MISSISSIPPI LEGISLATURE

REGULAR SESSION 2022

By: Representatives Gunn, Lamar, White, Steverson, Barnett, Massengill, Bain, Newman, Rushing, Kinkade, Morgan, Pigott, Ford (73rd), Calvert, Smith, Creekmore IV, Goodin, Tullos, Carpenter, Hood, Oliver, Robinson, Boyd

HOUSE BILL NO. 531

To: Ways and Means

AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2022; TO AMEND SECTION 27-7-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF THE PERSONAL EXEMPTIONS UNDER THE STATE INCOME TAX LAW FOR SINGLE INDIVIDUALS, MARRIED INDIVIDUALS AND HEAD OF FAMILY INDIVIDUALS AND TO PROVIDE FOR THE ANNUAL ADJUSTMENT OF THE AMOUNTS OF SUCH PERSONAL EXEMPTIONS; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON THE SALE OF TANGIBLE PERSONAL PROPERTY; TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON TELECOMMUNICATIONS SERVICES; TO AMEND SECTION 27-65-22, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON AMUSEMENT AND ENTERTAINMENT ADMISSIONS; TO AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON VARIOUS SERVICES; TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON RETAIL SALES OF ALCOHOLIC BEVERAGES; TO AMEND SECTION 27-65-26, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON THE SALE, RENTING OR LEASING OF SPECIFIED DIGITAL PRODUCTS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A PORTION OF THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX CREDIT REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE REMAINDER OF THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND; TO REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO...
PROVIDE THAT A PORTION OF THE STATE USE TAX REVENUE COLLECTED AS A
RESULT OF THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM
TAX CREDIT REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE
REMAINDER OF THE STATE USE TAX REVENUE COLLECTED AS A RESULT OF
THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE
CREDIT OF THE GENERAL FUND; TO AMEND SECTION 27-65-241,
MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES CERTAIN MUNICIPALITIES
TO LEVY A MUNICIPAL SPECIAL SALES TAX, TO CONFORM TO THE
PROVISIONS OF THIS ACT; TO AUTHORIZE A MOTOR VEHICLE AD VALOREM
TAX CREDIT; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
PROVIDE THAT FROM AND AFTER JANUARY 1 OF THE NEXT SUCCEEDING YEAR
AFTER THE DATE THAT THE COMMISSIONER OF REVENUE CERTIFIES THAT THE
REDUCTION IN REVENUE MANDATED BY SECTION 27-7-21, MISSISSIPPI CODE
OF 1972, EQUALS OR EXCEEDS THE REMAINING REVENUE PRODUCED BY THE
INDIVIDUAL INCOME TAX, THE INDIVIDUAL INCOME TAX SHALL BE
REPEALED; TO BRING FORWARD SECTION 27-7-3, MISSISSIPPI CODE OF
1972, WHICH DEFINES CERTAIN TERMS UNDER THE STATE INCOME TAX LAW,
FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
27-7-27, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE INCOME
TAXATION OF ESTATES AND TRUSTS FOR PURPOSES OF POSSIBLE AMENDMENT;
TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972, TO CONFORM
TO THE PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS
27-7-22.5, 27-7-22.15, 27-7-22.21, 27-7-22.22, 27-7-22.32,
27-7-22.33, 27-7-22.37, 27-7-22.39, 27-7-22.41 AND 27-7-207,
MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR VARIOUS INCOME TAX
CREDITS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO AMEND SECTIONS
57-62-9 AND 57-62-11, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN
PROVISIONS OF THE MISSISSIPPI ADVANTAGE JOBS ACT; TO BRING FORWARD
SECTIONS 27-7-312, 57-62-5 AND 57-62-13, MISSISSIPPI CODE OF 1972,
WHICH RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE
PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 57-89-3
AND 57-89-7, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
MISSISSIPPI MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF
POSSIBLE AMENDMENT; TO AMEND SECTIONS 57-99-1, 57-99-3 AND
57-99-5, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF
THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
PROGRAM; TO BRING FORWARD SECTIONS 57-99-7, 57-99-21, 57-99-23,
57-99-25 AND 57-99-27, MISSISSIPPI CODE OF 1972, WHICH RELATE TO
THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE
PROGRAM, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
SECTIONS 37-148-3 AND 37-148-5, MISSISSIPPI CODE OF 1972, WHICH
ARE SECTIONS OF THE STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH
THROUGH BUSINESS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
BRING FORWARD SECTION 57-105-1, MISSISSIPPI CODE OF 1972, WHICH
AUTHORIZES INCOME TAX AND INSURANCE PREMIUM TAX CREDITS FOR
TAXPAYERS HOLDING CERTAIN QUALIFIED EQUITY INVESTMENTS, FOR THE
PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
27-25-503 AND 27-25-505, MISSISSIPPI CODE OF 1972, WHICH ARE
SECTIONS OF THE STATE OIL SEVERANCE TAX LAW, FOR THE PURPOSES OF

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ST: Mississippi Tax Freedom Act of 2022;
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

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

(2) The Legislature finds that:

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

(b) The General Fund revenue collections estimate for fiscal year 2022 is Five Billion Nine Hundred Twenty-seven Million Dollars ($5,927,000,000.00), with an estimate for the first half of fiscal year 2022 of Two Billion Eight Hundred Twenty-four Million Three Hundred Twenty-six Thousand One Hundred Dollars ($2,824,326,100.00), and actual General Fund revenue collections through the first half of fiscal year 2022 are Three Billion Three Hundred Sixty-nine Million Five Hundred Eighty-three Thousand Seven Hundred Forty-eight Dollars ($3,369,583,748.00), which
significantly exceed estimated General Fund revenue collections for such period;

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

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

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

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

(b) Single individuals. In the case of a single individual, a personal exemption of Five Thousand Two Hundred Fifty Dollars
($5,250.00) for the 1979 and 1980 calendar years. Six Thousand Dollars ($6,000.00) for each calendar year thereafter through calendar year 2022, and Thirty-seven Thousand Seven Hundred Dollars ($37,700.00) for each calendar year thereafter.

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

(d) **Head of family individuals.** In the case of a head of family individual, a personal exemption of Eight Thousand Dollars ($8,000.00) for the 1979 and 1980 calendar years. Nine Thousand Five Hundred Dollars ($9,500.00) for each calendar year thereafter through calendar year 2022, and Thirty-six Thousand Six Hundred Dollars ($36,600.00) for each calendar year thereafter. The term "head of family" means an individual who is single, or married but not living with his spouse for the entire taxable year.
year, who maintains a household which constitutes the principal
place of abode of himself and one or more individuals who are
dependents under the provisions of Section 152(a) of the Internal
Revenue Code of 1954, as amended. The head of family individual
shall be entitled to the additional dependent exemption as
provided in subsection (e) of this section only to the extent of
dependents in excess of the one (1) dependent needed to qualify as
head of family.

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

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

(g) Additional exemption for blindness of taxpayer or
spouse. In the case of any taxpayer or the spouse of the taxpayer
who is blind at the close of the taxable year, an additional
exemption of One Thousand Five Hundred Dollars ($1,500.00).
the purpose of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees.

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

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

A nonresident individual who is married and whose spouse has income from independent sources must declare the joint income of
himself and his spouse from sources within and without Mississippi and claim as a personal exemption that proportion of the authorized personal and additional exemptions which the total net income from Mississippi sources bears to the total net income of both spouses from all sources. If both spouses have income from sources within Mississippi and wish to file separate returns, their combined personal and additional exemptions shall be that proration of the exemption which their combined net income from Mississippi sources is of their total combined net income from all sources. The amount of the personal and additional exemptions so computed may be divided between them in any manner they choose.

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

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

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

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

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

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

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

(o) **Fiscal-year taxpayers.** Individual taxpayers reporting on a fiscal year basis shall prorate their exemptions in a manner established by regulations promulgated by the commissioner.
(p) (i) On or before December 1, 2024, and on or before December 1 of each succeeding year, the Commissioner of Revenue shall calculate the amount of the increases in the personal exemption for single individuals, the personal exemption for married individuals, and the personal exemption for head of family individuals, that will produce a reduction in revenue equal to the tax reduction growth amount calculated as provided in paragraph (ii) of this subsection (p). The commissioner shall increase each of the personal exemptions by the amount calculated in this paragraph (i), rounded down to the nearest One Thousand Dollars ($1,000.00) increment, and the revised personal exemption amounts calculated by the commissioner shall be effective for the next calendar year. From and after January 1 of the next succeeding year after the date that the Commissioner of Revenue certifies that the reduction in revenue mandated by this paragraph (i) equals or exceeds the remaining revenue produced by the individual income tax, the individual income tax shall stand repealed as provided in Section 27-7-5.

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

1. The amount of the actual general fund revenue collected during the most recent full fiscal year, excluding any funds received from a nonrecurring revenue source;
2. The inflation factor, which shall be determined by dividing the CPI-U for the most recent full fiscal year by the CPI-U for the fiscal year 2023. As used in this paragraph (ii), "CPI-U" means the United States Consumer Price Index for All Urban Consumers, South Region as defined and reported by the United States Department of Labor, Bureau of Labor Statistics;

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

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

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

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

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

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

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

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

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

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

1. Self-propelled, or

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

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

(d) Except as otherwise provided in subsection (3) of
this section, retail sales of aircraft, automobiles, trucks,
truck-tractors, semitrailers and manufactured or mobile homes
shall be taxed at the rate of three percent (3%).
(e) Sales of manufacturing machinery or manufacturing machine parts when made to a manufacturer or custom processor for plant use only when the machinery and machine parts will be used exclusively and directly within this state in manufacturing a commodity for sale, rental or in processing for a fee shall be taxed at the rate of one and one-half percent (1-1/2%).

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

In order to be considered a technology intensive enterprise for purposes of this paragraph:

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) From and after July 1, 2022, retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt under Section 27-65-111(o) from the taxes imposed by this chapter if the food items were purchased with food stamps, shall be taxed as follows:
(i) From and after July 1, 2022, through June 30, 2023, such sales shall be taxed at the rate of five and one-half percent (5-1/2%);

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

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

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

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

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

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

(2) From and after January 1, 1995, retail sales of private carriers of passengers and light carriers of property, as defined in Section 27-51-101, shall be taxed an additional two percent (2%).
(3) A manufacturer selling at retail in this state shall be required to make returns of the gross proceeds of such sales and pay the tax imposed in this section.

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

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

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

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

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

2. Permanent sequestration in a geological formation.

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

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

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

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

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

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

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

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

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

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

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

1. "Telecommunications service" means the electronic transmission, conveyance or routing of voice, data, audio, video or any other information or signals to a point, or between points. The term "telecommunications service" includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. The term "telecommunications service" shall not include:

a. Data processing and information services that allow data to be generated, acquired, stored, processed or retrieved and delivered by an electronic transmission
to a purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;

b. Installation or maintenance of wiring or equipment on a customer's premises;

c. Tangible personal property;

d. Advertising, including, but not limited to, directory advertising;

e. Billing and collection services provided to third parties;

f. Internet access service;

g. Radio and television audio and video programming services regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 USCS 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;

h. Ancillary services; or

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

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

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

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

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

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

e. "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.
3. "Intrastate" means telecommunications service that originates in one (1) United States state or United States territory or possession, and terminates in the same United States state or United States territory or possession.

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

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

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

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

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

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

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

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

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

   A. A home service provider shall be responsible for obtaining and maintaining the customer's place of primary use. The home service provider shall be entitled to rely on the applicable residential or business street address supplied by such customer, if the home service provider's reliance is in good faith; and the home service provider shall be held harmless from liability for any additional taxes based on a different determination of the place of primary use for taxes that are customarily passed on to the customer as a separate itemized charge. A home service provider shall be allowed to treat the address used for purposes of the tax levied by this chapter for any customer under a service contract in effect on August 1, 2002, as that customer's place of primary use for the remaining term of such service contract or agreement, excluding any extension or renewal of such service contract or agreement. Month-to-month
services provided after the expiration of a contract shall be
treated as an extension or renewal of such contract or agreement.

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

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

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

A. The seller's telecommunications
system; or

B. Information received by the
seller from its service provider, where the system used to
transport such signals is not that of the seller.
c. A sale of a prepaid calling service or prepaid wireless calling service shall be subject to the tax imposed by this paragraph if the sale takes place in this state. If the customer physically purchases a prepaid calling service or prepaid wireless calling service at the vendor's place of business, the sale is deemed to take place at the vendor's place of business. If the customer does not physically purchase the service at the vendor's place of business, the sale of a prepaid calling card or prepaid wireless calling card is deemed to take place at the first of the following locations that applies to the sale:

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

B. The customer's billing address;

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

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

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

a. Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located.
b. Service where all customer termination points are located entirely within one (1) jurisdiction or levels of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located.

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

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

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

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

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

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

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

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

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

6. "End user" means the person who utilizes
the telecommunications service. In the case of an entity, "end
user" means the individual who utilizes the service on behalf of
the entity.
757 7. "Home service provider" has the meaning ascribed to such term in Section 124(5) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).
758
759 8. "Mobile telecommunications service" has the meaning ascribed to such term in Section 124(7) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).
760
761 9. "Place of primary use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, the place of primary use must be within the licensed service area of the home service provider.
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763 10. "Post-paid calling service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a telecommunications service, except a prepaid wireless calling service that would be a prepaid calling service except it is not exclusively a telecommunications service.
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765 11. "Prepaid calling service" means the right to access exclusively telecommunications services, which must be
paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

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

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

14. "Service address" means:
   a. The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid.
b. If the location in subitem a of this item 14 is not known, the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider, where the system used to transport such signals is not that of the seller.

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

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

2. In the case of a bundled transaction that includes telecommunications services, ancillary services, Internet access, or audio or video programming services taxed under this chapter in which the price of the bundled transaction is attributable to properties or services that are taxable and nontaxable, the portion of the price that is attributable to any nontaxable property or service shall be subject to the tax unless the provider can reasonably identify that portion from its books and records kept in the regular course of business.

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

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

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

4. This subparagraph (vii) shall not create a right of action for a customer to require that the provider or the department, for purposes of determining the amount of tax applicable to a bundled transaction, allocate the price to the different portions of the transaction in order to minimize the amount of tax charged to the customer. A customer shall not be entitled to rely on the fact that a portion of the price is attributable to properties or services not subject to tax unless the provider elects, after receiving a written request from the customer in the form required by the provider, to provide verifiable data based upon the provider's books and records that are kept in the regular course of business that reasonably
identifies the portion of the price attributable to the properties or services not subject to the tax.

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

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

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

27-65-22. (1) Upon every person engaging or continuing in any amusement business or activity, which shall include all manner and forms of entertainment and amusement, all forms of diversion, sport, recreation or pastime, shows, exhibitions, contests, displays, games or any other and all methods of obtaining admission charges, donations, contributions or monetary charges of any character, from the general public or a limited or selected number thereof, directly or indirectly in return for other than
tangible property or specific personal or professional services, whether such amusement is held or conducted in a public or private building, hotel, tent, pavilion, lot or resort, enclosed or in the open, there is hereby levied, assessed and shall be collected a tax equal to * * * eight and one-half percent (8-1/2%) of the gross income received as admission, except as otherwise provided herein. In lieu of the rate set forth above, there is hereby imposed, levied and assessed, to be collected as hereinafter provided, a tax of three percent (3%) of gross revenue derived from sales of admission to publicly owned enclosed coliseums and auditoriums (except admissions to athletic contests between colleges and universities). There is hereby imposed, levied and assessed a tax of * * * eight and one-half percent (8-1/2%) of gross revenue derived from sales of admission to events conducted on property managed by the Mississippi Veterans Memorial Stadium, which tax shall be administered in the manner prescribed in this chapter, subject, however, to the provisions of Sections 55-23-3 through 55-23-11.

