development entity through the seventh anniversary of
4440 the qualified equity investment's issuance.

4441 (b) "Applicable percentage" means:

4442 (i) For any equity investment issued prior to July
4443 1, 2008, four percent (4%) for each of the second through seventh
4444 credit allowance dates for purposes of the taxes imposed by
4445 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
4446 the second through seventh credit allowance dates for purposes of
4447 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

4448 (ii) For any equity investment issued from and
4449 after July 1, 2008, eight percent (8%) for each of the first
4450 through third credit allowance dates for purposes of the taxes
4451 imposed by Section 27-7-5 or the taxes imposed by Sections
4452 27-15-103, 27-15-109 and 27-15-123.

4453 (c) "Credit allowance date" means, with respect to any
4454 qualified equity investment:

4455 (i) The later of:

4456 1. The date upon which the qualified equity
4457 investment is initially made; or

4458 2. The date upon which the Mississippi
4459 Development Authority issues a certificate under subsection (4) of
4460 this section; and

4461 (ii) 1. For equity investments issued prior to
4462 July 1, 2008, each of the subsequent six (6) anniversary dates of
4463 the date upon which the investment is initially made; or

4464 2. For equity investments issued from and
4465 after July 1, 2008, each of the subsequent two (2) anniversary
4466 dates of the date determined as provided for in subparagraph (i)
4467 of this paragraph.

4468 (d) "Qualified community development entity" shall have
4469 the meaning ascribed to such term in Section 45D of the Internal
4470 Revenue Code of 1986, as amended, if the entity has entered into
4471 an Allocation Agreement with the Community Development Financial
4472 Institutions Fund of the United States Department of the Treasury
4473 with respect to credits authorized by Section 45D of the Internal
4474 Revenue Code of 1986, as amended.

4475 (e) "Qualified active low-income community business"
4476 shall have the meaning ascribed to such term in Section 45D of the
4477 Internal Revenue Code of 1986, as amended.

4478 (f) "Qualified equity investment" shall have the
4479 meaning ascribed to such term in Section 45D of the Internal
4480 Revenue Code of 1986, as amended. The investment does not have to
4481 be designated as a qualified equity investment by the Community
4482 Development Financial Institutions Fund of the United States
4483 Treasury to be considered a qualified equity investment under this
4484 section but otherwise must meet the definition under the Internal
4485 Revenue Code. In addition to meeting the definition in Section
4486 45D of the Internal Revenue Code such investment must also:

4487 (i) Have been acquired after January 1, 2007, at
4488 its original issuance solely in exchange for cash; and

4489 (ii) Have been allocated by the Mississippi
4490 Development Authority.

4491 For the purposes of this section, such investment shall be
4492 deemed a qualified equity investment on the later of the date such
4493 qualified equity investment is made or the date on which the

4494 Mississippi Development Authority issues a certificate under
4495 subsection (4) of this section allocating credits based on such
4496 investment.

4497 (g) "Qualified low-income community investment" shall
4498 have the meaning ascribed to such term in Section 45D of the
4499 Internal Revenue Code of 1986, as amended; provided, however, that
4500 the maximum amount of qualified low-income community investments
4501 issued for a single qualified active low-income community
4502 business, on an aggregate basis with all of its affiliates, that
4503 may be included for purposes of allocating any credits under this
4504 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
4505 the aggregate, whether issued by one (1) or several qualified
4506 community development entities.

4507 (2) A taxpayer that holds a qualified equity investment on
4508 the credit allowance date shall be entitled to a credit applicable
4509 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
4510 and 27-15-123 during the taxable year that includes the credit
4511 allowance date. The amount of the credit shall be equal to the
4512 applicable percentage of the adjusted purchase price paid to the
4513 qualified community development entity for the qualified equity
4514 investment. The amount of the credit that may be utilized in any
4515 one (1) tax year shall be limited to an amount not greater than
4516 the total tax liability of the taxpayer for the taxes imposed by
4517 the above-referenced sections. The credit shall not be refundable
4518 or transferable. Any unused portion of the credit may be carried
4519 forward for seven (7) taxable years beyond the credit allowance

4520 date on which the credit was earned. The maximum aggregate amount
4521 of qualified equity investments that may be allocated by the
4522 Mississippi Development Authority may not exceed an amount that
4523 would result in taxpayers claiming in any one (1) state fiscal
4524 year credits in excess of Fifteen Million Dollars
4525 (\$15,000,000.00), exclusive of credits that might be carried
4526 forward from previous taxable years; however, a maximum of
4527 one-third (1/3) of this amount may be allocated as credits for
4528 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4529 taxpayer claiming a credit under this section against the taxes
4530 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4531 shall not be required to pay any additional tax under Section
4532 27-15-123 as a result of claiming such credit. The Mississippi
4533 Development Authority shall allocate credits within this limit as
4534 provided for in subsection (4) of this section.

4535 (3) Tax credits authorized by this section that are earned
4536 by a partnership, limited liability company, S corporation or
4537 other similar pass-through entity, shall be allocated among all
4538 partners, members or shareholders, respectively, either in
4539 proportion to their ownership interest in such entity or as the
4540 partners, members or shareholders mutually agree as provided in an
4541 executed document. Such allocation shall be made each taxable
4542 year of such pass-through entity which contains a credit allowance
4543 date.

4544 (4) The qualified community development entity shall apply
4545 for credits with the Mississippi Development Authority on forms

4546 prescribed by the Mississippi Development Authority. The
4547 qualified community development entity must pay an application fee
4548 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4549 Authority at the time the application is submitted. In the
4550 application the qualified community development entity shall
4551 certify to the Mississippi Development Authority the dollar amount
4552 of the qualified equity investments made or to be made in this
4553 state, including in any federal Indian reservation located within
4554 the state's geographical boundary, during the first twelve-month
4555 period following the initial credit allowance date. The
4556 Mississippi Development Authority shall allocate credits based on
4557 the dollar amount of qualified equity investments as certified in
4558 the application. Once the Mississippi Development Authority has
4559 allocated credits to a qualified community development entity, if
4560 the corresponding qualified equity investment has not been issued
4561 as of the date of such allocation, then the corresponding
4562 qualified equity investment must be issued not later than one
4563 hundred twenty (120) days from the date of such allocation. If
4564 the qualified equity investment is not issued within such time
4565 period, the allocation shall be cancelled and returned to the
4566 Mississippi Development Authority for reallocation. Upon final
4567 documentation of the qualified low-income community investments,
4568 if the actual dollar amount of the investments is lower than the
4569 amount estimated, the Mississippi Development Authority shall
4570 adjust the tax credit allowed under this section. The Department

4571 of Revenue may recapture all of the credit allowed under this
4572 section if:

4573 (a) Any amount of federal tax credits available with
4574 respect to a qualified equity investment that is eligible for a
4575 tax credit under this section is recaptured under Section 45D of
4576 the Internal Revenue Code of 1986, as amended; or

4577 (b) The qualified community development entity redeems
4578 or makes any principal repayment with respect to a qualified
4579 equity investment prior to the seventh anniversary of the issuance
4580 of the qualified equity investment; or

4581 (c) The qualified community development entity fails to
4582 maintain at least eighty-five percent (85%) of the proceeds of the
4583 qualified equity investment in qualified low-income community
4584 investments in Mississippi at any time prior to the seventh
4585 anniversary of the issuance of the qualified equity investment.

4586 Any credits that are subject to recapture under this
4587 subsection shall be recaptured from the taxpayer that actually
4588 claimed the credit.

4589 The Mississippi Development Authority shall not allocate any
4590 credits under this section after July 1, ~~2021~~ 2024.

4591 (5) Each qualified community development entity that
4592 receives qualified equity investments to make qualified low-income
4593 community investments in Mississippi must annually report to the
4594 Mississippi Development Authority the North American Industry
4595 Classification System Code, the county, the dollars invested, the
4596 number of jobs assisted and the number of jobs assisted with wages

4597 over one hundred percent (100%) of the federal poverty level for a
4598 family of four (4) of each qualified low-income community
4599 investment.

4600 (6) The Mississippi Development Authority shall file an
4601 annual report on all qualified low-income community investments
4602 with the Governor, the Clerk of the House of Representatives, the
4603 Secretary of the Senate and the Secretary of State describing the
4604 North American Industry Classification System Code, the county,
4605 the dollars invested, the number of jobs assisted and the number
4606 of jobs assisted with wages over one hundred percent (100%) of the
4607 federal poverty level for a family of four (4) of each qualified
4608 low-income community investment. The annual report will be posted
4609 on the Mississippi Development Authority's Internet website.

4610 (7) (a) The purpose of this subsection is to authorize the
4611 creation and establishment of public benefit corporations for
4612 financing arrangements regarding public property and facilities.

4613 (b) As used in this subsection:

4614 (i) "New Markets Tax Credit transaction" means any
4615 financing transaction which utilizes either this section or
4616 Section 45D of the Internal Revenue Code of 1986, as amended.

4617 (ii) "Public benefit corporation" means a
4618 nonprofit corporation formed or designated by a public entity to
4619 carry out the purposes of this subsection.

4620 (iii) "Public entity or public entities" includes
4621 utility districts, regional solid waste authorities, regional
4622 utility authorities, community hospitals, regional airport

4623 authorities, municipal airport authorities, community and junior
4624 colleges, educational building corporations established by or on
4625 behalf of the state institutions of higher learning, school
4626 districts, planning and development districts, county economic
4627 development districts, urban renewal agencies, any other regional
4628 or local economic development authority, agency or governmental
4629 entity, and any other regional or local industrial development
4630 authority, agency or governmental entity.

4631 (iv) "Public property or facilities" means any
4632 property or facilities owned or leased by a public entity or
4633 public benefit corporation.

4634 (c) Notwithstanding any other provision of law to the
4635 contrary, public entities are authorized pursuant to this
4636 subsection to create one or more public benefit corporations or
4637 designate an existing corporation as a public benefit corporation
4638 for the purpose of entering into financing agreements and engaging
4639 in New Markets Tax Credit transactions, which shall include,
4640 without limitation, arrangements to plan, acquire, renovate,
4641 construct, lease, sublease, manage, operate and/or improve new or
4642 existing public property or facilities located within the
4643 boundaries or service area of the public entity. Any financing
4644 arrangement authorized under this subsection shall further any
4645 purpose of the public entity and may include a term of up to fifty
4646 (50) years.

4647 (d) Notwithstanding any other provision of law to the
4648 contrary and in order to facilitate the acquisition, renovation,

4649 construction, leasing, subleasing, management, operating and/or
4650 improvement of new or existing public property or facilities to
4651 further any purpose of a public entity, public entities are
4652 authorized to enter into financing arrangements in order to
4653 transfer public property or facilities to and/or from public
4654 benefit corporations, including, without limitation, sales,
4655 sale-leasebacks, leases and lease-leasebacks, provided such
4656 transfer is related to any New Markets Tax Credit transaction
4657 furthering any purpose of the public entity. Any such transfer
4658 under this paragraph (d) and the public property or facilities
4659 transferred in connection therewith shall be exempted from any
4660 limitation or requirements with respect to leasing, acquiring,
4661 and/or constructing public property or facilities.

4662 (e) With respect to a New Markets Tax Credit
4663 transaction, public entities and public benefit corporations are
4664 authorized to enter into financing arrangements with any
4665 governmental, nonprofit or for-profit entity in order to leverage
4666 funds not otherwise available to public entities for the
4667 acquisition, construction and/or renovation of properties
4668 transferred to such public benefit corporations. The use of any
4669 funds loaned by or contributed by a public benefit corporation or
4670 borrowed by or otherwise made available to a public benefit
4671 corporation in such financing arrangement shall be dedicated
4672 solely to (i) the development of new properties or facilities
4673 and/or the renovation of existing properties or facilities or
4674 operation of properties or facilities, and/or (ii) the payment of

4675 costs and expenditures related to any such financing arrangements,
4676 including, but not limited to, funding any reserves required in
4677 connection therewith, the repayment of any indebtedness incurred
4678 in connection therewith, and the payment of fees and expenses
4679 incurred in connection with the closing, administration,
4680 accounting and/or compliance with respect to the New Markets Tax
4681 Credit transaction.

4682 (f) A public benefit corporation created pursuant to
4683 this subsection shall not be a political subdivision of the state
4684 but shall be a nonprofit corporation organized and governed under
4685 the provisions of the laws of this state and shall be a special
4686 purpose corporation established to facilitate New Markets Tax
4687 Credit transactions consistent with the requirements of this
4688 section.

4689 (g) Neither this subsection nor anything herein
4690 contained is or shall be construed as a restriction or limitation
4691 upon any powers which the public entity or public benefit
4692 corporation might otherwise have under any laws of this state, and
4693 this subsection is cumulative to any such powers. This subsection
4694 does and shall be construed to provide a complete additional and
4695 alternative method for the doing of the things authorized thereby
4696 and shall be regarded as supplemental and additional to powers
4697 conferred by other laws.

4698 (8) The Mississippi Development Authority shall promulgate
4699 rules and regulations to implement the provisions of this section.

4700 **SECTION 39.** Section 27-25-503, Mississippi Code of 1972, is
4701 brought forward as follows:

4702 27-25-503. (1) (a) Except as otherwise provided in this
4703 section, there is levied, to be collected as provided in this
4704 article, annual privilege taxes upon every person engaging or
4705 continuing within this state in the business of producing, or
4706 severing oil from the soil or water for sale, transport, storage,
4707 profit or for commercial use. The amount of the tax shall be
4708 measured by the value of the oil produced, and shall be levied and
4709 assessed at the rate of six percent (6%) of the value of the oil
4710 at the point of production.

4711 (b) The tax shall be levied and assessed at the rate of
4712 three percent (3%) of the value of the oil at the point of
4713 production on oil produced by an enhanced oil recovery method in
4714 which carbon dioxide is used; provided, that such carbon dioxide
4715 is transported by pipeline to the oil well site and on oil
4716 produced by any other enhanced oil recovery method approved and
4717 permitted by the State Oil and Gas Board on or after April 1,
4718 1994, pursuant to Section 53-3-101 et seq.

4719 (c) (i) The tax shall be levied and assessed at the
4720 rate of one and three-tenths percent (1.3%) of the value of the
4721 oil at the point of production on oil produced from a horizontally
4722 drilled well or from any horizontally drilled recompletion well
4723 from which production commences from and after July 1, 2013, for a
4724 period of thirty (30) months beginning on the date of first sale
4725 of production or until payout of the well cost is achieved,

4726 whichever first occurs. Thereafter, the tax shall be levied and
4727 assessed as provided for in paragraph (a) of this subsection.

4728 (ii) Payout of a horizontally drilled well or
4729 horizontally drilled recompletion well shall be deemed to have
4730 occurred the first day of the next month after gross revenues,
4731 less royalties and severance taxes, equal to the cost to drill and
4732 complete the well.

4733 (iii) Each operator must apply by letter to the
4734 State Oil and Gas Board for the reduced rate provided in this
4735 paragraph (c), and shall provide the board with the status of
4736 payout on a semiannual basis of any horizontally drilled well or
4737 horizontally drilled recompletion well by signed affidavit
4738 executed by a company representative.

4739 (iv) This paragraph (c) shall be repealed from and
4740 after July 1, 2023; however, any horizontally drilled well or
4741 horizontally drilled recompletion well from which production
4742 commences before July 1, 2023, shall be taxed as provided for in
4743 this paragraph (c) notwithstanding that the repeal of this
4744 paragraph (c) has become effective.

4745 (2) The tax is levied upon the entire production in this
4746 state regardless of the place of sale or to whom sold, or by whom
4747 used, or the fact that the delivery may be made to points outside
4748 the state, and the tax shall accrue at the time the oil is severed
4749 from the soil, or water, and in its natural, unrefined or
4750 unmanufactured state.

4751 (3) (a) Oil produced from a discovery well for which
4752 drilling or re-entry commenced on or after April 1, 1994, but
4753 before July 1, 1999, shall be exempt from the taxes levied under
4754 this section for a period of five (5) years beginning on the date
4755 of first sale of production from such well, provided that the
4756 average monthly sales price of such oil does not exceed
4757 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil
4758 produced from a discovery well as described in this paragraph (a)
4759 shall be repealed from and after July 1, 2003, provided that any
4760 such production for which a permit was granted by the board before
4761 July 1, 2003, shall be exempt for an entire period of five (5)
4762 years, notwithstanding that the repeal of this provision has
4763 become effective. Oil produced from development wells or
4764 replacement wells drilled in connection with discovery wells for
4765 which drilling commenced on or after January 1, 1994, but before
4766 July 1, 1999, shall be assessed at the rate of three percent (3%)
4767 of the value of the oil at the point of production for a period of
4768 three (3) years. The reduced rate of assessment of oil produced
4769 from development wells or replacement wells as described in this
4770 paragraph (a) shall be repealed from and after January 1, 2003,
4771 provided that any such production for which drilling commenced
4772 before January 1, 2003, shall be assessed at the reduced rate for
4773 an entire period of three (3) years, notwithstanding that the
4774 repeal of this provision has become effective.

4775 (b) Oil produced from a discovery well for which
4776 drilling or re-entry commenced on or after July 1, 1999, shall be

4777 assessed at the rate of three percent (3%) of the value of the oil
4778 at the point of production for a period of five (5) years
4779 beginning on the date of first sale of production from such well,
4780 provided that the average monthly sales price of such oil does not
4781 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of
4782 assessment of oil produced from a discovery well as described in
4783 this paragraph (b) shall be repealed from and after July 1, 2003,
4784 provided that any such production for which a permit was granted
4785 by the board before July 1, 2003, shall be assessed at the reduced
4786 rate for an entire period of five (5) years, notwithstanding that
4787 the repeal of this provision has become effective. Oil produced
4788 from development wells or replacement wells drilled in connection
4789 with discovery wells for which drilling commenced on or after July
4790 1, 1999, shall be assessed at the rate of three percent (3%) of
4791 the value of the oil at the point of production for a period of
4792 three (3) years. The reduced rate of assessment of oil produced
4793 from development wells or replacement wells as described in this
4794 paragraph (b) shall be repealed from and after January 1, 2003,
4795 provided that any such production for which drilling commenced
4796 before July 1, 2003, shall be assessed at the reduced rate for an
4797 entire period of three (3) years, notwithstanding that the repeal
4798 of this provision has become effective.

4799 (4) (a) Oil produced from a development well for which
4800 drilling commenced on or after April 1, 1994, but before July 1,
4801 1999, and for which three-dimensional seismic was utilized in
4802 connection with the drilling of such well shall be assessed at the

4803 rate of three percent (3%) of the value of the oil at the point of
4804 production for a period of five (5) years, provided that the
4805 average monthly sales price of such oil does not exceed
4806 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of
4807 assessment of oil produced from a development well as described in
4808 this paragraph (a) and for which three-dimensional seismic was
4809 utilized shall be repealed from and after July 1, 2003, provided
4810 that any such production for which a permit was granted by the
4811 board before July 1, 2003, shall be assessed at the reduced rate
4812 for an entire period of five (5) years, notwithstanding that the
4813 repeal of this provision has become effective.

4814 (b) Oil produced from a development well for which
4815 drilling commenced on or after July 1, 1999, and for which
4816 three-dimensional seismic was utilized in connection with the
4817 drilling of such well shall be assessed at the rate of three
4818 percent (3%) of the value of the oil at the point of production
4819 for a period of five (5) years, provided that the average monthly
4820 sales price of such oil does not exceed Twenty Dollars (\$20.00)
4821 per barrel. The reduced rate of assessment of oil produced from a
4822 development well as described in this paragraph (b) and for which
4823 three-dimensional seismic was utilized shall be repealed from and
4824 after July 1, 2003, provided that any such production for which a
4825 permit was granted by the board before July 1, 2003, shall be
4826 assessed at the reduced rate for an entire period of five (5)
4827 years, notwithstanding that the repeal of this provision has
4828 become effective.

