

By: Representatives Gunn, Lamar, White, To: Ways and Means  
Steverson, Barnett, Massengill, Bain, Newman,  
Rushing, Kinkade, Morgan, Pigott, Ford  
(73rd), Calvert, Smith, Creekmore IV, Goodin,  
Tullos, Carpenter, Hood, Oliver, Robinson,  
Boyd, Eure, McKnight, Owen, Sanders, Crawford, Darnell, McLean

## HOUSE BILL NO. 531

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



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



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

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

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

97 (2) The Legislature finds that:

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

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



significantly exceed estimated General Fund revenue collections for such period;

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

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

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

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

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



(139 (\$5,250.00) for the 1979 and 1980 calendar years \* \* \*, Six  
(140 Thousand Dollars (\$6,000.00) for each calendar year thereafter  
(141 through calendar year 2022, and Thirty-seven Thousand Seven  
(142 Hundred Dollars (\$37,700.00) for each calendar year thereafter.

(143 (c) **Married individuals.** In the case of married individuals  
(144 living together, a joint personal exemption of Eight Thousand  
(145 Dollars (\$8,000.00) for the 1979 and 1980 calendar years and Nine  
(146 Thousand Five Hundred Dollars (\$9,500.00) for the 1981 through  
(147 1997 calendar years, Ten Thousand Dollars (\$10,000.00) for the  
(148 calendar year 1998, Eleven Thousand Dollars (\$11,000.00) for the  
(149 calendar year 1999, \* \* \* Twelve Thousand Dollars (\$12,000.00) for  
(150 each calendar year thereafter through calendar year 2022, and  
(151 Seventy-five Thousand Four Hundred Dollars (\$75,400.00) for each  
(152 calendar year thereafter. A husband and wife living together  
(153 shall receive but one (1) personal exemption in the amounts  
(154 provided for in this subsection for each calendar year against  
(155 their aggregate income.

(156 (d) **Head of family individuals.** In the case of a head of  
(157 family individual, a personal exemption of Eight Thousand Dollars  
(158 (\$8,000.00) for the 1979 and 1980 calendar years \* \* \*, Nine  
(159 Thousand Five Hundred Dollars (\$9,500.00) for each calendar year  
(160 thereafter through calendar year 2022, and Thirty-six Thousand Six  
(161 Hundred Dollars (\$36,600.00) for each calendar year thereafter.  
(162 The term "head of family" means an individual who is single, or  
(163 married but not living with his spouse for the entire taxable



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

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

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

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



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

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

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

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



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

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

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

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



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

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

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

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

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

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



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

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

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



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

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

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

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

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

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



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

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

27-65-17. (1) (a) Except as otherwise provided in this  
section, upon every person engaging or continuing within this  
state in the business of selling any tangible personal property  
whatsoever there is hereby levied, assessed and shall be collected  
a tax equal to \* \* \* 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%).



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

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

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

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

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

384           (iv) The enterprise shall manufacture plastics,  
385 chemicals, automobiles, aircraft, computers or electronics; or  
386 shall be a research and development facility, a computer design or  
387 related facility, or a software publishing facility or other



388 technology intensive facility or enterprise as determined by the  
389 Mississippi Development Authority;

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

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

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

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

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

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



437                    (i) From and after July 1, 2022, through June 30,  
438 2023, such sales shall be taxed at the rate of five and one-half  
439 percent (5-1/2%);

440                    (ii) From and after July 1, 2023, through June 30,  
441 2024, such sales shall be taxed at the rate of five and one-fourth  
442 percent (5-1/4%);

443                    (iii) From and after July 1, 2024, through June  
444 30, 2025, such sales shall be taxed at the rate of five percent  
445 (5%);

446                    (iv) From and after July 1, 2025, through June 30,  
447 2026, such sales shall be taxed at the rate of four and  
448 three-fourths percent (4-3/4%);

449                    (v) From and after July 1, 2026, through June 30,  
450 2027, such sales shall be taxed at the rate of four and one-half  
451 percent (4-1/2%);

452                    (vi) From and after July 1, 2027, through June 30,  
453 2028, such sales shall be taxed at the rate of four and one-fourth  
454 percent (4-1/4%); and

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

457            (2) From and after January 1, 1995, retail sales of private  
458 carriers of passengers and light carriers of property, as defined  
459 in Section 27-51-101, shall be taxed an additional two percent  
460 (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



511 automobiles, trucks, truck-tractors, buses, farm tractors or  
512 airplanes.

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

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

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

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

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

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

531 (ii) A person, upon proof that he has paid a tax  
532 in another state on an event described in subparagraph (i) of this  
533 paragraph (d), shall be allowed a credit against the tax imposed  
534 in this paragraph (d) on interstate telecommunications service  
535 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,



585 detailed telecommunications billing, directory assistance,  
586 vertical service and voice mail service.

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

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

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

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

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



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

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

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

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

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

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

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

632                   2. Except for the defined telecommunications  
633 services in item 3 of this subparagraph, a sale of  
634 telecommunications services sold on a basis other than a



635 call-by-call basis, is sourced to the customer's place of primary  
636 use.

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

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

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



660 services provided after the expiration of a contract shall be  
661 treated as an extension or renewal of such contract or agreement.

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

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

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

679 A. The seller's telecommunications  
680 system; or

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



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

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

697 B. The customer's billing address;

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

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

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

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



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

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

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

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

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

731                               1. "Air-to-ground radiotelephone service"  
732 means a radio service, as that term is defined in 47 CFR 22.99, in



733 which common carriers are authorized to offer and provide radio  
734 telecommunications service for hire to subscribers in aircraft.

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

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

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

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

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



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

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

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

770                   10. "Post-paid calling service" means the  
771 telecommunications service obtained by making a payment on a  
772 call-by-call basis either through the use of a credit card or  
773 payment mechanism such as a bank card, travel card, credit card or  
774 debit card, or by charge made to a telephone number which is not  
775 associated with the origination or termination of the  
776 telecommunications service. A post-paid calling service includes  
777 a telecommunications service, except a prepaid wireless calling  
778 service that would be a prepaid calling service except it is not  
779 exclusively a telecommunications service.

780                   11. "Prepaid calling service" means the right  
781 to access exclusively telecommunications services, which must be



782 paid for in advance and which enables the origination of calls  
783 using an access number or authorization code, whether manually or  
784 electronically dialed, and that is sold in predetermined units or  
785 dollars of which the number declines with use in a known amount.

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

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

801           14. "Service address" means:

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



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

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

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

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

829                   3. In the case of a bundled transaction that  
830 includes telecommunications services, ancillary services, Internet



831 access, audio or video programming services subject to tax under  
832 this chapter in which the price is attributable to properties or  
833 services that are subject to the tax but the tax revenue from the  
834 different properties or services are dedicated to different funds  
835 or purposes, the provider shall allocate the price among the  
836 properties or services:

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

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

843                   4. This subparagraph (vii) shall not create a  
844 right of action for a customer to require that the provider or the  
845 department, for purposes of determining the amount of tax  
846 applicable to a bundled transaction, allocate the price to the  
847 different portions of the transaction in order to minimize the  
848 amount of tax charged to the customer. A customer shall not be  
849 entitled to rely on the fact that a portion of the price is  
850 attributable to properties or services not subject to tax unless  
851 the provider elects, after receiving a written request from the  
852 customer in the form required by the provider, to provide  
853 verifiable data based upon the provider's books and records that  
854 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



880 tangible property or specific personal or professional services,  
881 whether such amusement is held or conducted in a public or private  
882 building, hotel, tent, pavilion, lot or resort, enclosed or in the  
883 open, there is hereby levied, assessed and shall be collected a  
884 tax equal to \* \* \* eight and one-half percent (8-1/2%) of the  
885 gross income received as admission, except as otherwise provided  
886 herein. In lieu of the rate set forth above, there is hereby  
887 imposed, levied and assessed, to be collected as hereinafter  
888 provided, a tax of three percent (3%) of gross revenue derived  
889 from sales of admission to publicly owned enclosed coliseums and  
890 auditoriums (except admissions to athletic contests between  
891 colleges and universities). There is hereby imposed, levied and  
892 assessed a tax of \* \* \* eight and one-half percent (8-1/2%) of  
893 gross revenue derived from sales of admission to events conducted  
894 on property managed by the Mississippi Veterans Memorial Stadium,  
895 which tax shall be administered in the manner prescribed in this  
896 chapter, subject, however, to the provisions of Sections 55-23-3  
897 through 55-23-11.

898 (2) The operator of any place of amusement in this state  
899 shall collect the tax imposed by this section, in addition to the  
900 price charged for admission to any place of amusement, and under  
901 all circumstances the person conducting the amusement shall be  
902 liable for, and pay the tax imposed based upon the actual charge  
903 for such admission. Where permits are obtained for conducting  
904 temporary amusements by persons who are not the owners, lessees or



905 custodians of the buildings, lots or places where the amusements  
906 are to be conducted, or where such temporary amusement is  
907 permitted by the owner, lessee or custodian of any place to be  
908 conducted without the procurement of a permit as required by this  
909 chapter, the tax imposed by this chapter shall be paid by the  
910 owner, lessee or custodian of such place where such temporary  
911 amusement is held or conducted, unless paid by the person  
912 conducting the amusement, and the applicant for such temporary  
913 permit shall furnish with the application therefor, the name and  
914 address of the owner, lessee or custodian of the premises upon  
915 which such amusement is to be conducted, and such owner, lessee or  
916 custodian shall be notified by the commission of the issuance of  
917 such permit, and of the joint liability for such tax.