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

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

(a) Any admissions charged at any place of amusement
operated by a religious, charitable or educational organization,
or by a nonprofit civic club or fraternal organization (i) when
the net proceeds of such admissions do not inure to any one or
more individuals within such organization and are to be used
solely for religious, charitable, educational or civic purposes;
or (ii) when the entire net proceeds are used to defray the normal
operating expenses of such organization, such as loan payments,
maintenance costs, repairs and other operating expenses;
(b) Any admissions charged to hear gospel singing when promoted by a duly constituted local, bona fide nonprofit charitable or religious organization, irrespective of the fact that the performers and promoters are paid out of the proceeds of admissions collected, provided the program is composed entirely of gospel singing and not generally mixed with hillbilly or popular singing;

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

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

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

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

(g) Any admissions to any golf tournament held under the auspices of the Professional Golf Association or United States Golf Association wherein touring professionals compete, if such tournament is sponsored by a nonprofit association incorporated under the laws of the State of Mississippi where no dividends are declared and the proceeds do not inure to any individual or group;
(h) Any admissions to university or community college conference, state, regional or national playoffs or championships;

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

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

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

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

(m) Guided tours on any navigable waters of this state, which include providing accommodations, guide services and/or related equipment operated by or under the direction of the person providing the tour, for the purposes of outdoor tourism;
(n) Any admissions to events held solely for religious or charitable purposes at livestock facilities, agriculture facilities or other facilities constructed, renovated or expanded with funds from the grant program authorized under Section 18 of Chapter 530, Laws of 1995; and

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

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

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

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

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

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

2. Providing the Department of Revenue with a certified copy of the ordinance requiring the tax to be levied and assessed at least thirty (30) days prior to the effective date of the ordinance;
(iii) If the ordinance described in subparagraph (ii) of this paragraph is repealed, the municipality shall provide the Department of Revenue with a certified copy of the repeal of the ordinance at least thirty (30) days prior to the effective date of the repeal.

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

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

- Air-conditioning installation or repairs;
- Automobile, motorcycle, boat or any other vehicle repairing or servicing;
- Billiards, pool or domino parlors;
- Bowling or tenpin alleys;
- Burglar and fire alarm systems or services;
- Car washing – automatic, self-service, or manual;
- Computer software sales and services;
- Cotton compresses or cotton warehouses;
- Custom creosoting or treating, custom planing, custom sawing;
- Custom meat processing;
Electricians, electrical work, wiring, all repairs or installation of electrical equipment;
Elevator or escalator installing, repairing or servicing;
Film developing or photo finishing;
Foundries, machine or general repairing;
Furniture repairing or upholstering;
Grading, excavating, ditching, dredging or landscaping;
Hotels (as defined in Section 41-49-3), motels, tourist courts or camps, trailer parks;
Insulating services or repairs;
Jewelry or watch repairing;
Laundering, cleaning, pressing or dyeing;
Marina services;
Mattress renovating;
Office and business machine repairing;
Parking garages and lots;
Plumbing or pipe fitting;
Public storage warehouses (There shall be no tax levied on gross income of a public storage warehouse derived from the temporary storage of tangible personal property in this state pending shipping or mailing of the property to another state.);
Refrigerating equipment repairs;
Radio or television installing, repairing, or servicing;
Renting or leasing personal property used within this state;

Services performed in connection with geophysical surveying, exploring, developing, drilling, producing, distributing, or testing of oil, gas, water and other mineral resources;

Shoe repairing;

Storage lockers;

Telephone answering or paging services;

Termite or pest control services;

Tin and sheet metal shops;

TV cable systems, subscription TV services, and other similar activities;

Vulcanizing, repairing or recapping of tires or tubes;

Welding; and

Woodworking or wood-turning shops.

Income from services taxed herein performed for electric power associations in the ordinary and necessary operation of their generating or distribution systems shall be taxed at the rate of one percent (1%).

Income from services taxed herein performed on materials for use in track or track structures to a railroad whose rates are fixed by the Interstate Commerce Commission or the Mississippi Public Service Commission shall be taxed at the rate of three percent (3%).
Income from renting or leasing tangible personal property used within this state shall be taxed at the same rates as sales of the same property.

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

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

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

When a taxpayer performs unitary services covered by this section, which are performed both in intrastate and interstate commerce, the commissioner is hereby invested with authority to formulate in each particular case and to fix for such taxpayer in each instance formulae of apportionment which will apportion to this state, for taxation, that portion of the services which are performed within the State of Mississippi.
SECTION 7. Section 27-65-25, Mississippi Code of 1972, is amended as follows:

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

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

27-65-26. (1) Upon every person engaging or continuing within this state in the business of selling, renting or leasing specified digital products, there shall be levied, assessed and shall be collected a tax equal to eight and one-half percent (8-1/2%) of the gross income of the business. The sale of a digital code that allows the purchaser to obtain a specified digital product shall be taxed in the same manner as the sale of a specified digital product. The tax is imposed when:
(a) The sale is to an end user;
(b) The seller grants the right of permanent or less than permanent use of the products transferred electronically; or
(c) The sale is conditioned or not conditioned upon continued payment.

(2) Charges by one (1) specified digital products provider to another specified digital products provider holding a permit issued under Section 27-65-27 for services that are resold by such other specified digital products provider shall not be subject to the tax levied pursuant to this section.

(3) For purposes of this section:
(a) "Specified digital products" means electronically transferred digital audio-visual works, digital audio works and digital books.
(b) "Digital audio-visual works" means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.
(c) "Digital audio works" means works that result from the fixation of a series of musical, spoken or other sounds, including ringtones. "Ringtones" means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.
(d) "Digital books" means works that are generally recognized in the ordinary and usual sense as "books."
(e) "Electronically transferred" means obtained by the purchaser by means other than tangible storage media.

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

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

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

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

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

(1) (a) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this
paragraph (a), on or before August 15, 1993, and each succeeding month thereafter through August 15, 2022, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2022, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2022, and each succeeding month thereafter through August 15, 2023, twenty-three and fifty-five one-hundredths percent (23-55/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2023, and each succeeding month thereafter through August 15, 2024, twenty-four and sixty-seven one-hundredths percent (24-67/100%) of the total sales tax revenue collected...
during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2024, and each succeeding month thereafter through August 15, 2025, twenty-five and ninety-one-hundredths percent (25-91/100) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2025, and each succeeding month thereafter through August 15, 2026, twenty-seven and twenty-six one-hundredths percent (27-26/100) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2026, and each succeeding month thereafter through August 15, 2027, twenty-eight and seventy-eight one-hundredths percent (28-78/100) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2027, and each succeeding month thereafter through
August 15, 2028, thirty and forty-seven one-hundredths percent (30-47/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2028, and each succeeding month thereafter, thirty-two and thirty-seven one-hundredths percent (32-37/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. However, in the event the State Auditor issues a certificate of noncompliance pursuant to Section 21-35-31, the Department of Revenue shall withhold ten percent (10%) of the allocations and payments to the municipality that would otherwise be payable to the municipality under this paragraph (a) until such time that the department receives written notice of the cancellation of a certificate of noncompliance from the State Auditor.

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

Monies allocated for distribution and credited to a municipal corporation under this paragraph may be pledged as security for a loan if the distribution received by the municipal corporation is

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otherwise authorized or required by law to be pledged as security for such a loan.

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

(b) On or before August 15, 2006, and each succeeding month thereafter through August 15, 2022, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college. On or before September 15, 2022, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15,
27-65-17(1)(n), 27-65-19(3) and 27-65-21, on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college. On or before September 15, 2022, and each succeeding month thereafter through August 15, 2023, twenty-three and fifty-five one-hundredths percent (23-55/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college. On or before September 15, 2023, and each succeeding month thereafter through August 15, 2024, twenty-four and sixty-seven one-hundredths percent (24-67/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to
the state institution of higher learning or community or junior
college and paid to the state institution of higher learning or
community or junior college. On or before September 15, 2024, and
each succeeding month thereafter through August 15, 2025,
twenty-five and ninety one-hundredths percent (25-90/100%) of the
total sales tax revenue collected during the preceding month under
the provisions of Section 27-65-17(1)(n) on business activities on
the campus of a state institution of higher learning or community
or junior college whose campus is not located within the corporate
limits of a municipality, shall be allocated for distribution to
the state institution of higher learning or community or junior
college and paid to the state institution of higher learning or
community or junior college. On or before September 15, 2025, and
each succeeding month thereafter through August 15, 2026,
twenty-seven and twenty-six one-hundredths percent (27-26/100%) of
the total sales tax revenue collected during the preceding month
under the provisions of Section 27-65-17(1)(n) on business
activities on the campus of a state institution of higher learning
or community or junior college whose campus is not located within
the corporate limits of a municipality, shall be allocated for
distribution to the state institution of higher learning or
community or junior college and paid to the state institution of
higher learning or community or junior college. On or before
September 15, 2026, and each succeeding month thereafter through
August 15, 2027, twenty-eight and seventy-eight one-hundredths
percent (28-78/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college. On or before September 15, 2027, and each succeeding month thereafter through August 15, 2028, thirty and forty-seven one-hundredths percent (30-47/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college. On or before September 15, 2027, and each succeeding month thereafter, thirty-two and thirty-seven one-hundredths percent (32-37/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college.
a municipality, shall be allocated for distribution to the state
institution of higher learning or community or junior college and
paid to the state institution of higher learning or community or
junior college.

(c) On or before August 15, 2018, and each succeeding
month thereafter until August 14, 2019, two percent (2%) of the
total sales tax revenue collected during the preceding month under
the provisions of this chapter, except that collected under the
27-65-24, on business activities within the corporate limits of
the City of Jackson, Mississippi, shall be deposited into the
Capitol Complex Improvement District Project Fund created in
Section 29-5-215. On or before August 15, 2019, and each
succeeding month thereafter until August 14, 2020, four percent
(4%) of the total sales tax revenue collected during the preceding
month under the provisions of this chapter, except that collected
and 27-65-24, on business activities within the corporate limits
of the City of Jackson, Mississippi, shall be deposited into the
Capitol Complex Improvement District Project Fund created in
Section 29-5-215. On or before August 15, 2020, and each
succeeding month thereafter through August 15, 2022, six percent
(6%) of the total sales tax revenue collected during the preceding
month under the provisions of this chapter, except that collected
and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2022, and each succeeding month thereafter through August 15, 2023, six and sixteen one-hundredths percent (6-16/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2023, and each succeeding month thereafter through August 15, 2024, six and nineteen one-hundredths percent (6-19/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2024, and each succeeding month thereafter through August 15, 2025, six and twenty-two one-hundredths percent (6-22/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of
provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2025, and each succeeding month thereafter through August 15, 2026, six and twenty-four one-hundredths percent (6-24/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2026, and each succeeding month thereafter through August 15, 2027, six and twenty-seven one-hundredths percent (6-27/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2027, and each succeeding month thereafter through August 15, 2028, six and thirty one-hundredths percent (6-30/100%) of the total sales tax.
revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2028, and each succeeding month thereafter, six and thirty-three one-hundredths percent (6-33/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215.

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

1. The county:
   a. Borders on the Mississippi Sound and the State of Alabama, or
   b. Is Harrison County, Mississippi, and the project area is within a radius of two (2) miles from the intersection of Interstate 10 and Menge Avenue;

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

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

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

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

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

(2) On or before September 15, 1987, and each succeeding
month thereafter, from the revenue collected under this chapter
during the preceding month, One Million One Hundred Twenty-five
Thousand Dollars ($1,125,000.00) shall be allocated for
distribution to municipal corporations as defined under subsection
(1) of this section in the proportion that the number of gallons
of gasoline and diesel fuel sold by distributors to consumers and
retailers in each such municipality during the preceding fiscal
year bears to the total gallons of gasoline and diesel fuel sold
by distributors to consumers and retailers in municipalities
statewide during the preceding fiscal year. The Department of
Revenue shall require all distributors of gasoline and diesel fuel
to report to the department monthly the total number of gallons of
gasoline and diesel fuel sold by them to consumers and retailers
in each municipality during the preceding month. The Department
of Revenue shall have the authority to promulgate such rules and
regulations as is necessary to determine the number of gallons of
gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars ($4,000,000.00) shall be deposited in the State Treasury to the
credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars ($4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:
(a) One-third (1/3) shall be allocated to all counties in equal shares;

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

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

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

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

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

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

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

(7) On or before August 15, 1992, and each succeeding month
thereafter through July 15, 2000, two and two hundred sixty-six
one-thousandths percent (2.266%) of the total sales tax revenue
collected during the preceding month under the provisions of this
chapter, except that collected under the provisions of Section
27-65-17(2), shall be deposited by the department into the School
Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
or before August 15, 2000, and each succeeding month thereafter
August 15, 2022, two and two hundred sixty-six one-thousandths
percent (2.266%) of the total sales tax revenue collected during
the preceding month under the provisions of this chapter, except
that collected under the provisions of Section 27-65-17(2), shall
be deposited into the School Ad Valorem Tax Reduction Fund created
under Section 37-61-35 until such time that the total amount
deposited into the fund during a fiscal year equals Forty-two
Million Dollars ($42,000,000.00). Thereafter, the amounts
diverted under this subsection (7) during the fiscal year in
excess of Forty-two Million Dollars ($42,000,000.00) shall be
deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2022, and each succeeding month thereafter through August 15, 2023, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and two and eighty-eight one-hundredths percent (2.88%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2023, and each succeeding month thereafter through August 15, 2024, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue
collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and two one-hundredths percent (3.02%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2024, and each succeeding month thereafter through August 15, 2025, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and seventeen one-hundredths percent (3.17%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total
amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2025, and each succeeding month thereafter through August 15, 2026, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and thirty-four one-hundredths percent (3.34%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage
appropriation requirements set forth in Section 37-61-33. On or before September 15, 2026, and each succeeding month thereafter through August 15, 2027, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and fifty-two one-hundredths percent (3.52%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2027, and each succeeding month thereafter through August 15, 2028, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and seventy-three one-hundredths
percent (3.73%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2028, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and ninety-seven one-hundredths percent (3.97%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars
($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

(8) On or before August 15, 1992, and each succeeding month thereafter August 15, 2022, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2022, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2022, and each succeeding month thereafter through August 15, 2023, eleven and fifty-five one-hundredths percent (11.55%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2023, and each succeeding month thereafter through August 15, 2024, twelve and

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ten one-hundredths percent (12.10%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2024, and each succeeding month thereafter through August 15, 2025, twelve and seventy one-hundredths percent (12.70%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2025, and each succeeding month thereafter through August 15, 2026, thirteen and thirty-seven one-hundredths percent (13.37%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2026, and each succeeding month thereafter through August 15, 2027, fourteen and eleven one-hundredths percent (14.11%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2027, and each succeeding month thereafter through August 15, 2028, fourteen and ninety-four one-hundredths percent (14.94%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33.
Enhancement Fund created under Section 37-61-33. On or before September 15, 2028, and each succeeding month thereafter, fifteen and eighty-eight one-hundredths percent (15.88%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33.

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

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

(11) Notwithstanding any other provision of this section to the contrary, on or before February 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(2) and the corresponding levy in Section 27-65-23 on the rental or lease of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.
(12) Notwithstanding any other provision of this section to the contrary, on or before August 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1) on retail sales of private carriers of passengers and light carriers of property, as defined in Section 27-51-101 and the corresponding levy in Section 27-65-23 on the rental or lease of these vehicles, shall be deposited, after diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars ($2,000,000.00) into the special fund created under Section 69-37-39. On or before August 15, 2007, and each succeeding month thereafter through July 15, 2010, that
portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars ($2,000,000.00) into the special fund created under Section 69-37-39 until all debts or other obligations incurred by the Certified Cotton Growers Organization under the Mississippi Boll Weevil Management Act before January 1, 2007, are satisfied in full. On or before August 15, 2010, and each succeeding month thereafter through July 15, 2011, fifty percent (50%) of that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00). On or before August 15, 2011, and each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00).
(15) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

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

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

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

(18) [Repealed]

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

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

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

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

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

(iv) For the ninth year in which such payments are
made to a developer from the Redevelopment Project Incentive Fund,
sixty percent (60%) of the diversion shall be deposited into the
fund; and
For the tenth year in which such payments are made to a developer from the Redevelopment Project Incentive Fund, fifty percent (50%) of the funds shall be deposited into the fund.