4829 (5) (a) Oil produced before July 1, 1999, from a two-year
4830 inactive well as defined in Section 27-25-501 shall be exempt from
4831 the taxes levied under this section for a period of three (3)
4832 years beginning on the date of first sale of production from such
4833 well, provided that the average monthly sales price of such oil
4834 does not exceed Twenty-five Dollars (\$25.00) per barrel. The
4835 exemption for oil produced from an inactive well shall be repealed
4836 from and after July 1, 2003, provided that any such production
4837 which began before July 1, 2003, shall be exempt for an entire
4838 period of three (3) years, notwithstanding that the repeal of this
4839 provision has become effective.

4840 (b) Oil produced on or after July 1, 1999, from a
4841 two-year inactive well as defined in Section 27-25-501 shall be
4842 exempt from the taxes levied under this section for a period of
4843 three (3) years beginning on the date of first sale of production
4844 from such well, provided that the average monthly sales price of
4845 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The
4846 exemption for oil produced from an inactive well shall be repealed
4847 from and after July 1, 2003, provided that any such production
4848 which began before July 1, 2003, shall be exempt for an entire
4849 period of three (3) years, notwithstanding that the repeal of this
4850 provision has become effective.

4851 (6) [Repealed]

4852 (7) The State Oil and Gas Board shall have the exclusive
4853 authority to determine the qualification of wells defined in
4854 paragraphs (n) through (t) of Section 27-25-501.

4855 **SECTION 40.** Section 27-25-505, Mississippi Code of 1972, is
4856 brought forward as follows:

4857 **[With regard to any county which is exempt from the**
4858 **provisions of Section 19-2-3, this section shall read as follows:]**

4859 27-25-505. (1) All taxes levied in this article and
4860 collected by the Department of Revenue shall be paid into the
4861 State Treasury on the same day collected.

4862 (2) Except as otherwise provided in this section, the
4863 commissioner shall apportion all the tax collections made pursuant
4864 to this article to the state and to the county in which the oil
4865 was produced, in accordance with the following schedule and so
4866 certify such apportionment to the State Treasurer at the end of
4867 each month:

4868 On the first Six Hundred Thousand Dollars (\$600,000.00) or
4869 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
4870 the state and thirty-three and one-third percent (33-1/3%) to the
4871 county.

4872 Above and exceeding Six Hundred Thousand Dollars
4873 (\$600,000.00), or any part thereof, ninety percent (90%) to the
4874 state and ten percent (10%) to the county through June 30, 1989;
4875 eighty-five percent (85%) to the state and fifteen percent (15%)
4876 to the county from July 1, 1989, through June 30, 1990; eighty
4877 percent (80%) to the state and twenty percent (20%) to the county
4878 from July 1, 1990, through June 30, 2015; seventy-nine percent
4879 (79%) to the state and twenty-one percent (21%) to the county from
4880 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)

4881 to the state and twenty-two percent (22%) to the county from July
4882 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
4883 state and twenty-three percent (23%) to the county from July 1,
4884 2017, through June 30, 2018; seventy-six percent (76%) to the
4885 state and twenty-four percent (24%) to the county from July 1,
4886 2018, through June 30, 2019; and seventy-four percent (74%) to the
4887 state and twenty-six percent (26%) to the county for each fiscal
4888 year thereafter.

4889 (3) The state's share of all oil severance taxes collected
4890 pursuant to this article shall be deposited as provided for in
4891 Section 27-25-506.

4892 (4) The commissioner shall apportion all the tax collections
4893 made pursuant to Section 27-25-503(1)(c) to the county in which
4894 the oil was produced.

4895 (5) The State Treasurer shall remit the county's share of
4896 taxes collected pursuant to this article on or before the
4897 twentieth day of the month next succeeding the month in which the
4898 collections were made, for division among the municipalities and
4899 taxing districts of the county. He shall accompany his remittance
4900 with a report to the county receiving the funds prepared by the
4901 commissioner showing from whom the tax was collected. Upon
4902 receipt of the funds, the board of supervisors of the county shall
4903 allocate the funds to the municipalities and to the various
4904 maintenance and bond and interest funds of the county, school
4905 districts, supervisors districts and road districts, as provided
4906 in this subsection.

4907 (6) Except as provided in subsection (8) of this section,
4908 when there are any oil producing properties within the corporate
4909 limits of any municipality, then the municipality shall
4910 participate in the division of the tax returned to the county in
4911 which the municipality is located, in the proportion which the tax
4912 on production of oil from any properties located within the
4913 municipal corporate limits bears to the tax on the total
4914 production of oil in the county. In no event, however, shall the
4915 amount allocated to municipalities exceed one-third (1/3) of the
4916 tax produced in the municipality and returned to the county. Any
4917 amount received by any municipality as a result of the allocation
4918 provided for in this subsection shall be used only for such
4919 purposes as are authorized by law.

4920 (7) Except as provided in subsection (8) of this section,
4921 the balance remaining of any amount of tax returned to the county
4922 after the allocation to municipalities shall be divided among the
4923 various maintenance and bond interest funds of the county, school
4924 districts, supervisors districts and road districts, in the
4925 discretion of the board of supervisors, and the board shall make
4926 the division in consideration of the needs of the various taxing
4927 districts. The funds so allocated shall be used only for purposes
4928 as are authorized by law.

4929 (8) Any amount above and exceeding Six Hundred Thousand
4930 Dollars (\$600,000.00) that is remitted to the county that is more
4931 than twenty percent (20%) of the taxes above and exceeding Six
4932 Hundred Thousand Dollars (\$600,000.00) collected on oil produced

4933 in the county, shall be utilized by the county for infrastructure
4934 repairs.

4935 **[With regard to any county which is required to operate on a**
4936 **countywide system of road administration as described in Section**
4937 **19-2-3, this section shall read as follows:]**

4938 27-25-505. (1) All taxes levied in this article and
4939 collected by the Department of Revenue shall be paid into the
4940 State Treasury on the same day collected.

4941 (2) Except as otherwise provided in this section, the
4942 commissioner shall apportion all the tax collections made pursuant
4943 to this article to the state and to the county in which the oil
4944 was produced, in accordance with the following schedule and so
4945 certify such apportionment to the State Treasurer at the end of
4946 each month:

4947 On the first Six Hundred Thousand Dollars (\$600,000.00) or
4948 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
4949 the state and thirty-three and one-third percent (33-1/3%) to the
4950 county.

4951 Above and exceeding Six Hundred Thousand Dollars
4952 (\$600,000.00), or any part thereof, ninety percent (90%) to the
4953 state and ten percent (10%) to the county through June 30, 1989;
4954 eighty-five percent (85%) to the state and fifteen percent (15%)
4955 to the county from July 1, 1989, through June 30, 1990; eighty
4956 percent (80%) to the state and twenty percent (20%) to the county
4957 from July 1, 1990, through June 30, 2015; seventy-nine percent
4958 (79%) to the state and twenty-one percent (21%) to the county from

4959 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
4960 to the state and twenty-two percent (22%) to the county from July
4961 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
4962 state and twenty-three percent (23%) to the county from July 1,
4963 2017, through June 30, 2018; seventy-six percent (76%) to the
4964 state and twenty-four percent (24%) to the county from July 1,
4965 2018, through June 30, 2019; and seventy-four percent (74%) to the
4966 state and twenty-six percent (26%) to the county for each fiscal
4967 year thereafter.

4968 (3) The state's share of all oil severance taxes collected
4969 pursuant to this article shall be deposited as provided for in
4970 Section 27-25-506.

4971 (4) The commissioner shall apportion all the tax collections
4972 made pursuant to the tax levied in Section 27-25-503(1)(c) to the
4973 county in which the oil was produced.

4974 (5) The State Treasurer shall remit the county's share of
4975 the taxes collected pursuant to this article on or before the
4976 twentieth day of the month next succeeding the month in which the
4977 collections were made, for division among the municipalities and
4978 taxing districts of the county. He shall accompany his remittance
4979 with a report to the county receiving the funds prepared by the
4980 commissioner showing from whom the tax was collected. Upon
4981 receipt of the funds, the board of supervisors of the county shall
4982 allocate the funds to the municipalities and to the various
4983 maintenance and bond and interest funds of the county and school
4984 districts, as provided in this subsection.

4985 (6) Except as provided in subsection (8) of this section,
4986 when there are any oil producing properties within the corporate
4987 limits of any municipality, then the municipality shall
4988 participate in the division of the tax returned to the county in
4989 which the municipality is located, in the proportion which the tax
4990 on production of oil from any properties located within the
4991 municipal corporate limits bears to the tax on the total
4992 production of oil in the county. In no event, however, shall the
4993 amount allocated to municipalities exceed one-third (1/3) of the
4994 tax produced in the municipality and returned to the county. Any
4995 amount received by any municipality as a result of the allocation
4996 provided in this subsection shall be used only for such purposes
4997 as are authorized by law.

4998 (7) Except as provided in subsection (8) of this section,
4999 the balance remaining of any amount of tax returned to the county
5000 after the allocation to municipalities shall be divided among the
5001 various maintenance and bond interest funds of the county and
5002 school districts, in the discretion of the board of supervisors,
5003 and the board shall make the division in consideration of the
5004 needs of the various taxing districts. The funds so allocated
5005 shall be used only for purposes as are authorized by law.

5006 (8) Any amount above and exceeding Six Hundred Thousand
5007 Dollars (\$600,000.00) that is remitted to the county that is more
5008 than twenty percent (20%) of the taxes above and exceeding Six
5009 Hundred Thousand Dollars (\$600,000.00) collected on oil produced

5010 in the county, shall be utilized by the county for infrastructure
5011 repairs.

5012 **SECTION 41.** Section 27-25-703, Mississippi Code of 1972, is
5013 brought forward as follows:

5014 27-25-703. (1) (a) Except as otherwise provided in this
5015 section, there is hereby levied, to be collected as provided in
5016 this article, annual privilege taxes upon every person engaging or
5017 continuing within this state in the business of producing, or
5018 severing gas from below the soil or water for sale, transport,
5019 storage, profit or for commercial use. The amount of the tax
5020 shall be measured by the value of the gas produced and shall be
5021 levied and assessed at a rate of six percent (6%) of the value of
5022 the gas at the point of production, except as otherwise provided
5023 in subsection (4) of this section.

5024 (b) (i) The tax shall be levied and assessed at the
5025 rate of one and three-tenths percent (1.3%) of the value of the
5026 gas at the point of production on gas produced from a horizontally
5027 drilled well or from any horizontally drilled recompletion well
5028 from which production commences from and after July 1, 2013, for a
5029 period of thirty (30) months beginning on the date of first sale
5030 of production or until payout of the well cost is achieved,
5031 whichever first occurs. Thereafter, the tax shall be levied and
5032 assessed as provided for in paragraph (a) of this subsection.

5033 (ii) Payout of a horizontally drilled well or
5034 horizontally drilled recompletion well shall be deemed to have
5035 occurred the first day of the next month after gross revenues,

5036 less royalties and severance taxes, equal to the cost to drill and
5037 complete the well.

5038 (iii) Each operator must apply by letter to the
5039 State Oil and Gas Board for the reduced rate provided in this
5040 paragraph (b), and shall provide the board with the status of
5041 payout on a semiannual basis of any horizontally drilled well or
5042 horizontally drilled recompletion well by signed affidavit
5043 executed by a company representative.

5044 (iv) This paragraph (b) shall be repealed from and
5045 after July 1, 2023; however, any horizontally drilled well or
5046 horizontally drilled recompletion well from which production
5047 commences before July 1, 2023, shall be taxed as provided for in
5048 this paragraph (b) notwithstanding that the repeal of this
5049 paragraph (b) has become effective.

5050 (2) The tax is levied upon the entire production in this
5051 state, regardless of the place of sale or to whom sold or by whom
5052 used, or the fact that the delivery may be made to points outside
5053 the state, but not levied upon that gas, lawfully injected into
5054 the earth for cycling, repressuring, lifting or enhancing the
5055 recovery of oil, nor upon gas lawfully vented or flared in
5056 connection with the production of oil, nor upon gas condensed into
5057 liquids on which the oil severance tax of six percent (6%) is
5058 paid; however, if any gas so injected into the earth is sold for
5059 such purposes, then the gas so sold shall not be excluded in
5060 computing the tax. The tax shall accrue at the time the gas is

5061 produced or severed from the soil or water, and in its natural,
5062 unrefined or unmanufactured state.

5063 (3) Natural gas and condensate produced from any wells for
5064 which drilling is commenced after March 15, 1987, and before July
5065 1, 1990, shall be exempt from the tax levied under this section
5066 for a period of two (2) years beginning on the date of first sale
5067 of production from such wells.

5068 (4) (a) Any well which begins commercial production of
5069 occluded natural gas from coal seams on or after March 20, 1990,
5070 and before July 1, 1993, shall be taxed at the rate of three and
5071 one-half percent (3-1/2%) of the gross value of the occluded
5072 natural gas from coal seams at the point of production for a
5073 period of five (5) years after such well begins production.

5074 (b) Any well which begins commercial production of
5075 occluded natural gas from coal seams on or after July 1, 2004, and
5076 before July 1, 2007, shall be taxed at the rate of three percent
5077 (3%) of the gross value of the occluded natural gas from coal
5078 seams at the point of production for a period of five (5) years
5079 beginning on the date of the first sale of production from such
5080 well.

5081 (5) (a) Natural gas produced from discovery wells for which
5082 drilling or re-entry commenced on or after April 1, 1994, but
5083 before July 1, 1999, shall be exempt from the tax levied under
5084 this section for a period of five (5) years beginning on the
5085 earlier of one (1) year from completion of the well or the date of
5086 first sale from such well, provided that the average monthly sales

5087 price of such gas does not exceed Three Dollars and Fifty Cents
5088 (\$3.50) per one thousand (1,000) cubic feet. The exemption for
5089 natural gas produced from discovery wells as described in this
5090 paragraph (a) shall be repealed from and after July 1, 2003,
5091 provided that any such production for which a permit was granted
5092 by the board before July 1, 2003, shall be exempt for an entire
5093 period of five (5) years, notwithstanding that the repeal of this
5094 provision has become effective. Natural gas produced from
5095 development wells or replacement wells drilled in connection with
5096 discovery wells for which drilling commenced on or after January
5097 1, 1994, shall be assessed at a rate of three percent (3%) of the
5098 value thereof at the point of production for a period of three (3)
5099 years. The reduced rate of assessment of natural gas produced
5100 from development wells or replacement wells as described in this
5101 paragraph (a) shall be repealed from and after January 1, 2003,
5102 provided that any such production for which drilling commenced
5103 before January 1, 2003, shall be assessed at the reduced rate for
5104 an entire period of three (3) years, notwithstanding that the
5105 repeal of this provision has become effective.

5106 (b) Natural gas produced from discovery wells for which
5107 drilling or re-entry commenced on or after July 1, 1999, shall be
5108 assessed at a rate of three percent (3%) of the value thereof at
5109 the point of production for a period of five (5) years beginning
5110 on the earlier of one (1) year from completion of the well or the
5111 date of first sale from such well, provided that the average
5112 monthly sales price of such gas does not exceed Two Dollars and

5113 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The
5114 reduced rate of assessment of natural gas produced from discovery
5115 wells as described in this paragraph (b) shall be repealed from
5116 and after July 1, 2003, provided that any such production for
5117 which a permit was granted by the board before July 1, 2003, shall
5118 be assessed at the reduced rate for an entire period of five (5)
5119 years, notwithstanding that the repeal of this provision has
5120 become effective. Natural gas produced from development wells or
5121 replacement wells drilled in connection with discovery wells for
5122 which drilling commenced on or after July 1, 1999, shall be
5123 assessed at a rate of three percent (3%) of the value thereof at
5124 the point of production for a period of three (3) years. The
5125 reduced rate of assessment of natural gas produced from
5126 development wells or replacement wells as described in this
5127 paragraph (b) shall be repealed from and after January 1, 2003,
5128 provided that any such production for which drilling commenced
5129 before January 1, 2003, shall be assessed at the reduced rate for
5130 an entire period of three (3) years, notwithstanding that the
5131 repeal of this provision has become effective.

5132 (6) (a) Gas produced from a development well for which
5133 drilling commenced on or after April 1, 1994, but before July 1,
5134 1999, and for which three-dimensional seismic was utilized in
5135 connection with the drilling of such well, shall be assessed at a
5136 rate of three percent (3%) of the value of the gas at the point of
5137 production for a period of five (5) years, provided that the
5138 average monthly sales price of such gas does not exceed Three

5139 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic
5140 feet. The reduced rate of assessment of gas produced from a
5141 development well as described in this subsection and for which
5142 three-dimensional seismic was utilized shall be repealed from and
5143 after July 1, 2003, provided that any such production for which a
5144 permit was granted by the board before July 1, 2003, shall be
5145 assessed at the reduced rate for an entire period of five (5)
5146 years, notwithstanding that the repeal of this provision has
5147 become effective.

5148 (b) Gas produced from a development well for which
5149 drilling commenced on or after July 1, 1999, and for which
5150 three-dimensional seismic was utilized in connection with the
5151 drilling of such well, shall be assessed at a rate of three
5152 percent (3%) of the value of the gas at the point of production
5153 for a period of five (5) years, provided that the average monthly
5154 sales price of such gas does not exceed Two Dollars and Fifty
5155 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced
5156 rate of assessment of gas produced from a development well as
5157 described in this paragraph (b) and for which three-dimensional
5158 seismic was utilized shall be repealed from and after July 1,
5159 2003, provided that any such production for which a permit was
5160 granted by the board before July 1, 2003, shall be assessed at the
5161 reduced rate for an entire period of five (5) years,
5162 notwithstanding that the repeal of this provision has become
5163 effective.

5164 (7) (a) Natural gas produced before July 1, 1999, from a
5165 two-year inactive well as defined in Section 27-25-701 shall be
5166 exempt from the taxes levied under this section for a period of
5167 three (3) years beginning on the date of first sale of production
5168 from such well, provided that the average monthly sales price of
5169 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per
5170 one thousand (1,000) cubic feet. The exemption for natural gas
5171 produced from an inactive well as described in this subsection
5172 shall be repealed from and after July 1, 2003, provided that any
5173 such production which began before July 1, 2003, shall be exempt
5174 for an entire period of three (3) years, notwithstanding that the
5175 repeal of this provision has become effective.

5176 (b) Natural gas produced on or after July 1, 1999, from
5177 a two-year inactive well as defined in Section 27-25-701 shall be
5178 exempt from the taxes levied under this section for a period of
5179 three (3) years beginning on the date of first sale of production
5180 from such well, provided that the average monthly sales price of
5181 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per
5182 one thousand (1,000) cubic feet. The exemption for natural gas
5183 produced from an inactive well as described in this paragraph (b)
5184 shall be repealed from and after July 1, 2003, provided that any
5185 such production which began before July 1, 2003, shall be exempt
5186 for an entire period of three (3) years, notwithstanding that the
5187 repeal of this provision has become effective.

5188 (8) The State Oil and Gas Board shall have the exclusive
5189 authority to determine the qualification of wells defined in
5190 paragraphs (n) through (t) of Section 27-25-701.

5191 **SECTION 42.** Section 27-25-705, Mississippi Code of 1972, is
5192 brought forward as follows:

5193 **[With regard to any county which is exempt from the**
5194 **provisions of Section 19-2-3, this section shall read as follows:]**

5195 27-25-705. (1) All taxes levied in this article and
5196 collected by the department shall be paid into the State Treasury
5197 on the same day in which the taxes are collected.