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

920 (a) Any admissions charged at any place of amusement  
921 operated by a religious, charitable or educational organization,  
922 or by a nonprofit civic club or fraternal organization (i) when  
923 the net proceeds of such admissions do not inure to any one or  
924 more individuals within such organization and are to be used  
925 solely for religious, charitable, educational or civic purposes;  
926 or (ii) when the entire net proceeds are used to defray the normal  
927 operating expenses of such organization, such as loan payments,  
928 maintenance costs, repairs and other operating expenses;



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

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

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

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

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

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



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

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

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

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

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

974           (m) Guided tours on any navigable waters of this state,  
975 which include providing accommodations, guide services and/or  
976 related equipment operated by or under the direction of the person  
977 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;



1002 (iii) If the ordinance described in subparagraph  
1003 (ii) of this paragraph is repealed, the municipality shall provide  
1004 the Department of Revenue with a certified copy of the repeal of  
1005 the ordinance at least thirty (30) days prior to the effective  
1006 date of the repeal.

1007 **SECTION 6.** Section 27-65-23, Mississippi Code of 1972, is  
1008 amended as follows:

1009 27-65-23. Upon every person engaging or continuing in any of  
1010 the following businesses or activities there is hereby levied,  
1011 assessed and shall be collected a tax equal to \* \* \* eight and  
1012 one-half percent (8-1/2%) of the gross income of the business,  
1013 except as otherwise provided:

1014 Air-conditioning installation or repairs;  
1015 Automobile, motorcycle, boat or any other vehicle  
1016 repairing or servicing;  
1017 Billiards, pool or domino parlors;  
1018 Bowling or tenpin alleys;  
1019 Burglar and fire alarm systems or services;  
1020 Car washing – automatic, self-service, or manual;  
1021 Computer software sales and services;  
1022 Cotton compresses or cotton warehouses;  
1023 Custom creosoting or treating, custom planing, custom  
1024 sawing;  
1025 Custom meat processing;



1026               Electricians, electrical work, wiring, all repairs or  
1027 installation of electrical equipment;  
1028               Elevator or escalator installing, repairing or  
1029 servicing;  
1030               Film developing or photo finishing;  
1031               Foundries, machine or general repairing;  
1032               Furniture repairing or upholstering;  
1033               Grading, excavating, ditching, dredging or landscaping;  
1034               Hotels (as defined in Section 41-49-3), motels, tourist  
1035 courts or camps, trailer parks;  
1036               Insulating services or repairs;  
1037               Jewelry or watch repairing;  
1038               Laundering, cleaning, pressing or dyeing;  
1039               Marina services;  
1040               Mattress renovating;  
1041               Office and business machine repairing;  
1042               Parking garages and lots;  
1043               Plumbing or pipe fitting;  
1044               Public storage warehouses (There shall be no tax levied  
1045 on gross income of a public storage warehouse derived from the  
1046 temporary storage of tangible personal property in this state  
1047 pending shipping or mailing of the property to another state.);  
1048               Refrigerating equipment repairs;  
1049               Radio or television installing, repairing, or servicing;



1050                Renting or leasing personal property used within this  
1051 state;

1052                Services performed in connection with geophysical  
1053 surveying, exploring, developing, drilling, producing,  
1054 distributing, or testing of oil, gas, water and other mineral  
1055 resources;

1056                Shoe repairing;

1057                Storage lockers;

1058                Telephone answering or paging services;

1059                Termite or pest control services;

1060                Tin and sheet metal shops;

1061                TV cable systems, subscription TV services, and other  
1062 similar activities;

1063                Vulcanizing, repairing or recapping of tires or tubes;

1064                Welding; and

1065                Woodworking or woodu-turning shops.

1066                Income from services taxed herein performed for electric  
1067 power associations in the ordinary and necessary operation of  
1068 their generating or distribution systems shall be taxed at the  
1069 rate of one percent (1%).

1070                Income from services taxed herein performed on materials for  
1071 use in track or track structures to a railroad whose rates are  
1072 fixed by the Interstate Commerce Commission or the Mississippi  
1073 Public Service Commission shall be taxed at the rate of three  
1074 percent (3%).



1075           Income from renting or leasing tangible personal property  
1076 used within this state shall be taxed at the same rates as sales  
1077 of the same property.

1078           Persons doing business in this state who rent transportation  
1079 equipment with a situs within or without the state to common,  
1080 contract or private commercial carriers are taxed on that part of  
1081 the income derived from use within this state. If specific  
1082 accounting is impracticable, a formula may be used with approval  
1083 of the commissioner.

1084           A lessor may deduct from the tax computed on the rental  
1085 income from tangible personal property a credit for sales or use  
1086 tax paid to this state at the time of purchase of the specific  
1087 personal property being leased or rented until such credit has  
1088 been exhausted.

1089           Charges for custom processing and repairing services may be  
1090 excluded from gross taxable income when the property on which the  
1091 service was performed is delivered to the customer in another  
1092 state either by common carrier or in the seller's equipment.

1093           When a taxpayer performs unitary services covered by this  
1094 section, which are performed both in intrastate and interstate  
1095 commerce, the commissioner is hereby invested with authority to  
1096 formulate in each particular case and to fix for such taxpayer in  
1097 each instance formulae of apportionment which will apportion to  
1098 this state, for taxation, that portion of the services which are  
1099 performed within the State of Mississippi.



1100       **SECTION 7.** Section 27-65-25, Mississippi Code of 1972, is  
1101 amended as follows:

1102       27-65-25. Upon every person engaging or continuing within  
1103 this state in the business of selling alcoholic beverages, the  
1104 sales of which are legal under the provisions of Chapter 1 of  
1105 Title 67, Mississippi Code of 1972, there is hereby levied,  
1106 assessed and shall be collected a tax equal to \* \* \* eight and  
1107 one-half percent (8-1/2%) of the gross proceeds of the retail  
1108 sales of the business. All sales at wholesale to retailers shall  
1109 be taxed at the same rate as provided in this section for retail  
1110 sales. A retailer in computing the tax on sales may take credit  
1111 for the amount of the tax paid to the wholesaler at the rates  
1112 provided herein and remit the difference to the commissioner,  
1113 provided adequate records and all invoices are maintained to  
1114 substantiate the credit claimed.

1115       **SECTION 8.** Section 27-65-26, Mississippi Code of 1972, is  
1116 amended as follows:

1117       27-65-26. (1) Upon every person engaging or continuing  
1118 within this state in the business of selling, renting or leasing  
1119 specified digital products, there shall be levied, assessed and  
1120 shall be collected a tax equal to \* \* \* eight and one-half percent  
1121 (8-1/2%) of the gross income of the business. The sale of a  
1122 digital code that allows the purchaser to obtain a specified  
1123 digital product shall be taxed in the same manner as the sale of a  
1124 specified digital product. The tax is imposed when:



1125           (a) The sale is to an end user;  
1126           (b) The seller grants the right of permanent or less  
1127 than permanent use of the products transferred electronically; or  
1128           (c) The sale is conditioned or not conditioned upon  
1129 continued payment.

1130           (2) Charges by one (1) specified digital products provider  
1131 to another specified digital products provider holding a permit  
1132 issued under Section 27-65-27 for services that are resold by such  
1133 other specified digital products provider shall not be subject to  
1134 the tax levied pursuant to this section.

1135           (3) For purposes of this section:

1136           (a) "Specified digital products" means electronically  
1137 transferred digital audio-visual works, digital audio works and  
1138 digital books.

1139           (b) "Digital audio-visual works" means a series of  
1140 related images which, when shown in succession, impart an  
1141 impression of motion, together with accompanying sounds, if any.

1142           (c) "Digital audio works" means works that result from  
1143 the fixation of a series of musical, spoken or other sounds,  
1144 including ringtones. "Ringtones" means digitized sound files that  
1145 are downloaded onto a device and that may be used to alert the  
1146 customer with respect to a communication.

1147           (d) "Digital books" means works that are generally  
1148 recognized in the ordinary and usual sense as "books."



1149           (e) "Electronically transferred" means obtained by the  
1150 purchaser by means other than tangible storage media.

1151           (f) "End user" means any person other than a person who  
1152 receives by contract a product transferred electronically for  
1153 further commercial broadcast, rebroadcast, transmission,  
1154 retransmission, licensing, relicensing, distribution,  
1155 redistribution or exhibition of the product, in whole or in part,  
1156 to another person or persons.

1157           (g) "Permanent use" means for purposes of this section  
1158 for perpetual or for an indefinite or unspecified length of time.

1159           (h) "Digital code" means a code that permits a  
1160 purchaser to obtain a specified digital product at a later date.