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

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

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

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

(23) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.
(b) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) must provide an annual report to the Legislature indicating the amount of funds deposited into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.

(24) (a) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2022, and each succeeding month thereafter, (a) one-third (1/3) of the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the increases to tax rates under such sections as provided in House Bill No. 531, 2022 Regular Session, shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund created in Section 13 of this act, and (b) the remainder of the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the increases to tax rates under such sections as provided in House Bill No. 531, 2022 Regular Session, shall be deposited, without diversion, into the State Treasury to the credit of the General Fund.

(b) The provisions of this subsection (24) shall supersede and control over any other provisions of this section providing for the distribution of revenue under this section.
The remainder of the amounts collected under the provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund.

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

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

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

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

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

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

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

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

(b) On or before July 15, 1994, and each succeeding
month thereafter, nine and seventy-three one-thousandths percent
(9.073%) of the total use tax revenue collected during the
preceding month under the provisions of this article shall be
deposited into the Education Enhancement Fund created pursuant to
Section 37-61-33.

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

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

(e) On or before August 15, 2019, and each succeeding
month thereafter through July 15, 2020, three and three-fourths
percent (3-3/4%) of the total use tax revenue collected during the
preceding month under the provisions of this article shall be
deposited into the special fund created in Section 27-67-35(1).
On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, seven and one-half percent (7-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022, eleven and one-fourth percent (11-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before August 15, 2022, and each succeeding month thereafter, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1).

(f) On or before August 15, 2019, and each succeeding month thereafter through July 15, 2020, three and three-fourths percent (3-3/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, seven and one-half percent (7-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022,
eleven and one-fourth percent (11-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2022, and each succeeding month thereafter, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2).

(g) On or before August 15, 2019, and each succeeding month thereafter through July 15, 2020, Four Hundred Sixteen Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents ($416,666.67) or one and one-fourth percent (1-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred Thirty-three Dollars and Thirty-four Cents ($833,333.34) or two and one-half percent (2-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022, One
Million Two Hundred Fifty Thousand Dollars ($1,250,000.00) or
d three and three-fourths percent (3-3/4%) of the total use tax
revenue collected during the preceding month under the provisions
of this article, whichever is the greater amount, shall be
deposited into the Local System Bridge Replacement and
Rehabilitation Fund created in Section 65-37-13. On or before
August 15, 2022, and each succeeding month thereafter, One Million
Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and
Sixty-seven Cents ($1,666,666.67) or five percent (5%) of the
total use tax revenue collected during the preceding month under
the provisions of this article, whichever is the greater amount,
shall be deposited into the Local System Bridge Replacement and

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

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

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

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

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

27-65-241. (1) As used in this section, the following terms
shall have the meanings ascribed to them in this section unless
otherwise clearly indicated by the context in which they are used:
(a) "Hotel" or "motel" means and includes a place of lodging that at any one time will accommodate transient guests on a daily or weekly basis and that is known to the trade as such. Such terms shall not include a place of lodging with ten (10) or less rental units.

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

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

(2) (a) Subject to the provisions of this section, the governing authorities of a municipality may impose upon all persons as a privilege for engaging or continuing in business or doing business within such municipality, a special sales tax at the rate of not more than one percent (1%) of the gross proceeds of sales or gross income of the business, as the case may be,
derived from any of the activities taxed at the rate of *, *, *
eight and one-half percent (8-1/2%) or more under the Mississippi
Sales Tax Law, Section 27-65-1 et seq.

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

(i) Sales exempted by Sections 27-65-19,
27-65-111 of the Mississippi Sales Tax Law;

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

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

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

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

(vi) Wholesale sales of food and drink for human
consumption sold to full service vending machine operators; and
(vii) Wholesale sales of light wine, light spirit product, beer and alcoholic beverages.

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

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

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

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

(5) (a) The special sales tax authorized by this section
shall be collected by the Department of Revenue, shall be
accounted for separately from the amount of sales tax collected

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for the state in the municipality and shall be paid to the
municipality. The Department of Revenue may retain one percent
(1%) of the proceeds of such tax for the purpose of defraying the
costs incurred by the department in the collection of the tax.
Payments to the municipality shall be made by the Department of
Revenue on or before the fifteenth day of the month following the
month in which the tax was collected.

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

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

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

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

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

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

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

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

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

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

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

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

(e) The commissioners shall serve without compensation.

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

(i) Conviction of a felony in any state court or in federal court; or
(ii) Failure to attend three (3) consecutive meetings without just cause.

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

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

(h) The commission shall, with input from the municipality, establish a master plan for road and street repair, reconstruction and resurfacing projects based on traffic patterns, need and usage, and for water, sewer and drainage projects.

Expenditures of the revenue from the tax authorized to be imposed pursuant to this section shall be made at the discretion of the governing authorities of the municipality if the expenditures comply with the master plan. The commission shall monitor the compliance of the municipality with the master plan.

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

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

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

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

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

(a) (i) Through calendar year 2017, on the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);
(ii) For calendar year 2018, on the first One Thousand Dollars ($1,000.00) of taxable income there shall be no tax levied, and on the next Four Thousand Dollars ($4,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

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

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

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

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

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

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

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

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

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

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

(b) Computing for the full fiscal year the amount of tax that would be due under the rates in effect for the calendar year in which the fiscal year ends; and
(c) Applying to the tax computed under paragraph (a) the ratio which the number of months falling within the earlier calendar year bears to the total number of months in the fiscal year; and

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

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

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

27-7-5. (1) There is hereby assessed and levied, to be collected and paid as hereinafter provided, for the calendar year 1983 and fiscal years ending during the calendar year 1983 and all taxable years thereafter, upon the entire net income of every resident corporation, association, trust or estate, in excess of the credits provided, a tax at the following rates:
(a) (i) Through calendar year 2017, on the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

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

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

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

(v) For calendar year 2021, on the first Four Thousand Dollars ($4,000.00) of taxable income there shall be no tax levied, and on the next One Thousand Dollars ($1,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);
(vi) For calendar year 2022 and all taxable years thereafter, there shall be no tax levied on the first Five Thousand Dollars ($5,000.00) of taxable income;

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

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

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

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

(4) In the case of taxpayers having a fiscal year beginning in a calendar year with a rate in effect that is different than the rate in effect for the next calendar year and ending in the next calendar year, the tax due for that taxable year shall be determined by:
(a) Computing for the full fiscal year the amount of
tax that would be due under the rates in effect for the calendar
year in which the fiscal year begins; and
(b) Computing for the full fiscal year the amount of
tax that would be due under the rates in effect for the calendar
year in which the fiscal year ends; and
(c) Applying to the tax computed under paragraph (a)
the ratio which the number of months falling within the earlier
calendar year bears to the total number of months in the fiscal
year; and
(d) Applying to the tax computed under paragraph (b)
the ratio which the number of months falling within the later
calendar year bears to the total number of months within the
fiscal year; and
(e) Adding to the tax determined under paragraph (c)
the tax determined under paragraph (d) the sum of which shall be
the amount of tax due for the fiscal year.

SECTION 13. (1) As used in this section, the following
words and phrases shall have the meanings as defined herein unless
the context clearly requires otherwise:
(a) "Department" means the Department of Revenue.
(b) "Local taxing district" means and has the same
definition as such term has in Section 27-51-101.
(c) "Motor vehicle" means and has the same definition
as such term has in Section 27-19-3.
(2) From and after January 1, 2023, a taxpayer shall be allowed a credit against motor vehicle ad valorem taxes due under Chapter 51, Title 27, Mississippi Code of 1972, on any motor vehicle owned by the taxpayer upon which the taxpayer is required to pay the annual highway privilege tax levied in Chapter 19, Title 27, Mississippi Code of 1972. The ad valorem tax credit authorized in this subsection is in addition to the ad valorem tax credit authorized in Section 27-51-103. The amount of the ad valorem tax credit authorized in this subsection shall be equal to thirty-five percent (35%) of the amount of ad valorem taxes due on the motor vehicle after the application of the ad valorem tax credit authorized in Section 27-51-103.

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

(b) The Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund shall be administered by the department, and monies in the fund shall be expended upon appropriation by the
Legislature. Unexpended amounts remaining in the fund at the end
of a state fiscal year shall not lapse into the State General
Fund, and any interest earned on amounts in the fund shall be
deposited to the credit of the fund. However, after completion of
all of the payments made by the department under subsection (4) of
this section, unexpended amounts remaining in the fund which are
derived from monies deposited therein during the immediately
preceding state fiscal year shall lapse into the State General
Fund.

(4) (a) On or before August 1, 2023, and August 1 of each
succeeding year thereafter, the department shall make payments
from the Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund to
the county tax collectors for distribution to the local taxing
districts as reimbursement for motor vehicle ad valorem taxes that
are lost during the preceding state fiscal year as a result of the
ad valorem tax credit for motor vehicles provided for in
subsection (2) of this section.

(b) On or before September 1, 2023, and September 1 of
each succeeding year thereafter, after the payments from the
department under this subsection are received, the county tax
collectors shall remit the appropriate amount of such payments to
the local taxing districts for which the county tax collector
collects motor vehicle ad valorem taxes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) That a trust forming part of a pension plan, stock bonus plan, disability or death benefit plan or profit-sharing plan of an employer for the exclusive benefit of some or all of his or its employees, or their beneficiaries, to which contributions are made by such employer, or employees, or both, for the purpose of distributing to such employees, or their beneficiaries, the earnings and principal of the fund accumulated
by the trust in accordance with such plan, shall not be taxable under the income tax laws of the State of Mississippi provided that the trust is irrevocable and no part of the trust corpus or income can be used for purposes other than for the exclusive benefit of employees, or their beneficiaries; but any amount actually distributed or made available to any distributee shall be taxable to him in the year in which so distributed or made available to the extent that it exceeds amounts paid in by him.

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

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

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

(b) Any income attributable to an ownership interest in an S corporation.
(3) A trust required to include the activity of a disregarded entity for federal income tax purposes shall do likewise for the purpose of computing income for this state.

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

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

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

(b) (i) For any person, firm or corporation who pays to a county, municipality, school district, levee district or any other taxing authority of the state or a political subdivision thereof, ad valorem taxes imposed on rental equipment, a credit against the income taxes imposed under this chapter shall be allowed for the portion of the ad valorem taxes so paid in the amounts prescribed in subsection (2).
(ii) As used in this paragraph, "rental equipment" means any rental equipment or other rental items which are held for short-term rental to the public:

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

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

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

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

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

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

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

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

(g) For the 2016 taxable year and each taxable year thereafter, the tax credit of the taxpayer shall be the lesser of the amount of the ad valorem taxes described in subsection (1) paid or the amount of income taxes due the State of Mississippi that are attributable to such location.
(3) Any amount of ad valorem taxes paid by a taxpayer that is applied toward the tax credit allowed in this section may not be used as a deduction by the taxpayer for state income tax purposes. In the case of a taxpayer that is a partnership, limited liability company or S corporation, the credit may be applied only to the tax attributable to partnership, limited liability company or S corporation income derived from the taxpayer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) To be eligible for the tax credit, an eligible owner must have a reforestation prescription or plan prepared for the eligible lands by a graduate forester of a college, school or university accredited by the Society of American Foresters or by a registered forester under the Foresters Registration Law of 1977. The forester must verify in writing that the reforestation practices were completed and that the reforestation prescription or plan was followed.

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The land may not be under lease to the Mississippi Commission on Wildlife, Fisheries and Parks, and the commission must approve the land as being suitable for the uses described in this section.
(b) The amount of the tax credit allowed by this section shall be Five Dollars and Fifty Cents ($5.50) per acre of land in each taxable year.

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

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

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

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

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

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

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

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

(iii) Property designated a Mississippi Landmark
by the Department of Archives and History pursuant to Section
39-7-3 et seq.
(b) "Eligible property" means property located in Mississippi and offered or used for residential or business purposes.

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

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

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

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

(iv) Is certified by the Mississippi Department of Archives and History as contributing to the historic significance of:
1. A certified historic district listed on the National Register of Historic Places; or

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

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

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

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

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

(i) Five Thousand Dollars ($5,000.00) in the case of an owner-occupied dwelling; or
(ii) Fifty percent (50%) of the adjusted basis in the property in the case of all other properties; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) This section shall only apply to taxpayers:

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

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

(9) Notwithstanding any other provision of this section to
the contrary, from and after January 1, 2023, if the amount of the
credit or rebate that a taxpayer is eligible to receive or to use
is less than the amount of credit or rebate that the taxpayer
would have been eligible to receive or to use if the taxpayer's

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Any unused portion of the credit may be carried forward for three (3) tax years.
(3) Any prekindergarten program support contribution shall be verified by submission to the Mississippi Department of Revenue of a copy of the receipt provided to the donor taxpayer by the prekindergarten program recipient or such other written verification as may be required by the Department of Revenue.

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

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

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

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

(a) "Low-income residents" means persons whose household income is less than one hundred fifty percent (150%) of the federal poverty level.
(b) "Qualifying charitable organization" means a charitable organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code or is a designated community action agency that receives community services block grant program monies pursuant to 42 USC 9901. The organization must spend at least fifty percent (50%) of its budget on services to residents of this state who receive temporary assistance for needy families benefits or low-income residents of this state and their households or to children who have a chronic illness or physical, intellectual, developmental or emotional disability who are residents of this state. A charitable organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that meets all other requirements of this paragraph except that it does not spend at least fifty percent (50%) of its overall budget in Mississippi may be a qualifying charitable organization if it spends at least fifty percent (50%) of its Mississippi budget on services to qualified individuals in Mississippi and it certifies to the department that one hundred percent (100%) of the voluntary cash contributions from the taxpayer will be spent on services to qualified individuals in Mississippi. Taxpayers choosing to make donations through an umbrella charitable organization that collects donations on behalf of member charities shall designate that the donation be directed to a member charitable organization that would qualify under this section on a stand-alone basis.
Qualifying charitable organization does not include any entity
that provides, pays for or provides coverage of abortions or that
financially supports any other entity that provides, pays for or
provides coverage of abortions.

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

(d) "Services" means:

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

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

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

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

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

(b) The lesser of Eight Hundred Dollars ($800.00) or the amount of the contribution in any taxable year for a married couple filing a joint return.
(3) A separate credit is allowed against the taxes imposed by this chapter for voluntary cash contributions during the taxable year to a qualifying foster care charitable organization. A contribution to a qualifying foster care charitable organization does not qualify for, and shall not be included in, any credit amount under subsection (2) of this section. If the voluntary cash contribution by the taxpayer is to a qualifying foster care charitable organization, the credit shall not exceed:

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

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

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

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

(b) Contribute to a qualifying foster care charitable organization and claim a credit under subsection (3) of this section.
(5) A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half (1/2) of the tax credit that would have been allowed for a joint return.

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

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

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

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

(10) The charitable organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification shall include the following:
(a) Verification of the organization's status under Section 501(c)(3) of the Internal Revenue Code or verification that the organization is a designated community action agency that receives community services block grant program monies pursuant to 42 USC 9901.

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

(i) Receive temporary assistance for needy families benefits;

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

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

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

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

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

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

(f) Any other information that the department requires to administer this section.
(11) The department shall review each written certification and determine whether the organization meets all the criteria to be considered a qualifying charitable organization and notify the organization of its determination. The department may also periodically request recertification from the organization. The department shall compile and make available to the public a list of the qualifying charitable organizations.

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

(13) A taxpayer shall apply for credits with the department on forms prescribed by the department. In the application the taxpayer shall certify to the department the dollar amount of the contributions made or to be made during the calendar year. Within thirty (30) days after the receipt of an application, the
department shall allocate credits based on the dollar amount of
contributions as certified in the application. However, if the
department cannot allocate the full amount of credits certified in
the application due to the limit on the aggregate amount of
credits that may be awarded under this section in a calendar year,
the department shall so notify the applicant within thirty (30)
days with the amount of credits, if any, that may be allocated to
the applicant in the calendar year. Once the department has
allocated credits to a taxpayer, if the contribution for which a
credit is allocated has not been made as of the date of the
allocation, then the contribution must be made not later than
sixty (60) days from the date of the allocation. If the
contribution is not made within such time period, the allocation
shall be cancelled and returned to the department for
reallocating. Upon final documentation of the contributions, if
the actual dollar amount of the contributions is lower than the
amount estimated, the department shall adjust the tax credit
allowed under this section.

