

By: Representative Roberson

To: Ways and Means

HOUSE BILL NO. 474
(As Sent to Governor)

1 AN ACT TO REENACT SECTIONS 57-117-1 THROUGH 57-117-9,
2 MISSISSIPPI CODE OF 1972, WHICH ARE THE MISSISSIPPI HEALTH CARE
3 INDUSTRY ZONE ACT; TO AMEND SECTION 57-117-11, MISSISSIPPI CODE OF
4 1972, TO EXTEND THE DATE OF THE REPEALER ON THE MISSISSIPPI HEALTH
5 CARE INDUSTRY ZONE ACT; TO AMEND REENACTED SECTION 57-117-3,
6 MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022
7 REGULAR SESSION, TO MAKE MINOR, NONSUBSTANTIVE NUMBERING CHANGES;
8 TO REENACT SECTION 27-31-101, MISSISSIPPI CODE OF 1972, WHICH
9 AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING
10 AUTHORITIES TO GRANT AN AD VALOREM TAX EXEMPTION TO HEALTH CARE
11 INDUSTRY FACILITIES; TO AMEND REENACTED SECTION 27-31-101,
12 MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REVERTER ON
13 THAT STATUTE; TO AMEND SECTION 27-31-104, MISSISSIPPI CODE OF
14 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022 REGULAR SESSION, TO
15 EXTEND THE DATE OF THE REVERTER ON THE STATUTE THAT AUTHORIZES
16 COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING AUTHORITIES
17 TO GRANT A FEE-IN-LIEU OF AD VALOREM TAXES TO QUALIFIED BUSINESSES
18 UNDER THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT WHICH MEET
19 MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT
20 AUTHORITY; TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
21 AS AMENDED BY SENATE BILL NO. 2095, 2022 REGULAR SESSION, TO
22 EXTEND THE DATE OF THE REPEALER ON THE PROVISION OF LAW THAT
23 EXEMPTS FROM SALES TAXATION SALES OF MATERIALS USED IN THE
24 CONSTRUCTION OF, OR ADDITION OR IMPROVEMENTS TO, A HEALTH CARE
25 INDUSTRY FACILITY AND CERTAIN SALES OF MACHINERY AND EQUIPMENT TO
26 BE USED IN THE FACILITY; TO AMEND SECTION 6, CHAPTER 520, LAWS OF
27 2012, TO CORRECT THE SECTION NUMBERS CITED IN THE MISSISSIPPI
28 HEALTH CARE INDUSTRY ZONE ACT'S ENABLING LEGISLATION WHICH ARE
29 SUBJECT TO REPEAL; AND FOR RELATED PURPOSES.



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

31 **SECTION 1.** Section 57-117-1, Mississippi Code of 1972, is
32 reenacted as follows:

33 57-117-1. This chapter shall be known and may be cited as
34 the "Mississippi Health Care Industry Zone Act."

35 **SECTION 2.** Section 57-117-3, Mississippi Code of 1972, as
36 amended by Senate Bill No. 2095, 2022 Regular Session, is
37 reenacted and amended as follows:

38 57-117-3. In this chapter:

39 (a) "Health care industry facility" means:

40 (i) A business engaged in the research and
41 development of pharmaceuticals, biologics, biotechnology,
42 diagnostic imaging, medical supplies, medical equipment or
43 medicine and related manufacturing or processing, medical service
44 providers, medical product distribution, or laboratory testing
45 that creates a minimum of twenty-five (25) new full-time jobs
46 and/or Ten Million Dollars (\$10,000,000.00) of capital investment
47 after July 1, 2012; or

48 (ii) A business that * * * 1. is located on land
49 owned by or leased from an academic health science center with a
50 medical school accredited by the Liaison Committee on Medical
51 Education and a hospital accredited by the Joint Committee on
52 Accreditation of Healthcare Organizations and * * * 2. creates a
53 minimum of twenty-five (25) new jobs and/or Twenty Million Dollars
54 (\$20,000,000.00) of capital investment after July 1, 2012.



55 The term "health care industry facility" does not include any
56 medical cannabis establishment as defined in the Mississippi
57 Medical Cannabis Act.

58 (b) "MDA" means the Mississippi Development Authority.

59 (c) "Health care industry zone" means a geographical
60 area certified by the MDA as provided for in Section 57-117-5.

61 (d) "Local government unit" means any county or
62 incorporated city, town or village in the State of Mississippi.

63 (e) "Person" means a natural person, partnership,
64 limited liability company, association, corporation, business
65 trust or other business entity.

66 (f) "Qualified business" means a business or health
67 care industry facility that meets the requirements of Section
68 57-117-7 and any other requirements of this chapter. The term
69 "qualified business" does not include any medical cannabis
70 establishment as defined in the Mississippi Medical Cannabis Act.

71 **SECTION 3.** Section 57-117-5, Mississippi Code of 1972, is
72 reenacted as follows:

73 57-117-5. (1) The MDA may certify an area as a health care
74 industry zone if the following requirements are met:

75 (a) The area is located within:

76 (i) Three (3) contiguous counties which have
77 certificates of need of more than three hundred seventy-five (375)
78 acute care hospital beds; and/or



79 (ii) A county which has a hospital with a minimum
80 capital investment of Two Hundred Fifty Million Dollars
81 (\$250,000,000.00) and for which construction is completed before
82 July 1, 2017;

83 (b) The health care industry facility is located within
84 a five-mile radius of:

85 (i) A facility with a certificate of need for
86 hospital beds; and/or

87 (ii) A university or college that is:

88 1. Accredited by the Southern Association of
89 Colleges and Schools and awards degrees and/or trains workers for
90 jobs in health care or pharmaceutical fields of study and/or work,
91 and

92 2. Located along or near Mississippi Highway
93 67 within a master planned community as defined in Section
94 19-5-10; and

95 (c) The zoning of the local government unit, if
96 applicable, allows the construction or operation in the proposed
97 health care industry zone of the health care industry facility.

98 (2) A health care industry facility that engages in an
99 activity for which a certificate of need is required must comply
100 with the provisions of Section 41-7-191 in order to be certified
101 as a qualified business.

102 (3) The MDA may adopt and promulgate such rules and
103 regulations, in compliance with the Mississippi Administrative



104 Procedures Law, as are necessary for the efficient and effective
105 administration of this section in keeping with the purposes for
106 which it is enacted.

107 **SECTION 4.** Section 57-117-7, Mississippi Code of 1972, is
108 reenacted as follows:

109 57-117-7. (1) Businesses and health care industry
110 facilities shall apply to the MDA for certification as a qualified
111 business. If the health care industry facility or business is
112 located in a health care industry zone and meets the requirements
113 of this chapter, the MDA shall certify it as a qualified business.

114 (2) A health care industry facility or business certified by
115 the MDA as a qualified business within a health care industry zone
116 that constructs or renovates a health care industry facility
117 within a health care industry zone shall qualify for the
118 following:

119 (a) An accelerated state income tax depreciation
120 deduction. The accelerated depreciation deduction shall be
121 computed by accelerating depreciation period required by
122 Mississippi Administrative Code, to a ten-year depreciation
123 period.

124 (b) A sales tax exemption as authorized in Section
125 27-65-101(pp).

126 (c) A fee-in-lieu of taxes as authorized in Section
127 27-31-104.



128 (d) An ad valorem tax exemption as authorized in
129 Section 27-31-101.