1161           **SECTION 9.** Section 27-65-75, Mississippi Code of 1972, is  
1162 amended as follows:

1163           27-65-75. On or before the fifteenth day of each month, the  
1164 revenue collected under the provisions of this chapter during the  
1165 preceding month shall be paid and distributed as follows:

1166           (1) (a) On or before August 15, 1992, and each succeeding  
1167 month thereafter through July 15, 1993, eighteen percent (18%) of  
1168 the total sales tax revenue collected during the preceding month  
1169 under the provisions of this chapter, except that collected under  
1170 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1171 business activities within a municipal corporation shall be  
1172 allocated for distribution to the municipality and paid to the  
1173 municipal corporation. Except as otherwise provided in this



1174 paragraph (a), on or before August 15, 1993, and each succeeding  
1175 month thereafter through August 15, 2022, eighteen and one-half  
1176 percent (18-1/2%) of the total sales tax revenue collected during  
1177 the preceding month under the provisions of this chapter, except  
1178 that collected under the provisions of Sections 27-65-15,  
1179 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
1180 a municipal corporation shall be allocated for distribution to the  
1181 municipality and paid to the municipal corporation. On or before  
1182 September 15, 2022, and each succeeding month thereafter, eighteen  
1183 and one-half percent (18-1/2%) of the total sales tax revenue  
1184 collected during the preceding month under the provisions of this  
1185 chapter, except that collected under the provisions of Sections  
1186 27-65-15, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on  
1187 business activities within a municipal corporation shall be  
1188 allocated for distribution to the municipality and paid to the  
1189 municipal corporation. On or before September 15, 2022, and each  
1190 succeeding month thereafter through August 15, 2023, twenty-three  
1191 and fifty-five one-hundredths percent (23-55/100%) of the total  
1192 sales tax revenue collected during the preceding month under the  
1193 provisions of Section 27-65-17(1)(n) on business activities within  
1194 a municipal corporation shall be allocated for distribution to the  
1195 municipality and paid to the municipal corporation. On or before  
1196 September 15, 2023, and each succeeding month thereafter through  
1197 August 15, 2024, twenty-four and sixty-seven one-hundredths  
1198 percent (24-67/100%) of the total sales tax revenue collected



1199 during the preceding month under the provisions of Section  
1200 27-65-17(1)(n) on business activities within a municipal  
1201 corporation shall be allocated for distribution to the  
1202 municipality and paid to the municipal corporation. On or before  
1203 September 15, 2024, and each succeeding month thereafter through  
1204 August 15, 2025, twenty-five and ninety one-hundredths percent  
1205 (25-90/100%) of the total sales tax revenue collected during the  
1206 preceding month under the provisions of Section 27-65-17(1)(n) on  
1207 business activities within a municipal corporation shall be  
1208 allocated for distribution to the municipality and paid to the  
1209 municipal corporation. On or before September 15, 2025, and each  
1210 succeeding month thereafter through August 15, 2026, twenty-seven  
1211 and twenty-six one-hundredths percent (27-26/100%) of the total  
1212 sales tax revenue collected during the preceding month under the  
1213 provisions of Section 27-65-17(1)(n) on business activities within  
1214 a municipal corporation shall be allocated for distribution to the  
1215 municipality and paid to the municipal corporation. On or before  
1216 September 15, 2026, and each succeeding month thereafter through  
1217 August 15, 2027, twenty-eight and seventy-eight one-hundredths  
1218 percent (28-78/100%) of the total sales tax revenue collected  
1219 during the preceding month under the provisions of Section  
1220 27-65-17(1)(n) on business activities within a municipal  
1221 corporation shall be allocated for distribution to the  
1222 municipality and paid to the municipal corporation. On or before  
1223 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



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,



1274 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities  
1275 on the campus of a state institution of higher learning or  
1276 community or junior college whose campus is not located within the  
1277 corporate limits of a municipality, shall be allocated for  
1278 distribution to the state institution of higher learning or  
1279 community or junior college and paid to the state institution of  
1280 higher learning or community or junior college. On or before  
1281 September 15, 2022, and each succeeding month thereafter through  
1282 August 15, 2023, twenty-three and fifty-five one-hundredths  
1283 percent (23-55/100%) of the total sales tax revenue collected  
1284 during the preceding month under the provisions of Section  
1285 27-65-17(1) (n) on business activities on the campus of a state  
1286 institution of higher learning or community or junior college  
1287 whose campus is not located within the corporate limits of a  
1288 municipality, shall be allocated for distribution to the state  
1289 institution of higher learning or community or junior college and  
1290 paid to the state institution of higher learning or community or  
1291 junior college. On or before September 15, 2023, and each  
1292 succeeding month thereafter through August 15, 2024, twenty-four  
1293 and sixty-seven one-hundredths percent (24-67/100%) of the total  
1294 sales tax revenue collected during the preceding month under the  
1295 provisions of Section 27-65-17(1) (n) on business activities on the  
1296 campus of a state institution of higher learning or community or  
1297 junior college whose campus is not located within the corporate  
1298 limits of a municipality, shall be allocated for distribution to



1299 the state institution of higher learning or community or junior  
1300 college and paid to the state institution of higher learning or  
1301 community or junior college. On or before September 15, 2024, and  
1302 each succeeding month thereafter through August 15, 2025,  
1303 twenty-five and ninety one-hundredths percent (25-90/100%) of the  
1304 total sales tax revenue collected during the preceding month under  
1305 the provisions of Section 27-65-17(1)(n) on business activities on  
1306 the campus of a state institution of higher learning or community  
1307 or junior college whose campus is not located within the corporate  
1308 limits of a municipality, shall be allocated for distribution to  
1309 the state institution of higher learning or community or junior  
1310 college and paid to the state institution of higher learning or  
1311 community or junior college. On or before September 15, 2025, and  
1312 each succeeding month thereafter through August 15, 2026,  
1313 twenty-seven and twenty-six one-hundredths percent (27-26/100%) of  
1314 the total sales tax revenue collected during the preceding month  
1315 under the provisions of Section 27-65-17(1)(n) on business  
1316 activities on the campus of a state institution of higher learning  
1317 or community or junior college whose campus is not located within  
1318 the corporate limits of a municipality, shall be allocated for  
1319 distribution to the state institution of higher learning or  
1320 community or junior college and paid to the state institution of  
1321 higher learning or community or junior college. On or before  
1322 September 15, 2026, and each succeeding month thereafter through  
1323 August 15, 2027, twenty-eight and seventy-eight one-hundredths



1324 percent (28-78/100%) of the total sales tax revenue collected  
1325 during the preceding month under the provisions of Section  
1326 27-65-17(1)(n) on business activities on the campus of a state  
1327 institution of higher learning or community or junior college  
1328 whose campus is not located within the corporate limits of a  
1329 municipality, shall be allocated for distribution to the state  
1330 institution of higher learning or community or junior college and  
1331 paid to the state institution of higher learning or community or  
1332 junior college. On or before September 15, 2027, and each  
1333 succeeding month thereafter through August 15, 2028, thirty and  
1334 forty-seven one-hundredths percent (30-47/100%) of the total sales  
1335 tax revenue collected during the preceding month under the  
1336 provisions of Section 27-65-17(1)(n) on business activities on the  
1337 campus of a state institution of higher learning or community or  
1338 junior college whose campus is not located within the corporate  
1339 limits of a municipality, shall be allocated for distribution to  
1340 the state institution of higher learning or community or junior  
1341 college and paid to the state institution of higher learning or  
1342 community or junior college. On or before September 15, 2028, and  
1343 each succeeding month thereafter, thirty-two and thirty-seven  
1344 one-hundredths percent (32-37/100%) of the total sales tax revenue  
1345 collected during the preceding month under the provisions of  
1346 Section 27-65-17(1)(n) on business activities on the campus of a  
1347 state institution of higher learning or community or junior  
1348 college whose campus is not located within the corporate limits of



1349 a municipality, shall be allocated for distribution to the state  
1350 institution of higher learning or community or junior college and  
1351 paid to the state institution of higher learning or community or  
1352 junior college.

1353           (c) On or before August 15, 2018, and each succeeding  
1354 month thereafter until August 14, 2019, two percent (2%) of the  
1355 total sales tax revenue collected during the preceding month under  
1356 the provisions of this chapter, except that collected under the  
1357 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
1358 27-65-24, on business activities within the corporate limits of  
1359 the City of Jackson, Mississippi, shall be deposited into the  
1360 Capitol Complex Improvement District Project Fund created in  
1361 Section 29-5-215. On or before August 15, 2019, and each  
1362 succeeding month thereafter until August 14, 2020, four percent  
1363 (4%) of the total sales tax revenue collected during the preceding  
1364 month under the provisions of this chapter, except that collected  
1365 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
1366 and 27-65-24, on business activities within the corporate limits  
1367 of the City of Jackson, Mississippi, shall be deposited into the  
1368 Capitol Complex Improvement District Project Fund created in  
1369 Section 29-5-215. On or before August 15, 2020, and each  
1370 succeeding month thereafter through August 15, 2022, six percent  
1371 (6%) of the total sales tax revenue collected during the preceding  
1372 month under the provisions of this chapter, except that collected  
1373 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21



1374 and 27-65-24, on business activities within the corporate limits  
1375 of the City of Jackson, Mississippi, shall be deposited into the  
1376 Capitol Complex Improvement District Project Fund created in  
1377 Section 29-5-215. On or before September 15, 2022, and each  
1378 succeeding month thereafter through August 15, 2023, six and  
1379 sixteen one-hundredths percent (6-16/100%) of the total sales tax  
1380 revenue collected during the preceding month under the provisions  
1381 of this chapter, except that collected under the provisions of  
1382 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
1383 activities within the corporate limits of the City of Jackson,  
1384 Mississippi, shall be deposited into the Capitol Complex  
1385 Improvement District Project Fund created in Section 29-5-215. On  
1386 or before September 15, 2023, and each succeeding month thereafter  
1387 through August 15, 2024, six and nineteen one-hundredths percent  
1388 (6-19/100%) of the total sales tax revenue collected during the  
1389 preceding month under the provisions of this chapter, except that  
1390 collected under the provisions of Sections 27-65-15, 27-65-19(3),  
1391 27-65-21 and 27-65-24, on business activities within the corporate  
1392 limits of the City of Jackson, Mississippi, shall be deposited  
1393 into the Capitol Complex Improvement District Project Fund created  
1394 in Section 29-5-215. On or before September 15, 2024, and each  
1395 succeeding month thereafter through August 15, 2025, six and  
1396 twenty-two one-hundredths percent (6-22/100%) of the total sales  
1397 tax revenue collected during the preceding month under the  
1398 provisions of this chapter, except that collected under the