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

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

27-7-22.41. (1) For the purposes of this section, the
following words and phrases shall have the meanings ascribed in
this section unless the context clearly indicates otherwise:
(a) "Department" means the Department of Revenue.

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

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

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

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

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

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

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

2. Children who have a chronic illness or physical, intellectual, developmental or emotional disability, or
3. Children eligible for free or reduced price meals programs under Section 37-11-7, or selected for participation in the Promise Neighborhoods Program sponsored by the U.S. Department of Education.

(2) (a) The tax credit authorized in this section shall be available only to a taxpayer who is a business enterprise engaged in commercial, industrial or professional activities and operating as a corporation, limited liability company, partnership or sole proprietorship. Except as otherwise provided in this section, a credit is allowed against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary cash contributions made by a taxpayer during the taxable year to an eligible charitable organization. From and after January 1, 2022, for a taxpayer that is not operating as a corporation, a credit is also allowed against ad valorem taxes assessed and levied on real property for voluntary cash contributions made by the taxpayer during the taxable year to an eligible charitable organization. The amount of credit that may be utilized by a taxpayer in a taxable year shall be limited to (i) an amount not to exceed fifty percent (50%) of the total tax liability of the taxpayer for the taxes imposed by such sections of law and (ii) an amount not to exceed fifty percent (50%) of the total tax liability of the taxpayer for ad valorem taxes assessed and levied on real property. Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5)
consecutive years from the close of the tax year in which the credits were earned.

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

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

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

(4) An eligible charitable organization shall provide the department with a written certification that it meets all criteria to be considered an eligible charitable organization. An eligible charitable organization must also provide the department with written documented proof of its license and/or written contract with the Mississippi Department of Child Protection Services. The organization shall also notify the department of any changes that may affect eligibility under this section.

(5) The eligible charitable organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification shall include the following:
(a) Verification of the organization's status under 
Section 501(c)(3) of the Internal Revenue Code;
(b) A statement that the organization does not provide, 
pay for or provide coverage of abortions and does not financially 
support any other entity that provides, pays for or provides 
coverage of abortions;
(c) Any other information that the department requires 
to administer this section.
(6) The department shall review each written certification 
and determine whether the organization meets all the criteria to 
be considered an eligible charitable organization and notify the 
organization of its determination. The department may also 
periodically request recertification from the organization. The 
department shall compile and make available to the public a list 
of eligible charitable organizations.
(7) Tax credits authorized by this section that are earned 
by a partnership, limited liability company, S corporation or 
other similar pass-through entity, shall be allocated among all 
partners, members or shareholders, respectively, either in 
proportion to their ownership interest in such entity or as the 
partners, members or shareholders mutually agree as provided in an 
executed document.
(8) (a) A taxpayer shall apply for credits with the 
department on forms prescribed by the department. In the 
application the taxpayer shall certify to the department the
dollar amount of the contributions made or to be made during the
calendar year. Within thirty (30) days after the receipt of an
application, the department shall allocate credits based on the
dollar amount of contributions as certified in the application.
However, if the department cannot allocate the full amount of
credits certified in the application due to the limit on the
aggregate amount of credits that may be awarded under this section
in a calendar year, the department shall so notify the applicant
within thirty (30) days with the amount of credits, if any, that
may be allocated to the applicant in the calendar year. Once the
department has allocated credits to a taxpayer, if the
contribution for which a credit is allocated has not been made as
of the date of the allocation, then the contribution must be made
not later than sixty (60) days from the date of the allocation.
If the contribution is not made within such time period, the
allocation shall be cancelled and returned to the department for
reallocation. Upon final documentation of the contributions, if
the actual dollar amount of the contributions is lower than the
amount estimated, the department shall adjust the tax credit
allowed under this section.

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

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

(9) The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Five Million Dollars ($5,000,000.00), and not more than fifty percent (50%) of tax credits allocated during a calendar year may be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section. However, for calendar year 2021, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Ten Million Dollars ($10,000,000.00), and for calendar year 2022, and for each calendar year thereafter, the aggregate amount of tax credits allocated.
credits that may be allocated by the department under this section
during a calendar year shall not exceed Sixteen Million Dollars
($16,000,000.00). For calendar year 2021, and for each calendar
year thereafter, fifty percent (50%) of the tax credits allocated
during a calendar year shall be allocated for contributions to
eligible charitable organizations described in subsection
(1)(b)(i) of this section and fifty percent (50%) of the tax
credits allocated during a calendar year shall be allocated for
contributions to eligible charitable organizations described in
subsection (1)(b)(ii) of this section. For calendar year 2022, and for each calendar year thereafter, of the amount of tax
credits that may be allocated for contributions to eligible
charitable organizations described in subsection (1)(b)(ii) of
this section, fifteen percent (15%) of the tax credits shall be
available solely for allocation for contributions to eligible
charitable organizations described in subsection (1)(b)(ii); however, any such tax credits not allocated before April 1 of a
calendar year may be allocated for contributions to eligible
charitable organizations described in subsection (1)(b)(ii) of
this section. For calendar year 2021, and for each calendar year
thereafter, for credits allocated during a calendar year for
contributions to eligible charitable organizations described in
subsection (1)(b)(i) of this section, no more than twenty-five
percent (25%) of such credits may be allocated for contributions
to a single eligible charitable organization. Except as otherwise
provided in this section, for calendar year 2021, and for each
calendar year thereafter, for credits allocated during a calendar
year for contributions to eligible charitable organizations
described in subsection (1)(b)(ii) of this section, no more than
five percent (5%) of such credits may be allocated for
contributions to a single eligible charitable organization.
However, for calendar year 2022, of the additional amount of tax
credits authorized under this section, as amended by Chapter 480,
Laws of 2021, for allocation for contributions to eligible
charitable organizations described in subsection (1)(b)(ii) of
this section, Two Million Dollars ($2,000,000.00) of the tax
credits shall be available solely for allocation for contributions
to Magnolia Speech School; however, any such tax credits not
allocated before April 1, 2022, may be allocated for contributions
to eligible charitable organizations described in subsection
(1)(b)(ii) of this section.

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

27-7-207. (1) Subject to the limitations provided for in
this section, through calendar year 2023 a taxpayer shall be
allowed a credit against the tax imposed by Chapter 7, Title 27,
in an amount equal to twenty-five percent (25%) of a qualified
contribution to an endowed fund at a qualified community
foundation, subject to the following:
(a) The minimum amount of a qualified contribution shall be One Thousand Dollars ($1,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) "New direct job" means full-time employment in this state in a qualified business or industry that has qualified to receive an incentive payment pursuant to this chapter, which employment did not exist in this state before the date of approval by the MDA of the application of the qualified business or industry pursuant to the provisions of this chapter. "New direct job" shall include full-time employment in this state of employees who are employed by an entity other than the establishment that has qualified to receive an incentive payment and who are leased to the qualified business or industry, if such employment did not exist in this state before the date of approval by the MDA of the application of the establishment;
(c) "Full-time job" means a job of at least thirty-five (35) hours per week;

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

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

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

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

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

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

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

(i) "MDA" means the Mississippi Development Authority.
[For businesses or industries that received or applied for incentive payments from and after July 1, 2005, but prior to July 1, 2010, this section shall read as follows:]

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

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

(i) Is a data/information processing enterprise meeting minimum criteria established by the MDA that provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred percent (100%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser, and creates not less than two hundred (200) new direct jobs if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in accordance with Section 57-73-21), or which creates not less than one hundred (100) new jobs if the enterprise is located in a Tier Three area (as such areas are designated in accordance with Section 57-73-21);
(ii) Is a manufacturing or distribution enterprise meeting minimum criteria established by the MDA that provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred ten percent (110%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser, invests not less than Twenty Million Dollars ($20,000,000.00) in land, buildings and equipment, and creates not less than fifty (50) new direct jobs if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in accordance with Section 57-73-21), or which creates not less than twenty (20) new jobs if the enterprise is located in a Tier Three area (as such areas are designated in accordance with Section 57-73-21);

(iii) Is a corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred twenty-five percent (125%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the
Mississippi Department of Employment Security, whichever is the lesser, and creates not less than twenty-five (25) new direct jobs if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in accordance with Section 57-73-21), or which creates not less than ten (10) new jobs if the enterprise is located in a Tier Three area (as such areas are designated in accordance with Section 57-73-21). An establishment shall not be considered to be a qualified business or industry unless it offers, or will offer within one hundred eighty (180) days of the date it receives the first incentive payment pursuant to the provisions of this chapter, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is approved by the MDA. Qualified business or industry does not include retail business or gaming business; or

(iv) Is a research and development or a technology intensive enterprise meeting minimum criteria established by the MDA that provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred fifty percent (150%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser, and creates not less than ten (10) new direct jobs.
An establishment shall not be considered to be a qualified business or industry unless it offers, or will offer within one hundred eighty (180) days of the date it receives the first incentive payment pursuant to the provisions of this chapter, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is approved by the MDA. Qualified business or industry does not include retail business or gaming business.

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

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

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

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

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

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

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

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

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

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

57-62-5. As used in this chapter, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:
(a) "Qualified business or industry" means any corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which:

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

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

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

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

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

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

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

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

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

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

"New direct job" shall include full-time employment in this state of employees who are employed by an entity other than the establishment that has qualified to receive an incentive payment and who are leased to the qualified business or industry, if such employment did not exist in this state before the date of approval by the MDA of the application of the establishment.
(c) "Full-time job" or "full-time employment" means a job of at least thirty-five (35) hours per week.

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

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

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

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

57-62-9. (1) Except as otherwise provided in this section, a qualified business or industry that meets the qualifications specified in this chapter may receive quarterly incentive payments for a period not to exceed ten (10) years from the Department of Revenue pursuant to the provisions of this chapter in an amount which shall be equal to the net benefit rate multiplied by the actual gross payroll of new direct jobs for a calendar quarter as verified by the Mississippi Department of Employment Security, but not to exceed the amount of money previously paid into the fund by the employer. A qualified business or industry that is a project as defined in Section 57-75-5(f)(iv)1 may elect the date upon which the ten-year period will begin. Such date may not be later than sixty (60) months after the date the business or industry applied for incentive payments.
(2) (a) A qualified business or industry that is a project as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to receive incentive payments for an additional period not to exceed five (5) years beyond the expiration date of the initial ten-year period if:

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

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

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

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

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

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

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

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

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

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

(b) Provide an average salary, excluding benefits which
are not subject to Mississippi income taxes, of at least one
hundred twenty-five percent (125%) of the most recently published
state average annual wage or the most recently published average
annual wage of the county in which the qualified business or
industry is located as determined by the Mississippi Department of
Employment Security, whichever is the lesser. The criteria for
this requirement shall be based upon the state average annual wage
or the average annual wage of the county whichever is appropriate,
at the time of application, and the threshold established upon
application will remain constant for the duration of the project;
(c) The business or industry must create and maintain a
minimum of ten (10) full-time jobs in counties that have an
average unemployment rate over the previous twelve-month period
which is at least one hundred fifty percent (150%) of the most
recently published state unemployment rate, as determined by the
Mississippi Department of Employment Security or in Tier Three
counties as determined under Section 57-73-21. In all other
counties, the business or industry must create and maintain a
minimum of twenty-five (25) full-time jobs. The criteria for this
requirement shall be based on the designation of the county at the
time of the application. The threshold established upon the
application will remain constant for the duration of the project.
The business or industry must meet its job creation commitment
within twenty-four (24) months of the application approval.
However, if the qualified business or industry is applying for
incentive payments for an additional period under subsection (2)
of this section, the business or industry must comply with the
applicable job and wage requirements of subsection (2) of this
section.
(5) The MDA shall determine if the applicant is qualified to
receive incentive payments. If the applicant is determined to be
qualified by the MDA, the MDA shall conduct a cost/benefit
analysis to determine the estimated net direct state benefits and
the net benefit rate applicable for a period not to exceed ten (10) years and to estimate the amount of gross payroll for the period. If the applicant is determined to be qualified to receive incentive payments for an additional period under subsection (2) of this section, the MDA shall conduct a cost/benefit analysis to determine the estimated net direct state benefits and the net benefit rate applicable for the appropriate additional period and to estimate the amount of gross payroll for the additional period. In conducting such cost/benefit analysis, the MDA shall consider quantitative factors, such as the anticipated level of new tax revenues to the state along with the cost to the state of the qualified business or industry, and such other criteria as deemed appropriate by the MDA, including the adequacy of retirement benefits that the business or industry provides to individuals it employs in new direct jobs in this state. In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits. Once the qualified business or industry is approved by the MDA, an agreement shall be deemed to exist between the qualified business or industry and the State of Mississippi, requiring the continued incentive payment, together with any amount due pursuant to subsection (8) of this section, if applicable, to be made as long as the qualified business or industry retains its eligibility.

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

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

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

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

(c) The MDA may extend the period of time within which
the jobs must be created for a period of time not to exceed
twenty-four (24) months.
(8) Notwithstanding any other provision of this section to the contrary, from and after January 1, 2023, if the amount of the incentive payment that a qualified business or industry is eligible to receive under this chapter is less than the amount that the incentive payment would have been if the payment had been calculated using any applicable income tax personal exemptions in Section 27-7-21(b), (c) and (d), as such exemptions existed before January 1, 2023, then the qualified business or industry also shall receive a grant equal to the difference between such two (2) amounts. Further, the term "incentive payment," as such term is used in this chapter shall be deemed to not refer to or otherwise include any grant payment payable to a qualified business or industry pursuant to this subsection.

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

57-62-9. (1) (a) Except as otherwise provided in this section, a qualified business or industry that meets the qualifications specified in this chapter may receive quarterly incentive payments for a period not to exceed ten (10) years from the Department of Revenue pursuant to the provisions of this chapter in an amount which shall be equal to the net benefit rate multiplied by the actual gross payroll of new direct jobs for a calendar quarter as verified by the Mississippi Department of Employment Security, but not to exceed:
(i) Ninety percent (90%) of the amount of money previously paid into the fund by the employer if the employer provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred seventy-five percent (175%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser;

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

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

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

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

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

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

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

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

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

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

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

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

(4) (a) In order to qualify to receive such payments, the establishment applying shall be required to meet the definition of the term "qualified business or industry";
ST: Mississippi Tax Freedom Act of 2022; create.

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

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

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

(b) If the applicant is determined to be qualified to receive incentive payments for an additional period under subsection (2) of this section, the MDA shall conduct a cost/benefit analysis to determine the estimated net direct state benefits and the net benefit rate applicable for the appropriate additional period and to estimate the amount of gross payroll for the additional period. In conducting such cost/benefit analysis, the MDA shall consider quantitative factors, such as the anticipated level of new tax revenues to the state along with the cost to the state of the qualified business or industry, and such other criteria as deemed appropriate by the MDA, including the
adequacy of retirement benefits that the business or industry provides to individuals it employs in new direct jobs in this state. In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits. Once the qualified business or industry is approved by the MDA, an agreement shall be deemed to exist between the qualified business or industry and the State of Mississippi, requiring the continued incentive payment, together with any amount due pursuant to subsection (8) of this section, if applicable, to be made as long as the qualified business or industry retains its eligibility.