130 **SECTION 5.** Section 57-117-9, Mississippi Code of 1972, is
131 reenacted as follows:

132 57-117-9. If the qualified business has not created the
133 requisite number of jobs required by this chapter, the health care
134 industry zone certification may be revoked by MDA after five (5)
135 years have elapsed from the effective date of certification. A
136 revocation under this section shall not act retroactively to
137 remove any incentives granted by this chapter.

138 **SECTION 6.** Section 57-117-11, Mississippi Code of 1972, is
139 amended as follows:

140 57-117-11. Sections 57-117-1 through 57-117-11 * * * shall
141 be repealed from and after July 1, * * * 2025.

142 **SECTION 7.** Section 27-31-101, Mississippi Code of 1972, is
143 reenacted and amended as follows:

144 **[Through June 30, * * * 2025, this section shall read as**
145 **follows:]**

146 27-31-101. (1) County boards of supervisors and municipal
147 authorities are hereby authorized and empowered, in their
148 discretion, to grant exemptions from ad valorem taxation, except
149 state ad valorem taxation; however, such governing authorities
150 shall not exempt ad valorem taxes for school district purposes on
151 tangible property used in, or necessary to, the operation of the
152 manufacturers and other new enterprises enumerated by classes in



153 this section, except to the extent authorized in Sections
154 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
155 taxes the products of the manufacturers or other new enterprises
156 or automobiles and trucks belonging to the manufacturers or other
157 new enterprises operating on and over the highways of the State of
158 Mississippi. The time of such exemption shall be for a period not
159 to exceed a total of ten (10) years which shall begin on the date
160 of completion of the new enterprise for which the exemption is
161 granted; however, boards of supervisors and municipal authorities,
162 in lieu of granting the exemption for one (1) period of ten (10)
163 years, may grant the exemption in a period of less than ten (10)
164 years. When the initial exemption period granted is less than ten
165 (10) years, the boards of supervisors and municipal authorities
166 may grant a subsequent consecutive period or periods to follow the
167 initial period of exemption, provided that the total of all
168 periods of exemption shall not exceed ten (10) years. The date of
169 completion of the new enterprise, from which the initial period of
170 exemption shall begin, shall be the date on which operations of
171 the new enterprise begin. The initial request for an exemption
172 must be made in writing by June 1 of the year immediately
173 following the year in which the date of completion of a new
174 enterprise occurs. If the initial request for the exemption is
175 not timely made, the board of supervisors or municipal authorities
176 may grant a subsequent request for the exemption and, in such
177 case, the exemption shall begin on the anniversary date of



178 completion of the enterprise in the year in which the request is
179 made and may be for a period of time extending not more than ten
180 (10) years from the date of completion of the new enterprise. Any
181 subsequent request for the exemption must be made in writing by
182 June 1 of the year in which it is granted.

183 (2) Any board of supervisors or municipal authority which
184 has granted an exemption for a period of less than ten (10) years
185 may grant subsequent periods of exemption to run consecutively
186 with the initial exemption period, or a subsequently granted
187 exemption period, but in no case shall the total of the exemption
188 periods granted for a new enterprise exceed ten (10) years. Any
189 consecutive period of exemption shall be granted by entry of an
190 order by the board or the authority granting the consecutive
191 exemption on its minutes, reflecting the granting of the
192 consecutive exemption period and the dates upon which such
193 consecutive exemption period begins and expires. The entry of
194 this order granting the consecutive period of exemption shall be
195 made before the expiration of the exemption period immediately
196 preceding the consecutive exemption period being granted.

197 (3) (a) The new enterprises for which any or all of the
198 tangible property described in paragraph (b) of this subsection
199 (3) may be exempt from ad valorem taxation, except state ad
200 valorem taxation, ad valorem taxes for school district purposes,
201 and ad valorem taxes on the products thereof or on automobiles and
202 trucks belonging thereto and operating on and over the highways of



203 the State of Mississippi, are enumerated as and limited to the
204 following, as determined by the Department of Revenue:

205 (i) Warehouse and/or distribution centers;

206 (ii) Manufacturing, processors and refineries;

207 (iii) Research facilities;

208 (iv) Corporate regional and national headquarters
209 meeting minimum criteria established by the Mississippi
210 Development Authority;

211 (v) Movie industry studios meeting minimum
212 criteria established by the Mississippi Development Authority;

213 (vi) Air transportation and maintenance facilities
214 meeting minimum criteria established by the Mississippi
215 Development Authority;

216 (vii) Recreational facilities that impact tourism
217 meeting minimum criteria established by the Mississippi
218 Development Authority;

219 (viii) Data/information processing enterprises
220 meeting minimum criteria established by the Mississippi
221 Development Authority;

222 (ix) Technology intensive enterprises or
223 facilities meeting criteria established by the Mississippi
224 Development Authority;

225 (x) Health care industry facilities as defined in
226 Section 57-117-3;



227 (xi) Data centers as defined in Section 57-113-21;

228 and

229 (xii) Telecommunications enterprises meeting
230 minimum criteria established by the Mississippi Development
231 Authority. The term "telecommunications enterprises" means
232 entities engaged in the creation, display, management, storage,
233 processing, transmission or distribution for compensation of
234 images, text, voice, video or data by wire or by wireless means,
235 or entities engaged in the construction, design, development,
236 manufacture, maintenance or distribution for compensation of
237 devices, products, software or structures used in the above
238 activities. Companies organized to do business as commercial
239 broadcast radio stations, television stations or news
240 organizations primarily serving in-state markets shall not be
241 included within the definition of the term "telecommunications
242 enterprises."

243 (b) An exemption from ad valorem taxes granted under
244 this section may include any or all tangible property, real or
245 personal, including any leasehold interests therein but excluding
246 automobiles and trucks operating on and over the highways of the
247 State of Mississippi, used in connection with, or necessary to,
248 the operation of an enterprise enumerated in paragraph (a) of this
249 subsection (3), whether or not such property is owned, leased,
250 subleased, licensed or otherwise obtained by such enterprise,
251 irrespective of the taxpayer to which any such leased property is



252 assessed for ad valorem tax purposes. If an exemption is granted
253 pursuant to this section with respect to any leasehold interest
254 under a lease, sublease or license of tangible property used in
255 connection with, or necessary to, the operation of an enterprise
256 enumerated in paragraph (a) of this subsection (3), the
257 corresponding ownership interest of the owner, lessor and
258 sublessor of such tangible property shall similarly and
259 automatically be exempt without any action being required to be
260 taken by such owner, lessor or sublessor.

261 (4) Any exemption from ad valorem taxes granted under this
262 section before March 28, 2019, and consistent herewith, is hereby
263 ratified, approved and confirmed.

264 **[From and after July 1, * * * 2025, this section shall read**
265 **as follows:]**

266 27-31-101. (1) County boards of supervisors and municipal
267 authorities are hereby authorized and empowered, in their
268 discretion, to grant exemptions from ad valorem taxation, except
269 state ad valorem taxation; however, such governing authorities
270 shall not exempt ad valorem taxes for school district purposes on
271 tangible property used in, or necessary to, the operation of the
272 manufacturers and other new enterprises enumerated by classes in
273 this section, except to the extent authorized in Sections
274 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
275 taxes the products of the manufacturers or other new enterprises
276 or automobiles and trucks belonging to the manufacturers or other



277 new enterprises operating on and over the highways of the State of
278 Mississippi. The time of such exemption shall be for a period not
279 to exceed a total of ten (10) years which shall begin on the date
280 of completion of the new enterprise for which the exemption is
281 granted; however, boards of supervisors and municipal authorities,
282 in lieu of granting the exemption for one (1) period of ten (10)
283 years, may grant the exemption in a period of less than ten (10)
284 years. When the initial exemption period granted is less than ten
285 (10) years, the boards of supervisors and municipal authorities
286 may grant a subsequent consecutive period or periods to follow the
287 initial period of exemption, provided that the total of all
288 periods of exemption shall not exceed ten (10) years. The date of
289 completion of the new enterprise, from which the initial period of
290 exemption shall begin, shall be the date on which operations of
291 the new enterprise begin. The initial request for an exemption
292 must be made in writing by June 1 of the year immediately
293 following the year in which the date of completion of a new
294 enterprise occurs. If the initial request for the exemption is
295 not timely made, the board of supervisors or municipal authorities
296 may grant a subsequent request for the exemption and, in such
297 case, the exemption shall begin on the anniversary date of
298 completion of the enterprise in the year in which the request is
299 made and may be for a period of time extending not more than ten
300 (10) years from the date of completion of the new enterprise. Any



301 subsequent request for the exemption must be made in writing by
302 June 1 of the year in which it is granted.