1399 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
1400 27-65-24, on business activities within the corporate limits of  
1401 the City of Jackson, Mississippi, shall be deposited into the  
1402 Capitol Complex Improvement District Project Fund created in  
1403 Section 29-5-215. On or before September 15, 2025, and each  
1404 succeeding month thereafter through August 15, 2026, six and  
1405 twenty-four one-hundredths percent (6-24/100%) of the total sales  
1406 tax revenue collected during the preceding month under the  
1407 provisions of this chapter, except that collected under the  
1408 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
1409 27-65-24, on business activities within the corporate limits of  
1410 the City of Jackson, Mississippi, shall be deposited into the  
1411 Capitol Complex Improvement District Project Fund created in  
1412 Section 29-5-215. On or before September 15, 2026, and each  
1413 succeeding month thereafter through August 15, 2027, six and  
1414 twenty-seven one-hundredths percent (6-27/100%) of the total sales  
1415 tax revenue collected during the preceding month under the  
1416 provisions of this chapter, except that collected under the  
1417 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
1418 27-65-24, on business activities within the corporate limits of  
1419 the City of Jackson, Mississippi, shall be deposited into the  
1420 Capitol Complex Improvement District Project Fund created in  
1421 Section 29-5-215. On or before September 15, 2027, and each  
1422 succeeding month thereafter through August 15, 2028, six and  
1423 thirty one-hundredths percent (6-30/100%) of the total sales tax



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

1439           (d)   (i) On or before the fifteenth day of the month  
1440 that the diversion authorized by this section begins, and each  
1441 succeeding month thereafter, eighteen and one-half percent  
1442 (18-1/2%) of the total sales tax revenue collected during the  
1443 preceding month under the provisions of this chapter, except that  
1444 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
1445 and 27-65-21, on business activities within a redevelopment  
1446 project area developed under a redevelopment plan adopted under  
1447 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be



1448 allocated for distribution to the county in which the project area  
1449 is located if:

1450 1. The county:

1451 a. Borders on the Mississippi Sound and  
1452 the State of Alabama, or

1453 b. Is Harrison County, Mississippi, and  
1454 the project area is within a radius of two (2) miles from the  
1455 intersection of Interstate 10 and Menge Avenue;

1456 2. The county has issued bonds under Section  
1457 21-45-9 to finance all or a portion of a redevelopment project in  
1458 the redevelopment project area;

1459 3. Any debt service for the indebtedness  
1460 incurred is outstanding; and

1461 4. A development with a value of Ten Million  
1462 Dollars (\$10,000,000.00) or more is, or will be, located in the  
1463 redevelopment area.

1464 (ii) Before any sales tax revenue may be allocated  
1465 for distribution to a county under this paragraph, the county  
1466 shall certify to the Department of Revenue that the requirements  
1467 of this paragraph have been met, the amount of bonded indebtedness  
1468 that has been incurred by the county for the redevelopment project  
1469 and the expected date the indebtedness incurred by the county will  
1470 be satisfied.

1471 (iii) The diversion of sales tax revenue  
1472 authorized by this paragraph shall begin the month following the



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

1481 (2) On or before September 15, 1987, and each succeeding  
1482 month thereafter, from the revenue collected under this chapter  
1483 during the preceding month, One Million One Hundred Twenty-five  
1484 Thousand Dollars (\$1,125,000.00) shall be allocated for  
1485 distribution to municipal corporations as defined under subsection  
1486 (1) of this section in the proportion that the number of gallons  
1487 of gasoline and diesel fuel sold by distributors to consumers and  
1488 retailers in each such municipality during the preceding fiscal  
1489 year bears to the total gallons of gasoline and diesel fuel sold  
1490 by distributors to consumers and retailers in municipalities  
1491 statewide during the preceding fiscal year. The Department of  
1492 Revenue shall require all distributors of gasoline and diesel fuel  
1493 to report to the department monthly the total number of gallons of  
1494 gasoline and diesel fuel sold by them to consumers and retailers  
1495 in each municipality during the preceding month. The Department  
1496 of Revenue shall have the authority to promulgate such rules and  
1497 regulations as is necessary to determine the number of gallons of



1498 gasoline and diesel fuel sold by distributors to consumers and  
1499 retailers in each municipality. In determining the percentage  
1500 allocation of funds under this subsection for the fiscal year  
1501 beginning July 1, 1987, and ending June 30, 1988, the Department  
1502 of Revenue may consider gallons of gasoline and diesel fuel sold  
1503 for a period of less than one (1) fiscal year. For the purposes  
1504 of this subsection, the term "fiscal year" means the fiscal year  
1505 beginning July 1 of a year.

1506 (3) On or before September 15, 1987, and on or before the  
1507 fifteenth day of each succeeding month, until the date specified  
1508 in Section 65-39-35, the proceeds derived from contractors' taxes  
1509 levied under Section 27-65-21 on contracts for the construction or  
1510 reconstruction of highways designated under the highway program  
1511 created under Section 65-3-97 shall, except as otherwise provided  
1512 in Section 31-17-127, be deposited into the State Treasury to the  
1513 credit of the State Highway Fund to be used to fund that highway  
1514 program. The Mississippi Department of Transportation shall  
1515 provide to the Department of Revenue such information as is  
1516 necessary to determine the amount of proceeds to be distributed  
1517 under this subsection.

1518 (4) On or before August 15, 1994, and on or before the  
1519 fifteenth day of each succeeding month through July 15, 1999, from  
1520 the proceeds of gasoline, diesel fuel or kerosene taxes as  
1521 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
1522 (\$4,000,000.00) shall be deposited in the State Treasury to the



1523 credit of a special fund designated as the "State Aid Road Fund,"  
1524 created by Section 65-9-17. On or before August 15, 1999, and on  
1525 or before the fifteenth day of each succeeding month, from the  
1526 total amount of the proceeds of gasoline, diesel fuel or kerosene  
1527 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
1528 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
1529 one-fourth percent (23-1/4%) of those funds, whichever is the  
1530 greater amount, shall be deposited in the State Treasury to the  
1531 credit of the "State Aid Road Fund," created by Section 65-9-17.  
1532 Those funds shall be pledged to pay the principal of and interest  
1533 on state aid road bonds heretofore issued under Sections 19-9-51  
1534 through 19-9-77, in lieu of and in substitution for the funds  
1535 previously allocated to counties under this section. Those funds  
1536 may not be pledged for the payment of any state aid road bonds  
1537 issued after April 1, 1981; however, this prohibition against the  
1538 pledging of any such funds for the payment of bonds shall not  
1539 apply to any bonds for which intent to issue those bonds has been  
1540 published for the first time, as provided by law before March 29,  
1541 1981. From the amount of taxes paid into the special fund under  
1542 this subsection and subsection (9) of this section, there shall be  
1543 first deducted and paid the amount necessary to pay the expenses  
1544 of the Office of State Aid Road Construction, as authorized by the  
1545 Legislature for all other general and special fund agencies. The  
1546 remainder of the fund shall be allocated monthly to the several  
1547 counties in accordance with the following formula:



1548                   (a) One-third (1/3) shall be allocated to all counties  
1549 in equal shares;

1550                   (b) One-third (1/3) shall be allocated to counties  
1551 based on the proportion that the total number of rural road miles  
1552 in a county bears to the total number of rural road miles in all  
1553 counties of the state; and

1554                   (c) One-third (1/3) shall be allocated to counties  
1555 based on the proportion that the rural population of the county  
1556 bears to the total rural population in all counties of the state,  
1557 according to the latest federal decennial census.

1558           For the purposes of this subsection, the term "gasoline,  
1559 diesel fuel or kerosene taxes" means such taxes as defined in  
1560 paragraph (f) of Section 27-5-101.

1561           The amount of funds allocated to any county under this  
1562 subsection for any fiscal year after fiscal year 1994 shall not be  
1563 less than the amount allocated to the county for fiscal year 1994.

1564           Any reference in the general laws of this state or the  
1565 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
1566 construed to refer and apply to subsection (4) of Section  
1567 27-65-75.

1568           (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
1569 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
1570 the special fund known as the "State Public School Building Fund"  
1571 created and existing under the provisions of Sections 37-47-1



1572 through 37-47-67. Those payments into that fund are to be made on  
1573 the last day of each succeeding month hereafter.

1574 (6) An amount each month beginning August 15, 1983, through  
1575 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
1576 1983, shall be paid into the special fund known as the  
1577 Correctional Facilities Construction Fund created in Section 6,  
1578 Chapter 542, Laws of 1983.

1579 (7) On or before August 15, 1992, and each succeeding month  
1580 thereafter through July 15, 2000, two and two hundred sixty-six  
1581 one-thousandths percent (2.266%) of the total sales tax revenue  
1582 collected during the preceding month under the provisions of this  
1583 chapter, except that collected under the provisions of Section  
1584 27-65-17(2), shall be deposited by the department into the School  
1585 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
1586 or before August 15, 2000, and each succeeding month thereafter  
1587 August 15, 2022, two and two hundred sixty-six one-thousandths  
1588 percent (2.266%) of the total sales tax revenue collected during  
1589 the preceding month under the provisions of this chapter, except  
1590 that collected under the provisions of Section 27-65-17(2), shall  
1591 be deposited into the School Ad Valorem Tax Reduction Fund created  
1592 under Section 37-61-35 until such time that the total amount  
1593 deposited into the fund during a fiscal year equals Forty-two  
1594 Million Dollars (\$42,000,000.00). Thereafter, the amounts  
1595 diverted under this subsection (7) during the fiscal year in  
1596 excess of Forty-two Million Dollars (\$42,000,000.00) shall be