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

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

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

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

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

(8) Notwithstanding any other provision of this section to
the contrary, from and after January 1, 2023, if the amount of the
incentive payment that a qualified business or industry is
eligible to receive under this chapter is less than the amount
that the incentive payment would have been if the payment had been
calculated using any applicable income tax personal exemptions in
Section 27-7-21(b), (c) and (d), as such exemptions existed before
January 1, 2023, then the qualified business or industry also
shall receive a grant equal to the difference between such two (2)
amounts. Further, the term "incentive payment", as such term is
used in this chapter shall be deemed to not refer to or otherwise
include any grant payment payable to a qualified business or
industry pursuant to this subsection.
[For businesses or industries that apply for incentive payments from and after July 1, 2010, this section shall read as follows:]

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

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

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

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

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

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

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

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

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

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

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

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

(4) (a) In order to qualify to receive such payments, the
establishment applying shall be required to meet the definition of
the term "qualified business or industry";
(b) The criteria for the average annual salary requirement shall be based upon the state average annual wage or the average annual wage of the county whichever is appropriate, at the time of application, and the threshold established upon application will remain constant for the duration of the project;

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

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

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

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

(7) If the qualified business or industry is located in an
area that has been declared by the Governor to be a disaster area
and as a result of the disaster the business or industry is unable
to create or maintain the full-time jobs required by this section:
(a) The Commissioner of Revenue may extend the period of time that the business or industry may receive incentive payments for a period of time not to exceed two (2) years;

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

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

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

SECTION 30. Section 57-62-11, Mississippi Code of 1972, is amended as follows:
57-62-11. (1) There is created in the State Treasury a special fund to be known as the Mississippi Advantage Jobs Incentive Payment Fund, into which shall be deposited withholding tax revenue required to be deposited into such fund pursuant to Section 27-7-312 and any other monies designated for deposit therein. The money in the fund shall be used for the purpose of making the incentive payments and grants authorized under this chapter.

(2) The Mississippi Advantage Jobs Incentive Payment Fund shall be administered by the Department of Revenue, and monies in the fund, less three percent (3%) to be retained by the Department of Revenue to pay the reasonable and necessary expenses of the Department of Revenue in administering its duties under this chapter, shall be expended pursuant to the approved application. Amounts in the fund at the end of any fiscal year that are not necessary to make future incentive payments and grants shall be paid into the General Fund.

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

SECTION 31. Section 57-62-13, Mississippi Code of 1972, is brought forward as follows:

57-62-13. (1) As soon as practicable after the end of a calendar quarter for which a qualified business or industry has qualified to receive an incentive payment, the qualified business
or industry shall file a claim for the payment with the Department of Revenue and shall specify the actual number of new direct jobs created and maintained by the business or industry for the calendar quarter and the gross payroll thereof. The Department of Revenue shall verify the actual number of new direct jobs created and maintained by the business or industry and compliance with the average annual wage requirements for such business or industry under this chapter. If the qualified business or industry files a claim for an incentive payment during an additional incentive period provided under Section 57-62-9(2), the Department of Revenue shall verify the actual number of new direct jobs created and maintained by the business or industry and compliance with the average annual wage requirements for such business or industry under this chapter. If the Department of Revenue is not able to provide such verification utilizing all available resources, the Department of Revenue may request such additional information from the business or industry as may be necessary.

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

(b) If the business or industry is qualified to receive incentive payments for an additional period provided under Section 57-62-9(2), the business or industry must meet the wage and job requirements of Section 57-62-9(2), for four (4) consecutive calendar quarters prior to payment of the first incentive payment. If the business or industry does not maintain the wage or job requirements of Section 57-62-9(2), at any other time during the appropriate additional period after the date the first payment was made, the incentive payments shall not be made and shall not be resumed until such time as the actual verified number of new direct jobs created and maintained by the business or industry equals or exceeds the amounts specified in Section 57-62-9(2), for one (1) calendar quarter.

(3) An establishment that has qualified pursuant to this chapter may receive payments only in accordance with the provision under which it initially applied and was approved. If an establishment that is receiving incentive payments expands, it may apply for additional incentive payments based on the new gross payroll for new direct jobs anticipated from the expansion only, pursuant to this chapter.
(4) As soon as practicable after verification of the qualified business or industry meeting the requirements of this chapter and all rules and regulations, the Department of Finance and Administration, upon requisition of the Department of Revenue, shall issue a warrant drawn on the Mississippi Advantage Jobs Incentive Payment Fund to the establishment in the amount of the incentive payment as determined pursuant to subsection (1) of this section for the calendar quarter.

SECTION 32. Section 57-89-3, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

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

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

(d) "Motion picture" means a nationally distributed feature-length film, video, DVD, television program or series, commercial, or computer or video game made in Mississippi, in whole or in part, for theatrical or DVD release or television viewing or as a television pilot or viewing through streaming video or internet delivery, or for playing on a video game console, personal computer or handheld device. The term "motion picture" shall not include the production of television coverage of news and athletic events, or a film, video, DVD, television program, series, or commercial that contains any material or performance defined in Section 97-29-103.
(e) "Motion picture production company" means a company engaged in the business of producing nationally distributed motion pictures, videos, DVDs, television programs or series, commercials, or computer or video games intended for a theatrical release, for television viewing or for playing on a video game console, personal computer or handheld device. The term "motion picture production company" includes a company engaged in the business of making such productions through the use of animation, interactive media, preproduction and post-production 3D applications, video game cinematics, virtual production, visual effects, and motion capture within the fields of feature film, television, commercials and games. The term "motion picture production company" shall not mean or include any company owned, affiliated, or controlled, in whole or in part, by any company or person which is in default on a loan made by the state or a loan guaranteed by the state, or any company or person who has ever declared bankruptcy under which an obligation of the company or person to pay or repay public funds or monies was discharged as a part of such bankruptcy.

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

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

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

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

SECTION 33. Section 57-89-7, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

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

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

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

(3) The Department of Revenue shall have all powers necessary to implement and administer the provisions of this section, and the Department of Revenue shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this section.
(4) The State Auditor may conduct performance and compliance audits under this chapter according to Section 7-7-211(o) and may bill the oversight agency.

SECTION 34. Section 57-99-1, Mississippi Code of 1972, is amended as follows:

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

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

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

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

(iii) A project:

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

2. Creates at least twenty-five (25) jobs within sixty (60) months of the beginning of the project; and
3. In which the average annual wages and taxable benefits of the jobs created by such project are at least one hundred ten percent (110%) of the most recently published average annual wage of the state or the most recently published average annual wage of the county in which the project is located, as determined by the Mississippi Department of Employment Security, whichever is the lesser; or

(iv) A project:

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

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

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

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

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

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

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

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

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

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

SECTION 35. Section 57-99-3, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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

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

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

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

SECTION 36. Section 57-99-5, Mississippi Code of 1972, is amended as follows:

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

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

SECTION 37. Section 57-99-7, Mississippi Code of 1972, is brought forward as follows:

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

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

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

(4) As soon as practicable after verification of the qualified business or industry meeting the requirements of Sections 57-99-1 through 57-99-9 and all rules and regulations, the Department of Finance and Administration, upon requisition of the State Tax Commission, shall issue a warrant drawn on the MMEIA Withholding Rebate Fund to the establishment in the amount of the rebate as determined pursuant to subsection (1) of this section for the calendar quarter.
SECTION 38. Section 57-99-21, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

(i) Except as otherwise provided in this paragraph (d), the rebate amount shall be one percent (1%) of the wages and taxable benefits for qualified jobs;
(ii) In no event shall incentive payments exceed the actual Mississippi income taxes withheld from employees in qualified jobs that are available for rebate to the qualified business or industry; and

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

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

SECTION 39. Section 57-99-23, Mississippi Code of 1972, is brought forward as follows:

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

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

- Be engaged in a qualified business or industry; and
- The business or industry must maintain a minimum of one thousand two hundred (1,200) qualified jobs.

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

SECTION 40. Section 57-99-25, Mississippi Code of 1972, is brought forward as follows:

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

SECTION 41. Section 57-99-27, Mississippi Code of 1972, is
brought forward as follows:

57-99-27. (1) As soon as practicable after the end of a
calendar quarter for which a qualified business or industry has
qualified to receive an incentive payment, the qualified business
or industry shall file a claim for the payment with the State Tax
Commission and shall specify the actual number of qualified jobs
created and maintained by the business or industry for the
calendar quarter and the wages and taxable benefits thereof. The
State Tax Commission shall verify the actual number of qualified
jobs maintained by the business or industry. If the State Tax
Commission is not able to provide such verification utilizing all
available resources, the State Tax Commission may request such
additional information from the business or industry as may be
necessary.

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

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

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

SECTION 42. Section 37-148-3, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

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

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

(g) "State" means the State of Mississippi or a governmental entity of the State of Mississippi.
(h) "IHL" means the Board of Trustees of State Institutions of Higher Learning in Mississippi.

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

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

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

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

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

SECTION 43. Section 37-148-5, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

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

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

(ii) A proposed budget;

(iii) An estimated date for completion of the qualified research; and

(iv) Such additional information as may be requested by IHL.
(e) IHL shall review each application to determine if
the investor has satisfied all of the requirements of this
section.

(f) Within sixty (60) days of receiving an application,
IHL shall issue or refuse to issue a SMART Business Rebate
certificate. The SMART Business Rebate certificate must include
the amount of the rebate the investor is eligible to claim,
subject to subsection (l) of this section. IHL must notify the
Department of Revenue when a SMART Business Rebate certificate is
issued.

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

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

(i) The Department of Revenue shall issue rebates
available under this subsection from current income tax
collections.
5289 (j) Rebates must be allocated to investors by the
5290 Department of Revenue in the order that SMART Business Rebate
5291 certificates are issued by IHL.
5292 (3) The SMART Business Accelerate Initiative shall be
5293 implemented as follows:
5294 (a) Subject to the provisions of this chapter, an
5295 applicant performing research validation pursuant to a research
5296 agreement is eligible for a disbursement of up to One Hundred
5297 Fifty Thousand Dollars ($150,000.00) for the applicant's qualified
5298 validation expenses.
5299 (b) The total amount of disbursements issued by the
5300 state under the SMART Business Accelerate Initiative in any fiscal
5301 year may not exceed One Million Five Hundred Thousand Dollars
5302 ($1,500,000.00).
5303 (c) Applicants desiring to apply for a SMART Business
5304 Accelerate Initiative disbursement authorized by this chapter
5305 shall submit an application to IHL which must contain, at a
5306 minimum, the following:
5307 (i) A description of the research validation to be
5308 conducted by the college or research corporation using funds from
5309 the disbursement;
5310 (ii) A proposed budget of qualified validation
5311 expenses;
(iii) A certified determination from the applicant that the proposed research validation is necessary to develop state-owned intellectual property into products and services; and

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

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

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

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

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

SECTION 44. Section 57-105-1, Mississippi Code of 1972, is brought forward as follows:
57-105-1. (1) As used in this section:

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

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

(b) "Applicable percentage" means:

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

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

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

(i) The later of:

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

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

(ii) 1. For equity investments issued prior to July 1, 2008, each of the subsequent six (6) anniversary dates of the date upon which the investment is initially made; or
2. For equity investments issued from and after July 1, 2008, each of the subsequent two (2) anniversary dates of the date determined as provided for in subparagraph (i) of this paragraph.

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

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

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

(i) Have been acquired after January 1, 2007, at its original issuance solely in exchange for cash; and
(ii) Have been allocated by the Mississippi Development Authority.

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

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

(2) A taxpayer that holds a qualified equity investment on the credit allowance date shall be entitled to a credit applicable against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 during the taxable year that includes the credit allowance date. The amount of the credit shall be equal to the applicable percentage of the adjusted purchase price paid to the qualified community development entity for the qualified equity investment.
investment. The amount of the credit that may be utilized in any one (1) tax year shall be limited to an amount not greater than the total tax liability of the taxpayer for the taxes imposed by the above-referenced sections. The credit shall not be refundable or transferable. Any unused portion of the credit may be carried forward for seven (7) taxable years beyond the credit allowance date on which the credit was earned. The maximum aggregate amount of qualified equity investments that may be allocated by the Mississippi Development Authority may not exceed an amount that would result in taxpayers claiming in any one (1) state fiscal year credits in excess of Fifteen Million Dollars ($15,000,000.00), exclusive of credits that might be carried forward from previous taxable years; however, a maximum of one-third (1/3) of this amount may be allocated as credits for taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any taxpayer claiming a credit under this section against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 shall not be required to pay any additional tax under Section 27-15-123 as a result of claiming such credit. The Mississippi Development Authority shall allocate credits within this limit as provided for in subsection (4) of this section.

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

(4) The qualified community development entity shall apply for credits with the Mississippi Development Authority on forms prescribed by the Mississippi Development Authority. The qualified community development entity must pay an application fee of One Thousand Dollars ($1,000.00) to the Mississippi Development Authority at the time the application is submitted. In the application the qualified community development entity shall certify to the Mississippi Development Authority the dollar amount of the qualified equity investments made or to be made in this state, including in any federal Indian reservation located within the state's geographical boundary, during the first twelve-month period following the initial credit allowance date. The Mississippi Development Authority shall allocate credits based on the dollar amount of qualified equity investments as certified in the application. Once the Mississippi Development Authority has allocated credits to a qualified community development entity, if the corresponding qualified equity investment has not been issued as of the date of such allocation, then the corresponding qualified equity investment must be issued not later than one hundred twenty (120) days from the date of such allocation. If
the qualified equity investment is not issued within such time
period, the allocation shall be cancelled and returned to the
Mississippi Development Authority for reallocation. Upon final
documentation of the qualified low-income community investments,
if the actual dollar amount of the investments is lower than the
amount estimated, the Mississippi Development Authority shall
adjust the tax credit allowed under this section. The Department
of Revenue may recapture all of the credit allowed under this
section if:

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

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

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

Any credits that are subject to recapture under this
subsection shall be recaptured from the taxpayer that actually
claimed the credit.
The Mississippi Development Authority shall not allocate any credits under this section after July 1, 2024.

(5) Each qualified community development entity that receives qualified equity investments to make qualified low-income community investments in Mississippi must annually report to the Mississippi Development Authority the North American Industry Classification System Code, the county, the dollars invested, the number of jobs assisted and the number of jobs assisted with wages over one hundred percent (100%) of the federal poverty level for a family of four (4) of each qualified low-income community investment.

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

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

(b) As used in this subsection:
(i) "New Markets Tax Credit transaction" means any financing transaction which utilizes either this section or Section 45D of the Internal Revenue Code of 1986, as amended.

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

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

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

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

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

(e) With respect to a New Markets Tax Credit
transaction, public entities and public benefit corporations are
authorized to enter into financing arrangements with any governmental, nonprofit or for-profit entity in order to leverage funds not otherwise available to public entities for the acquisition, construction and/or renovation of properties transferred to such public benefit corporations. The use of any funds loaned by or contributed by a public benefit corporation or borrowed by or otherwise made available to a public benefit corporation in such financing arrangement shall be dedicated solely to (i) the development of new properties or facilities and/or the renovation of existing properties or facilities or operation of properties or facilities, and/or (ii) the payment of costs and expenditures related to any such financing arrangements, including, but not limited to, funding any reserves required in connection therewith, the repayment of any indebtedness incurred in connection therewith, and the payment of fees and expenses incurred in connection with the closing, administration, accounting and/or compliance with respect to the New Markets Tax Credit transaction.

(f) A public benefit corporation created pursuant to this subsection shall not be a political subdivision of the state but shall be a nonprofit corporation organized and governed under the provisions of the laws of this state and shall be a special purpose corporation established to facilitate New Markets Tax Credit transactions consistent with the requirements of this section.
(g) Neither this subsection nor anything herein contained is or shall be construed as a restriction or limitation upon any powers which the public entity or public benefit corporation might otherwise have under any laws of this state, and this subsection is cumulative to any such powers. This subsection does and shall be construed to provide a complete additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws.

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

SECTION 45. Section 27-25-503, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

(iii) Each operator must apply by letter to the State Oil and Gas Board for the reduced rate provided in this paragraph (c), and shall provide the board with the status of payout on a semiannual basis of any horizontally drilled well or horizontally drilled recompletion well by signed affidavit executed by a company representative.
(iv) This paragraph (c) shall be repealed from and after July 1, 2023; however, any horizontally drilled well or horizontally drilled recompletion well from which production commences before July 1, 2023, shall be taxed as provided for in this paragraph (c) notwithstanding that the repeal of this paragraph (c) has become effective.