5198 (2) Except as otherwise provided in this section, the
5199 commissioner shall apportion all the tax collections made pursuant
5200 to this article to the state and to the county in which the gas
5201 was produced, in the proportion of sixty-six and two-thirds
5202 percent (66-2/3%) to the state and thirty-three and one-third
5203 percent (33-1/3%) to the county.

5204 (3) The commissioner shall apportion all the tax collections
5205 made pursuant to Section 27-25-703(1)(b) to the county in which
5206 the gas is produced.

5207 (4) When the producer of gas subject to the tax levied in
5208 this article increases the price of the gas sold and such increase
5209 is subject to approval by a federal regulatory board or
5210 commission, and when the producer of the gas so requests, the
5211 State Treasurer is hereby authorized to hold the severance tax
5212 collected on the price increase in escrow until such time as the
5213 price increase or a portion thereof is finally granted or

5214 approved. The severance tax thus held in escrow shall be
5215 deposited by the State Treasurer to an account in a state
5216 depository to be invested in an interest-bearing account in the
5217 manner provided by law. When the price increase in question or a
5218 portion thereof is granted or approved, the commissioner shall
5219 compute the correct severance tax due on the increase and certify
5220 the amount of tax thus computed. This amount and interest earned
5221 from the depository shall be distributed to the General Fund and
5222 to the county or counties proportionately as provided in this
5223 subsection. The balance, if any, of the tax and interest held in
5224 escrow on the price increase shall be returned to the taxpayer.

5225 (5) The state's share of all gas severance taxes collected
5226 pursuant to this section shall be deposited as provided for in
5227 Section 27-25-506.

5228 (6) The commissioner shall certify at the end of each month
5229 the apportionment to each county to the State Treasurer, who shall
5230 remit the county's share of the funds on or before the twentieth
5231 day of the month next succeeding the month in which the
5232 collections were made for division among the municipalities and
5233 taxing districts of the county. The commissioner shall submit a
5234 report to the State Treasurer for distribution to each county
5235 receiving the funds showing from whom the tax and interest, if
5236 any, were collected. Upon receipt of the funds, the board of
5237 supervisors of the county shall allocate the funds to the
5238 municipalities and to the various maintenance and bond and

5239 interest funds of the county, school districts, supervisors
5240 districts and road districts, as provided in this subsection.

5241 When there are any gas producing properties within the
5242 corporate limits of any municipality, then the municipality shall
5243 participate in the division of the tax and interest, if any,
5244 returned to the county in which the municipality is located in the
5245 proportion which the tax on production of gas from properties
5246 located within the municipal corporate limits bears to the tax on
5247 total production of gas in the county. In no event, however,
5248 shall the amount allocated to the municipalities exceed one-third
5249 (1/3) of the tax and interest produced in the municipality and
5250 returned to the county. Any amount received by any municipality
5251 as a result of the allocation provided for in this subsection
5252 shall be used for such purposes as are authorized by law.

5253 The balance remaining of any funds returned to the county
5254 after the allocation to municipalities shall be divided among the
5255 various maintenance and bond and interest funds of the county,
5256 school districts, supervisors districts and road districts, in the
5257 discretion of the board of supervisors, and the board shall make
5258 the division in consideration of the needs of the various taxing
5259 districts. The funds so allocated shall be used only for such
5260 purposes as are authorized by law.

5261 **[With regard to any county which is required to operate on a**
5262 **countywide system of road administration as described in Section**
5263 **19-2-3, this section shall read as follows:]**

5264 27-25-705. (1) All taxes herein levied in this article and
5265 collected by the department shall be paid into the State Treasury
5266 on the same day in which the taxes are collected.

5267 (2) Except as otherwise provided in this section, the
5268 commissioner shall apportion all the tax collections made pursuant
5269 to this article to the state and to the county in which the gas
5270 was produced, in the proportion of sixty-six and two-thirds
5271 percent (66-2/3%) to the state and thirty-three and one-third
5272 percent (33-1/3%) to the county.

5273 (3) The commissioner shall apportion all the tax collections
5274 made pursuant to Section 27-25-703(1)(b) to the county in which
5275 the gas is produced.

5276 (4) When the producer of gas subject to the tax levied in
5277 this article increases the price of the gas sold and the increase
5278 is subject to approval by a federal regulatory board or
5279 commission, and when the producer of the gas so requests, the
5280 State Treasurer is hereby authorized to hold the severance tax
5281 collected on the price increase in escrow until such time as the
5282 price increase or a portion thereof is finally granted or
5283 approved. The severance tax thus held in escrow shall be
5284 deposited by the State Treasurer to an account in a state
5285 depository to be invested in an interest-bearing account in the
5286 manner provided by law. When the price increase in question or a
5287 portion thereof is granted or approved, the commissioner shall
5288 compute the correct severance tax due on the increase and certify
5289 the amount of tax thus computed. This amount and interest earned

5290 from the depository shall be distributed to the General Fund and
5291 to the county or counties proportionately as provided in this
5292 subsection. The balance, if any, of the tax and interest held in
5293 escrow on the price increase shall be returned to the taxpayer.

5294 (5) The state's share of all gas severance taxes collected
5295 pursuant to this section shall be deposited as provided for in
5296 Section 27-25-506.

5297 (6) The commissioner shall certify at the end of each month
5298 the apportionment to each county to the State Treasurer, who shall
5299 remit the county's share of the funds on or before the twentieth
5300 day of the month next succeeding the month in which the
5301 collections were made for division among the municipalities and
5302 taxing districts of the county. The commissioner shall submit a
5303 report to the State Treasurer for distribution to each county
5304 receiving the funds showing from whom the tax and interest, if
5305 any, were collected. Upon receipt of the funds, the board of
5306 supervisors of the county shall allocate the funds to the
5307 municipalities and to the various maintenance and bond and
5308 interest funds of the county and school districts, as provided in
5309 this subsection.

5310 When there are any gas producing properties within the
5311 corporate limits of any municipality, then the municipality shall
5312 participate in the division of the tax and interest, if any,
5313 returned to the county in which the municipality is located in the
5314 proportion which the tax on production of gas from properties
5315 located within the municipal corporate limits bears to the tax on

5316 total production of gas in the county. In no event, however,
5317 shall the amount allocated to the municipalities exceed one-third
5318 (1/3) of the tax and interest produced in the municipality and
5319 returned to the county. Any amount received by any municipality
5320 as a result of the allocation provided for in this subsection
5321 shall be used for such purposes as are authorized by law.

5322 The balance remaining of any funds returned to the county
5323 after the allocation to municipalities shall be divided among the
5324 various maintenance and bond and interest funds of the county and
5325 school districts, in the discretion of the board of supervisors,
5326 and the board shall make the division in consideration of the
5327 needs of the various taxing districts. The funds so allocated
5328 shall be used only for such purposes as are authorized by law.

5329 **SECTION 43.** Section 27-65-19, Mississippi Code of 1972, is
5330 brought forward as follows:

5331 27-65-19. (1) (a) (i) Except as otherwise provided in
5332 this subsection, upon every person selling to consumers,
5333 electricity, current, power, potable water, steam, coal, natural
5334 gas, liquefied petroleum gas or other fuel, there is hereby
5335 levied, assessed and shall be collected a tax equal to seven
5336 percent (7%) of the gross income of the business. Provided, gross
5337 income from sales to consumers of electricity, current, power,
5338 natural gas, liquefied petroleum gas or other fuel for residential
5339 heating, lighting or other residential noncommercial or
5340 nonagricultural use, and sales of potable water for residential,
5341 noncommercial or nonagricultural use shall be excluded from

5342 taxable gross income of the business. Provided further, upon
5343 every such seller using electricity, current, power, potable
5344 water, steam, coal, natural gas, liquefied petroleum gas or other
5345 fuel for nonindustrial purposes, there is hereby levied, assessed
5346 and shall be collected a tax equal to seven percent (7%) of the
5347 cost or value of the product or service used.

5348 (ii) Gross income from sales to a church that is
5349 exempt from federal income taxation under 26 USCS Section
5350 501(c)(3) of electricity, current, power, natural gas, liquefied
5351 petroleum gas or other fuel for heating, lighting or other use,
5352 and sales of potable water to such a church shall be excluded from
5353 taxable gross income of the business if the electricity, current,
5354 power, natural gas, liquefied petroleum gas or potable water is
5355 utilized on property that is primarily used for religious or
5356 educational purposes.

5357 (b) (i) There is hereby levied, assessed and shall be
5358 collected a tax equal to one and one-half percent (1-1/2%) of the
5359 gross income of the business from the sale of naturally occurring
5360 carbon dioxide and anthropogenic carbon dioxide lawfully injected
5361 into the earth for:

5362 1. Use in an enhanced oil recovery project,
5363 including, but not limited to, use for cycling, repressuring or
5364 lifting of oil; or

5365 2. Permanent sequestration in a geological
5366 formation.

5367 (ii) The one and one-half percent (1-1/2%) rate
5368 provided for in this subsection shall apply to electricity,
5369 current, power, steam, coal, natural gas, liquefied petroleum gas
5370 or other fuel that is sold to a producer of oil and gas for use
5371 directly in enhanced oil recovery using carbon dioxide and/or the
5372 permanent sequestration of carbon dioxide in a geological
5373 formation.

5374 (c) The one and one-half percent (1-1/2%) rate provided
5375 for in this subsection shall not apply to sales of fuel for
5376 automobiles, trucks, truck-tractors, buses, farm tractors or
5377 airplanes.

5378 (d) (i) Upon every person providing services in this
5379 state, there is hereby levied, assessed and shall be collected:

5380 1. A tax equal to seven percent (7%) of the
5381 gross income received from all charges for intrastate
5382 telecommunications services.

5383 2. A tax equal to seven percent (7%) of the
5384 gross income received from all charges for interstate
5385 telecommunications services.

5386 3. A tax equal to seven percent (7%) of the
5387 gross income received from all charges for international
5388 telecommunications services.

5389 4. A tax equal to seven percent (7%) of the
5390 gross income received from all charges for ancillary services.

5391 5. A tax equal to seven percent (7%) of the
5392 gross income received from all charges for products delivered

5393 electronically, including, but not limited to, software, music,
5394 games, reading materials or ring tones.

5395 (ii) A person, upon proof that he has paid a tax
5396 in another state on an event described in subparagraph (i) of this
5397 paragraph (d), shall be allowed a credit against the tax imposed
5398 in this paragraph (d) on interstate telecommunications service
5399 charges to the extent that the amount of such tax is properly due
5400 and actually paid in such other state and to the extent that the
5401 rate of sales tax imposed by and paid in such other state does not
5402 exceed the rate of sales tax imposed by this paragraph (d).

5403 (iii) Charges by one (1) telecommunications
5404 provider to another telecommunications provider holding a permit
5405 issued under Section 27-65-27 for services that are resold by such
5406 other telecommunications provider, including, but not limited to,
5407 access charges, shall not be subject to the tax levied pursuant to
5408 this paragraph (d).

5409 (iv) For purposes of this paragraph (d):

5410 1. "Telecommunications service" means the
5411 electronic transmission, conveyance or routing of voice, data,
5412 audio, video or any other information or signals to a point, or
5413 between points. The term "telecommunications service" includes
5414 such transmission, conveyance or routing in which computer
5415 processing applications are used to act on the form, code or
5416 protocol of the content for purposes of transmission, conveyance
5417 or routing without regard to whether such service is referred to
5418 as voice over Internet protocol services or is classified by the

5419 Federal Communications Commission as enhanced or value added. The
5420 term "telecommunications service" shall not include:

5421 a. Data processing and information
5422 services that allow data to be generated, acquired, stored,
5423 processed or retrieved and delivered by an electronic transmission
5424 to a purchaser where such purchaser's primary purpose for the
5425 underlying transaction is the processed data or information;

5426 b. Installation or maintenance of wiring
5427 or equipment on a customer's premises;

5428 c. Tangible personal property;

5429 d. Advertising, including, but not
5430 limited to, directory advertising;

5431 e. Billing and collection services
5432 provided to third parties;

5433 f. Internet access service;

5434 g. Radio and television audio and video
5435 programming services regardless of the medium, including the
5436 furnishing of transmission, conveyance and routing of such
5437 services by the programming service provider. Radio and
5438 television audio and video programming services shall include, but
5439 not be limited to, cable service as defined in 47 USCS 522(6) and
5440 audio and video programming services delivered by commercial
5441 mobile radio service providers, as defined in 47 CFR 20.3;

5442 h. Ancillary services; or

5443 i. Digital products delivered
5444 electronically, including, but not limited to, software, music,
5445 video, reading materials or ring tones.

5446 2. "Ancillary services" means services that
5447 are associated with or incidental to the provision of
5448 telecommunications services, including, but not limited to,
5449 detailed telecommunications billing, directory assistance,
5450 vertical service and voice mail service.

5451 a. "Conference bridging" means an
5452 ancillary service that links two (2) or more participants of an
5453 audio or video conference call and may include the provision of a
5454 telephone number. Conference bridging does not include the
5455 telecommunications services used to reach the conference bridge.

5456 b. "Detailed telecommunications billing
5457 service" means an ancillary service of separately stating
5458 information pertaining to individual calls on a customer's billing
5459 statement.

5460 c. "Directory assistance" means an
5461 ancillary service of providing telephone number information and/or
5462 address information.

5463 d. "Vertical service" means an ancillary
5464 service that is offered in connection with one or more
5465 telecommunications services, which offers advanced calling
5466 features that allow customers to identify callers and to manage
5467 multiple calls and call connections, including conference bridging
5468 services.

5469 e. "Voice mail service" means an
5470 ancillary service that enables the customer to store, send or
5471 receive recorded messages. Voice mail service does not include
5472 any vertical services that the customer may be required to have in
5473 order to utilize the voice mail service.

5474 3. "Intrastate" means telecommunications
5475 service that originates in one (1) United States state or United
5476 States territory or possession, and terminates in the same United
5477 States state or United States territory or possession.

5478 4. "Interstate" means a telecommunications
5479 service that originates in one (1) United States state or United
5480 States territory or possession, and terminates in a different
5481 United States state or United States territory or possession.

5482 5. "International" means a telecommunications
5483 service that originates or terminates in the United States and
5484 terminates or originates outside the United States, respectively.

5485 (v) For purposes of paragraph (d), the following
5486 sourcing rules shall apply:

5487 1. Except for the defined telecommunications
5488 services in item 3 of this subparagraph, the sales of
5489 telecommunications services sold on a call-by-call basis shall be
5490 sourced to:

5491 a. Each level of taxing jurisdiction
5492 where the call originates and terminates in that jurisdiction, or

5493 b. Each level of taxing jurisdiction
5494 where the call either originates or terminates and in which the
5495 service address is also located.

5496 2. Except for the defined telecommunications
5497 services in item 3 of this subparagraph, a sale of
5498 telecommunications services sold on a basis other than a
5499 call-by-call basis, is sourced to the customer's place of primary
5500 use.

5501 3. The sale of the following
5502 telecommunications services shall be sourced to each level of
5503 taxing jurisdiction as follows:

5504 a. A sale of mobile telecommunications
5505 services other than air-to-ground radiotelephone service and
5506 prepaid calling service is sourced to the customer's place of
5507 primary use as required by the Mobile Telecommunication Sourcing
5508 Act.

5509 A. A home service provider shall be
5510 responsible for obtaining and maintaining the customer's place of
5511 primary use. The home service provider shall be entitled to rely
5512 on the applicable residential or business street address supplied
5513 by such customer, if the home service provider's reliance is in
5514 good faith; and the home service provider shall be held harmless
5515 from liability for any additional taxes based on a different
5516 determination of the place of primary use for taxes that are
5517 customarily passed on to the customer as a separate itemized
5518 charge. A home service provider shall be allowed to treat the

5519 address used for purposes of the tax levied by this chapter for
5520 any customer under a service contract in effect on August 1, 2002,
5521 as that customer's place of primary use for the remaining term of
5522 such service contract or agreement, excluding any extension or
5523 renewal of such service contract or agreement. Month-to-month
5524 services provided after the expiration of a contract shall be
5525 treated as an extension or renewal of such contract or agreement.

5526 B. If the commissioner determines
5527 that the address used by a home service provider as a customer's
5528 place of primary use does not meet the definition of the term
5529 "place of primary use" as defined in subitem a.A. of this item 3,
5530 the commissioner shall give binding notice to the home service
5531 provider to change the place of primary use on a prospective basis
5532 from the date of notice of determination; however, the customer
5533 shall have the opportunity, prior to such notice of determination,
5534 to demonstrate that such address satisfies the definition.

5535 C. The department has the right to
5536 collect any taxes due directly from the home service provider's
5537 customer that has failed to provide an address that meets the
5538 definition of the term "place of primary use" which resulted in a
5539 failure of tax otherwise due being remitted.

5540 b. A sale of postpaid calling service is
5541 sourced to the origination point of the telecommunications signal
5542 as first identified by either:

5543 A. The seller's telecommunications
5544 system; or

5545 B. Information received by the
5546 seller from its service provider, where the system used to
5547 transport such signals is not that of the seller.

5548 c. A sale of a prepaid calling service
5549 or prepaid wireless calling service shall be subject to the tax
5550 imposed by this paragraph if the sale takes place in this state.
5551 If the customer physically purchases a prepaid calling service or
5552 prepaid wireless calling service at the vendor's place of
5553 business, the sale is deemed to take place at the vendor's place
5554 of business. If the customer does not physically purchase the
5555 service at the vendor's place of business, the sale of a prepaid
5556 calling card or prepaid wireless calling card is deemed to take
5557 place at the first of the following locations that applies to the
5558 sale:

5559 A. The customer's shipping address,
5560 if the sale involves a shipment;

5561 B. The customer's billing address;

5562 C. Any other address of the
5563 customer that is known by the vendor; or

5564 D. The address of the vendor, or
5565 alternatively, in the case of a prepaid wireless calling service,
5566 the location associated with the mobile telephone number.

5567 4. A sale of a private communication service
5568 is sourced as follows:

5569 a. Service for a separate charge related
5570 to a customer channel termination point is sourced to each level

5571 of jurisdiction in which such customer channel termination point
5572 is located.

5573 b. Service where all customer
5574 termination points are located entirely within one (1)
5575 jurisdiction or levels of jurisdiction is sourced in such
5576 jurisdiction in which the customer channel termination points are
5577 located.

5578 c. Service for segments of a channel
5579 between two (2) customer channel termination points located in
5580 different jurisdictions and which segments of a channel are
5581 separately charged is sourced fifty percent (50%) in each level of
5582 jurisdiction in which the customer channel termination points are
5583 located.

5584 d. Service for segments of a channel
5585 located in more than one (1) jurisdiction or levels of
5586 jurisdiction and which segments are not separately billed is
5587 sourced in each jurisdiction based on the percentage determined by
5588 dividing the number of customer channel termination points in such
5589 jurisdiction by the total number of customer channel termination
5590 points.

5591 5. A sale of ancillary services is sourced to
5592 the customer's place of primary use.

5593 (vi) For purposes of subparagraph (v) of this
5594 paragraph (d):

5595 1. "Air-to-ground radiotelephone service"
5596 means a radio service, as that term is defined in 47 CFR 22.99, in

5597 which common carriers are authorized to offer and provide radio
5598 telecommunications service for hire to subscribers in aircraft.

5599 2. "Call-by-call basis" means any method of
5600 charging for telecommunications services where the price is
5601 measured by individual calls.