1597 deposited into the Education Enhancement Fund created under  
1598 Section 37-61-33 for appropriation by the Legislature as other  
1599 education needs and shall not be subject to the percentage  
1600 appropriation requirements set forth in Section 37-61-33. On or  
1601 before September 15, 2022, and each succeeding month thereafter  
1602 through August 15, 2023, two and two hundred sixty-six  
1603 one-thousandths percent (2.266%) of the total sales tax revenue  
1604 collected during the preceding month under the provisions of this  
1605 chapter, except that collected under the provisions of Section  
1606 27-65-17(1)(n) and (2), and two and eighty-eight one-hundredths  
1607 percent (2.88%) of the total sales tax revenue collected during  
1608 the preceding month under the provisions of Section 27-65-17(1)(n)  
1609 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1610 created under Section 37-61-35 until such time that the total  
1611 amount deposited into the fund during a fiscal year equals  
1612 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1613 amounts diverted under this subsection (7) during the fiscal year  
1614 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1615 deposited into the Education Enhancement Fund created under  
1616 Section 37-61-33 for appropriation by the Legislature as other  
1617 education needs and shall not be subject to the percentage  
1618 appropriation requirements set forth in Section 37-61-33. On or  
1619 before September 15, 2023, and each succeeding month thereafter  
1620 through August 15, 2024, two and two hundred sixty-six  
1621 one-thousandths percent (2.266%) of the total sales tax revenue



1622 collected during the preceding month under the provisions of this  
1623 chapter, except that collected under the provisions of Section  
1624 27-65-17(1)(n) and (2), and three and two one-hundredths percent  
1625 (3.02%) of the total sales tax revenue collected during the  
1626 preceding month under the provisions of Section 27-65-17(1)(n)  
1627 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1628 created under Section 37-61-35 until such time that the total  
1629 amount deposited into the fund during a fiscal year equals  
1630 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1631 amounts diverted under this subsection (7) during the fiscal year  
1632 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1633 deposited into the Education Enhancement Fund created under  
1634 Section 37-61-33 for appropriation by the Legislature as other  
1635 education needs and shall not be subject to the percentage  
1636 appropriation requirements set forth in Section 37-61-33. On or  
1637 before September 15, 2024, and each succeeding month thereafter  
1638 through August 15, 2025, two and two hundred sixty-six  
1639 one-thousandths percent (2.266%) of the total sales tax revenue  
1640 collected during the preceding month under the provisions of this  
1641 chapter, except that collected under the provisions of Section  
1642 27-65-17(1)(n) and (2), and three and seventeen one-hundredths  
1643 percent (3.17%) of the total sales tax revenue collected during  
1644 the preceding month under the provisions of Section 27-65-17(1)(n)  
1645 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1646 created under Section 37-61-35 until such time that the total



1647 amount deposited into the fund during a fiscal year equals  
1648 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1649 amounts diverted under this subsection (7) during the fiscal year  
1650 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1651 deposited into the Education Enhancement Fund created under  
1652 Section 37-61-33 for appropriation by the Legislature as other  
1653 education needs and shall not be subject to the percentage  
1654 appropriation requirements set forth in Section 37-61-33. On or  
1655 before September 15, 2025, and each succeeding month thereafter  
1656 through August 15, 2026, two and two hundred sixty-six  
1657 one-thousandths percent (2.266%) of the total sales tax revenue  
1658 collected during the preceding month under the provisions of this  
1659 chapter, except that collected under the provisions of Section  
1660 27-65-17(1)(n) and (2), and three and thirty-four one-hundredths  
1661 percent (3.34%) of the total sales tax revenue collected during  
1662 the preceding month under the provisions of Section 27-65-17(1)(n)  
1663 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1664 created under Section 37-61-35 until such time that the total  
1665 amount deposited into the fund during a fiscal year equals  
1666 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1667 amounts diverted under this subsection (7) during the fiscal year  
1668 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1669 deposited into the Education Enhancement Fund created under  
1670 Section 37-61-33 for appropriation by the Legislature as other  
1671 education needs and shall not be subject to the percentage



1672 appropriation requirements set forth in Section 37-61-33. On or  
1673 before September 15, 2026, and each succeeding month thereafter  
1674 through August 15, 2027, two and two hundred sixty-six  
1675 one-thousandths percent (2.266%) of the total sales tax revenue  
1676 collected during the preceding month under the provisions of this  
1677 chapter, except that collected under the provisions of Section  
1678 27-65-17(1)(n) and (2), and three and fifty-two one-hundredths  
1679 percent (3.52%) of the total sales tax revenue collected during  
1680 the preceding month under the provisions of Section 27-65-17(1)(n)  
1681 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1682 created under Section 37-61-35 until such time that the total  
1683 amount deposited into the fund during a fiscal year equals  
1684 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1685 amounts diverted under this subsection (7) during the fiscal year  
1686 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1687 deposited into the Education Enhancement Fund created under  
1688 Section 37-61-33 for appropriation by the Legislature as other  
1689 education needs and shall not be subject to the percentage  
1690 appropriation requirements set forth in Section 37-61-33. On or  
1691 before September 15, 2027, and each succeeding month thereafter  
1692 through August 15, 2028, two and two hundred sixty-six  
1693 one-thousandths percent (2.266%) of the total sales tax revenue  
1694 collected during the preceding month under the provisions of this  
1695 chapter, except that collected under the provisions of Section  
1696 27-65-17(1)(n) and (2), and three and seventy-three one-hundredths



1697 percent (3.73%) of the total sales tax revenue collected during  
1698 the preceding month under the provisions of Section 27-65-17(1)(n)  
1699 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1700 created under Section 37-61-35 until such time that the total  
1701 amount deposited into the fund during a fiscal year equals  
1702 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1703 amounts diverted under this subsection (7) during the fiscal year  
1704 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1705 deposited into the Education Enhancement Fund created under  
1706 Section 37-61-33 for appropriation by the Legislature as other  
1707 education needs and shall not be subject to the percentage  
1708 appropriation requirements set forth in Section 37-61-33. On or  
1709 before September 15, 2028, and each succeeding month thereafter,  
1710 two and two hundred sixty-six one-thousandths percent (2.266%) of  
1711 the total sales tax revenue collected during the preceding month  
1712 under the provisions of this chapter, except that collected under  
1713 the provisions of Section 27-65-17(1)(n) and (2), and three and  
1714 ninety-seven one-hundredths percent (3.97%) of the total sales tax  
1715 revenue collected during the preceding month under the provisions  
1716 of Section 27-65-17(1)(n) shall be deposited into the School Ad  
1717 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1718 such time that the total amount deposited into the fund during a  
1719 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1720 Thereafter, the amounts diverted under this subsection (7) during  
1721 the fiscal year in excess of Forty-two Million Dollars



1722 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1723 Fund created under Section 37-61-33 for appropriation by the  
1724 Legislature as other education needs and shall not be subject to  
1725 the percentage appropriation requirements set forth in Section  
1726 37-61-33.

1727       (8) On or before August 15, 1992, and each succeeding month  
1728 thereafter August 15, 2022, nine and seventy-three one-thousandths  
1729 percent (9.073%) of the total sales tax revenue collected during  
1730 the preceding month under the provisions of this chapter, except  
1731 that collected under the provisions of Section 27-65-17(2), shall  
1732 be deposited into the Education Enhancement Fund created under  
1733 Section 37-61-33. On or before September 15, 2022, and each  
1734 succeeding month thereafter, nine and seventy-three  
1735 one-thousandths percent (9.073%) of the total sales tax revenue  
1736 collected during the preceding month under the provisions of this  
1737 chapter, except that collected under the provisions of Section  
1738 27-65-17(1)(n) and (2), shall be deposited into the Education  
1739 Enhancement Fund created under Section 37-61-33. On or before  
1740 September 15, 2022, and each succeeding month thereafter through  
1741 August 15, 2023, eleven and fifty-five one-hundredths percent  
1742 (11.55%) of the total sales tax revenue collected during the  
1743 preceding month under the provisions of Section 27-65-17(1)(n)  
1744 shall be deposited into the Education Enhancement Fund created  
1745 under Section 37-61-33. On or before September 15, 2023, and each  
1746 succeeding month thereafter through August 15, 2024, twelve and



1747 ten one-hundredths percent (12.10%) of the total sales tax revenue  
1748 collected during the preceding month under the provisions of  
1749 Section 27-65-17(1)(n) shall be deposited into the Education  
1750 Enhancement Fund created under Section 37-61-33. On or before  
1751 September 15, 2024, and each succeeding month thereafter through  
1752 August 15, 2025, twelve and seventy one-hundredths percent  
1753 (12.70%) of the total sales tax revenue collected during the  
1754 preceding month under the provisions of Section 27-65-17(1)(n)  
1755 shall be deposited into the Education Enhancement Fund created  
1756 under Section 37-61-33. On or before September 15, 2025, and each  
1757 succeeding month thereafter through August 15, 2026, thirteen and  
1758 thirty-seven one-hundredths percent (13.37%) of the total sales  
1759 tax revenue collected during the preceding month under the  
1760 provisions of Section 27-65-17(1)(n) shall be deposited into the  
1761 Education Enhancement Fund created under Section 37-61-33. On or  
1762 before September 15, 2026, and each succeeding month thereafter  
1763 through August 15, 2027, fourteen and eleven one-hundredths  
1764 percent (14.11%) of the total sales tax revenue collected during  
1765 the preceding month under the provisions of Section 27-65-17(1)(n)  
1766 shall be deposited into the Education Enhancement Fund created  
1767 under Section 37-61-33. On or before September 15, 2027, and each  
1768 succeeding month thereafter through August 15, 2028, fourteen and  
1769 ninety-four one-hundredths percent (14.94%) of the total sales tax  
1770 revenue collected during the preceding month under the provisions  
1771 of Section 27-65-17(1)(n) shall be deposited into the Education



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

1778 (9) On or before August 15, 1994, and each succeeding month  
1779 thereafter, from the revenue collected under this chapter during  
1780 the preceding month, Two Hundred Fifty Thousand Dollars  
1781 (\$250,000.00) shall be paid into the State Aid Road Fund.