303 (2) Any board of supervisors or municipal authority which
304 has granted an exemption for a period of less than ten (10) years
305 may grant subsequent periods of exemption to run consecutively
306 with the initial exemption period, or a subsequently granted
307 exemption period, but in no case shall the total of the exemption
308 periods granted for a new enterprise exceed ten (10) years. Any
309 consecutive period of exemption shall be granted by entry of an
310 order by the board or the authority granting the consecutive
311 exemption on its minutes, reflecting the granting of the
312 consecutive exemption period and the dates upon which such
313 consecutive exemption period begins and expires. The entry of
314 this order granting the consecutive period of exemption shall be
315 made before the expiration of the exemption period immediately
316 preceding the consecutive exemption period being granted.

317 (3) (a) The new enterprises for which any or all of the
318 tangible property described in paragraph (b) of this subsection
319 (3) may be exempt from ad valorem taxation, except state ad
320 valorem taxation, ad valorem taxes for school district purposes,
321 and ad valorem taxes on the products thereof or on automobiles and
322 trucks belonging thereto and operating on and over the highways of
323 the State of Mississippi, are enumerated as and limited to the
324 following, as determined by the Department of Revenue:

325 (i) Warehouse and/or distribution centers;



326 (ii) Manufacturing, processors and refineries;
327 (iii) Research facilities;
328 (iv) Corporate regional and national headquarters
329 meeting minimum criteria established by the Mississippi
330 Development Authority;
331 (v) Movie industry studios meeting minimum
332 criteria established by the Mississippi Development Authority;
333 (vi) Air transportation and maintenance facilities
334 meeting minimum criteria established by the Mississippi
335 Development Authority;
336 (vii) Recreational facilities that impact tourism
337 meeting minimum criteria established by the Mississippi
338 Development Authority;
339 (viii) Data/information processing enterprises
340 meeting minimum criteria established by the Mississippi
341 Development Authority;
342 (ix) Technology intensive enterprises or
343 facilities meeting criteria established by the Mississippi
344 Development Authority;
345 (x) Data centers as defined in Section 57-113-21;
346 and
347 (xi) Telecommunications enterprises meeting
348 minimum criteria established by the Mississippi Development
349 Authority. The term "telecommunications enterprises" means
350 entities engaged in the creation, display, management, storage,



351 processing, transmission or distribution for compensation of
352 images, text, voice, video or data by wire or by wireless means,
353 or entities engaged in the construction, design, development,
354 manufacture, maintenance or distribution for compensation of
355 devices, products, software or structures used in the above
356 activities. Companies organized to do business as commercial
357 broadcast radio stations, television stations or news
358 organizations primarily serving in-state markets shall not be
359 included within the definition of the term "telecommunications
360 enterprises."

361 (b) An exemption from ad valorem taxes granted under
362 this section may include any or all tangible property, real or
363 personal, including any leasehold interests therein but excluding
364 automobiles and trucks operating on and over the highways of the
365 State of Mississippi, used in connection with, or necessary to,
366 the operation of an enterprise enumerated in paragraph (a) of this
367 subsection (3), whether or not such property is owned, leased,
368 subleased, licensed or otherwise obtained by such enterprise,
369 irrespective of the taxpayer to which any such leased property is
370 assessed for ad valorem tax purposes. If an exemption is granted
371 pursuant to this section with respect to any leasehold interest
372 under a lease, sublease or license of tangible property used in
373 connection with, or necessary to, the operation of an enterprise
374 enumerated in paragraph (a) of this subsection (3), the
375 corresponding ownership interest of the owner, lessor and



376 sublessor of such tangible property shall similarly and
377 automatically be exempt without any action being required to be
378 taken by such owner, lessor or sublessor.

379 (4) Any exemption from ad valorem taxes granted under this
380 section before March 28, 2019, and consistent herewith, is hereby
381 ratified, approved and confirmed.

382 **SECTION 8.** Section 27-31-104, Mississippi Code of 1972, as
383 amended by Senate Bill No. 2095, 2022 Regular Session, is amended
384 as follows:

385 **[Through June 30, * * * 2025, this section shall read as**
386 **follows:]**

387 27-31-104. (1) (a) County boards of supervisors and
388 municipal authorities are each hereby authorized and empowered to
389 enter into an agreement with an enterprise granting, and pursuant
390 to such agreement grant a fee-in-lieu of ad valorem taxes,
391 including ad valorem taxes levied for school purposes, for the
392 following:

393 (i) Projects totaling over Sixty Million Dollars
394 (\$60,000,000.00) by any new enterprises enumerated in Section
395 27-31-101;

396 (ii) Projects by a private company (as such term
397 is defined in Section 57-61-5) having a minimum capital investment
398 of Sixty Million Dollars (\$60,000,000.00);



399 (iii) Projects by a qualified business (as such
400 term is defined in Section 57-117-3) meeting minimum criteria
401 established by the Mississippi Development Authority;

402 (iv) Projects, in addition to those projects
403 referenced in Section 27-31-105, totaling over Sixty Million
404 Dollars (\$60,000,000.00) by an existing enterprise that has been
405 doing business in the county or municipality for twenty-four (24)
406 months. For purposes of this subparagraph (iv), the term
407 "existing enterprise" includes those enterprises enumerated in
408 Section 27-31-101; or

409 (v) A private company (as such term is defined in
410 Section 57-61-5) having a minimum capital investment of One
411 Hundred Million Dollars (\$100,000,000.00) from any source or
412 combination of sources, provided that a majority of the capital
413 investment is from private sources, when such project is located
414 within a geographic area for which a Presidential Disaster
415 Declaration was issued on or after January 1, 2014.

416 County boards of supervisors and municipal authorities may
417 not enter into an agreement with an enterprise that is a medical
418 cannabis establishment, as defined in the Mississippi Medical
419 Cannabis Act, granting, and pursuant to such agreement grant a
420 fee-in-lieu of ad valorem taxes.

421 (b) A fee-in-lieu of ad valorem taxes granted in
422 accordance with this section may include any or all tangible
423 property, real or personal, including any leasehold interests



424 therein but excluding automobiles and trucks operating on and over
425 the highways of the State of Mississippi, used in connection with,
426 or necessary to, the operation of any enterprise, private company
427 or business described in paragraph (a) of this subsection (1), as
428 applicable, whether or not such property is owned, leased,
429 subleased, licensed or otherwise obtained by such enterprise,
430 private company or business, as applicable, irrespective of the
431 taxpayer to which any such leased property is assessed for ad
432 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
433 granted pursuant to this section with respect to any leasehold
434 interest under a lease, sublease or license of tangible property
435 used in connection with, or necessary to, the operation of an
436 enterprise, private company or business described in paragraph (a)
437 of this subsection (1), as applicable, the corresponding ownership
438 interest of the owner, lessor and sublessor of such tangible
439 property shall similarly and automatically be exempt and subject
440 to the fee-in-lieu granted in accordance herewith without any
441 action being required to be taken by such owner, lessor or
442 sublessor.