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

(3) (a) Oil produced from a discovery well for which drilling or re-entry commenced on or after April 1, 1994, but before July 1, 1999, shall be exempt from the taxes levied under this section for a period of five (5) years beginning on the date of first sale of production from such well, provided that the average monthly sales price of such oil does not exceed Twenty-five Dollars ($25.00) per barrel. The exemption for oil produced from a discovery well as described in this paragraph (a) shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be exempt for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective. Oil produced from development wells or

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replacement wells drilled in connection with discovery wells for which drilling commenced on or after January 1, 1994, but before July 1, 1999, shall be assessed at the rate of three percent (3%) of the value of the oil at the point of production for a period of three (3) years. The reduced rate of assessment of oil produced from development wells or replacement wells as described in this paragraph (a) shall be repealed from and after January 1, 2003, provided that any such production for which drilling commenced before January 1, 2003, shall be assessed at the reduced rate for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

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

(4) (a) Oil produced from a development well for which drilling commenced on or after April 1, 1994, but before July 1, 1999, and for which three-dimensional seismic was utilized in connection with the drilling of such well shall be assessed at the rate of three percent (3%) of the value of the oil at the point of production for a period of five (5) years, provided that the average monthly sales price of such oil does not exceed Twenty-five Dollars ($25.00) per barrel. The reduced rate of assessment of oil produced from a development well as described in this paragraph (a) and for which three-dimensional seismic was utilized shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective.
(b) Oil produced from a development well for which drilling commenced on or after July 1, 1999, and for which three-dimensional seismic was utilized in connection with the drilling of such well shall be assessed at the rate of three percent (3%) of the value of the oil at the point of production for a period of five (5) years, provided that the average monthly sales price of such oil does not exceed Twenty Dollars ($20.00) per barrel. The reduced rate of assessment of oil produced from a development well as described in this paragraph (b) and for which three-dimensional seismic was utilized shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective.

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

(b) Oil produced on or after July 1, 1999, from a two-year inactive well as defined in Section 27-25-501 shall be exempt from the taxes levied under this section for a period of three (3) years beginning on the date of first sale of production from such well, provided that the average monthly sales price of such oil does not exceed Twenty Dollars ($20.00) per barrel. The exemption for oil produced from an inactive well shall be repealed from and after July 1, 2003, provided that any such production which began before July 1, 2003, shall be exempt for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

(6) [Repealed]

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

SECTION 46. Section 27-25-505, Mississippi Code of 1972, is brought forward as follows:

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

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

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

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

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

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

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

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

(6) Except as provided in subsection (8) of this section, when there are any oil producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax returned to the county in which the municipality is located, in the proportion which the tax
on production of oil from any properties located within the municipal corporate limits bears to the tax on the total production of oil in the county. In no event, however, shall the amount allocated to municipalities exceed one-third (1/3) of the tax produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided for in this subsection shall be used only for such purposes as are authorized by law.

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

(8) Any amount above and exceeding Six Hundred Thousand Dollars ($600,000.00) that is remitted to the county that is more than twenty percent (20%) of the taxes above and exceeding Six Hundred Thousand Dollars ($600,000.00) collected on oil produced in the county, shall be utilized by the county for infrastructure repairs.
[With regard to any county which is required to operate on a countywide system of road administration as described in Section 19-2-3, this section shall read as follows:]

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

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

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

Above and exceeding Six Hundred Thousand Dollars ($600,000.00), or any part thereof, ninety percent (90%) to the state and ten percent (10%) to the county through June 30, 1989; eighty-five percent (85%) to the state and fifteen percent (15%) to the county from July 1, 1989, through June 30, 1990; eighty percent (80%) to the state and twenty percent (20%) to the county from July 1, 1990, through June 30, 2015; seventy-nine percent (79%) to the state and twenty-one percent (21%) to the county from July 1, 2015, through June 30, 2016; seventy-eight percent (78%) to the state and twenty-two percent (22%) to the county from July 1, 2016, through June 30, 2021; and eighty percent (80%) to the state and twenty percent (20%) to the county from July 1, 2021, through June 30, 2022;
to the state and twenty-two percent (22%) to the county from July 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the state and twenty-three percent (23%) to the county from July 1, 2017, through June 30, 2018; seventy-six percent (76%) to the state and twenty-four percent (24%) to the county from July 1, 2018, through June 30, 2019; and seventy-four percent (74%) to the state and twenty-six percent (26%) to the county for each fiscal year thereafter.

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

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

(5) The State Treasurer shall remit the county's share of the taxes collected pursuant to this article on or before the twentieth day of the month next succeeding the month in which the collections were made, for division among the municipalities and taxing districts of the county. He shall accompany his remittance with a report to the county receiving the funds prepared by the commissioner showing from whom the tax was collected. Upon receipt of the funds, the board of supervisors of the county shall allocate the funds to the municipalities and to the various maintenance and bond and interest funds of the county and school districts, as provided in this subsection.
5907 (6) Except as provided in subsection (8) of this section, when there are any oil producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax returned to the county in which the municipality is located, in the proportion which the tax on production of oil from any properties located within the municipal corporate limits bears to the tax on the total production of oil in the county. In no event, however, shall the amount allocated to municipalities exceed one-third (1/3) of the tax produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided in this subsection shall be used only for such purposes as are authorized by law.

5920 (7) Except as provided in subsection (8) of this section, the balance remaining of any amount of tax returned to the county after the allocation to municipalities shall be divided among the various maintenance and bond interest funds of the county and school districts, in the discretion of the board of supervisors, and the board shall make the division in consideration of the needs of the various taxing districts. The funds so allocated shall be used only for purposes as are authorized by law.

5928 (8) Any amount above and exceeding Six Hundred Thousand Dollars ($600,000.00) that is remitted to the county that is more than twenty percent (20%) of the taxes above and exceeding Six Hundred Thousand Dollars ($600,000.00) collected on oil produced
in the county, shall be utilized by the county for infrastructure repairs.

SECTION 47. Section 27-25-703, Mississippi Code of 1972, is brought forward as follows:

27-25-703. (1) (a) Except as otherwise provided in this section, there is hereby levied, to be collected as provided in this article, annual privilege taxes upon every person engaging or continuing within this state in the business of producing, or severing gas from below the soil or water for sale, transport, storage, profit or for commercial use. The amount of the tax shall be measured by the value of the gas produced and shall be levied and assessed at a rate of six percent (6%) of the value of the gas at the point of production, except as otherwise provided in subsection (4) of this section.

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

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

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

(iv) This paragraph (b) shall be repealed from and after July 1, 2023; however, any horizontally drilled well or horizontally drilled recompletion well from which production commences before July 1, 2023, shall be taxed as provided for in this paragraph (b) notwithstanding that the repeal of this paragraph (b) has become effective.

(2) The tax is levied upon the entire production in this state, regardless of the place of sale or to whom sold or by whom used, or the fact that the delivery may be made to points outside the state, but not levied upon that gas, lawfully injected into the earth for cycling, repressuring, lifting or enhancing the recovery of oil, nor upon gas lawfully vented or flared in connection with the production of oil, nor upon gas condensed into liquids on which the oil severance tax of six percent (6%) is paid; however, if any gas so injected into the earth is sold for such purposes, then the gas so sold shall not be excluded in
computing the tax. The tax shall accrue at the time the gas is produced or severed from the soil or water, and in its natural, unrefined or unmanufactured state.

(3) Natural gas and condensate produced from any wells for which drilling is commenced after March 15, 1987, and before July 1, 1990, shall be exempt from the tax levied under this section for a period of two (2) years beginning on the date of first sale of production from such wells.

(4) (a) Any well which begins commercial production of occluded natural gas from coal seams on or after March 20, 1990, and before July 1, 1993, shall be taxed at the rate of three and one-half percent (3-1/2%) of the gross value of the occluded natural gas from coal seams at the point of production for a period of five (5) years after such well begins production.

(b) Any well which begins commercial production of occluded natural gas from coal seams on or after July 1, 2004, and before July 1, 2007, shall be taxed at the rate of three percent (3%) of the gross value of the occluded natural gas from coal seams at the point of production for a period of five (5) years beginning on the date of the first sale of production from such well.

(5) (a) Natural gas produced from discovery wells for which drilling or re-entry commenced on or after April 1, 1994, but before July 1, 1999, shall be exempt from the tax levied under this section for a period of five (5) years beginning on the
earlier of one (1) year from completion of the well or the date of first sale from such well, provided that the average monthly sales price of such gas does not exceed Three Dollars and Fifty Cents ($3.50) per one thousand (1,000) cubic feet. The exemption for natural gas produced from discovery wells as described in this paragraph (a) shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be exempt for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective. Natural gas produced from development wells or replacement wells drilled in connection with discovery wells for which drilling commenced on or after January 1, 1994, shall be assessed at a rate of three percent (3%) of the value thereof at the point of production for a period of three (3) years. The reduced rate of assessment of natural gas produced from development wells or replacement wells as described in this paragraph (a) shall be repealed from and after January 1, 2003, provided that any such production for which drilling commenced before January 1, 2003, shall be assessed at the reduced rate for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

(b) Natural gas produced from discovery wells for which drilling or re-entry commenced on or after July 1, 1999, shall be assessed at a rate of three percent (3%) of the value thereof at the point of production for a period of five (5) years beginning
on the earlier of one (1) year from completion of the well or the date of first sale from such well, provided that the average monthly sales price of such gas does not exceed Two Dollars and Fifty Cents ($2.50) per one thousand (1,000) cubic feet. The reduced rate of assessment of natural gas produced from discovery wells as described in this paragraph (b) shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective. Natural gas produced from development wells or replacement wells drilled in connection with discovery wells for which drilling commenced on or after July 1, 1999, shall be assessed at a rate of three percent (3%) of the value thereof at the point of production for a period of three (3) years. The reduced rate of assessment of natural gas produced from development wells or replacement wells as described in this paragraph (b) shall be repealed from and after January 1, 2003, provided that any such production for which drilling commenced before January 1, 2003, shall be assessed at the reduced rate for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

(6) (a) Gas produced from a development well for which drilling commenced on or after April 1, 1994, but before July 1, 1999, and for which three-dimensional seismic was utilized in
connection with the drilling of such well, shall be assessed at a rate of three percent (3%) of the value of the gas at the point of production for a period of five (5) years, provided that the average monthly sales price of such gas does not exceed Three Dollars and Fifty Cents ($3.50) per one thousand (1,000) cubic feet. The reduced rate of assessment of gas produced from a development well as described in this subsection and for which three-dimensional seismic was utilized shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective.

(b) Gas produced from a development well for which drilling commenced on or after July 1, 1999, and for which three-dimensional seismic was utilized in connection with the drilling of such well, shall be assessed at a rate of three percent (3%) of the value of the gas at the point of production for a period of five (5) years, provided that the average monthly sales price of such gas does not exceed Two Dollars and Fifty Cents ($2.50) per one thousand (1,000) cubic feet. The reduced rate of assessment of gas produced from a development well as described in this paragraph (b) and for which three-dimensional seismic was utilized shall be repealed from and after July 1, 2003, provided that any such production for which a permit was granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective.
granted by the board before July 1, 2003, shall be assessed at the reduced rate for an entire period of five (5) years, notwithstanding that the repeal of this provision has become effective.

(7) (a) Natural gas produced before July 1, 1999, from a two-year inactive well as defined in Section 27-25-701 shall be exempt from the taxes levied under this section for a period of three (3) years beginning on the date of first sale of production from such well, provided that the average monthly sales price of such gas does not exceed Three Dollars and Fifty Cents ($3.50) per one thousand (1,000) cubic feet. The exemption for natural gas produced from an inactive well as described in this subsection shall be repealed from and after July 1, 2003, provided that any such production which began before July 1, 2003, shall be exempt for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

(b) Natural gas produced on or after July 1, 1999, from a two-year inactive well as defined in Section 27-25-701 shall be exempt from the taxes levied under this section for a period of three (3) years beginning on the date of first sale of production from such well, provided that the average monthly sales price of such gas does not exceed Two Dollars and Fifty Cents ($2.50) per one thousand (1,000) cubic feet. The exemption for natural gas produced from an inactive well as described in this paragraph (b) shall be repealed from and after July 1, 2003, provided that any
such production which began before July 1, 2003, shall be exempt for an entire period of three (3) years, notwithstanding that the repeal of this provision has become effective.

(8) The State Oil and Gas Board shall have the exclusive authority to determine the qualification of wells defined in paragraphs (n) through (t) of Section 27-25-701.

SECTION 48. Section 27-25-705, Mississippi Code of 1972, is brought forward as follows:

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

27-25-705. (1) All taxes levied in this article and collected by the department shall be paid into the State Treasury on the same day in which the taxes are collected.

(2) Except as otherwise provided in this section, the commissioner shall apportion all the tax collections made pursuant to this article to the state and to the county in which the gas was produced, in the proportion of sixty-six and two-thirds percent (66-2/3%) to the state and thirty-three and one-third percent (33-1/3%) to the county.

(3) The commissioner shall apportion all the tax collections made pursuant to Section 27-25-703(1)(b) to the county in which the gas is produced.

(4) When the producer of gas subject to the tax levied in this article increases the price of the gas sold and such increase is subject to approval by a federal regulatory board or
commission, and when the producer of the gas so requests, the
State Treasurer is hereby authorized to hold the severance tax
collected on the price increase in escrow until such time as the
price increase or a portion thereof is finally granted or
approved. The severance tax thus held in escrow shall be
deposited by the State Treasurer to an account in a state
depository to be invested in an interest-bearing account in the
manner provided by law. When the price increase in question or a
portion thereof is granted or approved, the commissioner shall
compute the correct severance tax due on the increase and certify
the amount of tax thus computed. This amount and interest earned
from the depository shall be distributed to the General Fund and
to the county or counties proportionately as provided in this
subsection. The balance, if any, of the tax and interest held in
escrow on the price increase shall be returned to the taxpayer.

(5) The state's share of all gas severance taxes collected
pursuant to this section shall be deposited as provided for in
Section 27-25-506.

(6) The commissioner shall certify at the end of each month
the apportionment to each county to the State Treasurer, who shall
remit the county's share of the funds on or before the twentieth
day of the month next succeeding the month in which the
collections were made for division among the municipalities and
taxing districts of the county. The commissioner shall submit a
report to the State Treasurer for distribution to each county
receiving the funds showing from whom the tax and interest, if any, were collected. Upon receipt of the funds, the board of supervisors of the county shall allocate the funds to the municipalities and to the various maintenance and bond and interest funds of the county, school districts, supervisors districts and road districts, as provided in this subsection.

When there are any gas producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax and interest, if any, returned to the county in which the municipality is located in the proportion which the tax on production of gas from properties located within the municipal corporate limits bears to the tax on total production of gas in the county. In no event, however, shall the amount allocated to the municipalities exceed one-third (1/3) of the tax and interest produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided for in this subsection shall be used for such purposes as are authorized by law.

The balance remaining of any funds returned to the county after the allocation to municipalities shall be divided among the various maintenance and bond and interest funds of the county, school districts, supervisors districts and road districts, in the discretion of the board of supervisors, and the board shall make the division in consideration of the needs of the various taxing
districts. The funds so allocated shall be used only for such purposes as are authorized by law.

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

27-25-705. (1) All taxes herein levied in this article and collected by the department shall be paid into the State Treasury on the same day in which the taxes are collected.

(2) Except as otherwise provided in this section, the commissioner shall apportion all the tax collections made pursuant to this article to the state and to the county in which the gas was produced, in the proportion of sixty-six and two-thirds percent (66-2/3%) to the state and thirty-three and one-third percent (33-1/3%) to the county.

(3) The commissioner shall apportion all the tax collections made pursuant to Section 27-25-703(1)(b) to the county in which the gas is produced.