5602 3. "Communications channel" means a physical
5603 or virtual path of communications over which signals are
5604 transmitted between or among customer channel termination points.

5605 4. "Customer" means the person or entity that
5606 contracts with the seller of telecommunications services. If the
5607 end user of telecommunications services is not the contracting
5608 party, the end user of the telecommunications service is the
5609 customer of the telecommunications service. Customer does not
5610 include a reseller of telecommunications service or for mobile
5611 telecommunications service of a serving carrier under an agreement
5612 to serve the customer outside the home service provider's licensed
5613 service area.

5614 5. "Customer channel termination point" means
5615 the location where the customer either inputs or receives the
5616 communications.

5617 6. "End user" means the person who utilizes
5618 the telecommunications service. In the case of an entity, "end
5619 user" means the individual who utilizes the service on behalf of
5620 the entity.

5621 7. "Home service provider" has the meaning
5622 ascribed to such term in Section 124(5) of Public Law 106-252
5623 (Mobile Telecommunications Sourcing Act).

5624 8. "Mobile telecommunications service" has
5625 the meaning ascribed to such term in Section 124(7) of Public Law
5626 106-252 (Mobile Telecommunications Sourcing Act).

5627 9. "Place of primary use" means the street
5628 address representative of where the customer's use of the
5629 telecommunications service primarily occurs, which must be the
5630 residential street address or the primary business street address
5631 of the customer. In the case of mobile telecommunications
5632 services, the place of primary use must be within the licensed
5633 service area of the home service provider.

5634 10. "Post-paid calling service" means the
5635 telecommunications service obtained by making a payment on a
5636 call-by-call basis either through the use of a credit card or
5637 payment mechanism such as a bank card, travel card, credit card or
5638 debit card, or by charge made to a telephone number which is not
5639 associated with the origination or termination of the
5640 telecommunications service. A post-paid calling service includes
5641 a telecommunications service, except a prepaid wireless calling
5642 service that would be a prepaid calling service except it is not
5643 exclusively a telecommunications service.

5644 11. "Prepaid calling service" means the right
5645 to access exclusively telecommunications services, which must be
5646 paid for in advance and which enables the origination of calls

5647 using an access number or authorization code, whether manually or
5648 electronically dialed, and that is sold in predetermined units or
5649 dollars of which the number declines with use in a known amount.

5650 12. "Prepaid wireless calling service" means
5651 a telecommunications service that provides the right to utilize
5652 mobile wireless service as well as other nontelecommunications
5653 services, including the download of digital products delivered
5654 electronically, content and ancillary service, which must be paid
5655 for in advance that is sold in predetermined units or dollars of
5656 which the number declines with use in a known amount.

5657 13. "Private communication service" means a
5658 telecommunications service that entitles the customer to exclusive
5659 or priority use of a communications channel or group of channels
5660 between or among termination points, regardless of the manner in
5661 which such channel or channels are connected, and includes
5662 switching capacity, extension lines, stations and any other
5663 associated services that are provided in connection with the use
5664 of such channel or channels.

5665 14. "Service address" means:

5666 a. The location of the
5667 telecommunications equipment to which a customer's call is charged
5668 and from which the call originates or terminates, regardless of
5669 where the call is billed or paid.

5670 b. If the location in subitem a of this
5671 item 14 is not known, the origination point of the signal of the
5672 telecommunications services first identified by either the

5673 seller's telecommunications system or in information received by
5674 the seller from its service provider, where the system used to
5675 transport such signals is not that of the seller.

5676 c. If the location in subitems a and b
5677 of this item 14 are not known, the location of the customer's
5678 place of primary use.

5679 (vii) 1. For purposes of this subparagraph (vii),
5680 "bundled transaction" means a transaction that consists of
5681 distinct and identifiable properties or services which are sold
5682 for a single nonitemized price but which are treated differently
5683 for tax purposes.

5684 2. In the case of a bundled transaction that
5685 includes telecommunications services, ancillary services, Internet
5686 access, or audio or video programming services taxed under this
5687 chapter in which the price of the bundled transaction is
5688 attributable to properties or services that are taxable and
5689 nontaxable, the portion of the price that is attributable to any
5690 nontaxable property or service shall be subject to the tax unless
5691 the provider can reasonably identify that portion from its books
5692 and records kept in the regular course of business.

5693 3. In the case of a bundled transaction that
5694 includes telecommunications services, ancillary services, Internet
5695 access, audio or video programming services subject to tax under
5696 this chapter in which the price is attributable to properties or
5697 services that are subject to the tax but the tax revenue from the
5698 different properties or services are dedicated to different funds

5699 or purposes, the provider shall allocate the price among the
5700 properties or services:

5701 a. By reasonably identifying the portion
5702 of the price attributable to each of the properties and services
5703 from its books and records kept in the regular course of business;
5704 or

5705 b. Based on a reasonable allocation
5706 methodology approved by the department.

5707 4. This subparagraph (vii) shall not create a
5708 right of action for a customer to require that the provider or the
5709 department, for purposes of determining the amount of tax
5710 applicable to a bundled transaction, allocate the price to the
5711 different portions of the transaction in order to minimize the
5712 amount of tax charged to the customer. A customer shall not be
5713 entitled to rely on the fact that a portion of the price is
5714 attributable to properties or services not subject to tax unless
5715 the provider elects, after receiving a written request from the
5716 customer in the form required by the provider, to provide
5717 verifiable data based upon the provider's books and records that
5718 are kept in the regular course of business that reasonably
5719 identifies the portion of the price attributable to the properties
5720 or services not subject to the tax.

5721 (2) Persons making sales to consumers of electricity,
5722 current, power, natural gas, liquefied petroleum gas or other fuel
5723 for residential heating, lighting or other residential
5724 noncommercial or nonagricultural use or sales of potable water for

5725 residential, noncommercial or nonagricultural use shall indicate
5726 on each statement rendered to customers that such charges are
5727 exempt from sales taxes.

5728 (3) There is hereby levied, assessed and shall be paid on
5729 transportation charges on shipments moving between points within
5730 this state when paid directly by the consumer, a tax equal to the
5731 rate applicable to the sale of the property being transported.
5732 Such tax shall be reported and paid directly to the Department of
5733 Revenue by the consumer.

5734 **SECTION 44.** Section 27-65-22, Mississippi Code of 1972, is
5735 brought forward as follows:

5736 27-65-22. (1) Upon every person engaging or continuing in
5737 any amusement business or activity, which shall include all manner
5738 and forms of entertainment and amusement, all forms of diversion,
5739 sport, recreation or pastime, shows, exhibitions, contests,
5740 displays, games or any other and all methods of obtaining
5741 admission charges, donations, contributions or monetary charges of
5742 any character, from the general public or a limited or selected
5743 number thereof, directly or indirectly in return for other than
5744 tangible property or specific personal or professional services,
5745 whether such amusement is held or conducted in a public or private
5746 building, hotel, tent, pavilion, lot or resort, enclosed or in the
5747 open, there is hereby levied, assessed and shall be collected a
5748 tax equal to seven percent (7%) of the gross income received as
5749 admission, except as otherwise provided herein. In lieu of the
5750 rate set forth above, there is hereby imposed, levied and

5751 assessed, to be collected as hereinafter provided, a tax of three
5752 percent (3%) of gross revenue derived from sales of admission to
5753 publicly owned enclosed coliseums and auditoriums (except
5754 admissions to athletic contests between colleges and
5755 universities). There is hereby imposed, levied and assessed a tax
5756 of seven percent (7%) of gross revenue derived from sales of
5757 admission to events conducted on property managed by the
5758 Mississippi Veterans Memorial Stadium, which tax shall be
5759 administered in the manner prescribed in this chapter, subject,
5760 however, to the provisions of Sections 55-23-3 through 55-23-11.

5761 (2) The operator of any place of amusement in this state
5762 shall collect the tax imposed by this section, in addition to the
5763 price charged for admission to any place of amusement, and under
5764 all circumstances the person conducting the amusement shall be
5765 liable for, and pay the tax imposed based upon the actual charge
5766 for such admission. Where permits are obtained for conducting
5767 temporary amusements by persons who are not the owners, lessees or
5768 custodians of the buildings, lots or places where the amusements
5769 are to be conducted, or where such temporary amusement is
5770 permitted by the owner, lessee or custodian of any place to be
5771 conducted without the procurement of a permit as required by this
5772 chapter, the tax imposed by this chapter shall be paid by the
5773 owner, lessee or custodian of such place where such temporary
5774 amusement is held or conducted, unless paid by the person
5775 conducting the amusement, and the applicant for such temporary
5776 permit shall furnish with the application therefor, the name and

5777 address of the owner, lessee or custodian of the premises upon
5778 which such amusement is to be conducted, and such owner, lessee or
5779 custodian shall be notified by the commission of the issuance of
5780 such permit, and of the joint liability for such tax.

5781 (3) The tax imposed by this section shall not be levied or
5782 collected upon:

5783 (a) Any admissions charged at any place of amusement
5784 operated by a religious, charitable or educational organization,
5785 or by a nonprofit civic club or fraternal organization (i) when
5786 the net proceeds of such admissions do not inure to any one or
5787 more individuals within such organization and are to be used
5788 solely for religious, charitable, educational or civic purposes;
5789 or (ii) when the entire net proceeds are used to defray the normal
5790 operating expenses of such organization, such as loan payments,
5791 maintenance costs, repairs and other operating expenses;

5792 (b) Any admissions charged to hear gospel singing when
5793 promoted by a duly constituted local, bona fide nonprofit
5794 charitable or religious organization, irrespective of the fact
5795 that the performers and promoters are paid out of the proceeds of
5796 admissions collected, provided the program is composed entirely of
5797 gospel singing and not generally mixed with hillbilly or popular
5798 singing;

5799 (c) Any admissions charged at any athletic games or
5800 contests between high schools or between grammar schools;

5801 (d) Any admissions or tickets to or for baseball games
5802 between teams operated under a professional league franchise;

5803 (e) Any admissions to county, state or community fairs,
5804 or any admissions to entertainments presented in community homes
5805 or houses which are publicly owned and controlled, and the
5806 proceeds of which do not inure to any individual or individuals;

5807 (f) Any admissions or tickets to organized garden
5808 pilgrimages and to antebellum and historic houses when sponsored
5809 by an organized civic or garden club;

5810 (g) Any admissions to any golf tournament held under
5811 the auspices of the Professional Golf Association or United States
5812 Golf Association wherein touring professionals compete, if such
5813 tournament is sponsored by a nonprofit association incorporated
5814 under the laws of the State of Mississippi where no dividends are
5815 declared and the proceeds do not inure to any individual or group;

5816 (h) Any admissions to university or community college
5817 conference, state, regional or national playoffs or championships;

5818 (i) Any admissions or fees charged by any county or
5819 municipally owned and operated swimming pools, golf courses and
5820 tennis courts other than sales or rental of tangible personal
5821 property;

5822 (j) Any admissions charged for the performance of
5823 symphony orchestras, operas, vocal or instrumental artists in
5824 which professional or amateur performers are compensated out of
5825 the proceeds of such admissions, when sponsored by local music or
5826 charity associations, or amateur dramatic performances or
5827 professional dramatic productions when sponsored by a children's
5828 dramatic association, where no dividends are declared, profits

5829 received, nor any salary or compensation paid to any of the
5830 members of such associations, or to any person for procuring or
5831 producing such performance;

5832 (k) Any admissions or tickets to or for hockey games
5833 between teams operated under a professional league franchise;

5834 (l) Any admissions or tickets to or for events
5835 sanctioned by the Mississippi Athletic Commission that are held
5836 within publicly owned enclosed coliseums and auditoriums;

5837 (m) Guided tours on any navigable waters of this state,
5838 which include providing accommodations, guide services and/or
5839 related equipment operated by or under the direction of the person
5840 providing the tour, for the purposes of outdoor tourism;

5841 (n) Any admissions to events held solely for religious
5842 or charitable purposes at livestock facilities, agriculture
5843 facilities or other facilities constructed, renovated or expanded
5844 with funds from the grant program authorized under Section 18 of
5845 Chapter 530, Laws of 1995; and

5846 (o) (i) Any admissions charged at events, activities
5847 or entertainments:

5848 1. Which are open to the public and held in
5849 or on parks, lands or buildings which are publicly owned, leased,
5850 used and/or controlled by a municipality, or any agency thereof;

5851 2. Which are created and sponsored by the
5852 municipality, or an agency thereof; and

5853 3. The proceeds of which do not inure to the
5854 benefit of any individual or individuals; however,

5855 (ii) The governing authorities of a municipality
5856 may require the tax imposed by this section to be levied and
5857 collected at events, activities or entertainments described in
5858 subparagraph (i) of this paragraph by:

5859 1. Adopting an ordinance requiring the levy
5860 and collection of the tax;

5861 2. Providing the Department of Revenue with a
5862 certified copy of the ordinance requiring the tax to be levied and
5863 assessed at least thirty (30) days prior to the effective date of
5864 the ordinance;

5865 (iii) If the ordinance described in subparagraph
5866 (ii) of this paragraph is repealed, the municipality shall provide
5867 the Department of Revenue with a certified copy of the repeal of
5868 the ordinance at least thirty (30) days prior to the effective
5869 date of the repeal.

5870 **SECTION 45.** Section 27-65-23, Mississippi Code of 1972, is
5871 brought forward as follows:

5872 27-65-23. Upon every person engaging or continuing in any of
5873 the following businesses or activities there is hereby levied,
5874 assessed and shall be collected a tax equal to seven percent (7%)
5875 of the gross income of the business, except as otherwise provided:

5876 Air conditioning installation or repairs;

5877 Automobile, motorcycle, boat or any other vehicle
5878 repairing or servicing;

5879 Billiards, pool or domino parlors;

5880 Bowling or tenpin alleys;

5881 Burglar and fire alarm systems or services;
5882 Car washing – automatic, self-service, or manual;
5883 Computer software sales and services;
5884 Cotton compresses or cotton warehouses;
5885 Custom creosoting or treating, custom planing, custom
5886 sawing;
5887 Custom meat processing;
5888 Electricians, electrical work, wiring, all repairs or
5889 installation of electrical equipment;
5890 Elevator or escalator installing, repairing or
5891 servicing;
5892 Film developing or photo finishing;
5893 Foundries, machine or general repairing;
5894 Furniture repairing or upholstering;
5895 Grading, excavating, ditching, dredging or landscaping;
5896 Hotels (as defined in Section 41-49-3), motels, tourist
5897 courts or camps, trailer parks;
5898 Insulating services or repairs;
5899 Jewelry or watch repairing;
5900 Laundering, cleaning, pressing or dyeing;
5901 Marina services;
5902 Mattress renovating;
5903 Office and business machine repairing;
5904 Parking garages and lots;
5905 Plumbing or pipe fitting;

5906 Public storage warehouses (There shall be no tax levied
5907 on gross income of a public storage warehouse derived from the
5908 temporary storage of tangible personal property in this state
5909 pending shipping or mailing of the property to another state.);

5910 Refrigerating equipment repairs;

5911 Radio or television installing, repairing, or servicing;

5912 Renting or leasing personal property used within this
5913 state;

5914 Services performed in connection with geophysical
5915 surveying, exploring, developing, drilling, producing,
5916 distributing, or testing of oil, gas, water and other mineral
5917 resources;

5918 Shoe repairing;

5919 Storage lockers;

5920 Telephone answering or paging services;

5921 Termite or pest control services;

5922 Tin and sheet metal shops;

5923 TV cable systems, subscription TV services, and other
5924 similar activities;

5925 Vulcanizing, repairing or recapping of tires or tubes;

5926 Welding; and

5927 Woodworking or wood turning shops.

5928 Income from services taxed herein performed for electric
5929 power associations in the ordinary and necessary operation of
5930 their generating or distribution systems shall be taxed at the
5931 rate of one percent (1%).

5932 Income from services taxed herein performed on materials for
5933 use in track or track structures to a railroad whose rates are
5934 fixed by the Interstate Commerce Commission or the Mississippi
5935 Public Service Commission shall be taxed at the rate of three
5936 percent (3%).

5937 Income from renting or leasing tangible personal property
5938 used within this state shall be taxed at the same rates as sales
5939 of the same property.

5940 Persons doing business in this state who rent transportation
5941 equipment with a situs within or without the state to common,
5942 contract or private commercial carriers are taxed on that part of
5943 the income derived from use within this state. If specific
5944 accounting is impracticable, a formula may be used with approval
5945 of the commissioner.

5946 A lessor may deduct from the tax computed on the rental
5947 income from tangible personal property a credit for sales or use
5948 tax paid to this state at the time of purchase of the specific
5949 personal property being leased or rented until such credit has
5950 been exhausted.

5951 Charges for custom processing and repairing services may be
5952 excluded from gross taxable income when the property on which the
5953 service was performed is delivered to the customer in another
5954 state either by common carrier or in the seller's equipment.

5955 When a taxpayer performs unitary services covered by this
5956 section, which are performed both in intrastate and interstate
5957 commerce, the commissioner is hereby invested with authority to

5958 formulate in each particular case and to fix for such taxpayer in
5959 each instance formulae of apportionment which will apportion to
5960 this state, for taxation, that portion of the services which are
5961 performed within the State of Mississippi.

5962 **SECTION 46.** Section 27-65-25, Mississippi Code of 1972, is
5963 brought forward as follows:

5964 27-65-25. Upon every person engaging or continuing within
5965 this state in the business of selling alcoholic beverages, the
5966 sales of which are legal under the provisions of Chapter 1 of
5967 Title 67, Mississippi Code of 1972, there is hereby levied,
5968 assessed and shall be collected a tax equal to seven percent (7%)
5969 of the gross proceeds of the retail sales of the business. All
5970 sales at wholesale to retailers shall be taxed at the same rate as
5971 provided in this section for retail sales. A retailer in
5972 computing the tax on sales may take credit for the amount of the
5973 tax paid to the wholesaler at the rates provided herein and remit
5974 the difference to the commissioner, provided adequate records and
5975 all invoices are maintained to substantiate the credit claimed.

5976 **SECTION 47.** Section 27-65-26, Mississippi Code of 1972, is
5977 brought forward as follows:

5978 27-65-26. (1) Upon every person engaging or continuing
5979 within this state in the business of selling, renting or leasing
5980 specified digital products, there shall be levied, assessed and
5981 shall be collected a tax equal to seven percent (7%) of the gross
5982 income of the business. The sale of a digital code that allows
5983 the purchaser to obtain a specified digital product shall be taxed

5984 in the same manner as the sale of a specified digital product.

5985 The tax is imposed when:

5986 (a) The sale is to an end user;

5987 (b) The seller grants the right of permanent or less
5988 than permanent use of the products transferred electronically; or

5989 (c) The sale is conditioned or not conditioned upon
5990 continued payment.

5991 (2) Charges by one (1) specified digital products provider
5992 to another specified digital products provider holding a permit
5993 issued under Section 27-65-27 for services that are resold by such
5994 other specified digital products provider shall not be subject to
5995 the tax levied pursuant to this section.

5996 (3) For purposes of this section:

5997 (a) "Specified digital products" means electronically
5998 transferred digital audio-visual works, digital audio works and
5999 digital books.

6000 (b) "Digital audio-visual works" means a series of
6001 related images which, when shown in succession, impart an
6002 impression of motion, together with accompanying sounds, if any.

6003 (c) "Digital audio works" means works that result from
6004 the fixation of a series of musical, spoken or other sounds,
6005 including ringtones. "Ringtones" means digitized sound files that
6006 are downloaded onto a device and that may be used to alert the
6007 customer with respect to a communication.

6008 (d) "Digital books" means works that are generally
6009 recognized in the ordinary and usual sense as "books."