443 (2) A county board of supervisors may enter into a
444 fee-in-lieu agreement on behalf of the county and any county
445 school district, and a municipality may enter into such a
446 fee-in-lieu agreement on behalf of the municipality and any
447 municipal school district located in the municipality; however, if
448 the project is located outside the limits of a municipality but



449 within the boundaries of the municipal school district, then the
450 county board of supervisors may enter into such a fee-in-lieu
451 agreement on behalf of the school district granting a fee-in-lieu
452 of ad valorem taxes for school district purposes.

453 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
454 evidenced by a written agreement negotiated by the enterprise and
455 the county board of supervisors and/or municipal authority, as the
456 case may be, and given final approval by the Mississippi
457 Development Authority as satisfying the requirements of this
458 section.

459 (4) The minimum sum allowable as a fee-in-lieu shall not be
460 less than one-third (1/3) of the ad valorem levy, including ad
461 valorem taxes for school district purposes, and except as
462 otherwise provided, the sum allowed shall be apportioned between
463 the county or municipality, as appropriate, and the school
464 districts in such amounts as may be determined by the county board
465 of supervisors or municipal governing authority, as the case may
466 be, however, except as otherwise provided in this section, from
467 the sum allowed the apportionment to school districts shall not be
468 less than the school districts' pro rata share based upon the
469 proportion that the millage imposed for the school districts by
470 the appropriate levying authority bears to the millage imposed by
471 such levying authority for all other county or municipal purposes.
472 Any fee-in-lieu agreement entered into under this section shall
473 become a binding obligation of the parties to the agreement, be



474 effective upon its execution by the parties and approval by the
475 Mississippi Development Authority and, except as otherwise
476 provided in Section 17-25-23 or Section 57-75-33, or any other
477 provision of law, continue in effect for a period not to exceed
478 thirty (30) years commencing on the date that the fee-in-lieu
479 granted thereunder begins in accordance with the agreement;
480 however, no particular parcel of land, real property improvement
481 or item of personal property shall be subject to a fee-in-lieu for
482 a duration of more than ten (10) years. Any such agreement shall
483 be binding, according to its terms, on future boards of
484 supervisors of the county and/or governing authorities of a
485 municipality, as the case may be, for the duration of the
486 agreement.

487 (5) The fee-in-lieu may be a stated fraction or percentage
488 of the ad valorem taxes otherwise payable or a stated dollar
489 amount. If the fee is a fraction or percentage of the ad valorem
490 tax levy, it shall be annually computed on all ad valorem taxes
491 otherwise payable, including school taxes, as the same may vary
492 from year to year based upon changes in the millage rate or
493 assessed value and shall not be less than one-third (1/3) of that
494 amount. If the fee is a stated dollar amount, said amount shall
495 be the higher of the sum provided for fixed payment or one-third
496 (1/3) of the total of all ad valorem taxes otherwise payable as
497 annually determined during each year of the fee-in-lieu.



498 (6) Notwithstanding Section 27-31-111, the parties to a
499 fee-in-lieu may agree on terms and conditions providing for the
500 reduction, suspension, termination or reinstatement of a
501 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
502 upon the cessation of operations by project for twelve (12) or
503 more consecutive months or due to other conditions set forth in
504 the agreement.

505 (7) For a project as defined in Section 57-75-5(f)(xxi) and
506 located in a county that is a member of a regional economic
507 development alliance created under Section 57-64-1 et seq., the
508 members of the regional economic development alliance may divide
509 the sum allowed as a fee-in-lieu in a manner as determined by the
510 alliance agreement, and the boards of supervisors of the member
511 counties may then apportion the sum allowed between school
512 district purposes and all other county purposes.

513 (8) For a project as defined in Section 57-75-5(f)(xxvi),
514 the board of supervisors of the county in which the project is
515 located may negotiate with the school district in which the
516 project is located and apportion to the school district an amount
517 of the fee-in-lieu that is agreed upon in the negotiations
518 different than the amount provided for in subsection (3) of this
519 section.

520 (9) For a project as defined in Section 57-75-5(f)(xxviii),
521 the annual amount of the fee-in-lieu apportioned to the county
522 shall not be less than the amount necessary to pay the debt



523 service on bonds issued by the county pursuant to Section
524 57-75-37(3) (c) .

525 (10) Any fee-in-lieu of ad valorem taxes granted under this
526 section before March 28, 2019, and consistent herewith, is hereby
527 ratified, approved and confirmed.

528 **[From and after July 1, * * * 2025, this section shall read**
529 **as follows:]**

530 27-31-104. (1) (a) County boards of supervisors and
531 municipal authorities are each hereby authorized and empowered to
532 enter into an agreement with an enterprise granting, and pursuant
533 to such agreement grant a fee-in-lieu of ad valorem taxes,
534 including ad valorem taxes levied for school purposes, for the
535 following:

536 (i) Projects totaling over Sixty Million Dollars
537 (\$60,000,000.00) by any new enterprises enumerated in Section
538 27-31-101;

539 (ii) Projects by a private company (as such term
540 is defined in Section 57-61-5, Mississippi Code of 1972) having a
541 minimum capital investment of Sixty Million Dollars
542 (\$60,000,000.00);

543 (iii) Projects, in addition to those projects
544 referenced in Section 27-31-105, totaling over Sixty Million
545 Dollars (\$60,000,000.00) by an existing enterprise that has been
546 doing business in the county or municipality for twenty-four (24)
547 months. For purposes of this subparagraph (iii), the term



548 "existing enterprise" includes those enterprises enumerated in
549 Section 27-31-101; or

550 (iv) A private company (as such term is defined in
551 Section 57-61-5) having a minimum capital investment of One
552 Hundred Million Dollars (\$100,000,000.00) from any source or
553 combination of sources, provided that a majority of the capital
554 investment is from private sources, when such project is located
555 within a geographic area for which a Presidential Disaster
556 Declaration was issued on or after January 1, 2014.

557 County boards of supervisors and municipal authorities may
558 not enter into an agreement with an enterprise that is a medical
559 cannabis establishment, as defined in the Mississippi Medical
560 Cannabis Act, granting, and pursuant to such agreement grant a
561 fee-in-lieu of ad valorem taxes.

562 (b) A fee-in-lieu of ad valorem taxes granted in
563 accordance with this section may include any or all tangible
564 property, real or personal, including any leasehold interests
565 therein but excluding automobiles and trucks operating on and over
566 the highways of the State of Mississippi, used in connection with,
567 or necessary to, the operation of any enterprise, private company
568 or business described in paragraph (a) of this subsection (1), as
569 applicable, whether or not such property is owned, leased,
570 subleased, licensed or otherwise obtained by such enterprise,
571 private company or business, as applicable, irrespective of the
572 taxpayer to which any such leased property is assessed for ad



573 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
574 granted pursuant to this section with respect to any leasehold
575 interest under a lease, sublease or license of tangible property
576 used in connection with, or necessary to, the operation of an
577 enterprise, private company or business described in paragraph (a)
578 of this subsection (1), as applicable, the corresponding ownership
579 interest of the owner, lessor and sublessor of such tangible
580 property shall similarly and automatically be exempt and subject
581 to the fee-in-lieu granted in accordance herewith without any
582 action being required to be taken by such owner, lessor or
583 sublessor.