(4) When the producer of gas subject to the tax levied in this article increases the price of the gas sold and the increase is subject to approval by a federal regulatory board or commission, and when the producer of the gas so requests, the State Treasurer is hereby authorized to hold the severance tax collected on the price increase in escrow until such time as the price increase or a portion thereof is finally granted or approved. The severance tax thus held in escrow shall be
deposited by the State Treasurer to an account in a state
depository to be invested in an interest-bearing account in the
manner provided by law. When the price increase in question or a
portion thereof is granted or approved, the commissioner shall
compute the correct severance tax due on the increase and certify
the amount of tax thus computed. This amount and interest earned
from the depository shall be distributed to the General Fund and
to the county or counties proportionately as provided in this
subsection. The balance, if any, of the tax and interest held in
escrow on the price increase shall be returned to the taxpayer.
(5) The state's share of all gas severance taxes collected
pursuant to this section shall be deposited as provided for in
Section 27-25-506.
(6) The commissioner shall certify at the end of each month
the apportionment to each county to the State Treasurer, who shall
remit the county's share of the funds on or before the twentieth
day of the month next succeeding the month in which the
collections were made for division among the municipalities and
taxing districts of the county. The commissioner shall submit a
report to the State Treasurer for distribution to each county
receiving the funds showing from whom the tax and interest, if
any, were collected. Upon receipt of the funds, the board of
supervisors of the county shall allocate the funds to the
municipalities and to the various maintenance and bond and
interest funds of the county and school districts, as provided in this subsection.

When there are any gas producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax and interest, if any, returned to the county in which the municipality is located in the proportion which the tax on production of gas from properties located within the municipal corporate limits bears to the tax on total production of gas in the county. In no event, however, shall the amount allocated to the municipalities exceed one-third (1/3) of the tax and interest produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided for in this subsection shall be used for such purposes as are authorized by law.

The balance remaining of any funds returned to the county after the allocation to municipalities shall be divided among the various maintenance and bond and interest funds of the county and school districts, in the discretion of the board of supervisors, and the board shall make the division in consideration of the needs of the various taxing districts. The funds so allocated shall be used only for such purposes as are authorized by law.

SECTION 49. Section 27-65-101, Mississippi Code of 1972, is brought forward as follows:

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

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

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

(b) Sales of raw materials, catalysts, processing
chemicals, welding gases or other industrial processing gases
(except natural gas) to a manufacturer for use directly in
manufacturing or processing a product for sale or rental or
repairing or reconditioning vessels or barges of fifty (50) tons
load displacement and over. For the purposes of this exemption,
electricity used directly in the electrolysis process in the
production of sodium chlorate shall be considered a raw material.
This exemption shall not apply to any property used as fuel except
to the extent that such fuel comprises by-products which have no
market value.

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

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

(e) The gross income from repairs to vessels and barges
engaged in foreign trade or interstate transportation.
(f) Sales of petroleum products to vessels or barges for consumption in marine international commerce or interstate transportation businesses.

(g) Sales and rentals of rail rolling stock (and component parts thereof) for ultimate use in interstate commerce and gross income from services with respect to manufacturing, repairing, cleaning, altering, reconditioning or improving such rail rolling stock (and component parts thereof). This exemption shall not apply to any property used as fuel.

(h) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases (except natural gas) used or consumed directly in manufacturing, repairing, cleaning, altering, reconditioning or improving such rail rolling stock (and component parts thereof).

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

(j) Sales of tangible personal property to persons operating ships in international commerce for use or consumption...
on board such ships. This exemption shall be limited to cases in which procedures satisfactory to the commissioner, ensuring against use in this state other than on such ships, are established.

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

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

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

(n) The value of natural gas lawfully injected into the earth for cycling, repressuring or lifting of oil, or lawfully vented or flared in connection with the production of oil; however, if any gas so injected into the earth is sold for such purposes, then the gas so sold shall not be exempt.
(o) The gross collections from self-service commercial laundering, drying, cleaning and pressing equipment.

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

(q) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Three areas (as such term is defined in Section 57-73-21), which businesses are certified by the Department of Revenue as being eligible for the exemption granted in this paragraph (q).

(r) (i) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of the building, addition or
improvement thereon, to be used therein, for any company establishing or transferring its national or regional headquarters from within or outside the State of Mississippi and creating a minimum of twenty (20) jobs at the new headquarters in this state. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (i).

(ii) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of the building, addition or improvement thereon, to be used therein, for any company expanding or making additions after January 1, 2013, to its national or regional headquarters within the State of Mississippi and creating a minimum of twenty (20) new jobs at the headquarters as a result of the expansion or additions. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (ii).

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

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

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

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

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

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

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

(v) Sales or leases of materials and equipment to approved business enterprises as provided under the Growth and Prosperity Act.
From and after July 1, 2001, sales of pollution control equipment to manufacturers or custom processors for industrial use. For the purposes of this exemption, "pollution control equipment" means equipment, devices, machinery or systems used or acquired to prevent, control, monitor or reduce air, water or groundwater pollution, or solid or hazardous waste as required by federal or state law or regulation.

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

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

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

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

(bb) [Repealed]

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

(dd) Sales or leases of component materials, machinery
and equipment used in the construction of a building, or any
addition or improvement thereon to an enterprise owning or
operating a project that has been designated by the Mississippi
Major Economic Impact Authority as a project as defined in Section
57-75-5(f)(xviii) and any other sales or leases required to
establish or operate such project.
(ee) Sales of parts used in the repair and servicing of aircraft not registered in Mississippi engaged exclusively in the business of foreign or interstate transportation to businesses engaged in aircraft repair and maintenance.

(ff) Sales of component materials used in the construction of a facility, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition or improvement thereto, to be used in the building or any addition or improvement thereto, to a permanent business enterprise operating a data/information enterprise in Tier Three areas (as such areas are designated in accordance with Section 57-73-21), meeting minimum criteria established by the Mississippi Development Authority.

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

(hh) Sales of component materials used in the replacement, reconstruction or repair of a building or facility that has been destroyed or sustained extensive damage as a result of a disaster declared by the Governor, sales of machinery and equipment to be used therein to replace machinery or equipment damaged or destroyed as a result of such disaster, including, but not limited to, manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, to enterprises or companies that were eligible for the exemptions authorized in paragraph (q), (r), (ff) or (gg) of this subsection during initial construction of the building that was destroyed or damaged, which enterprises or companies are certified by the Department of Revenue as being eligible for the exemption granted in this paragraph.

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

(jj) Gross income of public storage warehouses derived from the temporary storage of raw materials that are to be used in an eligible facility as defined in Section 27-7-22.35.
(kk) Sales of component building materials and equipment for initial construction of facilities or expansion of facilities as authorized under Sections 57-113-1 through 57-113-7 and Sections 57-113-21 through 57-113-27.

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

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

(nn) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of the construction of the facility, to be used in the facility, to permanent business enterprises operating a facility producing renewable crude oil from biomass harvested or produced, in whole or in part, in Mississippi, which businesses meet minimum criteria established by the Mississippi Development Authority. As used in this paragraph, the term "biomass" shall have the meaning ascribed to such term in Section 57-113-1.

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

(pp) Sales of materials used in the construction of a
health care industry facility, as defined in Section 57-117-3, or
any addition or improvement thereon, and sales of any machinery
and equipment not later than three (3) months after the completion
of construction of the facility, or any addition thereon, to be
used therein, to qualified businesses, as defined in Section
57-117-3. This paragraph shall be repealed from and after July 1,
2022.

(qq) Sales or leases to a manufacturer of automotive
parts operating a project that has been certified by the
Mississippi Major Economic Impact Authority as a project as
defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
or repair parts therefor or replacements thereof; repair services
thereon; fuel, supplies, electricity, coal, nitrogen and natural
gas used directly in the manufacture of automotive parts or used
to provide climate control for manufacturing areas.

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

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

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

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

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

1. Manufacturing machinery and equipment;

2. Special tooling such as dies, molds, jigs
and similar items treated as special tooling for federal income
tax purposes;

3. Component building materials, machinery
and equipment used in the construction of buildings, and any other
additions or improvements to the project site for the project;
4. Nonmanufacturing furniture, fixtures and equipment (inclusive of all communications, computer, server, software and other hardware equipment); and

5. Fuel, supplies (other than nonmanufacturing consumable supplies and water), electricity, nitrogen gas and natural gas used directly in the manufacturing/production operations of such project or used to provide climate control for manufacturing/production areas of such project;

   (ii) All replacements of, repair parts for or services to repair items described in subparagraph (i)1, 2 and 3 of this paragraph; and

   (iii) All services taxable pursuant to Section 27-65-23 required to establish, support, operate, repair and/or maintain such project.

   (vv) Sales or leases to an enterprise operating a project that has been certified by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(xxx) of:

      (i) Purchases required to establish and operate the project, including, but not limited to, sales of component building materials, machinery and equipment required to establish the project facility and any additions or improvements thereon; and
(ii) Machinery, special tools (such as dies, molds, and jigs) or repair parts thereof, or replacements and lease thereof, repair services thereon, fuel, supplies and electricity, coal and natural gas used in the manufacturing process and purchased by the enterprise owning or operating the project for the benefit of the project.

(ww) Sales of component materials used in the construction of a building, or any expansion or improvement thereon, sales of machinery and/or equipment to be used therein, and sales of processing machinery and equipment which is permanently attached to the ground or to a permanent foundation which is not by its nature intended to be housed in a building structure, no later than three (3) months after initial startup, expansion or improvement of a permanent enterprise solely engaged in the conversion of natural sand into proppants used in oil and gas exploration and development with at least ninety-five percent (95%) of such proppants used in the production of oil and/or gas from horizontally drilled wells and/or horizontally drilled recompletion wells as defined in Sections 27-25-501 and 27-25-701.

(2) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a
building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses are certified by the Department of Revenue as being eligible for the exemption granted in this subsection, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter.

(3) Sales of component materials used in the construction of a facility, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition or improvement thereto, to be used in the building or any addition or improvement thereto, to a permanent business enterprise operating a data/information enterprise in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses meet minimum criteria established by the Mississippi Development Authority, shall be exempt from one-half (1/2) of the taxes imposed on such transaction under this chapter.

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

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

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

(c) Sales of equipment to telecommunications enterprises after June 30, 2003, and before July 1, 2025, that is installed in Tier Two and Tier Three areas and used in the deployment of broadband technologies shall be exempt from the taxes imposed on such transactions under this chapter.

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

SECTION 50. Section 27-65-103, Mississippi Code of 1972, is brought forward as follows:

27-65-103. The exemptions from the provisions of this chapter which are of an agricultural nature or which are more properly classified as agricultural exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by provisions of the Constitution of the United States or the State of Mississippi. No agricultural exemption as now provided by any other section shall be valid as against the tax herein levied. Any subsequent agricultural exemption from the tax levied hereunder shall be provided by amendment to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

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

(a) The gross proceeds of sales of lint cotton, seed cotton, baled cotton, whether compressed or not, and cottonseed and soybeans in their original condition. Retail sales of seeds, livestock feed, poultry feed, fish feed and fertilizers. Sales of defoliants, insecticides, fungicides, herbicides and baby chicks
used in growing agricultural products for market. Bagging and
ties for baling cotton, hay-baling wire and twine, boxes, bags and
cans used in growing or preparing agricultural products for market
when possession thereof will pass to the customer at the time of
sale of the product contained therein. Sales of ice to commercial
fishermen purchased for use in the preservation of seafood or to
producers for use in the refrigeration of vegetables for market.

(b) The sales by producers of livestock, poultry, fish,
honey bees or other products of farm, grove, apiary or garden when
such products are sold in the original state or condition of
preparation for sale before such products are subjected to any
other process within a class of business or sold by a producer
through an established store, as defined in the Privilege Tax Law.
However, except as otherwise provided in this paragraph (b), this
exemption shall not apply to ornamental plants which bear no fruit
of commercial value. The exemption provided in this paragraph (b)
shall apply to Christmas trees, hay, straw, fresh cut flowers and
similar products when (i) grown in Mississippi and (ii) cut,
severed or otherwise removed from the farm, grove, garden or other
place of production and first sold from such place of production
in the original state or condition of preparation for sale. All
sales by agricultural cooperative associations organized under
Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title
79, Mississippi Code of 1972, of agricultural products produced by
members for market before such products are subjected to any manufacturing process.

(c) The gross proceeds of retail sales of mules, horses, honey bees and other livestock.

(d) Income from grading, excavating, ditching, dredging or landscaping activities performed for a farmer on a farm for agricultural or soil erosion purposes.

(e) The gross proceeds of sales of all antibiotics, hormones and hormone preparations, drugs, medicines and other medications including serums and vaccines, vitamins, minerals or other nutrients for use in the production and growing of fish, livestock, honey bees and poultry by whomever sold. Such exemption shall be in addition to the exemption provided in this section for feed for fish, livestock, honey bees and poultry.

(f) Sales of food products and honey that are grown, made or processed in Mississippi and sold from farmers' markets that have been certified by the Mississippi Department of Agriculture and Commerce.

SECTION 51. Section 27-65-105, Mississippi Code of 1972, is brought forward as follows:

27-65-105. The exemption from the provisions of this chapter which are of a governmental nature or which are more properly classified as governmental exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by provisions of the
Constitutions of the United States or the State of Mississippi. No governmental exemption as now provided by any other section shall be valid as against the tax herein levied. Any subsequent governmental exemption from the tax levied hereunder shall be provided by amendment to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972, except as provided by paragraph (f) of this section.

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

(a) Sales of property, labor, services or products taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26, when sold to and billed directly to and payment therefor is made directly by the United States government, the State of Mississippi and its departments, institutions, counties and municipalities or departments or school districts of said counties and municipalities.

The exemption from the tax imposed under this chapter shall not apply to sales of tangible personal property or specified digital products, labor or services to contractors purchasing in the performance of contracts with the United States, the State of Mississippi, counties and municipalities.

(b) Sales to schools, when such schools are supported wholly or in part by funds provided by the State of Mississippi, provided that this exemption does not apply to sales of property
which is not to be used in the ordinary operation of the school,
or which is to be resold to the students or the public.

(c) Amounts received from the sale of school textbooks
to students.

(d) Sales to the Mississippi Band of Choctaw Indians,
but not to Indians individually.

(e) Sales of firefighting equipment to governmental
fire departments or volunteer fire departments for their use.

(f) Sales of any gas from any project, as defined in
the Municipal Gas Authority of Mississippi Law, to any
municipality shall not be subject to sales, use or other tax.

(g) Sales of home medical equipment and home medical
supplies listed as eligible for payment under Title XVIII of the
Social Security Act or under the state plan for medical assistance
under Title XIX of the Social Security Act, prosthetics,
orthotics, hearing aids, hearing devices, prescription eyeglasses,
oxygen and oxygen equipment, when ordered or prescribed by a
licensed physician for medical purposes of a patient, and when
payment for such equipment or supplies, or both, is made, in part
or in whole, under the provisions of the Medicare or Medicaid
program, then the entire sale shall be exempt from the taxes
imposed by this chapter. Payment does not have to be made, in
whole or in part by any particular person to be eligible for this
exemption. Purchases of home medical equipment and supplies by a
provider of home health services or a provider of hospice services
are eligible for this exemption if the purchases otherwise meet the requirements of this paragraph.

(h) Sales to regional educational service agencies established under Section 37-7-345.

(i) Sales of buses and other motor vehicles, and parts and labor used to maintain and/or repair such buses and motor vehicles, to an entity that (a) has entered into a contract with a school board under Section 37-41-31 for the purpose of transporting students to and from schools and (b) uses or will use the buses and other motor vehicles for such transportation purposes. This paragraph (i) shall apply to contracts entered into or renewed on or after July 1, 2010.

(j) Parking at events held solely for religious or charitable purposes at livestock facilities, agriculture facilities or other facilities constructed, renovated or expanded with funds for the grant program authorized under Section 18, Chapter 530, Laws of 1995.

(k) Sales of tangible personal property, labor, services or products to schools and school districts under a program that is administered by or coordinated with an agency, commission, department or other instrumentality of the United States government when payment for the tangible personal property, labor, services or products is made by or through a nonprofit organization or other entity established by or for the benefit of the agency, commission, department or other instrumentality of the
United States government administering or coordinating such program.