6010 (e) "Electronically transferred" means obtained by the
6011 purchaser by means other than tangible storage media.

6012 (f) "End user" means any person other than a person who
6013 receives by contract a product transferred electronically for
6014 further commercial broadcast, rebroadcast, transmission,
6015 retransmission, licensing, relicensing, distribution,
6016 redistribution or exhibition of the product, in whole or in part,
6017 to another person or persons.

6018 (g) "Permanent use" means for purposes of this section
6019 for perpetual or for an indefinite or unspecified length of time.

6020 (h) "Digital code" means a code that permits a
6021 purchaser to obtain a specified digital product at a later date.

6022 **SECTION 48.** Section 27-65-101, Mississippi Code of 1972, is
6023 brought forward as follows:

6024 27-65-101. (1) The exemptions from the provisions of this
6025 chapter which are of an industrial nature or which are more
6026 properly classified as industrial exemptions than any other
6027 exemption classification of this chapter shall be confined to
6028 those persons or property exempted by this section or by the
6029 provisions of the Constitution of the United States or the State
6030 of Mississippi. No industrial exemption as now provided by any
6031 other section except Section 57-3-33 shall be valid as against the
6032 tax herein levied. Any subsequent industrial exemption from the
6033 tax levied hereunder shall be provided by amendment to this
6034 section. No exemption provided in this section shall apply to
6035 taxes levied by Section 27-65-15 or 27-65-21.

6036 The tax levied by this chapter shall not apply to the
6037 following:

6038 (a) Sales of boxes, crates, cartons, cans, bottles and
6039 other packaging materials to manufacturers and wholesalers for use
6040 as containers or shipping materials to accompany goods sold by
6041 said manufacturers or wholesalers where possession thereof will
6042 pass to the customer at the time of sale of the goods contained
6043 therein and sales to anyone of containers or shipping materials
6044 for use in ships engaged in international commerce.

6045 (b) Sales of raw materials, catalysts, processing
6046 chemicals, welding gases or other industrial processing gases
6047 (except natural gas) to a manufacturer for use directly in
6048 manufacturing or processing a product for sale or rental or
6049 repairing or reconditioning vessels or barges of fifty (50) tons
6050 load displacement and over. For the purposes of this exemption,
6051 electricity used directly in the electrolysis process in the
6052 production of sodium chlorate shall be considered a raw material.
6053 This exemption shall not apply to any property used as fuel except
6054 to the extent that such fuel comprises by-products which have no
6055 market value.

6056 (c) The gross proceeds of sales of dry docks, offshore
6057 drilling equipment for use in oil or natural gas exploration or
6058 production, vessels or barges of fifty (50) tons load displacement
6059 and over, when the vessels or barges are sold by the manufacturer
6060 or builder thereof. In addition to other types of equipment,
6061 offshore drilling equipment for use in oil or natural gas

6062 exploration or production shall include aircraft used
6063 predominately to transport passengers or property to or from
6064 offshore oil or natural gas exploration or production platforms or
6065 vessels, and engines, accessories and spare parts for such
6066 aircraft.

6067 (d) Sales to commercial fishermen of commercial fishing
6068 boats of over five (5) tons load displacement and not more than
6069 fifty (50) tons load displacement as registered with the United
6070 States Coast Guard and licensed by the Mississippi Commission on
6071 Marine Resources.

6072 (e) The gross income from repairs to vessels and barges
6073 engaged in foreign trade or interstate transportation.

6074 (f) Sales of petroleum products to vessels or barges
6075 for consumption in marine international commerce or interstate
6076 transportation businesses.

6077 (g) Sales and rentals of rail rolling stock (and
6078 component parts thereof) for ultimate use in interstate commerce
6079 and gross income from services with respect to manufacturing,
6080 repairing, cleaning, altering, reconditioning or improving such
6081 rail rolling stock (and component parts thereof).

6082 (h) Sales of raw materials, catalysts, processing
6083 chemicals, welding gases or other industrial processing gases
6084 (except natural gas) used or consumed directly in manufacturing,
6085 repairing, cleaning, altering, reconditioning or improving such
6086 rail rolling stock (and component parts thereof). This exemption
6087 shall not apply to any property used as fuel.

6088 (i) Sales of machinery or tools or repair parts
6089 therefor or replacements thereof, fuel or supplies used directly
6090 in manufacturing, converting or repairing ships, vessels or barges
6091 of three thousand (3,000) tons load displacement and over, but not
6092 to include office and plant supplies or other equipment not
6093 directly used on the ship, vessel or barge being built, converted
6094 or repaired. For purposes of this exemption, "ships, vessels or
6095 barges" shall not include floating structures described in Section
6096 27-65-18.

6097 (j) Sales of tangible personal property to persons
6098 operating ships in international commerce for use or consumption
6099 on board such ships. This exemption shall be limited to cases in
6100 which procedures satisfactory to the commissioner, ensuring
6101 against use in this state other than on such ships, are
6102 established.

6103 (k) Sales of materials used in the construction of a
6104 building, or any addition or improvement thereon, and sales of any
6105 machinery and equipment not later than three (3) months after the
6106 completion of construction of the building, or any addition
6107 thereon, to be used therein, to qualified businesses, as defined
6108 in Section 57-51-5, which are located in a county or portion
6109 thereof designated as an enterprise zone pursuant to Sections
6110 57-51-1 through 57-51-15.

6111 (l) Sales of materials used in the construction of a
6112 building, or any addition or improvement thereon, and sales of any
6113 machinery and equipment not later than three (3) months after the

6114 completion of construction of the building, or any addition
6115 thereon, to be used therein, to qualified businesses, as defined
6116 in Section 57-54-5.

6117 (m) Income from storage and handling of perishable
6118 goods by a public storage warehouse.

6119 (n) The value of natural gas lawfully injected into the
6120 earth for cycling, repressuring or lifting of oil, or lawfully
6121 vented or flared in connection with the production of oil;
6122 however, if any gas so injected into the earth is sold for such
6123 purposes, then the gas so sold shall not be exempt.

6124 (o) The gross collections from self-service commercial
6125 laundering, drying, cleaning and pressing equipment.

6126 (p) Sales of materials used in the construction of a
6127 building, or any addition or improvement thereon, and sales of any
6128 machinery and equipment not later than three (3) months after the
6129 completion of construction of the building, or any addition
6130 thereon, to be used therein, to qualified companies, certified as
6131 such by the Mississippi Development Authority under Section
6132 57-53-1.

6133 (q) Sales of component materials used in the
6134 construction of a building, or any addition or improvement
6135 thereon, sales of machinery and equipment to be used therein, and
6136 sales of manufacturing or processing machinery and equipment which
6137 is permanently attached to the ground or to a permanent foundation
6138 and which is not by its nature intended to be housed within a
6139 building structure, not later than three (3) months after the

6140 initial start-up date, to permanent business enterprises engaging
6141 in manufacturing or processing in Tier Three areas (as such term
6142 is defined in Section 57-73-21), which businesses are certified by
6143 the Department of Revenue as being eligible for the exemption
6144 granted in this paragraph (q).

6145 (r) (i) Sales of component materials used in the
6146 construction of a building, or any addition or improvement
6147 thereon, and sales of any machinery and equipment not later than
6148 three (3) months after the completion of the building, addition or
6149 improvement thereon, to be used therein, for any company
6150 establishing or transferring its national or regional headquarters
6151 from within or outside the State of Mississippi and creating a
6152 minimum of twenty (20) jobs at the new headquarters in this state.
6153 The Department of Revenue shall establish criteria and prescribe
6154 procedures to determine if a company qualifies as a national or
6155 regional headquarters for the purpose of receiving the exemption
6156 provided in this subparagraph (i).

6157 (ii) Sales of component materials used in the
6158 construction of a building, or any addition or improvement
6159 thereon, and sales of any machinery and equipment not later than
6160 three (3) months after the completion of the building, addition or
6161 improvement thereon, to be used therein, for any company expanding
6162 or making additions after January 1, 2013, to its national or
6163 regional headquarters within the State of Mississippi and creating
6164 a minimum of twenty (20) new jobs at the headquarters as a result
6165 of the expansion or additions. The Department of Revenue shall

6166 establish criteria and prescribe procedures to determine if a
6167 company qualifies as a national or regional headquarters for the
6168 purpose of receiving the exemption provided in this subparagraph
6169 (ii).

6170 (s) The gross proceeds from the sale of semitrailers,
6171 trailers, boats, travel trailers, motorcycles, all-terrain cycles
6172 and rotary-wing aircraft if exported from this state within
6173 forty-eight (48) hours and registered and first used in another
6174 state.

6175 (t) Gross income from the storage and handling of
6176 natural gas in underground salt domes and in other underground
6177 reservoirs, caverns, structures and formations suitable for such
6178 storage.

6179 (u) Sales of machinery and equipment to nonprofit
6180 organizations if the organization:

6181 (i) Is tax exempt pursuant to Section 501(c)(4) of
6182 the Internal Revenue Code of 1986, as amended;

6183 (ii) Assists in the implementation of the
6184 contingency plan or area contingency plan, and which is created in
6185 response to the requirements of Title IV, Subtitle B of the Oil
6186 Pollution Act of 1990, Public Law 101-380; and

6187 (iii) Engages primarily in programs to contain,
6188 clean up and otherwise mitigate spills of oil or other substances
6189 occurring in the United States coastal and tidal waters.

6190 For purposes of this exemption, "machinery and equipment"
6191 means any ocean-going vessels, barges, booms, skimmers and other

6192 capital equipment used primarily in the operations of nonprofit
6193 organizations referred to herein.

6194 (v) Sales or leases of materials and equipment to
6195 approved business enterprises as provided under the Growth and
6196 Prosperity Act.

6197 (w) From and after July 1, 2001, sales of pollution
6198 control equipment to manufacturers or custom processors for
6199 industrial use. For the purposes of this exemption, "pollution
6200 control equipment" means equipment, devices, machinery or systems
6201 used or acquired to prevent, control, monitor or reduce air, water
6202 or groundwater pollution, or solid or hazardous waste as required
6203 by federal or state law or regulation.

6204 (x) Sales or leases to a manufacturer of motor vehicles
6205 or powertrain components operating a project that has been
6206 certified by the Mississippi Major Economic Impact Authority as a
6207 project as defined in Section 57-75-5(f)(iv)1, Section
6208 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
6209 equipment; special tooling such as dies, molds, jigs and similar
6210 items treated as special tooling for federal income tax purposes;
6211 or repair parts therefor or replacements thereof; repair services
6212 thereon; fuel, supplies, electricity, coal and natural gas used
6213 directly in the manufacture of motor vehicles or motor vehicle
6214 parts or used to provide climate control for manufacturing areas.

6215 (y) Sales or leases of component materials, machinery
6216 and equipment used in the construction of a building, or any
6217 addition or improvement thereon to an enterprise operating a

6218 project that has been certified by the Mississippi Major Economic
6219 Impact Authority as a project as defined in Section
6220 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
6221 or Section 57-75-5(f)(xxviii) and any other sales or leases
6222 required to establish or operate such project.

6223 (z) Sales of component materials and equipment to a
6224 business enterprise as provided under Section 57-64-33.

6225 (aa) The gross income from the stripping and painting
6226 of commercial aircraft engaged in foreign or interstate
6227 transportation business.

6228 (bb) [Repealed]

6229 (cc) Sales or leases to an enterprise owning or
6230 operating a project that has been designated by the Mississippi
6231 Major Economic Impact Authority as a project as defined in Section
6232 57-75-5(f)(xviii) of machinery and equipment; special tooling such
6233 as dies, molds, jigs and similar items treated as special tooling
6234 for federal income tax purposes; or repair parts therefor or
6235 replacements thereof; repair services thereon; fuel, supplies,
6236 electricity, coal and natural gas used directly in the
6237 manufacturing/production operations of the project or used to
6238 provide climate control for manufacturing/production areas.

6239 (dd) Sales or leases of component materials, machinery
6240 and equipment used in the construction of a building, or any
6241 addition or improvement thereon to an enterprise owning or
6242 operating a project that has been designated by the Mississippi
6243 Major Economic Impact Authority as a project as defined in Section

6244 57-75-5(f) (xviii) and any other sales or leases required to
6245 establish or operate such project.

6246 (ee) Sales of parts used in the repair and servicing of
6247 aircraft not registered in Mississippi engaged exclusively in the
6248 business of foreign or interstate transportation to businesses
6249 engaged in aircraft repair and maintenance.

6250 (ff) Sales of component materials used in the
6251 construction of a facility, or any addition or improvement
6252 thereon, and sales or leases of machinery and equipment not later
6253 than three (3) months after the completion of construction of the
6254 facility, or any addition or improvement thereto, to be used in
6255 the building or any addition or improvement thereto, to a
6256 permanent business enterprise operating a data/information
6257 enterprise in Tier Three areas (as such areas are designated in
6258 accordance with Section 57-73-21), meeting minimum criteria
6259 established by the Mississippi Development Authority.

6260 (gg) Sales of component materials used in the
6261 construction of a facility, or any addition or improvement
6262 thereto, and sales of machinery and equipment not later than three
6263 (3) months after the completion of construction of the facility,
6264 or any addition or improvement thereto, to be used in the facility
6265 or any addition or improvement thereto, to technology intensive
6266 enterprises for industrial purposes in Tier Three areas (as such
6267 areas are designated in accordance with Section 57-73-21), as
6268 certified by the Department of Revenue. For purposes of this
6269 paragraph, an enterprise must meet the criteria provided for in

6270 Section 27-65-17(1) (f) in order to be considered a technology
6271 intensive enterprise.

6272 (hh) Sales of component materials used in the
6273 replacement, reconstruction or repair of a building or facility
6274 that has been destroyed or sustained extensive damage as a result
6275 of a disaster declared by the Governor, sales of machinery and
6276 equipment to be used therein to replace machinery or equipment
6277 damaged or destroyed as a result of such disaster, including, but
6278 not limited to, manufacturing or processing machinery and
6279 equipment which is permanently attached to the ground or to a
6280 permanent foundation and which is not by its nature intended to be
6281 housed within a building structure, to enterprises or companies
6282 that were eligible for the exemptions authorized in paragraph (q),
6283 (r), (ff) or (gg) of this subsection during initial construction
6284 of the building that was destroyed or damaged, which enterprises
6285 or companies are certified by the Department of Revenue as being
6286 eligible for the exemption granted in this paragraph.

6287 (ii) Sales of software or software services transmitted
6288 by the Internet to a destination outside the State of Mississippi
6289 where the first use of such software or software services by the
6290 purchaser occurs outside the State of Mississippi.

6291 (jj) Gross income of public storage warehouses derived
6292 from the temporary storage of raw materials that are to be used in
6293 an eligible facility as defined in Section 27-7-22.35.

6294 (kk) Sales of component building materials and
6295 equipment for initial construction of facilities or expansion of

6296 facilities as authorized under Sections 57-113-1 through 57-113-7
6297 and Sections 57-113-21 through 57-113-27.

6298 (ll) Sales and leases of machinery and equipment
6299 acquired in the initial construction to establish facilities as
6300 authorized in Sections 57-113-1 through 57-113-7.

6301 (mm) Sales and leases of replacement hardware, software
6302 or other necessary technology to operate a data center as
6303 authorized under Sections 57-113-21 through 57-113-27.

6304 (nn) Sales of component materials used in the
6305 construction of a building, or any addition or improvement
6306 thereon, and sales or leases of machinery and equipment not later
6307 than three (3) months after the completion of the construction of
6308 the facility, to be used in the facility, to permanent business
6309 enterprises operating a facility producing renewable crude oil
6310 from biomass harvested or produced, in whole or in part, in
6311 Mississippi, which businesses meet minimum criteria established by
6312 the Mississippi Development Authority. As used in this paragraph,
6313 the term "biomass" shall have the meaning ascribed to such term in
6314 Section 57-113-1.

6315 (oo) Sales of supplies, equipment and other personal
6316 property to an organization that is exempt from taxation under
6317 Section 501(c)(3) of the Internal Revenue Code and is the host
6318 organization coordinating a professional golf tournament played or
6319 to be played in this state and the supplies, equipment or other
6320 personal property will be used for purposes related to the golf
6321 tournament and related activities.

6322 (pp) Sales of materials used in the construction of a
6323 health care industry facility, as defined in Section 57-117-3, or
6324 any addition or improvement thereon, and sales of any machinery
6325 and equipment not later than three (3) months after the completion
6326 of construction of the facility, or any addition thereon, to be
6327 used therein, to qualified businesses, as defined in Section
6328 57-117-3. This paragraph shall be repealed from and after July 1,
6329 2022.

6330 (qq) Sales or leases to a manufacturer of automotive
6331 parts operating a project that has been certified by the
6332 Mississippi Major Economic Impact Authority as a project as
6333 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
6334 or repair parts therefor or replacements thereof; repair services
6335 thereon; fuel, supplies, electricity, coal, nitrogen and natural
6336 gas used directly in the manufacture of automotive parts or used
6337 to provide climate control for manufacturing areas.

6338 (rr) Gross collections derived from guided tours on any
6339 navigable waters of this state, which include providing
6340 accommodations, guide services and/or related equipment operated
6341 by or under the direction of the person providing the tour, for
6342 the purposes of outdoor tourism. The exemption provided in this
6343 paragraph (rr) does not apply to the sale of tangible personal
6344 property by a person providing such tours.

6345 (ss) Retail sales of truck-tractors and semitrailers
6346 used in interstate commerce and registered under the International
6347 Registration Plan (IRP) or any similar reciprocity agreement or

6348 compact relating to the proportional registration of commercial
6349 vehicles entered into as provided for in Section 27-19-143.

6350 (tt) Sales exempt under the Facilitating Business Rapid
6351 Response to State Declared Disasters Act of 2015 (Sections
6352 27-113-1 through 27-113-9).

6353 (uu) Sales or leases to an enterprise and its
6354 affiliates operating a project that has been certified by the
6355 Mississippi Major Economic Impact Authority as a project as
6356 defined in Section 57-75-5(f)(xxix) of:

6357 (i) All personal property and fixtures, including
6358 without limitation, sales or leases to the enterprise and its
6359 affiliates of:

6360 1. Manufacturing machinery and equipment;

6361 2. Special tooling such as dies, molds, jigs
6362 and similar items treated as special tooling for federal income
6363 tax purposes;

6364 3. Component building materials, machinery
6365 and equipment used in the construction of buildings, and any other
6366 additions or improvements to the project site for the project;

6367 4. Nonmanufacturing furniture, fixtures and
6368 equipment (inclusive of all communications, computer, server,
6369 software and other hardware equipment); and

6370 5. Fuel, supplies (other than
6371 nonmanufacturing consumable supplies and water), electricity,
6372 nitrogen gas and natural gas used directly in the
6373 manufacturing/production operations of such project or used to

6374 provide climate control for manufacturing/production areas of such
6375 project;

6376 (ii) All replacements of, repair parts for or
6377 services to repair items described in subparagraph (i)1, 2 and 3
6378 of this paragraph; and

6379 (iii) All services taxable pursuant to Section
6380 27-65-23 required to establish, support, operate, repair and/or
6381 maintain such project.

6382 (vv) Sales or leases to an enterprise operating a
6383 project that has been certified by the Mississippi Major Economic
6384 Impact Authority as a project as defined in Section
6385 57-75-5(f) (xxx) of:

6386 (i) Purchases required to establish and operate
6387 the project, including, but not limited to, sales of component
6388 building materials, machinery and equipment required to establish
6389 the project facility and any additions or improvements thereon;
6390 and

6391 (ii) Machinery, special tools (such as dies,
6392 molds, and jigs) or repair parts thereof, or replacements and
6393 lease thereof, repair services thereon, fuel, supplies and
6394 electricity, coal and natural gas used in the manufacturing
6395 process and purchased by the enterprise owning or operating the
6396 project for the benefit of the project.