584 (2) A county board of supervisors may enter into a
585 fee-in-lieu agreement on behalf of the county and any county
586 school district, and a municipality may enter into such a
587 fee-in-lieu agreement on behalf of the municipality and any
588 municipal school district located in the municipality; however, if
589 the project is located outside the limits of a municipality but
590 within the boundaries of the municipal school district, then the
591 county board of supervisors may enter into such a fee-in-lieu
592 agreement on behalf of the school district granting a fee-in-lieu
593 of ad valorem taxes for school district purposes.

594 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
595 evidenced by a written agreement negotiated by the enterprise and
596 the county board of supervisors and/or municipal authority, as the
597 case may be, and given final approval by the Mississippi



598 Development Authority as satisfying the requirements of this
599 section.

600 (4) The minimum sum allowable as a fee-in-lieu shall not be
601 less than one-third (1/3) of the ad valorem levy, including ad
602 valorem taxes for school district purposes, and except as
603 otherwise provided, the sum allowed shall be apportioned between
604 the county or municipality, as appropriate, and the school
605 districts in such amounts as may be determined by the county board
606 of supervisors or municipal governing authority, as the case may
607 be, however, except as otherwise provided in this section, from
608 the sum allowed the apportionment to school districts shall not be
609 less than the school districts' pro rata share based upon the
610 proportion that the millage imposed for the school districts by
611 the appropriate levying authority bears to the millage imposed by
612 such levying authority for all other county or municipal purposes.
613 Any fee-in-lieu agreement entered into under this section shall
614 become a binding obligation of the parties to the agreement, be
615 effective upon its execution by the parties and approval by the
616 Mississippi Development Authority and, except as otherwise
617 provided in Section 17-25-23 or Section 57-75-33, or any other
618 provision of law, continue in effect for a period not to exceed
619 thirty (30) years commencing on the date that the fee-in-lieu
620 granted thereunder begins in accordance with the agreement;
621 however, no particular parcel of land, real property improvement
622 or item of personal property shall be subject to a fee-in-lieu for



623 a duration of more than ten (10) years. Any such agreement shall
624 be binding, according to its terms, on future boards of
625 supervisors of the county and/or governing authorities of a
626 municipality, as the case may be, for the duration of the
627 agreement.

628 (5) The fee-in-lieu may be a stated fraction or percentage
629 of the ad valorem taxes otherwise payable or a stated dollar
630 amount. If the fee is a fraction or percentage of the ad valorem
631 tax levy, it shall be annually computed on all ad valorem taxes
632 otherwise payable, including school taxes, as the same may vary
633 from year to year based upon changes in the millage rate or
634 assessed value and shall not be less than one-third (1/3) of that
635 amount. If the fee is a stated dollar amount, said amount shall
636 be the higher of the sum provided for fixed payment or one-third
637 (1/3) of the total of all ad valorem taxes otherwise payable as
638 annually determined during each year of the fee-in-lieu.

639 (6) Notwithstanding Section 27-31-111, the parties to a
640 fee-in-lieu may agree on terms and conditions providing for the
641 reduction, suspension, termination or reinstatement of a
642 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
643 upon the cessation of operations by project for twelve (12) or
644 more consecutive months or due to other conditions set forth in
645 the agreement.

646 (7) For a project as defined in Section 57-75-5(f)(xxi) and
647 located in a county that is a member of a regional economic



648 development alliance created under Section 57-64-1 et seq., the
649 members of the regional economic development alliance may divide
650 the sum allowed as a fee-in-lieu in a manner as determined by the
651 alliance agreement, and the boards of supervisors of the member
652 counties may then apportion the sum allowed between school
653 district purposes and all other county purposes.

654 (8) For a project as defined in Section 57-75-5(f) (xxvi),
655 the board of supervisors of the county in which the project is
656 located may negotiate with the school district in which the
657 project is located and apportion to the school district an amount
658 of the fee-in-lieu that is agreed upon in the negotiations
659 different than the amount provided for in subsection (3) of this
660 section.

661 (9) For a project as defined in Section 57-75-5(f) (xxviii),
662 the annual amount of the fee-in-lieu apportioned to the county
663 shall not be less than the amount necessary to pay the annual debt
664 service on bonds issued by the county pursuant to Section
665 57-75-37(3) (c) .

666 (10) Any fee-in-lieu of ad valorem taxes granted under this
667 section before March 28, 2019, and consistent herewith, is hereby
668 ratified, approved and confirmed.

669 **SECTION 9.** Section 27-65-101, Mississippi Code of 1972, as
670 amended by Senate Bill No. 2095, 2022 Regular Session, is amended
671 as follows:



672 27-65-101. (1) The exemptions from the provisions of this
673 chapter which are of an industrial nature or which are more
674 properly classified as industrial exemptions than any other
675 exemption classification of this chapter shall be confined to
676 those persons or property exempted by this section or by the
677 provisions of the Constitution of the United States or the State
678 of Mississippi. No industrial exemption as now provided by any
679 other section except Section 57-3-33 shall be valid as against the
680 tax herein levied. Any subsequent industrial exemption from the
681 tax levied hereunder shall be provided by amendment to this
682 section. No exemption provided in this section shall apply to
683 taxes levied by Section 27-65-15 or 27-65-21.

684 The tax levied by this chapter shall not apply to the
685 following:

686 (a) Sales of boxes, crates, cartons, cans, bottles and
687 other packaging materials to manufacturers and wholesalers for use
688 as containers or shipping materials to accompany goods sold by
689 said manufacturers or wholesalers where possession thereof will
690 pass to the customer at the time of sale of the goods contained
691 therein and sales to anyone of containers or shipping materials
692 for use in ships engaged in international commerce.

693 (b) Sales of raw materials, catalysts, processing
694 chemicals, welding gases or other industrial processing gases
695 (except natural gas) to a manufacturer for use directly in
696 manufacturing or processing a product for sale or rental or



697 repairing or reconditioning vessels or barges of fifty (50) tons
698 load displacement and over. For the purposes of this exemption,
699 electricity used directly in the electrolysis process in the
700 production of sodium chlorate shall be considered a raw material.
701 This exemption shall not apply to any property used as fuel except
702 to the extent that such fuel comprises by-products which have no
703 market value.

704 (c) The gross proceeds of sales of dry docks, offshore
705 drilling equipment for use in oil or natural gas exploration or
706 production, vessels or barges of fifty (50) tons load displacement
707 and over, when the vessels or barges are sold by the manufacturer
708 or builder thereof. In addition to other types of equipment,
709 offshore drilling equipment for use in oil or natural gas
710 exploration or production shall include aircraft used
711 predominately to transport passengers or property to or from
712 offshore oil or natural gas exploration or production platforms or
713 vessels, and engines, accessories and spare parts for such
714 aircraft.

715 (d) Sales to commercial fishermen of commercial fishing
716 boats of over five (5) tons load displacement and not more than
717 fifty (50) tons load displacement as registered with the United
718 States Coast Guard and licensed by the Mississippi Commission on
719 Marine Resources.

720 (e) The gross income from repairs to vessels and barges
721 engaged in foreign trade or interstate transportation.



722 (f) Sales of petroleum products to vessels or barges
723 for consumption in marine international commerce or interstate
724 transportation businesses.

725 (g) Sales and rentals of rail rolling stock (and
726 component parts thereof) for ultimate use in interstate commerce
727 and gross income from services with respect to manufacturing,
728 repairing, cleaning, altering, reconditioning or improving such
729 rail rolling stock (and component parts thereof).