1782 (10) On or before August 15, 1994, and each succeeding month  
1783 thereafter through August 15, 1995, from the revenue collected  
1784 under this chapter during the preceding month, Two Million Dollars  
1785 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1786 Valorem Tax Reduction Fund established in Section 27-51-105.

1787 (11) Notwithstanding any other provision of this section to  
1788 the contrary, on or before February 15, 1995, and each succeeding  
1789 month thereafter, the sales tax revenue collected during the  
1790 preceding month under the provisions of Section 27-65-17(2) and  
1791 the corresponding levy in Section 27-65-23 on the rental or lease  
1792 of private carriers of passengers and light carriers of property  
1793 as defined in Section 27-51-101 shall be deposited, without  
1794 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
1795 established in Section 27-51-105.



1796           (12) Notwithstanding any other provision of this section to  
1797 the contrary, on or before August 15, 1995, and each succeeding  
1798 month thereafter, the sales tax revenue collected during the  
1799 preceding month under the provisions of Section 27-65-17(1) on  
1800 retail sales of private carriers of passengers and light carriers  
1801 of property, as defined in Section 27-51-101 and the corresponding  
1802 levy in Section 27-65-23 on the rental or lease of these vehicles,  
1803 shall be deposited, after diversion, into the Motor Vehicle Ad  
1804 Valorem Tax Reduction Fund established in Section 27-51-105.

1805           (13) On or before July 15, 1994, and on or before the  
1806 fifteenth day of each succeeding month thereafter, that portion of  
1807 the avails of the tax imposed in Section 27-65-22 that is derived  
1808 from activities held on the Mississippi State Fairgrounds Complex  
1809 shall be paid into a special fund that is created in the State  
1810 Treasury and shall be expended upon legislative appropriation  
1811 solely to defray the costs of repairs and renovation at the Trade  
1812 Mart and Coliseum.

1813           (14) On or before August 15, 1998, and each succeeding month  
1814 thereafter through July 15, 2005, that portion of the avails of  
1815 the tax imposed in Section 27-65-23 that is derived from sales by  
1816 cotton compresses or cotton warehouses and that would otherwise be  
1817 paid into the General Fund shall be deposited in an amount not to  
1818 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
1819 created under Section 69-37-39. On or before August 15, 2007, and  
1820 each succeeding month thereafter through July 15, 2010, that



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



1845           (15) Notwithstanding any other provision of this section to  
1846 the contrary, on or before September 15, 2000, and each succeeding  
1847 month thereafter, the sales tax revenue collected during the  
1848 preceding month under the provisions of Section  
1849 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
1850 without diversion, into the Telecommunications Ad Valorem Tax  
1851 Reduction Fund established in Section 27-38-7.

1852           (16) (a) On or before August 15, 2000, and each succeeding  
1853 month thereafter, the sales tax revenue collected during the  
1854 preceding month under the provisions of this chapter on the gross  
1855 proceeds of sales of a project as defined in Section 57-30-1 shall  
1856 be deposited, after all diversions except the diversion provided  
1857 for in subsection (1) of this section, into the Sales Tax  
1858 Incentive Fund created in Section 57-30-3.

1859           (b) On or before August 15, 2007, and each succeeding  
1860 month thereafter, eighty percent (80%) of the sales tax revenue  
1861 collected during the preceding month under the provisions of this  
1862 chapter from the operation of a tourism project under the  
1863 provisions of Sections 57-26-1 through 57-26-5, shall be  
1864 deposited, after the diversions required in subsections (7) and  
1865 (8) of this section, into the Tourism Project Sales Tax Incentive  
1866 Fund created in Section 57-26-3.

1867           (17) Notwithstanding any other provision of this section to  
1868 the contrary, on or before April 15, 2002, and each succeeding  
1869 month thereafter, the sales tax revenue collected during the



1870 preceding month under Section 27-65-23 on sales of parking  
1871 services of parking garages and lots at airports shall be  
1872 deposited, without diversion, into the special fund created under  
1873 Section 27-5-101(d).

1874 (18) [Repealed]

1875 (19) (a) On or before August 15, 2005, and each succeeding  
1876 month thereafter, the sales tax revenue collected during the  
1877 preceding month under the provisions of this chapter on the gross  
1878 proceeds of sales of a business enterprise located within a  
1879 redevelopment project area under the provisions of Sections  
1880 57-91-1 through 57-91-11, and the revenue collected on the gross  
1881 proceeds of sales from sales made to a business enterprise located  
1882 in a redevelopment project area under the provisions of Sections  
1883 57-91-1 through 57-91-11 (provided that such sales made to a  
1884 business enterprise are made on the premises of the business  
1885 enterprise), shall, except as otherwise provided in this  
1886 subsection (19), be deposited, after all diversions, into the  
1887 Redevelopment Project Incentive Fund as created in Section  
1888 57-91-9.

1889 (b) For a municipality participating in the Economic  
1890 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
1891 the diversion provided for in subsection (1) of this section  
1892 attributable to the gross proceeds of sales of a business  
1893 enterprise located within a redevelopment project area under the  
1894 provisions of Sections 57-91-1 through 57-91-11, and attributable



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

1902 (i) For the first six (6) years in which payments  
1903 are made to a developer from the Redevelopment Project Incentive  
1904 Fund, one hundred percent (100%) of the diversion shall be  
1905 deposited into the fund;

1906 (ii) For the seventh year in which such payments  
1907 are made to a developer from the Redevelopment Project Incentive  
1908 Fund, eighty percent (80%) of the diversion shall be deposited  
1909 into the fund;

1910 (iii) For the eighth year in which such payments  
1911 are made to a developer from the Redevelopment Project Incentive  
1912 Fund, seventy percent (70%) of the diversion shall be deposited  
1913 into the fund;

1914 (iv) For the ninth year in which such payments are  
1915 made to a developer from the Redevelopment Project Incentive Fund,  
1916 sixty percent (60%) of the diversion shall be deposited into the  
1917 fund; and



1918                   (v) For the tenth year in which such payments are  
1919 made to a developer from the Redevelopment Project Incentive Fund,  
1920 fifty percent (50%) of the funds shall be deposited into the fund.

1921           (20) On or before January 15, 2007, and each succeeding  
1922 month thereafter, eighty percent (80%) of the sales tax revenue  
1923 collected during the preceding month under the provisions of this  
1924 chapter from the operation of a tourism project under the  
1925 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
1926 after the diversions required in subsections (7) and (8) of this  
1927 section, into the Tourism Sales Tax Incentive Fund created in  
1928 Section 57-28-3.

1929           (21) (a) On or before April 15, 2007, and each succeeding  
1930 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
1931 Dollars (\$150,000.00) of the sales tax revenue collected during  
1932 the preceding month under the provisions of this chapter shall be  
1933 deposited into the MMEIA Tax Incentive Fund created in Section  
1934 57-101-3.

1935           (b) On or before July 15, 2013, and each succeeding  
1936 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
1937 of the sales tax revenue collected during the preceding month  
1938 under the provisions of this chapter shall be deposited into the  
1939 Mississippi Development Authority Job Training Grant Fund created  
1940 in Section 57-1-451.

1941           (22) Notwithstanding any other provision of this section to  
1942 the contrary, on or before August 15, 2009, and each succeeding



1943 month thereafter, the sales tax revenue collected during the  
1944 preceding month under the provisions of Section 27-65-201 shall be  
1945 deposited, without diversion, into the Motor Vehicle Ad Valorem  
1946 Tax Reduction Fund established in Section 27-51-105.

1947       (23)   (a)   On or before August 15, 2019, and each month  
1948 thereafter through July 15, 2020, one percent (1%) of the total  
1949 sales tax revenue collected during the preceding month from  
1950 restaurants and hotels shall be allocated for distribution to the  
1951 Mississippi Development Authority Tourism Advertising Fund  
1952 established under Section 57-1-64, to be used exclusively for the  
1953 purpose stated therein. On or before August 15, 2020, and each  
1954 month thereafter through July 15, 2021, two percent (2%) of the  
1955 total sales tax revenue collected during the preceding month from  
1956 restaurants and hotels shall be allocated for distribution to the  
1957 Mississippi Development Authority Tourism Advertising Fund  
1958 established under Section 57-1-64, to be used exclusively for the  
1959 purpose stated therein. On or before August 15, 2021, and each  
1960 month thereafter, three percent (3%) of the total sales tax  
1961 revenue collected during the preceding month from restaurants and  
1962 hotels shall be allocated for distribution to the Mississippi  
1963 Development Authority Tourism Advertising Fund established under  
1964 Section 57-1-64, to be used exclusively for the purpose stated  
1965 therein. The revenue diverted pursuant to this subsection shall  
1966 not be available for expenditure until February 1, 2020.



1967                   (b) The Joint Legislative Committee on Performance  
1968 Evaluation and Expenditure Review (PEER) must provide an annual  
1969 report to the Legislature indicating the amount of funds deposited  
1970 into the Mississippi Development Authority Tourism Advertising  
1971 Fund established under Section 57-1-64, and a detailed record of  
1972 how the funds are spent.

1973           (24) (a) Notwithstanding any other provision of this  
1974 section to the contrary, on or before September 15, 2022, and each  
1975 succeeding month thereafter, (a) one-third (1/3) of the total  
1976 sales tax revenue collected during the preceding month under the  
1977 provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23,  
1978 27-65-25 and 27-65-26, from the amount of the increases to tax  
1979 rates under such sections as provided in House Bill No.       , 2022  
1980 Regular Session, shall be deposited, without diversion, into the  
1981 Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund created in  
1982 Section 13 of this act, and (b) the remainder of the total sales  
1983 tax revenue collected during the preceding month under the  
1984 provisions of Sections 27-65-17, 27-65-19, 27-65-22, 27-65-23,  
1985 27-65-25 and 27-65-26, from the amount of the increases to tax  
1986 rates under such sections as provided in House Bill No.       , 2022  
1987 Regular Session, shall be deposited, without diversion, into the  
1988 State Treasury to the credit of the General Fund.