6397 (ww) Sales of component materials used in the
6398 construction of a building, or any expansion or improvement
6399 thereon, sales of machinery and/or equipment to be used therein,

6400 and sales of processing machinery and equipment which is
6401 permanently attached to the ground or to a permanent foundation
6402 which is not by its nature intended to be housed in a building
6403 structure, no later than three (3) months after initial startup,
6404 expansion or improvement of a permanent enterprise solely engaged
6405 in the conversion of natural sand into proppants used in oil and
6406 gas exploration and development with at least ninety-five percent
6407 (95%) of such proppants used in the production of oil and/or gas
6408 from horizontally drilled wells and/or horizontally drilled
6409 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6410 (2) Sales of component materials used in the construction of
6411 a building, or any addition or improvement thereon, sales of
6412 machinery and equipment to be used therein, and sales of
6413 manufacturing or processing machinery and equipment which is
6414 permanently attached to the ground or to a permanent foundation
6415 and which is not by its nature intended to be housed within a
6416 building structure, not later than three (3) months after the
6417 initial start-up date, to permanent business enterprises engaging
6418 in manufacturing or processing in Tier Two areas and Tier One
6419 areas (as such areas are designated in accordance with Section
6420 57-73-21), which businesses are certified by the Department of
6421 Revenue as being eligible for the exemption granted in this
6422 subsection, shall be exempt from one-half (1/2) of the taxes
6423 imposed on such transactions under this chapter.

6424 (3) Sales of component materials used in the construction of
6425 a facility, or any addition or improvement thereon, and sales or

6426 leases of machinery and equipment not later than three (3) months
6427 after the completion of construction of the facility, or any
6428 addition or improvement thereto, to be used in the building or any
6429 addition or improvement thereto, to a permanent business
6430 enterprise operating a data/information enterprise in Tier Two
6431 areas and Tier One areas (as such areas are designated in
6432 accordance with Section 57-73-21), which businesses meet minimum
6433 criteria established by the Mississippi Development Authority,
6434 shall be exempt from one-half (1/2) of the taxes imposed on such
6435 transaction under this chapter.

6436 (4) Sales of component materials used in the construction of
6437 a facility, or any addition or improvement thereto, and sales of
6438 machinery and equipment not later than three (3) months after the
6439 completion of construction of the facility, or any addition or
6440 improvement thereto, to be used in the building or any addition or
6441 improvement thereto, to technology intensive enterprises for
6442 industrial purposes in Tier Two areas and Tier One areas (as such
6443 areas are designated in accordance with Section 57-73-21), which
6444 businesses are certified by the Department of Revenue as being
6445 eligible for the exemption granted in this subsection, shall be
6446 exempt from one-half (1/2) of the taxes imposed on such
6447 transactions under this chapter. For purposes of this subsection,
6448 an enterprise must meet the criteria provided for in Section
6449 27-65-17(1)(f) in order to be considered a technology intensive
6450 enterprise.

6451 (5) (a) For purposes of this subsection:

6452 (i) "Telecommunications enterprises" shall have
6453 the meaning ascribed to such term in Section 57-73-21;

6454 (ii) "Tier One areas" mean counties designated as
6455 Tier One areas pursuant to Section 57-73-21;

6456 (iii) "Tier Two areas" mean counties designated as
6457 Tier Two areas pursuant to Section 57-73-21;

6458 (iv) "Tier Three areas" mean counties designated
6459 as Tier Three areas pursuant to Section 57-73-21; and

6460 (v) "Equipment used in the deployment of broadband
6461 technologies" means any equipment capable of being used for or in
6462 connection with the transmission of information at a rate, prior
6463 to taking into account the effects of any signal degradation, that
6464 is not less than three hundred eighty-four (384) kilobits per
6465 second in at least one (1) direction, including, but not limited
6466 to, asynchronous transfer mode switches, digital subscriber line
6467 access multiplexers, routers, servers, multiplexers, fiber optics
6468 and related equipment.

6469 (b) Sales of equipment to telecommunications
6470 enterprises after June 30, 2003, and before July 1, 2025, that is
6471 installed in Tier One areas and used in the deployment of
6472 broadband technologies shall be exempt from one-half (1/2) of the
6473 taxes imposed on such transactions under this chapter.

6474 (c) Sales of equipment to telecommunications
6475 enterprises after June 30, 2003, and before July 1, 2025, that is
6476 installed in Tier Two and Tier Three areas and used in the

6477 deployment of broadband technologies shall be exempt from the
6478 taxes imposed on such transactions under this chapter.

6479 (6) Sales of component materials used in the replacement,
6480 reconstruction or repair of a building that has been destroyed or
6481 sustained extensive damage as a result of a disaster declared by
6482 the Governor, sales of machinery and equipment to be used therein
6483 to replace machinery or equipment damaged or destroyed as a result
6484 of such disaster, including, but not limited to, manufacturing or
6485 processing machinery and equipment which is permanently attached
6486 to the ground or to a permanent foundation and which is not by its
6487 nature intended to be housed within a building structure, to
6488 enterprises that were eligible for the partial exemptions provided
6489 for in subsections (2), (3) and (4) of this section during initial
6490 construction of the building that was destroyed or damaged, which
6491 enterprises are certified by the Department of Revenue as being
6492 eligible for the partial exemption granted in this subsection,
6493 shall be exempt from one-half (1/2) of the taxes imposed on such
6494 transactions under this chapter.

6495 **SECTION 49.** Section 27-65-103, Mississippi Code of 1972, is
6496 brought forward as follows:

6497 27-65-103. The exemptions from the provisions of this
6498 chapter which are of an agricultural nature or which are more
6499 properly classified as agricultural exemptions than any other
6500 exemption classification of this chapter shall be confined to
6501 those persons or property exempted by this section or by
6502 provisions of the Constitution of the United States or the State

6503 of Mississippi. No agricultural exemption as now provided by any
6504 other section shall be valid as against the tax herein levied.
6505 Any subsequent agricultural exemption from the tax levied
6506 hereunder shall be provided by amendment to this section.

6507 No exemption provided in this section shall apply to taxes
6508 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6509 The tax levied by this chapter shall not apply to the
6510 following:

6511 (a) The gross proceeds of sales of lint cotton, seed
6512 cotton, baled cotton, whether compressed or not, and cottonseed
6513 and soybeans in their original condition. Retail sales of seeds,
6514 livestock feed, poultry feed, fish feed and fertilizers. Sales of
6515 defoliant, insecticides, fungicides, herbicides and baby chicks
6516 used in growing agricultural products for market. Bagging and
6517 ties for baling cotton, hay-baling wire and twine, boxes, bags and
6518 cans used in growing or preparing agricultural products for market
6519 when possession thereof will pass to the customer at the time of
6520 sale of the product contained therein. Sales of ice to commercial
6521 fishermen purchased for use in the preservation of seafood or to
6522 producers for use in the refrigeration of vegetables for market.

6523 (b) The sales by producers of livestock, poultry, fish,
6524 honey bees or other products of farm, grove, apiary or garden when
6525 such products are sold in the original state or condition of
6526 preparation for sale before such products are subjected to any
6527 other process within a class of business or sold by a producer
6528 through an established store, as defined in the Privilege Tax Law.

6529 However, except as otherwise provided in this paragraph (b), this
6530 exemption shall not apply to ornamental plants which bear no fruit
6531 of commercial value. The exemption provided in this paragraph (b)
6532 shall apply to Christmas trees, hay, straw, fresh cut flowers and
6533 similar products when (i) grown in Mississippi and (ii) cut,
6534 severed or otherwise removed from the farm, grove, garden or other
6535 place of production and first sold from such place of production
6536 in the original state or condition of preparation for sale. All
6537 sales by agricultural cooperative associations organized under
6538 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title
6539 79, Mississippi Code of 1972, of agricultural products produced by
6540 members for market before such products are subjected to any
6541 manufacturing process.

6542 (c) The gross proceeds of retail sales of mules,
6543 horses, honey bees and other livestock.

6544 (d) Income from grading, excavating, ditching, dredging
6545 or landscaping activities performed for a farmer on a farm for
6546 agricultural or soil erosion purposes.

6547 (e) The gross proceeds of sales of all antibiotics,
6548 hormones and hormone preparations, drugs, medicines and other
6549 medications including serums and vaccines, vitamins, minerals or
6550 other nutrients for use in the production and growing of fish,
6551 livestock, honey bees and poultry by whomever sold. Such
6552 exemption shall be in addition to the exemption provided in this
6553 section for feed for fish, livestock, honey bees and poultry.

6554 (f) Sales of food products and honey that are grown,
6555 made or processed in Mississippi and sold from farmers' markets
6556 that have been certified by the Mississippi Department of
6557 Agriculture and Commerce.

6558 **SECTION 50.** Section 27-65-105, Mississippi Code of 1972, is
6559 brought forward as follows:

6560 27-65-105. The exemption from the provisions of this chapter
6561 which are of a governmental nature or which are more properly
6562 classified as governmental exemptions than any other exemption
6563 classification of this chapter shall be confined to those persons
6564 or property exempted by this section or by provisions of the
6565 Constitutions of the United States or the State of Mississippi.
6566 No governmental exemption as now provided by any other section
6567 shall be valid as against the tax herein levied. Any subsequent
6568 governmental exemption from the tax levied hereunder shall be
6569 provided by amendment to this section.

6570 No exemption provided in this section shall apply to taxes
6571 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
6572 except as provided by paragraph (f) of this section.

6573 The tax levied by this chapter shall not apply to the
6574 following:

6575 (a) Sales of property, labor, services or products
6576 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
6577 when sold to and billed directly to and payment therefor is made
6578 directly by the United States government, the State of Mississippi
6579 and its departments, institutions, counties and municipalities or

6580 departments or school districts of said counties and
6581 municipalities.

6582 The exemption from the tax imposed under this chapter shall
6583 not apply to sales of tangible personal property or specified
6584 digital products, labor or services to contractors purchasing in
6585 the performance of contracts with the United States, the State of
6586 Mississippi, counties and municipalities.

6587 (b) Sales to schools, when such schools are supported
6588 wholly or in part by funds provided by the State of Mississippi,
6589 provided that this exemption does not apply to sales of property
6590 which is not to be used in the ordinary operation of the school,
6591 or which is to be resold to the students or the public.

6592 (c) Amounts received from the sale of school textbooks
6593 to students.

6594 (d) Sales to the Mississippi Band of Choctaw Indians,
6595 but not to Indians individually.

6596 (e) Sales of firefighting equipment to governmental
6597 fire departments or volunteer fire departments for their use.

6598 (f) Sales of any gas from any project, as defined in
6599 the Municipal Gas Authority of Mississippi Law, to any
6600 municipality shall not be subject to sales, use or other tax.

6601 (g) Sales of home medical equipment and home medical
6602 supplies listed as eligible for payment under Title XVIII of the
6603 Social Security Act or under the state plan for medical assistance
6604 under Title XIX of the Social Security Act, prosthetics,
6605 orthotics, hearing aids, hearing devices, prescription eyeglasses,

6606 oxygen and oxygen equipment, when ordered or prescribed by a
6607 licensed physician for medical purposes of a patient, and when
6608 payment for such equipment or supplies, or both, is made, in part
6609 or in whole, under the provisions of the Medicare or Medicaid
6610 program, then the entire sale shall be exempt from the taxes
6611 imposed by this chapter. Payment does not have to be made, in
6612 whole or in part by any particular person to be eligible for this
6613 exemption. Purchases of home medical equipment and supplies by a
6614 provider of home health services or a provider of hospice services
6615 are eligible for this exemption if the purchases otherwise meet
6616 the requirements of this paragraph.

6617 (h) Sales to regional educational service agencies
6618 established under Section 37-7-345.

6619 (i) Sales of buses and other motor vehicles, and parts
6620 and labor used to maintain and/or repair such buses and motor
6621 vehicles, to an entity that (a) has entered into a contract with a
6622 school board under Section 37-41-31 for the purpose of
6623 transporting students to and from schools and (b) uses or will use
6624 the buses and other motor vehicles for such transportation
6625 purposes. This paragraph (i) shall apply to contracts entered
6626 into or renewed on or after July 1, 2010.

6627 (j) Parking at events held solely for religious or
6628 charitable purposes at livestock facilities, agriculture
6629 facilities or other facilities constructed, renovated or expanded
6630 with funds for the grant program authorized under Section 18,
6631 Chapter 530, Laws of 1995.

6632 (k) Sales of tangible personal property, labor,
6633 services or products to schools and school districts under a
6634 program that is administered by or coordinated with an agency,
6635 commission, department or other instrumentality of the United
6636 States government when payment for the tangible personal property,
6637 labor, services or products is made by or through a nonprofit
6638 organization or other entity established by or for the benefit of
6639 the agency, commission, department or other instrumentality of the
6640 United States government administering or coordinating such
6641 program.

6642 **SECTION 51.** Section 27-65-107, Mississippi Code of 1972, is
6643 brought forward as follows:

6644 27-65-107. The exemptions from the provisions of this
6645 chapter which relate to utilities or which are more properly
6646 classified as utility exemptions than any other exemption
6647 classification of this chapter shall be confined to those persons
6648 or property exempted by this section or by provisions of the
6649 Constitutions of the United States or the State of Mississippi.
6650 No utility exemption as now provided by any other section shall be
6651 valid as against the tax herein levied. Any subsequent utility
6652 exemption from the tax levied hereunder shall be provided by
6653 amendment to this section.

6654 No exemption provided in this section shall apply to taxes
6655 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6656 The tax levied by this chapter shall not apply to the
6657 following:

6658 (a) Sales and rentals of locomotives, rail rolling
6659 stock and materials for their repair, locomotive water, when made
6660 to a railroad whose rates are fixed by the Interstate Commerce
6661 Commission or the Mississippi Public Service Commission.

6662 (b) Rentals of manufacturing machinery to a
6663 manufacturer or custom processor where such manufacturer or custom
6664 processor is engaged in, and such machinery is used in, the
6665 manufacture of containers made from timber or wood for sale. The
6666 tax, likewise, shall not apply to replacement or repair parts of
6667 such machinery used in such manufacture.

6668 (c) Sales of tangible personal property and services to
6669 nonprofit water associations or corporations in which no part of
6670 the net earnings inures to the benefit of any private shareholder,
6671 group or individual. Only sales of property or services which are
6672 ordinary and necessary to the operation of such organizations are
6673 exempt from tax.

6674 (d) Wholesale sales of tangible personal property for
6675 resale under Section 27-65-19.

6676 (e) From and after July 1, 2003, sales of fuel used to
6677 produce electric power by a company primarily engaged in the
6678 business of producing, generating or distributing electric power
6679 for sale.

6680 (f) Sales of electricity, current, power, steam, coal,
6681 natural gas, liquefied petroleum gas or other fuel to a
6682 manufacturer, custom processor, data center meeting the criteria
6683 provided for in Section 57-113-21, technology intensive enterprise

6684 meeting the criteria provided for in Section 27-65-17(1)(f), or
6685 public service company for industrial purposes, which shall
6686 include that used to generate electricity, to operate an
6687 electrical distribution or transmission system, to operate
6688 pipeline compressor or pumping stations, or to operate railroad
6689 locomotives.

6690 (g) Sales of electricity, current, power, steam, coal,
6691 natural gas, liquefied petroleum gas or other fuel to a producer
6692 or processor for use directly in the production of poultry or
6693 poultry products, the production of livestock and livestock
6694 products, the production of domesticated fish and domesticated
6695 fish products, the production of marine aquaculture products, the
6696 production of plants or food by commercial horticulturists, the
6697 processing of milk and milk products, the processing of poultry
6698 and livestock feed, and the irrigation of farm crops.

6699 (h) Sales of electricity, current, power, steam, coal,
6700 natural gas, liquefied petroleum gas or other fuel to a commercial
6701 fisherman, shrimper or oysterman.

6702 (i) Sales exempt under the Facilitating Business Rapid
6703 Response to State Declared Disasters Act of 2015 (Sections
6704 27-113-1 through 27-113-9).

6705 (j) Sales of electricity, current, power, steam, coal,
6706 natural gas, liquefied petroleum gas or other fuel to a permanent
6707 enterprise that is eligible for the exemption authorized in
6708 Section 27-65-101(1)(ww) upon completion of the expansion upon
6709 which such exemption is based; however, in order to be eligible

6710 for the exemption authorized by this paragraph, the expansion
6711 must:

6712 (i) Create at least eighty-five (85) full-time
6713 jobs in this state with an average annual wage of at least Sixty
6714 Thousand Dollars (\$60,000.00); and

6715 (ii) Have at least Eighty Million Dollars
6716 (\$80,000,000.00) in new investment at the existing facility.

6717 **SECTION 52.** Section 27-65-111, Mississippi Code of 1972, is
6718 brought forward as follows:

6719 27-65-111. The exemptions from the provisions of this
6720 chapter which are not industrial, agricultural or governmental, or
6721 which do not relate to utilities or taxes, or which are not
6722 properly classified as one (1) of the exemption classifications of
6723 this chapter, shall be confined to persons or property exempted by
6724 this section or by the Constitution of the United States or the
6725 State of Mississippi. No exemptions as now provided by any other
6726 section, except the classified exemption sections of this chapter
6727 set forth herein, shall be valid as against the tax herein levied.
6728 Any subsequent exemption from the tax levied hereunder, except as
6729 indicated above, shall be provided by amendments to this section.

6730 No exemption provided in this section shall apply to taxes
6731 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6732 The tax levied by this chapter shall not apply to the
6733 following:

6734 (a) Sales of tangible personal property and services to
6735 hospitals or infirmaries owned and operated by a corporation or

6736 association in which no part of the net earnings inures to the
6737 benefit of any private shareholder, group or individual, and which
6738 are subject to and governed by Sections 41-7-123 through 41-7-127.

6739 Only sales of tangible personal property or services which
6740 are ordinary and necessary to the operation of such hospitals and
6741 infirmaries are exempted from tax.

6742 (b) Sales of daily or weekly newspapers, and
6743 periodicals or publications of scientific, literary or educational
6744 organizations exempt from federal income taxation under Section
6745 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
6746 March 31, 1975, and subscription sales of all magazines.

6747 (c) Sales of coffins, caskets and other materials used
6748 in the preparation of human bodies for burial.

6749 (d) Sales of tangible personal property for immediate
6750 export to a foreign country.

6751 (e) Sales of tangible personal property to an
6752 orphanage, old men's or ladies' home, supported wholly or in part
6753 by a religious denomination, fraternal nonprofit organization or
6754 other nonprofit organization.

6755 (f) Sales of tangible personal property, labor or
6756 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
6757 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
6758 corporation or association in which no part of the net earnings
6759 inures to the benefit of any private shareholder, group or
6760 individual.

6761 (g) Sales to elementary and secondary grade schools,
6762 junior and senior colleges owned and operated by a corporation or
6763 association in which no part of the net earnings inures to the
6764 benefit of any private shareholder, group or individual, and which
6765 are exempt from state income taxation, provided that this
6766 exemption does not apply to sales of property or services which
6767 are not to be used in the ordinary operation of the school, or
6768 which are to be resold to the students or the public.