730 (h) Sales of raw materials, catalysts, processing
731 chemicals, welding gases or other industrial processing gases
732 (except natural gas) used or consumed directly in manufacturing,
733 repairing, cleaning, altering, reconditioning or improving such
734 rail rolling stock (and component parts thereof). This exemption
735 shall not apply to any property used as fuel.

736 (i) Sales of machinery or tools or repair parts
737 therefor or replacements thereof, fuel or supplies used directly
738 in manufacturing, converting or repairing ships, vessels or barges
739 of three thousand (3,000) tons load displacement and over, but not
740 to include office and plant supplies or other equipment not
741 directly used on the ship, vessel or barge being built, converted
742 or repaired. For purposes of this exemption, "ships, vessels or
743 barges" shall not include floating structures described in Section
744 27-65-18.

745 (j) Sales of tangible personal property to persons
746 operating ships in international commerce for use or consumption



747 on board such ships. This exemption shall be limited to cases in
748 which procedures satisfactory to the commissioner, ensuring
749 against use in this state other than on such ships, are
750 established.

751 (k) Sales of materials used in the construction of a
752 building, or any addition or improvement thereon, and sales of any
753 machinery and equipment not later than three (3) months after the
754 completion of construction of the building, or any addition
755 thereon, to be used therein, to qualified businesses, as defined
756 in Section 57-51-5, which are located in a county or portion
757 thereof designated as an enterprise zone pursuant to Sections
758 57-51-1 through 57-51-15.

759 (l) Sales of materials used in the construction of a
760 building, or any addition or improvement thereon, and sales of any
761 machinery and equipment not later than three (3) months after the
762 completion of construction of the building, or any addition
763 thereon, to be used therein, to qualified businesses, as defined
764 in Section 57-54-5.

765 (m) Income from storage and handling of perishable
766 goods by a public storage warehouse.

767 (n) The value of natural gas lawfully injected into the
768 earth for cycling, repressuring or lifting of oil, or lawfully
769 vented or flared in connection with the production of oil;
770 however, if any gas so injected into the earth is sold for such
771 purposes, then the gas so sold shall not be exempt.



772 (o) The gross collections from self-service commercial
773 laundering, drying, cleaning and pressing equipment.

774 (p) Sales of materials used in the construction of a
775 building, or any addition or improvement thereon, and sales of any
776 machinery and equipment not later than three (3) months after the
777 completion of construction of the building, or any addition
778 thereon, to be used therein, to qualified companies, certified as
779 such by the Mississippi Development Authority under Section
780 57-53-1.

781 (q) Sales of component materials used in the
782 construction of a building, or any addition or improvement
783 thereon, sales of machinery and equipment to be used therein, and
784 sales of manufacturing or processing machinery and equipment which
785 is permanently attached to the ground or to a permanent foundation
786 and which is not by its nature intended to be housed within a
787 building structure, not later than three (3) months after the
788 initial start-up date, to permanent business enterprises engaging
789 in manufacturing or processing in Tier Three areas (as such term
790 is defined in Section 57-73-21), which businesses are certified by
791 the Department of Revenue as being eligible for the exemption
792 granted in this paragraph (q). The exemption provided in this
793 paragraph (q) shall not apply to sales to any business enterprise
794 that is a medical cannabis establishment as defined in the
795 Mississippi Medical Cannabis Act.



796 (r) (i) Sales of component materials used in the
797 construction of a building, or any addition or improvement
798 thereon, and sales of any machinery and equipment not later than
799 three (3) months after the completion of the building, addition or
800 improvement thereon, to be used therein, for any company
801 establishing or transferring its national or regional headquarters
802 from within or outside the State of Mississippi and creating a
803 minimum of twenty (20) jobs at the new headquarters in this state.
804 The exemption provided in this subparagraph (i) shall not apply to
805 sales for any company that is a medical cannabis establishment as
806 defined in the Mississippi Medical Cannabis Act. The Department
807 of Revenue shall establish criteria and prescribe procedures to
808 determine if a company qualifies as a national or regional
809 headquarters for the purpose of receiving the exemption provided
810 in this subparagraph (i).

811 (ii) Sales of component materials used in the
812 construction of a building, or any addition or improvement
813 thereon, and sales of any machinery and equipment not later than
814 three (3) months after the completion of the building, addition or
815 improvement thereon, to be used therein, for any company expanding
816 or making additions after January 1, 2013, to its national or
817 regional headquarters within the State of Mississippi and creating
818 a minimum of twenty (20) new jobs at the headquarters as a result
819 of the expansion or additions. The exemption provided in this
820 subparagraph (ii) shall not apply to sales for any company that is



821 a medical cannabis establishment as defined in the Mississippi
822 Medical Cannabis Act. The Department of Revenue shall establish
823 criteria and prescribe procedures to determine if a company
824 qualifies as a national or regional headquarters for the purpose
825 of receiving the exemption provided in this subparagraph (ii).

826 (s) The gross proceeds from the sale of semitrailers,
827 trailers, boats, travel trailers, motorcycles, all-terrain cycles
828 and rotary-wing aircraft if exported from this state within
829 forty-eight (48) hours and registered and first used in another
830 state.

831 (t) Gross income from the storage and handling of
832 natural gas in underground salt domes and in other underground
833 reservoirs, caverns, structures and formations suitable for such
834 storage.

835 (u) Sales of machinery and equipment to nonprofit
836 organizations if the organization:

837 (i) Is tax exempt pursuant to Section 501(c)(4) of
838 the Internal Revenue Code of 1986, as amended;

839 (ii) Assists in the implementation of the
840 contingency plan or area contingency plan, and which is created in
841 response to the requirements of Title IV, Subtitle B of the Oil
842 Pollution Act of 1990, Public Law 101-380; and

843 (iii) Engages primarily in programs to contain,
844 clean up and otherwise mitigate spills of oil or other substances
845 occurring in the United States coastal and tidal waters.



846 For purposes of this exemption, "machinery and equipment"
847 means any ocean-going vessels, barges, booms, skimmers and other
848 capital equipment used primarily in the operations of nonprofit
849 organizations referred to herein.

850 (v) Sales or leases of materials and equipment to
851 approved business enterprises as provided under the Growth and
852 Prosperity Act.

853 (w) From and after July 1, 2001, sales of pollution
854 control equipment to manufacturers or custom processors for
855 industrial use. For the purposes of this exemption, "pollution
856 control equipment" means equipment, devices, machinery or systems
857 used or acquired to prevent, control, monitor or reduce air, water
858 or groundwater pollution, or solid or hazardous waste as required
859 by federal or state law or regulation.

860 (x) Sales or leases to a manufacturer of motor vehicles
861 or powertrain components operating a project that has been
862 certified by the Mississippi Major Economic Impact Authority as a
863 project as defined in Section 57-75-5(f)(iv)1, Section
864 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
865 equipment; special tooling such as dies, molds, jigs and similar
866 items treated as special tooling for federal income tax purposes;
867 or repair parts therefor or replacements thereof; repair services
868 thereon; fuel, supplies, electricity, coal and natural gas used
869 directly in the manufacture of motor vehicles or motor vehicle
870 parts or used to provide climate control for manufacturing areas.



871 (y) Sales or leases of component materials, machinery
872 and equipment used in the construction of a building, or any
873 addition or improvement thereon to an enterprise operating a
874 project that has been certified by the Mississippi Major Economic
875 Impact Authority as a project as defined in Section
876 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
877 or Section 57-75-5(f)(xxviii) and any other sales or leases
878 required to establish or operate such project.