1989           (b) The provisions of this subsection (24) shall  
1990 supersede and control over any other provisions of this section  
1991 providing for the distribution of revenue under this section.



1992           ( \* \* \*25)   The remainder of the amounts collected under the  
1993 provisions of this chapter shall be paid into the State Treasury  
1994 to the credit of the General Fund.

1995           ( \* \* \*26)   (a)   It shall be the duty of the municipal  
1996 officials of any municipality that expands its limits, or of any  
1997 community that incorporates as a municipality, to notify the  
1998 commissioner of that action thirty (30) days before the effective  
1999 date. Failure to so notify the commissioner shall cause the  
2000 municipality to forfeit the revenue that it would have been  
2001 entitled to receive during this period of time when the  
2002 commissioner had no knowledge of the action.

2003                       (b)   (i)   Except as otherwise provided in subparagraph  
2004 (ii) of this paragraph, if any funds have been erroneously  
2005 disbursed to any municipality or any overpayment of tax is  
2006 recovered by the taxpayer, the commissioner may make correction  
2007 and adjust the error or overpayment with the municipality by  
2008 withholding the necessary funds from any later payment to be made  
2009 to the municipality.

2010                               (ii)   Subject to the provisions of Sections  
2011 27-65-51 and 27-65-53, if any funds have been erroneously  
2012 disbursed to a municipality under subsection (1) of this section  
2013 for a period of three (3) years or more, the maximum amount that  
2014 may be recovered or withheld from the municipality is the total  
2015 amount of funds erroneously disbursed for a period of three (3)  
2016 years beginning with the date of the first erroneous disbursement.



2017 However, if during such period, a municipality provides written  
2018 notice to the Department of Revenue indicating the erroneous  
2019 disbursement of funds, then the maximum amount that may be  
2020 recovered or withheld from the municipality is the total amount of  
2021 funds erroneously disbursed for a period of one (1) year beginning  
2022 with the date of the first erroneous disbursement.

2023       **SECTION 10.** Section 27-67-31, Mississippi Code of 1972, is  
2024 amended as follows:

2025       27-67-31. All administrative provisions of the sales tax  
2026 law, and amendments thereto, including those which fix damages,  
2027 penalties and interest for failure to comply with the provisions  
2028 of said sales tax law, and all other requirements and duties  
2029 imposed upon taxpayer, shall apply to all persons liable for use  
2030 taxes under the provisions of this article. The commissioner  
2031 shall exercise all power and authority and perform all duties with  
2032 respect to taxpayers under this article as are provided in said  
2033 sales tax law, except where there is conflict, then the provisions  
2034 of this article shall control.

2035       The commissioner may require transportation companies to  
2036 permit the examination of waybills, freight bills, or other  
2037 documents covering shipments of tangible personal property into  
2038 this state.

2039       On or before the fifteenth day of each month, the amount  
2040 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).



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

2105 (f) On or before August 15, 2019, and each succeeding  
2106 month thereafter through July 15, 2020, three and three-fourths  
2107 percent (3-3/4%) of the total use tax revenue collected during the  
2108 preceding month under the provisions of this article shall be  
2109 deposited into the special fund created in Section 27-67-35(2).  
2110 On or before August 15, 2020, and each succeeding month thereafter  
2111 through July 15, 2021, seven and one-half percent (7-1/2%) of the  
2112 total use tax revenue collected during the preceding month under  
2113 the provisions of this article shall be deposited into the special  
2114 fund created in Section 27-67-35(2). On or before August 15,  
2115 2021, and each succeeding month thereafter through July 15, 2022,



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

2124 (g) On or before August 15, 2019, and each succeeding  
2125 month thereafter through July 15, 2020, Four Hundred Sixteen  
2126 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents  
2127 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total  
2128 use tax revenue collected during the preceding month under the  
2129 provisions of this article, whichever is the greater amount, shall  
2130 be deposited into the Local System Bridge Replacement and  
2131 Rehabilitation Fund created in Section 65-37-13. On or before  
2132 August 15, 2020, and each succeeding month thereafter through July  
2133 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred  
2134 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two  
2135 and one-half percent (2-1/2%) of the total use tax revenue  
2136 collected during the preceding month under the provisions of this  
2137 article, whichever is the greater amount, shall be deposited into  
2138 the Local System Bridge Replacement and Rehabilitation Fund  
2139 created in Section 65-37-13. On or before August 15, 2021, and  
2140 each succeeding month thereafter through July 15, 2022, One



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

2154 (h) On or before August 15, 2020, and each succeeding  
2155 month thereafter through July 15, 2022, One Million Dollars  
2156 (\$1,000,000.00) of the total use tax revenue collected during the  
2157 preceding month under the provisions of this article shall be  
2158 deposited into the Local System Bridge Replacement and  
2159 Rehabilitation Fund created in Section 65-37-13. Amounts  
2160 deposited into the Local System Bridge Replacement and  
2161 Rehabilitation Fund under this paragraph (h) shall be in addition  
2162 to amounts deposited into the fund under paragraph (g) of this  
2163 section.

2164 (i) Notwithstanding any other provision of this section  
2165 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:



2191           (a) "Hotel" or "motel" means and includes a place of  
2192 lodging that at any one time will accommodate transient guests on  
2193 a daily or weekly basis and that is known to the trade as such.  
2194 Such terms shall not include a place of lodging with ten (10) or  
2195 less rental units.

2196           (b) "Municipality" means any municipality in the State  
2197 of Mississippi with a population of one hundred fifty thousand  
2198 (150,000) or more according to the most recent federal decennial  
2199 census.

2200           (c) "Restaurant" means and includes all places where  
2201 prepared food is sold and whose annual gross proceeds of sales or  
2202 gross income for the preceding calendar year equals or exceeds One  
2203 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"  
2204 shall not include any nonprofit organization that is exempt from  
2205 federal income taxation under Section 501(c)(3) of the Internal  
2206 Revenue Code. For the purpose of calculating gross proceeds of  
2207 sales or gross income, the sales or income of all establishments  
2208 owned, operated or controlled by the same person, persons or  
2209 corporation shall be aggregated.

2210           (2) (a) Subject to the provisions of this section, the  
2211 governing authorities of a municipality may impose upon all  
2212 persons as a privilege for engaging or continuing in business or  
2213 doing business within such municipality, a special sales tax at  
2214 the rate of not more than one percent (1%) of the gross proceeds  
2215 of sales or gross income of the business, as the case may be,



2216 derived from any of the activities taxed at the rate of \* \* \*  
2217 eight and one-half percent (8-1/2%) or more under the Mississippi  
2218 Sales Tax Law, Section 27-65-1 et seq.

2219 (b) The tax levied under this section shall apply to  
2220 every person making sales of tangible personal property or  
2221 services within the municipality but shall not apply to:

2222 (i) Sales exempted by Sections 27-65-19,  
2223 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and  
2224 27-65-111 of the Mississippi Sales Tax Law;

2225 (ii) Gross proceeds of sales or gross income of  
2226 restaurants derived from the sale of food and beverages;

2227 (iii) Gross proceeds of sales or gross income of  
2228 hotels and motels derived from the sale of hotel rooms and motel  
2229 rooms for lodging purposes;

2230 (iv) Retail sales of food for human consumption  
2231 not purchased with food stamps issued by the United States  
2232 Department of Agriculture, or other federal agency, but which  
2233 would be exempt under Section 27-65-111(o) from the taxes imposed  
2234 by this chapter if the food items were purchased with food stamps;

2235 (v) Gross income of businesses engaging or  
2236 continuing in the business of TV cable systems, subscription TV  
2237 services, and other similar activities, including, but not limited  
2238 to, cable Internet services;

2239 (vi) Wholesale sales of food and drink for human  
2240 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



2266 by the election commissioners of the municipality and certified by  
2267 them to the governing authorities, it shall be the duty of such  
2268 governing authorities to determine and adjudicate whether at least  
2269 three-fifths (3/5) of the qualified electors who voted in the  
2270 election voted in favor of the tax. If at least three-fifths  
2271 (3/5) of the qualified electors who voted in the election voted in  
2272 favor of the tax, the governing authorities shall adopt a  
2273 resolution declaring the levy and collection of the tax provided  
2274 in this section and shall set the first day of the second month  
2275 following the date of such adoption as the effective date of the  
2276 tax levy. A certified copy of this resolution, together with the  
2277 result of the election, shall be furnished to the Department of  
2278 Revenue not less than thirty (30) days before the effective date  
2279 of the levy.

2280 (b) A municipality shall not hold more than two (2)  
2281 elections under this subsection.

2282 (4) The revenue collected pursuant to the tax levy imposed  
2283 under this section may be expended to pay the cost of road and  
2284 street repair, reconstruction and resurfacing projects based on  
2285 traffic patterns, need and usage, and to pay the costs of water,  
2286 sewer and drainage projects in accordance with a master plan  
2287 adopted by the department established pursuant to subsection (7).

2288 (5) (a) The special sales tax authorized by this section  
2289 shall be collected by the Department of Revenue, shall be  
2290 accounted for separately from the amount of sales tax collected



2291 for the state in the municipality and shall be paid to the  
2292 municipality. The Department of Revenue may retain one percent  
2293 (1%) of the proceeds of such tax for the purpose of defraying the  
2294 costs incurred by the department in the collection of the tax.  
2295 Payments to the municipality shall be made by the Department of  
2296 Revenue on or before the fifteenth day of the month following the  
2297 month in which the tax was collected.