**SECTION 52.** Section 27-65-107, Mississippi Code of 1972, is brought forward as follows:

27-65-107. The exemptions from the provisions of this chapter which relate to utilities or which are more properly classified as utility exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by provisions of the Constitutions of the United States or the State of Mississippi.

No utility exemption as now provided by any other section shall be valid as against the tax herein levied. Any subsequent utility exemption from the tax levied hereunder shall be provided by amendment to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

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

(a) Sales and rentals of locomotives, rail rolling stock and materials for their repair, locomotive water, when made to a railroad whose rates are fixed by the Interstate Commerce Commission or the Mississippi Public Service Commission.

(b) Rentals of manufacturing machinery to a manufacturer or custom processor where such manufacturer or custom processor is engaged in, and such machinery is used in, the
manufacture of containers made from timber or wood for sale. The tax, likewise, shall not apply to replacement or repair parts of such machinery used in such manufacture.

(c) Sales of tangible personal property and services to nonprofit water associations or corporations in which no part of the net earnings inures to the benefit of any private shareholder, group or individual. Only sales of property or services which are ordinary and necessary to the operation of such organizations are exempt from tax.

(d) Wholesale sales of tangible personal property for resale under Section 27-65-19.

(e) From and after July 1, 2003, sales of fuel used to produce electric power by a company primarily engaged in the business of producing, generating or distributing electric power for sale.

(f) Sales of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to a manufacturer, custom processor, data center meeting the criteria provided for in Section 57-113-21, technology intensive enterprise meeting the criteria provided for in Section 27-65-17(1)(f), or public service company for industrial purposes, which shall include that used to generate electricity, to operate an electrical distribution or transmission system, to operate pipeline compressor or pumping stations, or to operate railroad locomotives.

H. B. No. 531  ~ OFFICIAL ~
22/HR43/R629.15 ST: Mississippi Tax Freedom Act of 2022; create.
(g) Sales of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to a producer or processor for use directly in the production of poultry or poultry products, the production of livestock and livestock products, the production of domesticated fish and domesticated fish products, the production of marine aquaculture products, the production of plants or food by commercial horticulturists, the processing of milk and milk products, the processing of poultry and livestock feed, and the irrigation of farm crops.

(h) Sales of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to a commercial fisherman, shrimper or oysterman.

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

(j) Sales of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to a permanent enterprise that is eligible for the exemption authorized in Section 27-65-101(1)(ww) upon completion of the expansion upon which such exemption is based; however, in order to be eligible for the exemption authorized by this paragraph, the expansion must:

(i) Create at least eighty-five (85) full-time jobs in this state with an average annual wage of at least Sixty Thousand Dollars ($60,000.00); and
(ii) Have at least Eighty Million Dollars ($80,000,000.00) in new investment at the existing facility.

**SECTION 53.** Section 27-65-111, Mississippi Code of 1972, is brought forward as follows:

27-65-111. The exemptions from the provisions of this chapter which are not industrial, agricultural or governmental, or which do not relate to utilities or taxes, or which are not properly classified as one (1) of the exemption classifications of this chapter, shall be confined to persons or property exempted by this section or by the Constitution of the United States or the State of Mississippi. No exemptions as now provided by any other section, except the classified exemption sections of this chapter set forth herein, shall be valid as against the tax herein levied. Any subsequent exemption from the tax levied hereunder, except as indicated above, shall be provided by amendments to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

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

(a) Sales of tangible personal property and services to hospitals or infirmaries owned and operated by a corporation or association in which no part of the net earnings inures to the benefit of any private shareholder, group or individual, and which are subject to and governed by Sections 41-7-123 through 41-7-127.
Only sales of tangible personal property or services which are ordinary and necessary to the operation of such hospitals and infirmaries are exempted from tax.

(b) Sales of daily or weekly newspapers, and periodicals or publications of scientific, literary or educational organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of March 31, 1975, and subscription sales of all magazines.

(c) Sales of coffins, caskets and other materials used in the preparation of human bodies for burial.

(d) Sales of tangible personal property for immediate export to a foreign country.

(e) Sales of tangible personal property to an orphanage, old men's or ladies' home, supported wholly or in part by a religious denomination, fraternal nonprofit organization or other nonprofit organization.

(f) Sales of tangible personal property, labor or services taxable under Sections 27-65-17, 27-65-19 and 27-65-23, to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a corporation or association in which no part of the net earnings inures to the benefit of any private shareholder, group or individual.

(g) Sales to elementary and secondary grade schools, junior and senior colleges owned and operated by a corporation or association in which no part of the net earnings inures to the benefit of any private shareholder, group or individual.
benefit of any private shareholder, group or individual, and which are exempt from state income taxation, provided that this exemption does not apply to sales of property or services which are not to be used in the ordinary operation of the school, or which are to be resold to the students or the public.

(h) The gross proceeds of retail sales and the use or consumption in this state of drugs and medicines:

(i) Prescribed for the treatment of a human being by a person authorized to prescribe the medicines, and dispensed or prescription filled by a registered pharmacist in accordance with law; or

(ii) Furnished by a licensed physician, surgeon, dentist or podiatrist to his own patient for treatment of the patient; or

(iii) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, surgeon, dentist or podiatrist; or

(iv) Sold to a licensed physician, surgeon, podiatrist, dentist or hospital for the treatment of a human being; or

(v) Sold to this state or any political subdivision or municipal corporation thereof, for use in the treatment of a human being or furnished for the treatment of a human being by a medical facility or clinic maintained by this
7017 state or any political subdivision or municipal corporation thereof.

7019 "Medicines," as used in this paragraph (h), shall mean and include any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease and which is commonly recognized as a substance or preparation intended for such use; provided that "medicines" do not include any auditory, prosthetic, opthalmic or ocular device or appliance, any dentures or parts thereof or any artificial limbs or their replacement parts, articles which are in the nature of splints, bandages, pads, compresses, supports, dressings, instruments, apparatus, contrivances, appliances, devices or other mechanical, electronic, optical or physical equipment or article or the component parts and accessories thereof, or any alcoholic beverage or any other drug or medicine not commonly referred to as a prescription drug.

7033 Notwithstanding the preceding sentence of this paragraph (h), "medicines" as used in this paragraph (h), shall mean and include sutures, whether or not permanently implanted, bone screws, bone pins, pacemakers and other articles permanently implanted in the human body to assist the functioning of any natural organ, artery, vein or limb and which remain or dissolve in the body.

7039 "Hospital," as used in this paragraph (h), shall have the meaning ascribed to it in Section 41-9-3, Mississippi Code of 1972.
Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on prescription within the meaning of this paragraph (h).

(i) Retail sales of automobiles, trucks and truck-tractors if exported from this state within forty-eight (48) hours and registered and first used in another state.

(j) Sales of tangible personal property or services to the Salvation Army and the Muscular Dystrophy Association, Inc.

(k) From July 1, 1985, through December 31, 1992, retail sales of "alcohol blended fuel" as such term is defined in Section 75-55-5. The gasoline-alcohol blend or the straight alcohol eligible for this exemption shall not contain alcohol distilled outside the State of Mississippi.

(l) Sales of tangible personal property or services to the Institute for Technology Development.

(m) The gross proceeds of retail sales of food and drink for human consumption made through vending machines serviced by full line vendors from and not connected with other taxable businesses.

(n) The gross proceeds of sales of motor fuel.

(o) Retail sales of food for human consumption purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, from and after October 1, 1987, or from and after the expiration of any waiver granted.
pursuant to federal law, the effect of which waiver is to permit
the collection by the state of tax on such retail sales of food
for human consumption purchased with food stamps.

(p) Sales of cookies for human consumption by the Girl
Scouts of America no part of the net earnings from which sales
inures to the benefit of any private group or individual.

(q) Gifts or sales of tangible personal property or
services to public or private nonprofit museums of art.

(r) Sales of tangible personal property or services to
alumni associations of state-supported colleges or universities.

(s) Sales of tangible personal property or services to
National Association of Junior Auxiliaries, Inc., and chapters of
the National Association of Junior Auxiliaries, Inc.

(t) Sales of tangible personal property or services to
domestic violence shelters which qualify for state funding under
Sections 93-21-101 through 93-21-113.

(u) Sales of tangible personal property or services to
the National Multiple Sclerosis Society, Mississippi Chapter.

(v) Retail sales of food for human consumption
purchased with food instruments issued the Mississippi Band of
Choctaw Indians under the Women, Infants and Children Program
(WIC) funded by the United States Department of Agriculture.

(w) Sales of tangible personal property or services to
a private company, as defined in Section 57-61-5, which is making
such purchases with proceeds of bonds issued under Section 57-61-1 et seq., the Mississippi Business Investment Act.

(x) The gross collections from the operation of

self-service, coin-operated car washing equipment and sales of the

service of washing motor vehicles with portable high-pressure

washing equipment on the premises of the customer.

(y) Sales of tangible personal property or services to

the Mississippi Technology Alliance.

(z) Sales of tangible personal property to nonprofit

organizations that provide foster care, adoption services and

temporary housing for unwed mothers and their children if the

organization is exempt from federal income taxation under Section

501(c)(3) of the Internal Revenue Code.

(aa) Sales of tangible personal property to nonprofit

organizations that provide residential rehabilitation for persons

with alcohol and drug dependencies if the organization is exempt

from federal income taxation under Section 501(c)(3) of the

Internal Revenue Code.

(bb) (i) Retail sales of an article of clothing or

footwear designed to be worn on or about the human body and retail

sales of school supplies if the sales price of the article of

clothing or footwear or school supply is less than One Hundred

Dollars ($100.00) and the sale takes place during a period

beginning at 12:01 a.m. on the last Friday in July and ending at
12:00 midnight the following Saturday. This paragraph (bb) shall not apply to:

1. Accessories including jewelry, handbags, luggage, umbrellas, wallets, watches, briefcases, garment bags and similar items carried on or about the human body, without regard to whether worn on the body in a manner characteristic of clothing;

2. The rental of clothing or footwear; and

3. Skis, swim fins, roller blades, skates and similar items worn on the foot.

(ii) For purposes of this paragraph (bb), "school supplies" means items that are commonly used by a student in a course of study. The following is an all-inclusive list:

1. Backpacks;

2. Binder pockets;

3. Binders;

4. Blackboard chalk;

5. Book bags;

6. Calculators;

7. Cellophane tape;

8. Clays and glazes;

9. Compasses;

10. Composition books;

11. Crayons;

12. Dictionaries and thesauruses;
13. Dividers;
14. Erasers;
15. Folders: expandable, pocket, plastic and manila;
16. Glue, paste and paste sticks;
17. Highlighters;
18. Index card boxes;
19. Index cards;
20. Legal pads;
21. Lunch boxes;
22. Markers;
23. Notebooks;
24. Paintbrushes for artwork;
25. Paints: acrylic, tempera and oil;
27. Pencil boxes and other school supply boxes;
28. Pencil sharpeners;
29. Pencils;
30. Pens;
31. Protractors;
32. Reference books;
33. Reference maps and globes;
34. Rulers;
35. Scissors;
36. Sheet music;
37. Sketch and drawing pads;
38. Textbooks;
39. Watercolors;
40. Workbooks; and
41. Writing tablets.

(iii) From and after January 1, 2010, the
governing authorities of a municipality, for retail sales
occurring within the corporate limits of the municipality, may
suspend the application of the exemption provided for in this
paragraph (bb) by adoption of a resolution to that effect stating
the date upon which the suspension shall take effect. A certified
copy of the resolution shall be furnished to the Department of
Revenue at least ninety (90) days prior to the date upon which the
municipality desires such suspension to take effect.

(cc) The gross proceeds of sales of tangible personal
property made for the sole purpose of raising funds for a school
or an organization affiliated with a school.

As used in this paragraph (cc), "school" means any public or
private school that teaches courses of instruction to students in
any grade from kindergarten through Grade 12.

(dd) Sales of durable medical equipment and home
medical supplies when ordered or prescribed by a licensed
physician for medical purposes of a patient. As used in this paragraph (dd), "durable medical equipment" and "home medical supplies" mean equipment, including repair and replacement parts for the equipment or supplies listed under Title XVIII of the Social Security Act or under the state plan for medical assistance under Title XIX of the Social Security Act, prosthetics, orthotics, hearing aids, hearing devices, prescription eyeglasses, oxygen and oxygen equipment. Payment does not have to be made, in whole or in part, by any particular person to be eligible for this exemption. Purchases of home medical equipment and supplies by a provider of home health services or a provider of hospice services are eligible for this exemption if the purchases otherwise meet the requirements of this paragraph.

(ee) Sales of tangible personal property or services to Mississippi Blood Services.

(ff) (i) Subject to the provisions of this paragraph (ff), retail sales of firearms, ammunition and hunting supplies if sold during the annual Mississippi Second Amendment Weekend holiday beginning at 12:01 a.m. on the last Friday in August and ending at 12:00 midnight the following Sunday. For the purposes of this paragraph (ff), "hunting supplies" means tangible personal property used for hunting, including, and limited to, archery equipment, firearm and archery cases, firearm and archery accessories, hearing protection, holsters, belts and slings. Hunting supplies does not include animals used for hunting.
(ii) This paragraph (ff) shall apply only if one or more of the following occur:

1. Title to and/or possession of an eligible item is transferred from a seller to a purchaser; and/or

2. A purchaser orders and pays for an eligible item and the seller accepts the order for immediate shipment, even if delivery is made after the time period provided in subparagraph (i) of this paragraph (ff), provided that the purchaser has not requested or caused the delay in shipment.

(gg) Sales of nonperishable food items to charitable organizations that are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and operate a food bank or food pantry or food lines.

(hh) Sales of tangible personal property or services to the United Way of the Pine Belt Region, Inc.

(ii) Sales of tangible personal property or services to the Mississippi Children's Museum or any subsidiary or affiliate thereof operating a satellite or branch museum within this state.

(jj) Sales of tangible personal property or services to the Jackson Zoological Park.

(kk) Sales of tangible personal property or services to the Hattiesburg Zoo.

(ll) Gross proceeds from sales of food, merchandise or other concessions at an event held solely for religious or charitable purposes at livestock facilities, agriculture
facilities or other facilities constructed, renovated or expanded
with funds for the grant program authorized under Section 18,

(mm) Sales of tangible personal property and services
to the Diabetes Foundation of Mississippi and the Mississippi
Chapter of the Juvenile Diabetes Research Foundation.

(nn) Sales of potting soil, mulch, or other soil
amendments used in growing ornamental plants which bear no fruit
of commercial value when sold to commercial plant nurseries that
operate exclusively at wholesale and where no retail sales can be
made.

(oo) Sales of tangible personal property or services to
the University of Mississippi Medical Center Research Development
Foundation.

(pp) Sales of tangible personal property or services to
Keep Mississippi Beautiful, Inc., and all affiliates of Keep
Mississippi Beautiful, Inc.

(qq) Sales of tangible personal property or services to
the Friends of Children's Hospital.

(rr) Sales of tangible personal property or services to
the Pinecrest Weekend Snackpacks for Kids located in Corinth,
Mississippi.

(ss) Sales of hearing aids when ordered or prescribed
by a licensed physician, audiologist or hearing aid specialist for
the medical purposes of a patient.

Sales of tangible personal property or services to the Junior League of Jackson.

Sales of tangible personal property or services to the Mississippi's Toughest Kids Foundation for use in the construction, furnishing and equipping of buildings and related facilities and infrastructure at Camp Kamassa in Copiah County, Mississippi. This paragraph (vv) shall stand repealed on July 1, 2022.

Sales of tangible personal property or services to MS Gulf Coast Buddy Sports, Inc.

Sales of tangible personal property or services to Biloxi Lions, Inc.

Sales of tangible personal property or services to Lions Sight Foundation of Mississippi, Inc.

Sales of tangible personal property and services to the Goldring/Woldenberg Institute of Southern Jewish Life (ISJL).

SECTION 54. This act shall take effect and be in force from and after July 1, 2022.