879 (z) Sales of component materials and equipment to a
880 business enterprise as provided under Section 57-64-33.

881 (aa) The gross income from the stripping and painting
882 of commercial aircraft engaged in foreign or interstate
883 transportation business.

884 (bb) [Repealed]

885 (cc) Sales or leases to an enterprise owning or
886 operating a project that has been designated by the Mississippi
887 Major Economic Impact Authority as a project as defined in Section
888 57-75-5(f)(xviii) of machinery and equipment; special tooling such
889 as dies, molds, jigs and similar items treated as special tooling
890 for federal income tax purposes; or repair parts therefor or
891 replacements thereof; repair services thereon; fuel, supplies,
892 electricity, coal and natural gas used directly in the
893 manufacturing/production operations of the project or used to
894 provide climate control for manufacturing/production areas.



895 (dd) Sales or leases of component materials, machinery
896 and equipment used in the construction of a building, or any
897 addition or improvement thereon to an enterprise owning or
898 operating a project that has been designated by the Mississippi
899 Major Economic Impact Authority as a project as defined in Section
900 57-75-5(f) (xviii) and any other sales or leases required to
901 establish or operate such project.

902 (ee) Sales of parts used in the repair and servicing of
903 aircraft not registered in Mississippi engaged exclusively in the
904 business of foreign or interstate transportation to businesses
905 engaged in aircraft repair and maintenance.

906 (ff) Sales of component materials used in the
907 construction of a facility, or any addition or improvement
908 thereon, and sales or leases of machinery and equipment not later
909 than three (3) months after the completion of construction of the
910 facility, or any addition or improvement thereto, to be used in
911 the building or any addition or improvement thereto, to a
912 permanent business enterprise operating a data/information
913 enterprise in Tier Three areas (as such areas are designated in
914 accordance with Section 57-73-21), meeting minimum criteria
915 established by the Mississippi Development Authority. The
916 exemption provided in this paragraph (ff) shall not apply to sales
917 to any business enterprise that is a medical cannabis
918 establishment as defined in the Mississippi Medical Cannabis Act.



919 (gg) Sales of component materials used in the
920 construction of a facility, or any addition or improvement
921 thereto, and sales of machinery and equipment not later than three
922 (3) months after the completion of construction of the facility,
923 or any addition or improvement thereto, to be used in the facility
924 or any addition or improvement thereto, to technology intensive
925 enterprises for industrial purposes in Tier Three areas (as such
926 areas are designated in accordance with Section 57-73-21), as
927 certified by the Department of Revenue. For purposes of this
928 paragraph, an enterprise must meet the criteria provided for in
929 Section 27-65-17(1) (f) in order to be considered a technology
930 intensive enterprise.

931 (hh) Sales of component materials used in the
932 replacement, reconstruction or repair of a building or facility
933 that has been destroyed or sustained extensive damage as a result
934 of a disaster declared by the Governor, sales of machinery and
935 equipment to be used therein to replace machinery or equipment
936 damaged or destroyed as a result of such disaster, including, but
937 not limited to, manufacturing or processing machinery and
938 equipment which is permanently attached to the ground or to a
939 permanent foundation and which is not by its nature intended to be
940 housed within a building structure, to enterprises or companies
941 that were eligible for the exemptions authorized in paragraph (q),
942 (r), (ff) or (gg) of this subsection during initial construction
943 of the building that was destroyed or damaged, which enterprises



944 or companies are certified by the Department of Revenue as being
945 eligible for the exemption granted in this paragraph.

946 (ii) Sales of software or software services transmitted
947 by the Internet to a destination outside the State of Mississippi
948 where the first use of such software or software services by the
949 purchaser occurs outside the State of Mississippi.

950 (jj) Gross income of public storage warehouses derived
951 from the temporary storage of raw materials that are to be used in
952 an eligible facility as defined in Section 27-7-22.35.

953 (kk) Sales of component building materials and
954 equipment for initial construction of facilities or expansion of
955 facilities as authorized under Sections 57-113-1 through 57-113-7
956 and Sections 57-113-21 through 57-113-27.

957 (ll) Sales and leases of machinery and equipment
958 acquired in the initial construction to establish facilities as
959 authorized in Sections 57-113-1 through 57-113-7.

960 (mm) Sales and leases of replacement hardware, software
961 or other necessary technology to operate a data center as
962 authorized under Sections 57-113-21 through 57-113-27.

963 (nn) Sales of component materials used in the
964 construction of a building, or any addition or improvement
965 thereon, and sales or leases of machinery and equipment not later
966 than three (3) months after the completion of the construction of
967 the facility, to be used in the facility, to permanent business
968 enterprises operating a facility producing renewable crude oil



969 from biomass harvested or produced, in whole or in part, in
970 Mississippi, which businesses meet minimum criteria established by
971 the Mississippi Development Authority. As used in this paragraph,
972 the term "biomass" shall have the meaning ascribed to such term in
973 Section 57-113-1.

974 (oo) Sales of supplies, equipment and other personal
975 property to an organization that is exempt from taxation under
976 Section 501(c)(3) of the Internal Revenue Code and is the host
977 organization coordinating a professional golf tournament played or
978 to be played in this state and the supplies, equipment or other
979 personal property will be used for purposes related to the golf
980 tournament and related activities.

981 (pp) Sales of materials used in the construction of a
982 health care industry facility, as defined in Section 57-117-3, or
983 any addition or improvement thereon, and sales of any machinery
984 and equipment not later than three (3) months after the completion
985 of construction of the facility, or any addition thereon, to be
986 used therein, to qualified businesses, as defined in Section
987 57-117-3. This paragraph shall be repealed from and after July
988 1, * * * 2025.

989 (qq) Sales or leases to a manufacturer of automotive
990 parts operating a project that has been certified by the
991 Mississippi Major Economic Impact Authority as a project as
992 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
993 or repair parts therefor or replacements thereof; repair services



994 thereon; fuel, supplies, electricity, coal, nitrogen and natural
995 gas used directly in the manufacture of automotive parts or used
996 to provide climate control for manufacturing areas.

997 (rr) Gross collections derived from guided tours on any
998 navigable waters of this state, which include providing
999 accommodations, guide services and/or related equipment operated
1000 by or under the direction of the person providing the tour, for
1001 the purposes of outdoor tourism. The exemption provided in this
1002 paragraph (rr) does not apply to the sale of tangible personal
1003 property by a person providing such tours.

1004 (ss) Retail sales of truck-tractors and semitrailers
1005 used in interstate commerce and registered under the International
1006 Registration Plan (IRP) or any similar reciprocity agreement or
1007 compact relating to the proportional registration of commercial
1008 vehicles entered into as provided for in Section 27-19-143.

1009 (tt) Sales exempt under the Facilitating Business Rapid
1010 Response to State Declared Disasters Act of 2015 (Sections
1011 27-113-1 through 27-113-9).