6769 (h) The gross proceeds of retail sales and the use or
6770 consumption in this state of drugs and medicines:

6771 (i) Prescribed for the treatment of a human being
6772 by a person authorized to prescribe the medicines, and dispensed
6773 or prescription filled by a registered pharmacist in accordance
6774 with law; or

6775 (ii) Furnished by a licensed physician, surgeon,
6776 dentist or podiatrist to his own patient for treatment of the
6777 patient; or

6778 (iii) Furnished by a hospital for treatment of any
6779 person pursuant to the order of a licensed physician, surgeon,
6780 dentist or podiatrist; or

6781 (iv) Sold to a licensed physician, surgeon,
6782 podiatrist, dentist or hospital for the treatment of a human
6783 being; or

6784 (v) Sold to this state or any political
6785 subdivision or municipal corporation thereof, for use in the
6786 treatment of a human being or furnished for the treatment of a

6787 human being by a medical facility or clinic maintained by this
6788 state or any political subdivision or municipal corporation
6789 thereof.

6790 "Medicines," as used in this paragraph (h), shall mean and
6791 include any substance or preparation intended for use by external
6792 or internal application to the human body in the diagnosis, cure,
6793 mitigation, treatment or prevention of disease and which is
6794 commonly recognized as a substance or preparation intended for
6795 such use; provided that "medicines" do not include any auditory,
6796 prosthetic, ophthalmic or ocular device or appliance, any dentures
6797 or parts thereof or any artificial limbs or their replacement
6798 parts, articles which are in the nature of splints, bandages,
6799 pads, compresses, supports, dressings, instruments, apparatus,
6800 contrivances, appliances, devices or other mechanical, electronic,
6801 optical or physical equipment or article or the component parts
6802 and accessories thereof, or any alcoholic beverage or any other
6803 drug or medicine not commonly referred to as a prescription drug.

6804 Notwithstanding the preceding sentence of this paragraph (h),
6805 "medicines" as used in this paragraph (h), shall mean and include
6806 sutures, whether or not permanently implanted, bone screws, bone
6807 pins, pacemakers and other articles permanently implanted in the
6808 human body to assist the functioning of any natural organ, artery,
6809 vein or limb and which remain or dissolve in the body.

6810 "Hospital," as used in this paragraph (h), shall have the
6811 meaning ascribed to it in Section 41-9-3, Mississippi Code of
6812 1972.

6813 Insulin furnished by a registered pharmacist to a person for
6814 treatment of diabetes as directed by a physician shall be deemed
6815 to be dispensed on prescription within the meaning of this
6816 paragraph (h).

6817 (i) Retail sales of automobiles, trucks and
6818 truck-tractors if exported from this state within forty-eight (48)
6819 hours and registered and first used in another state.

6820 (j) Sales of tangible personal property or services to
6821 the Salvation Army and the Muscular Dystrophy Association, Inc.

6822 (k) From July 1, 1985, through December 31, 1992,
6823 retail sales of "alcohol blended fuel" as such term is defined in
6824 Section 75-55-5. The gasoline-alcohol blend or the straight
6825 alcohol eligible for this exemption shall not contain alcohol
6826 distilled outside the State of Mississippi.

6827 (l) Sales of tangible personal property or services to
6828 the Institute for Technology Development.

6829 (m) The gross proceeds of retail sales of food and
6830 drink for human consumption made through vending machines serviced
6831 by full line vendors from and not connected with other taxable
6832 businesses.

6833 (n) The gross proceeds of sales of motor fuel.

6834 (o) Retail sales of food for human consumption
6835 purchased with food stamps issued by the United States Department
6836 of Agriculture, or other federal agency, from and after October 1,
6837 1987, or from and after the expiration of any waiver granted
6838 pursuant to federal law, the effect of which waiver is to permit

6839 the collection by the state of tax on such retail sales of food
6840 for human consumption purchased with food stamps.

6841 (p) Sales of cookies for human consumption by the Girl
6842 Scouts of America no part of the net earnings from which sales
6843 inures to the benefit of any private group or individual.

6844 (q) Gifts or sales of tangible personal property or
6845 services to public or private nonprofit museums of art.

6846 (r) Sales of tangible personal property or services to
6847 alumni associations of state-supported colleges or universities.

6848 (s) Sales of tangible personal property or services to
6849 National Association of Junior Auxiliaries, Inc., and chapters of
6850 the National Association of Junior Auxiliaries, Inc.

6851 (t) Sales of tangible personal property or services to
6852 domestic violence shelters which qualify for state funding under
6853 Sections 93-21-101 through 93-21-113.

6854 (u) Sales of tangible personal property or services to
6855 the National Multiple Sclerosis Society, Mississippi Chapter.

6856 (v) Retail sales of food for human consumption
6857 purchased with food instruments issued the Mississippi Band of
6858 Choctaw Indians under the Women, Infants and Children Program
6859 (WIC) funded by the United States Department of Agriculture.

6860 (w) Sales of tangible personal property or services to
6861 a private company, as defined in Section 57-61-5, which is making
6862 such purchases with proceeds of bonds issued under Section 57-61-1
6863 et seq., the Mississippi Business Investment Act.

6864 (x) The gross collections from the operation of
6865 self-service, coin-operated car washing equipment and sales of the
6866 service of washing motor vehicles with portable high-pressure
6867 washing equipment on the premises of the customer.

6868 (y) Sales of tangible personal property or services to
6869 the Mississippi Technology Alliance.

6870 (z) Sales of tangible personal property to nonprofit
6871 organizations that provide foster care, adoption services and
6872 temporary housing for unwed mothers and their children if the
6873 organization is exempt from federal income taxation under Section
6874 501(c) (3) of the Internal Revenue Code.

6875 (aa) Sales of tangible personal property to nonprofit
6876 organizations that provide residential rehabilitation for persons
6877 with alcohol and drug dependencies if the organization is exempt
6878 from federal income taxation under Section 501(c) (3) of the
6879 Internal Revenue Code.

6880 (bb) (i) Retail sales of an article of clothing or
6881 footwear designed to be worn on or about the human body and retail
6882 sales of school supplies if the sales price of the article of
6883 clothing or footwear or school supply is less than One Hundred
6884 Dollars (\$100.00) and the sale takes place during a period
6885 beginning at 12:01 a.m. on the last Friday in July and ending at
6886 12:00 midnight the following Saturday. This paragraph (bb) shall
6887 not apply to:

6888 1. Accessories including jewelry, handbags,
6889 luggage, umbrellas, wallets, watches, briefcases, garment bags and

6890 similar items carried on or about the human body, without regard
6891 to whether worn on the body in a manner characteristic of
6892 clothing;

6893 2. The rental of clothing or footwear; and

6894 3. Skis, swim fins, roller blades, skates and
6895 similar items worn on the foot.

6896 (ii) For purposes of this paragraph (bb), "school
6897 supplies" means items that are commonly used by a student in a
6898 course of study. The following is an all-inclusive list:

6899 1. Backpacks;

6900 2. Binder pockets;

6901 3. Binders;

6902 4. Blackboard chalk;

6903 5. Book bags;

6904 6. Calculators;

6905 7. Cellophane tape;

6906 8. Clays and glazes;

6907 9. Compasses;

6908 10. Composition books;

6909 11. Crayons;

6910 12. Dictionaries and thesauruses;

6911 13. Dividers;

6912 14. Erasers;

6913 15. Folders: expandable, pocket, plastic and
6914 manila;

6915 16. Glue, paste and paste sticks;

- 6916 17. Highlighters;
- 6917 18. Index card boxes;
- 6918 19. Index cards;
- 6919 20. Legal pads;
- 6920 21. Lunch boxes;
- 6921 22. Markers;
- 6922 23. Notebooks;
- 6923 24. Paintbrushes for artwork;
- 6924 25. Paints: acrylic, tempera and oil;
- 6925 26. Paper: loose-leaf ruled notebook paper,
6926 copy paper, graph paper, tracing paper, manila paper, colored
6927 paper, poster board and construction paper;
- 6928 27. Pencil boxes and other school supply
6929 boxes;
- 6930 28. Pencil sharpeners;
- 6931 29. Pencils;
- 6932 30. Pens;
- 6933 31. Protractors;
- 6934 32. Reference books;
- 6935 33. Reference maps and globes;
- 6936 34. Rulers;
- 6937 35. Scissors;
- 6938 36. Sheet music;
- 6939 37. Sketch and drawing pads;
- 6940 38. Textbooks;
- 6941 39. Watercolors;

6942 40. Workbooks; and

6943 41. Writing tablets.

6944 (iii) From and after January 1, 2010, the
6945 governing authorities of a municipality, for retail sales
6946 occurring within the corporate limits of the municipality, may
6947 suspend the application of the exemption provided for in this
6948 paragraph (bb) by adoption of a resolution to that effect stating
6949 the date upon which the suspension shall take effect. A certified
6950 copy of the resolution shall be furnished to the Department of
6951 Revenue at least ninety (90) days prior to the date upon which the
6952 municipality desires such suspension to take effect.

6953 (cc) The gross proceeds of sales of tangible personal
6954 property made for the sole purpose of raising funds for a school
6955 or an organization affiliated with a school.

6956 As used in this paragraph (cc), "school" means any public or
6957 private school that teaches courses of instruction to students in
6958 any grade from kindergarten through Grade 12.

6959 (dd) Sales of durable medical equipment and home
6960 medical supplies when ordered or prescribed by a licensed
6961 physician for medical purposes of a patient. As used in this
6962 paragraph (dd), "durable medical equipment" and "home medical
6963 supplies" mean equipment, including repair and replacement parts
6964 for the equipment or supplies listed under Title XVIII of the
6965 Social Security Act or under the state plan for medical assistance
6966 under Title XIX of the Social Security Act, prosthetics,
6967 orthotics, hearing aids, hearing devices, prescription eyeglasses,

6968 oxygen and oxygen equipment. Payment does not have to be made, in
6969 whole or in part, by any particular person to be eligible for this
6970 exemption. Purchases of home medical equipment and supplies by a
6971 provider of home health services or a provider of hospice services
6972 are eligible for this exemption if the purchases otherwise meet
6973 the requirements of this paragraph.

6974 (ee) Sales of tangible personal property or services to
6975 Mississippi Blood Services.

6976 (ff) (i) Subject to the provisions of this paragraph
6977 (ff), retail sales of firearms, ammunition and hunting supplies if
6978 sold during the annual Mississippi Second Amendment Weekend
6979 holiday beginning at 12:01 a.m. on the last Friday in August and
6980 ending at 12:00 midnight the following Sunday. For the purposes
6981 of this paragraph (ff), "hunting supplies" means tangible personal
6982 property used for hunting, including, and limited to, archery
6983 equipment, firearm and archery cases, firearm and archery
6984 accessories, hearing protection, holsters, belts and slings.
6985 Hunting supplies does not include animals used for hunting.

6986 (ii) This paragraph (ff) shall apply only if one
6987 or more of the following occur:

6988 1. Title to and/or possession of an eligible
6989 item is transferred from a seller to a purchaser; and/or

6990 2. A purchaser orders and pays for an
6991 eligible item and the seller accepts the order for immediate
6992 shipment, even if delivery is made after the time period provided

6993 in subparagraph (i) of this paragraph (ff), provided that the
6994 purchaser has not requested or caused the delay in shipment.

6995 (gg) Sales of nonperishable food items to charitable
6996 organizations that are exempt from federal income taxation under
6997 Section 501(c)(3) of the Internal Revenue Code and operate a food
6998 bank or food pantry or food lines.

6999 (hh) Sales of tangible personal property or services to
7000 the United Way of the Pine Belt Region, Inc.

7001 (ii) Sales of tangible personal property or services to
7002 the Mississippi Children's Museum or any subsidiary or affiliate
7003 thereof operating a satellite or branch museum within this state.

7004 (jj) Sales of tangible personal property or services to
7005 the Jackson Zoological Park.

7006 (kk) Sales of tangible personal property or services to
7007 the Hattiesburg Zoo.

7008 (ll) Gross proceeds from sales of food, merchandise or
7009 other concessions at an event held solely for religious or
7010 charitable purposes at livestock facilities, agriculture
7011 facilities or other facilities constructed, renovated or expanded
7012 with funds for the grant program authorized under Section 18,
7013 Chapter 530, Laws of 1995.

7014 (mm) Sales of tangible personal property and services
7015 to the Diabetes Foundation of Mississippi and the Mississippi
7016 Chapter of the Juvenile Diabetes Research Foundation.

7017 (nn) Sales of potting soil, mulch, or other soil
7018 amendments used in growing ornamental plants which bear no fruit

7019 of commercial value when sold to commercial plant nurseries that
7020 operate exclusively at wholesale and where no retail sales can be
7021 made.

7022 (oo) Sales of tangible personal property or services to
7023 the University of Mississippi Medical Center Research Development
7024 Foundation.

7025 (pp) Sales of tangible personal property or services to
7026 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
7027 Mississippi Beautiful, Inc.

7028 (qq) Sales of tangible personal property or services to
7029 the Friends of Children's Hospital.

7030 (rr) Sales of tangible personal property or services to
7031 the Pinecrest Weekend Backpacks for Kids located in Corinth,
7032 Mississippi.

7033 (ss) Sales of hearing aids when ordered or prescribed
7034 by a licensed physician, audiologist or hearing aid specialist for
7035 the medical purposes of a patient.

7036 (tt) Sales exempt under the Facilitating Business Rapid
7037 Response to State Declared Disasters Act of 2015 (Sections
7038 27-113-1 through 27-113-9).

7039 (uu) Sales of tangible personal property or services to
7040 the Junior League of Jackson.

7041 (vv) Sales of tangible personal property or services to
7042 the Mississippi's Toughest Kids Foundation for use in the
7043 construction, furnishing and equipping of buildings and related
7044 facilities and infrastructure at Camp Kamassa in Copiah County,

7045 Mississippi. This paragraph (vv) shall stand repealed on July 1,
7046 2022.

7047 (ww) Sales of tangible personal property or services to
7048 MS Gulf Coast Buddy Sports, Inc.

7049 (xx) Sales of tangible personal property or services to
7050 Biloxi Lions, Inc.

7051 (yy) Sales of tangible personal property or services to
7052 Lions Sight Foundation of Mississippi, Inc.

7053 (zz) Sales of tangible personal property and services
7054 to the Goldring/Woldenberg Institute of Southern Jewish Life
7055 (ISJL).

7056 **SECTION 53.** Section 27-65-241, Mississippi Code of 1972, is
7057 brought forward as follows:

7058 27-65-241. (1) As used in this section, the following terms
7059 shall have the meanings ascribed to them in this section unless
7060 otherwise clearly indicated by the context in which they are used:

7061 (a) "Hotel" or "motel" means and includes a place of
7062 lodging that at any one time will accommodate transient guests on
7063 a daily or weekly basis and that is known to the trade as such.
7064 Such terms shall not include a place of lodging with ten (10) or
7065 less rental units.

7066 (b) "Municipality" means any municipality in the State
7067 of Mississippi with a population of one hundred fifty thousand
7068 (150,000) or more according to the most recent federal decennial
7069 census.

7070 (c) "Restaurant" means and includes all places where
7071 prepared food is sold and whose annual gross proceeds of sales or
7072 gross income for the preceding calendar year equals or exceeds One
7073 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
7074 shall not include any nonprofit organization that is exempt from
7075 federal income taxation under Section 501(c)(3) of the Internal
7076 Revenue Code. For the purpose of calculating gross proceeds of
7077 sales or gross income, the sales or income of all establishments
7078 owned, operated or controlled by the same person, persons or
7079 corporation shall be aggregated.

7080 (2) (a) Subject to the provisions of this section, the
7081 governing authorities of a municipality may impose upon all
7082 persons as a privilege for engaging or continuing in business or
7083 doing business within such municipality, a special sales tax at
7084 the rate of not more than one percent (1%) of the gross proceeds
7085 of sales or gross income of the business, as the case may be,
7086 derived from any of the activities taxed at the rate of seven
7087 percent (7%) or more under the Mississippi Sales Tax Law, Section
7088 27-65-1 et seq.

7089 (b) The tax levied under this section shall apply to
7090 every person making sales of tangible personal property or
7091 services within the municipality but shall not apply to:

7092 (i) Sales exempted by Sections 27-65-19,
7093 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
7094 27-65-111 of the Mississippi Sales Tax Law;

7095 (ii) Gross proceeds of sales or gross income of
7096 restaurants derived from the sale of food and beverages;

7097 (iii) Gross proceeds of sales or gross income of
7098 hotels and motels derived from the sale of hotel rooms and motel
7099 rooms for lodging purposes;

7100 (iv) Retail sales of food for human consumption
7101 not purchased with food stamps issued by the United States
7102 Department of Agriculture, or other federal agency, but which
7103 would be exempt under Section 27-65-111(o) from the taxes imposed
7104 by this chapter if the food items were purchased with food stamps;

7105 (v) Gross income of businesses engaging or
7106 continuing in the business of TV cable systems, subscription TV
7107 services, and other similar activities, including, but not limited
7108 to, cable Internet services;

7109 (vi) Wholesale sales of food and drink for human
7110 consumption sold to full service vending machine operators; and

7111 (vii) Wholesale sales of light wine, light spirit
7112 product, beer and alcoholic beverages.

7113 (3) (a) Before any tax authorized under this section may be
7114 imposed, the governing authorities of the municipality shall adopt
7115 a resolution declaring its intention to levy the tax, setting
7116 forth the amount of the tax to be imposed, the purposes for which
7117 the revenue collected pursuant to the tax levy may be used and
7118 expended, the date upon which the tax shall become effective, the
7119 date upon which the tax shall be repealed, and calling for an
7120 election to be held on the question. The date of the election

7121 shall be set in the resolution. Notice of the election shall be
7122 published once each week for at least three (3) consecutive weeks
7123 in a newspaper published or having a general circulation in the
7124 municipality, with the first publication of the notice to be made
7125 not less than twenty-one (21) days before the date fixed in the
7126 resolution for the election and the last publication to be made
7127 not more than seven (7) days before the election. At the
7128 election, all qualified electors of the municipality may vote.
7129 The ballots used at the election shall have printed thereon a
7130 brief description of the sales tax, the amount of the sales tax
7131 levy, a description of the purposes for which the tax revenue may
7132 be used and expended and the words "FOR THE LOCAL SALES TAX" and
7133 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
7134 a cross (X) or check mark (✓) opposite his choice on the
7135 proposition. When the results of the election have been canvassed
7136 by the election commissioners of the municipality and certified by
7137 them to the governing authorities, it shall be the duty of such
7138 governing authorities to determine and adjudicate whether at least
7139 three-fifths (3/5) of the qualified electors who voted in the
7140 election voted in favor of the tax. If at least three-fifths
7141 (3/5) of the qualified electors who voted in the election voted in
7142 favor of the tax, the governing authorities shall adopt a
7143 resolution declaring the levy and collection of the tax provided
7144 in this section and shall set the first day of the second month
7145 following the date of such adoption as the effective date of the
7146 tax levy. A certified copy of this resolution, together with the

7147 result of the election, shall be furnished to the Department of
7148 Revenue not less than thirty (30) days before the effective date
7149 of the levy.

7150 (b) A municipality shall not hold more than two (2)
7151 elections under this subsection.

7152 (4) The revenue collected pursuant to the tax levy imposed
7153 under this section may be expended to pay the cost of road and
7154 street repair, reconstruction and resurfacing projects based on
7155 traffic patterns, need and usage, and to pay the costs of water,
7156 sewer and drainage projects in accordance with a master plan
7157 adopted by the department established pursuant to subsection (7).

7158 (5) (a) The special sales tax authorized by this section
7159 shall be collected by the Department of Revenue, shall be
7160 accounted for separately from the amount of sales tax collected
7161 for the state in the municipality and shall be paid to the
7162 municipality. The Department of Revenue may retain one percent
7163 (1%) of the proceeds of such tax for the purpose of defraying the
7164 costs incurred by the department in the collection of the tax.
7165 Payments to the municipality shall be made by the Department of
7166 Revenue on or before the fifteenth day of the month following the
7167 month in which the tax was collected.

7168 (b) The proceeds of the special sales tax shall be
7169 placed into a special municipal fund apart from the municipal
7170 general fund and any other funds of the municipality, and shall be
7171 expended by the municipality solely for the purposes authorized in
7172 subsection (4) of this section. The records reflecting the

7173 receipts and expenditures of the revenue from the special sales
7174 tax shall be audited annually by an independent certified public
7175 accountant. The accountant shall make a report of his findings to
7176 the governing authorities of the municipality and file a copy of
7177 his report with the Secretary of the Senate and the Clerk of the
7178 House of Representatives. The audit shall be made and completed
7179 as soon as practical after the close of the fiscal year of the
7180 municipality, and expenses of the audit shall be paid from the
7181 funds derived by the municipality pursuant to this section.

7182 (c) All provisions of the Mississippi Sales Tax Law
7183 applicable to filing of returns, discounts to the taxpayer,
7184 remittances to the Department of Revenue, enforced collection,
7185 rights of taxpayers, recovery of improper taxes, refunds of
7186 overpaid taxes or other provisions of law providing for imposition
7187 and collection of the state sales tax shall apply to the special
7188 sales tax authorized by this section, except where there is a
7189 conflict, in which case the provisions of this section shall
7190 control. Any damages, penalties or interest collected for the
7191 nonpayment of taxes imposed under this section, or for
7192 noncompliance with the provisions of this section, shall be paid
7193 to the municipality on the same basis and in the same manner as
7194 the tax proceeds. Any overpayment of tax for any reason that has
7195 been disbursed to a municipality or any payment of the tax to a
7196 municipality in error may be adjusted by the Department of Revenue
7197 on any subsequent payment to the municipality pursuant to the
7198 provisions of the Mississippi Sales Tax Law. The Department of

7199 Revenue may, from time to time, make such rules and regulations
7200 not inconsistent with this section as may be deemed necessary to
7201 carry out the provisions of this section, and such rules and
7202 regulations shall have the full force and effect of law.

7203 (6) If a municipality expands its corporate boundaries, the
7204 governing authorities of the municipality may not impose the
7205 special sales tax in the annexed area unless the tax is approved
7206 at an election conducted, as far as is practicable, in the manner
7207 provided in subsection (3) of this section, except that only
7208 qualified electors in the annexed area may vote in the election.

7209 (7) (a) Any municipality that levies the special sales tax
7210 authorized under this section shall establish a commission as
7211 provided for in this section. Expenditures of revenue from the
7212 special sales tax authorized by this section shall be in
7213 accordance with a master plan adopted by the commission pursuant
7214 to this subsection.

7215 (b) The commission shall be composed of ten (10) voting
7216 members who shall be known as commissioners appointed as follows:

7217 (i) Four (4) members representing the business
7218 community in the municipality appointed by the local chamber of
7219 commerce for initial terms of one (1), two (2), four (4) and five
7220 (5) years respectively. The members appointed pursuant to this
7221 paragraph shall be persons who represent businesses located within
7222 the city limits of the municipality.

7223 (ii) Three (3) members shall be appointed at large
7224 by the mayor of the municipality, with the advice and consent of

7225 the legislative body of the municipality, for initial terms of two
7226 (2), three (3) and four (4) years respectively. All appointments
7227 made by the mayor pursuant to this paragraph shall be residents of
7228 the municipality.

7229 (iii) One (1) member shall be appointed at large
7230 by the Governor for an initial term of four (4) years. All
7231 appointments made by the Governor pursuant to this paragraph shall
7232 be residents of the municipality.

7233 (iv) One (1) member shall be appointed at large by
7234 the Lieutenant Governor for an initial term of four (4) years.
7235 All appointments made by the Lieutenant Governor pursuant to this
7236 paragraph shall be residents of the municipality.

7237 (v) One (1) member shall be appointed at large by
7238 the Speaker of the House of Representatives for a term of four (4)
7239 years. All appointments made by the Speaker of the House of
7240 Representatives pursuant to this paragraph shall be residents of
7241 the municipality.

7242 (c) The terms of all appointments made subsequent to
7243 the initial appointment shall be made for five (5) years. Any
7244 vacancy which may occur shall be filled in the same manner as the
7245 original appointment and shall be made for the unexpired term.
7246 Each member of the commission shall serve until his successor is
7247 appointed and qualified.

7248 (d) The mayor of the municipality shall designate a
7249 chairman of the commission from among the membership of the
7250 commission. The vice chairman and secretary shall be elected by

7251 the commission from among the membership of the commission for a
7252 term of two (2) years. The vice chairman and secretary may be
7253 reelected, and the chairman may be reappointed.

7254 (e) The commissioners shall serve without compensation.

7255 (f) Any commissioner shall be disqualified and shall be
7256 removed from office for either of the following reasons:

7257 (i) Conviction of a felony in any state court or
7258 in federal court; or

7259 (ii) Failure to attend three (3) consecutive
7260 meetings without just cause.

7261 If a commissioner is removed for any of the above reasons,
7262 the vacancy shall be filled in the manner prescribed in this
7263 section and shall be made for the unexpired term.

7264 (g) A quorum shall consist of six (6) voting members of
7265 the commission. The commission shall adopt such rules and
7266 regulations as may govern the time and place for holding meetings,
7267 regular and special.

7268 (h) The commission shall, with input from the
7269 municipality, establish a master plan for road and street repair,
7270 reconstruction and resurfacing projects based on traffic patterns,
7271 need and usage, and for water, sewer and drainage projects.
7272 Expenditures of the revenue from the tax authorized to be imposed
7273 pursuant to this section shall be made at the discretion of the
7274 governing authorities of the municipality if the expenditures
7275 comply with the master plan. The commission shall monitor the
7276 compliance of the municipality with the master plan.

7277 (8) The governing authorities of any municipality that
7278 levies the special sales tax authorized under this section are
7279 authorized to incur debt, including bonds, notes or other
7280 evidences of indebtedness, for the purpose of paying the costs of
7281 road and street repair, reconstruction and resurfacing projects
7282 based on traffic patterns, need and usage, and to pay the costs of
7283 water, sewer and drainage projects in accordance with a master
7284 plan adopted by the commission established pursuant to subsection
7285 (7) of this section. Any bonds or notes issued to pay such costs
7286 may be secured by the proceeds of the special sales tax levied
7287 pursuant to this section or may be general obligations of the
7288 municipality and shall satisfy the requirements for the issuance
7289 of debt provided by Sections 21-33-313 through 21-33-323.

7290 (9) This section shall stand repealed from and after July 1,
7291 2035.

7292 **SECTION 54.** Section 27-67-31, Mississippi Code of 1972, is
7293 brought forward as follows:

7294 27-67-31. All administrative provisions of the sales tax
7295 law, and amendments thereto, including those which fix damages,
7296 penalties and interest for failure to comply with the provisions
7297 of said sales tax law, and all other requirements and duties
7298 imposed upon taxpayer, shall apply to all persons liable for use
7299 taxes under the provisions of this article. The commissioner
7300 shall exercise all power and authority and perform all duties with
7301 respect to taxpayers under this article as are provided in said

7302 sales tax law, except where there is conflict, then the provisions
7303 of this article shall control.

7304 The commissioner may require transportation companies to
7305 permit the examination of waybills, freight bills, or other
7306 documents covering shipments of tangible personal property into
7307 this state.

7308 On or before the fifteenth day of each month, the amount
7309 received from taxes, damages and interest under the provisions of
7310 this article during the preceding month shall be paid and
7311 distributed as follows:

7312 (a) On or before July 15, 1994, through July 15, 2000,
7313 and each succeeding month thereafter, two and two hundred
7314 sixty-six one-thousandths percent (2.266%) of the total use tax
7315 revenue collected during the preceding month under the provisions
7316 of this article shall be deposited in the School Ad Valorem Tax
7317 Reduction Fund created pursuant to Section 37-61-35. On or before
7318 August 15, 2000, and each succeeding month thereafter, two and two
7319 hundred sixty-six one-thousandths percent (2.266%) of the total
7320 use tax revenue collected during the preceding month under the
7321 provisions of this chapter shall be deposited into the School Ad
7322 Valorem Tax Reduction Fund created under Section 37-61-35 until
7323 such time that the total amount deposited into the fund during a
7324 fiscal year equals Four Million Dollars (\$4,000,000.00).

7325 Thereafter, the amounts diverted under this paragraph (a) during
7326 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
7327 shall be deposited into the Education Enhancement Fund created

7328 under Section 37-61-33 for appropriation by the Legislature as
7329 other education needs and shall not be subject to the percentage
7330 appropriation requirements set forth in Section 37-61-33.

7331 (b) On or before July 15, 1994, and each succeeding
7332 month thereafter, nine and seventy-three one-thousandths percent
7333 (9.073%) of the total use tax revenue collected during the
7334 preceding month under the provisions of this article shall be
7335 deposited into the Education Enhancement Fund created pursuant to
7336 Section 37-61-33.

7337 (c) On or before July 15, 1997, and on or before the
7338 fifteenth day of each succeeding month thereafter, the revenue
7339 collected under the provisions of this article imposed and levied
7340 as a result of Section 27-65-17(2) and the corresponding levy in
7341 Section 27-65-23 on the rental or lease of private carriers of
7342 passengers and light carriers of property as defined in Section
7343 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
7344 Reduction Fund created pursuant to Section 27-51-105.

7345 (d) On or before July 15, 1997, and on or before the
7346 fifteenth day of each succeeding month thereafter and after the
7347 deposits required by paragraphs (a) and (b) of this section are
7348 made, the remaining revenue collected under the provisions of this
7349 article imposed and levied as a result of Section 27-65-17(1) and
7350 the corresponding levy in Section 27-65-23 on the rental or lease
7351 of private carriers of passengers and light carriers of property
7352 as defined in Section 27-51-101 shall be deposited into the Motor

7353 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
7354 27-51-105.

7355 (e) On or before August 15, 2019, and each succeeding
7356 month thereafter through July 15, 2020, three and three-fourths
7357 percent (3-3/4%) of the total use tax revenue collected during the
7358 preceding month under the provisions of this article shall be
7359 deposited into the special fund created in Section 27-67-35(1).
7360 On or before August 15, 2020, and each succeeding month thereafter
7361 through July 15, 2021, seven and one-half percent (7-1/2%) of the
7362 total use tax revenue collected during the preceding month under
7363 the provisions of this article shall be deposited into the special
7364 fund created in Section 27-67-35(1). On or before August 15,
7365 2021, and each succeeding month thereafter through July 15, 2022,
7366 eleven and one-fourth percent (11-1/4%) of the total use tax
7367 revenue collected during the preceding month under the provisions
7368 of this article shall be deposited into the special fund created
7369 in Section 27-67-35(1). On or before August 15, 2022, and each
7370 succeeding month thereafter, fifteen percent (15%) of the total
7371 use tax revenue collected during the preceding month under the
7372 provisions of this article shall be deposited into the special
7373 fund created in Section 27-67-35(1).

7374 (f) On or before August 15, 2019, and each succeeding
7375 month thereafter through July 15, 2020, three and three-fourths
7376 percent (3-3/4%) of the total use tax revenue collected during the
7377 preceding month under the provisions of this article shall be
7378 deposited into the special fund created in Section 27-67-35(2).

7379 On or before August 15, 2020, and each succeeding month thereafter
7380 through July 15, 2021, seven and one-half percent (7-1/2%) of the
7381 total use tax revenue collected during the preceding month under
7382 the provisions of this article shall be deposited into the special
7383 fund created in Section 27-67-35(2). On or before August 15,
7384 2021, and each succeeding month thereafter through July 15, 2022,
7385 eleven and one-fourth percent (11-1/4%) of the total use tax
7386 revenue collected during the preceding month under the provisions
7387 of this article shall be deposited into the special fund created
7388 in Section 27-67-35(2). On or before August 15, 2022, and each
7389 succeeding month thereafter, fifteen percent (15%) of the total
7390 use tax revenue collected during the preceding month under the
7391 provisions of this article shall be deposited into the special
7392 fund created in Section 27-67-35(2).

7393 (g) On or before August 15, 2019, and each succeeding
7394 month thereafter through July 15, 2020, Four Hundred Sixteen
7395 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
7396 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
7397 use tax revenue collected during the preceding month under the
7398 provisions of this article, whichever is the greater amount, shall
7399 be deposited into the Local System Bridge Replacement and
7400 Rehabilitation Fund created in Section 65-37-13. On or before
7401 August 15, 2020, and each succeeding month thereafter through July
7402 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
7403 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
7404 and one-half percent (2-1/2%) of the total use tax revenue

7405 collected during the preceding month under the provisions of this
7406 article, whichever is the greater amount, shall be deposited into
7407 the Local System Bridge Replacement and Rehabilitation Fund
7408 created in Section 65-37-13. On or before August 15, 2021, and
7409 each succeeding month thereafter through July 15, 2022, One
7410 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
7411 three and three-fourths percent (3-3/4%) of the total use tax
7412 revenue collected during the preceding month under the provisions
7413 of this article, whichever is the greater amount, shall be
7414 deposited into the Local System Bridge Replacement and
7415 Rehabilitation Fund created in Section 65-37-13. On or before
7416 August 15, 2022, and each succeeding month thereafter, One Million
7417 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and
7418 Sixty-seven Cents (\$1,666,666.67) or five percent (5%) of the
7419 total use tax revenue collected during the preceding month under
7420 the provisions of this article, whichever is the greater amount,
7421 shall be deposited into the Local System Bridge Replacement and
7422 Rehabilitation Fund created in Section 65-37-13.

7423 (h) On or before August 15, 2020, and each succeeding
7424 month thereafter through July 15, 2022, One Million Dollars
7425 (\$1,000,000.00) of the total use tax revenue collected during the
7426 preceding month under the provisions of this article shall be
7427 deposited into the Local System Bridge Replacement and
7428 Rehabilitation Fund created in Section 65-37-13. Amounts
7429 deposited into the Local System Bridge Replacement and
7430 Rehabilitation Fund under this paragraph (h) shall be in addition

7431 to amounts deposited into the fund under paragraph (g) of this
7432 section.

7433 (i) The remainder of the amount received from taxes,
7434 damages and interest under the provisions of this article shall be
7435 paid into the General Fund of the State Treasury by the
7436 commissioner.

7437 **SECTION 55.** Sections 6 and 7 of this act shall take effect
7438 and be in force from and after its passage and the remaining
7439 sections of this act shall take effect and be in force from and
7440 after July 1, 2022.

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

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 REDUCE THE SALES TAX RATE ON RETAIL
8 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
9 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
10 STAMPS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
11 REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM
12 RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD
13 STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH
14 FOOD STAMPS; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
15 PROVIDE THAT FROM AND AFTER JANUARY 1 OF THE NEXT SUCCEEDING YEAR
16 AFTER THE DATE THAT THE COMMISSIONER OF REVENUE CERTIFIES THAT THE
17 REDUCTION IN REVENUE MANDATED BY SECTION 27-7-21, MISSISSIPPI CODE
18 OF 1972, EQUALS OR EXCEEDS THE REMAINING REVENUE PRODUCED BY THE
19 INDIVIDUAL INCOME TAX, THE INDIVIDUAL INCOME TAX SHALL BE
20 REPEALED; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER FUNDS OUT
21 OF THE CAPITAL EXPENSE FUND TO THE BUDGET STABILIZATION FUND
22 CREATED BY THIS ACT; TO CREATE THE "BUDGET STABILIZATION FUND" AS
23 A SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT MONIES IN
24 THE FUND SHALL ONLY BE APPROPRIATED BY THE LEGISLATURE FOR
25 BUDGETARY PURPOSES RELATED TO LOSSES OF GENERAL FUND REVENUE; TO
26 PROVIDE THAT ANY UNENCUMBERED MONIES REMAINING IN THE FUND ON JULY

27 1, 2026, SHALL BE TRANSFERRED TO THE CAPITAL EXPENSE FUND; TO
28 BRING FORWARD SECTION 27-7-3, MISSISSIPPI CODE OF 1972, WHICH
29 DEFINES CERTAIN TERMS UNDER THE STATE INCOME TAX LAW, FOR THE
30 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-7-27,
31 MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE INCOME TAXATION OF
32 ESTATES AND TRUSTS FOR PURPOSES OF POSSIBLE AMENDMENT; TO AMEND
33 SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
34 PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS 27-7-22.5,
35 27-7-22.15, 27-7-22.21, 27-7-22.22, 27-7-22.32, 27-7-22.33,
36 27-7-22.37, 27-7-22.39, 27-7-22.41 AND 27-7-207, MISSISSIPPI CODE
37 OF 1972, WHICH PROVIDE FOR VARIOUS INCOME TAX CREDITS, FOR THE
38 PURPOSES OF POSSIBLE AMENDMENT; TO AMEND SECTIONS 57-62-9 AND
39 57-62-11, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS
40 OF THE MISSISSIPPI ADVANTAGE JOBS ACT; TO BRING FORWARD SECTIONS
41 27-7-312, 57-62-5 AND 57-62-13, MISSISSIPPI CODE OF 1972, WHICH
42 RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE PURPOSES OF
43 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 57-89-3 AND 57-89-7,
44 MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI
45 MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF POSSIBLE
46 AMENDMENT; TO AMEND SECTIONS 57-99-1, 57-99-3 AND 57-99-5,
47 MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF THE
48 MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
49 PROGRAM; TO BRING FORWARD SECTIONS 57-99-7, 57-99-21, 57-99-23,
50 57-99-25 AND 57-99-27, MISSISSIPPI CODE OF 1972, WHICH RELATE TO
51 THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
52 PROGRAM, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
53 SECTIONS 37-148-3 AND 37-148-5, MISSISSIPPI CODE OF 1972, WHICH
54 ARE SECTIONS OF THE STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH
55 THROUGH BUSINESS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
56 BRING FORWARD SECTION 57-105-1, MISSISSIPPI CODE OF 1972, WHICH
57 AUTHORIZES INCOME TAX AND INSURANCE PREMIUM TAX CREDITS FOR
58 TAXPAYERS HOLDING CERTAIN QUALIFIED EQUITY INVESTMENTS, FOR THE
59 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
60 27-25-503 AND 27-25-505, MISSISSIPPI CODE OF 1972, WHICH ARE
61 SECTIONS OF THE STATE OIL SEVERANCE TAX LAW, FOR THE PURPOSES OF
62 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 27-25-703 AND
63 27-25-705, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
64 STATE GAS SEVERANCE TAX LAW, FOR THE PURPOSES OF POSSIBLE
65 AMENDMENT; TO BRING FORWARD SECTIONS 27-65-19, 27-65-22, 27-65-25
66 AND 27-65-26, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS
67 SALES TAXES, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING
68 FORWARD SECTION 27-65-241, MISSISSIPPI CODE OF 1972, WHICH
69 AUTHORIZES CERTAIN MUNICIPALITIES TO LEVY A MUNICIPAL SPECIAL
70 SALES TAX, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING
71 FORWARD SECTIONS 27-65-101, 27-65-103, 27-65-105, 27-65-107 AND
72 27-65-111, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS SALES
73 TAX EXEMPTIONS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING
74 FORWARD SECTION 27-67-31, MISSISSIPPI CODE OF 1972, WHICH PROVIDES
75 FOR THE DISTRIBUTION OF STATE USE TAX REVENUE, FOR THE PURPOSES OF
76 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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Andrew Ketchings
Clerk of the House of Representatives