1012 (uu) Sales or leases to an enterprise and its
1013 affiliates operating a project that has been certified by the
1014 Mississippi Major Economic Impact Authority as a project as
1015 defined in Section 57-75-5(f)(xxix) of:

1016 (i) All personal property and fixtures, including
1017 without limitation, sales or leases to the enterprise and its
1018 affiliates of:



1019 1. Manufacturing machinery and equipment;
1020 2. Special tooling such as dies, molds, jigs
1021 and similar items treated as special tooling for federal income
1022 tax purposes;
1023 3. Component building materials, machinery
1024 and equipment used in the construction of buildings, and any other
1025 additions or improvements to the project site for the project;
1026 4. Nonmanufacturing furniture, fixtures and
1027 equipment (inclusive of all communications, computer, server,
1028 software and other hardware equipment); and
1029 5. Fuel, supplies (other than
1030 nonmanufacturing consumable supplies and water), electricity,
1031 nitrogen gas and natural gas used directly in the
1032 manufacturing/production operations of such project or used to
1033 provide climate control for manufacturing/production areas of such
1034 project;
1035 (ii) All replacements of, repair parts for or
1036 services to repair items described in subparagraph (i)1, 2 and 3
1037 of this paragraph; and
1038 (iii) All services taxable pursuant to Section
1039 27-65-23 required to establish, support, operate, repair and/or
1040 maintain such project.
1041 (vv) Sales or leases to an enterprise operating a
1042 project that has been certified by the Mississippi Major Economic



1043 Impact Authority as a project as defined in Section

1044 57-75-5(f) (xxx) of:

1045 (i) Purchases required to establish and operate
1046 the project, including, but not limited to, sales of component
1047 building materials, machinery and equipment required to establish
1048 the project facility and any additions or improvements thereon;
1049 and

1050 (ii) Machinery, special tools (such as dies,
1051 molds, and jigs) or repair parts thereof, or replacements and
1052 lease thereof, repair services thereon, fuel, supplies and
1053 electricity, coal and natural gas used in the manufacturing
1054 process and purchased by the enterprise owning or operating the
1055 project for the benefit of the project.

1056 (ww) Sales of component materials used in the
1057 construction of a building, or any expansion or improvement
1058 thereon, sales of machinery and/or equipment to be used therein,
1059 and sales of processing machinery and equipment which is
1060 permanently attached to the ground or to a permanent foundation
1061 which is not by its nature intended to be housed in a building
1062 structure, no later than three (3) months after initial startup,
1063 expansion or improvement of a permanent enterprise solely engaged
1064 in the conversion of natural sand into proppants used in oil and
1065 gas exploration and development with at least ninety-five percent
1066 (95%) of such proppants used in the production of oil and/or gas



1067 from horizontally drilled wells and/or horizontally drilled
1068 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1069 (2) Sales of component materials used in the construction of
1070 a building, or any addition or improvement thereon, sales of
1071 machinery and equipment to be used therein, and sales of
1072 manufacturing or processing machinery and equipment which is
1073 permanently attached to the ground or to a permanent foundation
1074 and which is not by its nature intended to be housed within a
1075 building structure, not later than three (3) months after the
1076 initial start-up date, to permanent business enterprises engaging
1077 in manufacturing or processing in Tier Two areas and Tier One
1078 areas (as such areas are designated in accordance with Section
1079 57-73-21), which businesses are certified by the Department of
1080 Revenue as being eligible for the exemption granted in this
1081 subsection, shall be exempt from one-half (1/2) of the taxes
1082 imposed on such transactions under this chapter. The exemption
1083 provided in this subsection (2) shall not apply to sales to any
1084 business enterprise that is a medical cannabis establishment as
1085 defined in the Mississippi Medical Cannabis Act.

1086 (3) Sales of component materials used in the construction of
1087 a facility, or any addition or improvement thereon, and sales or
1088 leases of machinery and equipment not later than three (3) months
1089 after the completion of construction of the facility, or any
1090 addition or improvement thereto, to be used in the building or any
1091 addition or improvement thereto, to a permanent business



1092 enterprise operating a data/information enterprise in Tier Two
1093 areas and Tier One areas (as such areas are designated in
1094 accordance with Section 57-73-21), which businesses meet minimum
1095 criteria established by the Mississippi Development Authority,
1096 shall be exempt from one-half (1/2) of the taxes imposed on such
1097 transaction under this chapter. The exemption provided in this
1098 subsection (3) shall not apply to sales to any business enterprise
1099 that is a medical cannabis establishment as defined in the
1100 Mississippi Medical Cannabis Act.

1101 (4) Sales of component materials used in the construction of
1102 a facility, or any addition or improvement thereto, and sales of
1103 machinery and equipment not later than three (3) months after the
1104 completion of construction of the facility, or any addition or
1105 improvement thereto, to be used in the building or any addition or
1106 improvement thereto, to technology intensive enterprises for
1107 industrial purposes in Tier Two areas and Tier One areas (as such
1108 areas are designated in accordance with Section 57-73-21), which
1109 businesses are certified by the Department of Revenue as being
1110 eligible for the exemption granted in this subsection, shall be
1111 exempt from one-half (1/2) of the taxes imposed on such
1112 transactions under this chapter. For purposes of this subsection,
1113 an enterprise must meet the criteria provided for in Section
1114 27-65-17(1)(f) in order to be considered a technology intensive
1115 enterprise.

1116 (5) (a) For purposes of this subsection:



1117 (i) "Telecommunications enterprises" shall have
1118 the meaning ascribed to such term in Section 57-73-21;
1119 (ii) "Tier One areas" mean counties designated as
1120 Tier One areas pursuant to Section 57-73-21;
1121 (iii) "Tier Two areas" mean counties designated as
1122 Tier Two areas pursuant to Section 57-73-21;
1123 (iv) "Tier Three areas" mean counties designated
1124 as Tier Three areas pursuant to Section 57-73-21; and
1125 (v) "Equipment used in the deployment of broadband
1126 technologies" means any equipment capable of being used for or in
1127 connection with the transmission of information at a rate, prior
1128 to taking into account the effects of any signal degradation, that
1129 is not less than three hundred eighty-four (384) kilobits per
1130 second in at least one (1) direction, including, but not limited
1131 to, asynchronous transfer mode switches, digital subscriber line
1132 access multiplexers, routers, servers, multiplexers, fiber optics
1133 and related equipment.

1134 (b) Sales of equipment to telecommunications
1135 enterprises after June 30, 2003, and before July 1, 2025, that is
1136 installed in Tier One areas and used in the deployment of
1137 broadband technologies shall be exempt from one-half (1/2) of the
1138 taxes imposed on such transactions under this chapter.

1139 (c) Sales of equipment to telecommunications
1140 enterprises after June 30, 2003, and before July 1, 2025, that is
1141 installed in Tier Two and Tier Three areas and used in the



1142 deployment of broadband technologies shall be exempt from the
1143 taxes imposed on such transactions under this chapter.

1144 (6) Sales of component materials used in the replacement,
1145 reconstruction or repair of a building that has been destroyed or
1146 sustained extensive damage as a result of a disaster declared by
1147 the Governor, sales of machinery and equipment to be used therein
1148 to replace machinery or equipment damaged or destroyed as a result
1149 of such disaster, including, but not limited to, manufacturing or
1150 processing machinery and equipment which is permanently attached
1151 to the ground or to a permanent foundation and which is not by its
1152 nature intended to be housed within a building structure, to
1153 enterprises that were eligible for the partial exemptions provided
1154 for in subsections (2), (3) and (4) of this section during initial
1155 construction of the building that was destroyed or damaged, which
1156 enterprises are certified by the Department of Revenue as being
1157 eligible for the partial exemption granted in this subsection,
1158 shall be exempt from one-half (1/2) of the taxes imposed on such
1159 transactions under this chapter.

1160 **SECTION 10.** Section 6, Chapter 520, Laws of 2012, is amended
1161 as follows:

1162 Section 6. Sections 1 through * * * 6 of this act shall be
1163 repealed from and after July 1, 2022.

1164 **SECTION 11.** This act shall take effect and be in force from
1165 and after July 1, 2022.