2298 (b) The proceeds of the special sales tax shall be  
2299 placed into a special municipal fund apart from the municipal  
2300 general fund and any other funds of the municipality, and shall be  
2301 expended by the municipality solely for the purposes authorized in  
2302 subsection (4) of this section. The records reflecting the  
2303 receipts and expenditures of the revenue from the special sales  
2304 tax shall be audited annually by an independent certified public  
2305 accountant. The accountant shall make a report of his findings to  
2306 the governing authorities of the municipality and file a copy of  
2307 his report with the Secretary of the Senate and the Clerk of the  
2308 House of Representatives. The audit shall be made and completed  
2309 as soon as practical after the close of the fiscal year of the  
2310 municipality, and expenses of the audit shall be paid from the  
2311 funds derived by the municipality pursuant to this section.

2312 (c) All provisions of the Mississippi Sales Tax Law  
2313 applicable to filing of returns, discounts to the taxpayer,  
2314 remittances to the Department of Revenue, enforced collection,  
2315 rights of taxpayers, recovery of improper taxes, refunds of



2316 overpaid taxes or other provisions of law providing for imposition  
2317 and collection of the state sales tax shall apply to the special  
2318 sales tax authorized by this section, except where there is a  
2319 conflict, in which case the provisions of this section shall  
2320 control. Any damages, penalties or interest collected for the  
2321 nonpayment of taxes imposed under this section, or for  
2322 noncompliance with the provisions of this section, shall be paid  
2323 to the municipality on the same basis and in the same manner as  
2324 the tax proceeds. Any overpayment of tax for any reason that has  
2325 been disbursed to a municipality or any payment of the tax to a  
2326 municipality in error may be adjusted by the Department of Revenue  
2327 on any subsequent payment to the municipality pursuant to the  
2328 provisions of the Mississippi Sales Tax Law. The Department of  
2329 Revenue may, from time to time, make such rules and regulations  
2330 not inconsistent with this section as may be deemed necessary to  
2331 carry out the provisions of this section, and such rules and  
2332 regulations shall have the full force and effect of law.

2333       (6) If a municipality expands its corporate boundaries, the  
2334 governing authorities of the municipality may not impose the  
2335 special sales tax in the annexed area unless the tax is approved  
2336 at an election conducted, as far as is practicable, in the manner  
2337 provided in subsection (3) of this section, except that only  
2338 qualified electors in the annexed area may vote in the election.

2339       (7) (a) Any municipality that levies the special sales tax  
2340 authorized under this section shall establish a commission as



2341 provided for in this section. Expenditures of revenue from the  
2342 special sales tax authorized by this section shall be in  
2343 accordance with a master plan adopted by the commission pursuant  
2344 to this subsection.

2345 (b) The commission shall be composed of ten (10) voting  
2346 members who shall be known as commissioners appointed as follows:

2347 (i) Four (4) members representing the business  
2348 community in the municipality appointed by the local chamber of  
2349 commerce for initial terms of one (1), two (2), four (4) and five  
2350 (5) years respectively. The members appointed pursuant to this  
2351 paragraph shall be persons who represent businesses located within  
2352 the city limits of the municipality.

2353 (ii) Three (3) members shall be appointed at large  
2354 by the mayor of the municipality, with the advice and consent of  
2355 the legislative body of the municipality, for initial terms of two  
2356 (2), three (3) and four (4) years respectively. All appointments  
2357 made by the mayor pursuant to this paragraph shall be residents of  
2358 the municipality.

2359 (iii) One (1) member shall be appointed at large  
2360 by the Governor for an initial term of four (4) years. All  
2361 appointments made by the Governor pursuant to this paragraph shall  
2362 be residents of the municipality.

2363 (iv) One (1) member shall be appointed at large by  
2364 the Lieutenant Governor for an initial term of four (4) years.



2365 All appointments made by the Lieutenant Governor pursuant to this  
2366 paragraph shall be residents of the municipality.

2367 (v) One (1) member shall be appointed at large by  
2368 the Speaker of the House of Representatives for a term of four (4)  
2369 years. All appointments made by the Speaker of the House of  
2370 Representatives pursuant to this paragraph shall be residents of  
2371 the municipality.

2372 (c) The terms of all appointments made subsequent to  
2373 the initial appointment shall be made for five (5) years. Any  
2374 vacancy which may occur shall be filled in the same manner as the  
2375 original appointment and shall be made for the unexpired term.  
2376 Each member of the commission shall serve until his successor is  
2377 appointed and qualified.

2378 (d) The mayor of the municipality shall designate a  
2379 chairman of the commission from among the membership of the  
2380 commission. The vice chairman and secretary shall be elected by  
2381 the commission from among the membership of the commission for a  
2382 term of two (2) years. The vice chairman and secretary may be  
2383 reelected, and the chairman may be reappointed.

2384 (e) The commissioners shall serve without compensation.

2385 (f) Any commissioner shall be disqualified and shall be  
2386 removed from office for either of the following reasons:

2387 (i) Conviction of a felony in any state court or  
2388 in federal court; or



2389 (ii) Failure to attend three (3) consecutive  
2390 meetings without just cause.

2391 If a commissioner is removed for any of the above reasons,  
2392 the vacancy shall be filled in the manner prescribed in this  
2393 section and shall be made for the unexpired term.

2394 (g) A quorum shall consist of six (6) voting members of  
2395 the commission. The commission shall adopt such rules and  
2396 regulations as may govern the time and place for holding meetings,  
2397 regular and special.

2398 (h) The commission shall, with input from the  
2399 municipality, establish a master plan for road and street repair,  
2400 reconstruction and resurfacing projects based on traffic patterns,  
2401 need and usage, and for water, sewer and drainage projects.  
2402 Expenditures of the revenue from the tax authorized to be imposed  
2403 pursuant to this section shall be made at the discretion of the  
2404 governing authorities of the municipality if the expenditures  
2405 comply with the master plan. The commission shall monitor the  
2406 compliance of the municipality with the master plan.

2407 (8) The governing authorities of any municipality that  
2408 levies the special sales tax authorized under this section are  
2409 authorized to incur debt, including bonds, notes or other  
2410 evidences of indebtedness, for the purpose of paying the costs of  
2411 road and street repair, reconstruction and resurfacing projects  
2412 based on traffic patterns, need and usage, and to pay the costs of  
2413 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%);



2438                   (ii) For calendar year 2018, on the first One  
2439 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
2440 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
2441 taxable income, or any part thereof, the rate shall be three  
2442 percent (3%);

2443                   (iii) For calendar year 2019, on the first Two  
2444 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
2445 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
2446 taxable income, or any part thereof, the rate shall be three  
2447 percent (3%);

2448                   (iv) For calendar year 2020, on the first Three  
2449 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
2450 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
2451 taxable income, or any part thereof, the rate shall be three  
2452 percent (3%);

2453                   (v) For calendar year 2021, on the first Four  
2454 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
2455 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
2456 taxable income, or any part thereof, the rate shall be three  
2457 percent (3%);

2458                   (vi) For calendar year 2022 and all taxable years  
2459 thereafter, there shall be no tax levied on the first Five  
2460 Thousand Dollars (\$5,000.00) of taxable income;

2461                   (b) On taxable income in excess of Five Thousand  
2462 Dollars (\$5,000.00) up to and including Ten Thousand Dollars



2463 (\$10,000.00), or any part thereof, the rate shall be four percent  
2464 (4%); and

2465 (c) On all taxable income in excess of Ten Thousand  
2466 Dollars (\$10,000.00), the rate shall be five percent (5%).

2467 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
2468 shall not be subject to the income tax imposed under this section.

2469 (3) A like tax is hereby imposed to be assessed, collected  
2470 and paid annually, except as hereinafter provided, at the rate  
2471 specified in this section and as hereinafter provided, upon and  
2472 with respect to the entire net income, from all property owned or  
2473 sold, and from every business, trade or occupation carried on in  
2474 this state by individuals, corporations, partnerships, trusts or  
2475 estates, not residents of the State of Mississippi.

2476 (4) In the case of taxpayers having a fiscal year beginning  
2477 in a calendar year with a rate in effect that is different than  
2478 the rate in effect for the next calendar year and ending in the  
2479 next calendar year, the tax due for that taxable year shall be  
2480 determined by:

2481 (a) Computing for the full fiscal year the amount of  
2482 tax that would be due under the rates in effect for the calendar  
2483 year in which the fiscal year begins; and

2484 (b) Computing for the full fiscal year the amount of  
2485 tax that would be due under the rates in effect for the calendar  
2486 year in which the fiscal year ends; and



2487                   (c) Applying to the tax computed under paragraph (a)  
2488 the ratio which the number of months falling within the earlier  
2489 calendar year bears to the total number of months in the fiscal  
2490 year; and

2491                   (d) Applying to the tax computed under paragraph (b)  
2492 the ratio which the number of months falling within the later  
2493 calendar year bears to the total number of months within the  
2494 fiscal year; and

2495                   (e) Adding to the tax determined under paragraph (c)  
2496 the tax determined under paragraph (d) the sum of which shall be  
2497 the amount of tax due for the fiscal year.

2498                   **[From and after January 1 of the next succeeding year after**  
2499 **the date that the Commissioner of Revenue certifies that the**  
2500 **reduction in revenue mandated by Section 27-7-21(p) (i) equals or**  
2501 **exceeds the remaining revenue produced by the individual income**  
2502 **tax, the individual income tax shall stand repealed and this**  
2503 **section shall read as follows:]**

2504                   27-7-5. (1) There is hereby assessed and levied, to be  
2505 collected and paid as hereinafter provided, for the calendar year  
2506 1983 and fiscal years ending during the calendar year 1983 and all  
2507 taxable years thereafter, upon the entire net income of every  
2508 resident \* \* \* corporation, association, trust or estate, in  
2509 excess of the credits provided, a tax at the following rates:



2510                   (a)   (i)   Through calendar year 2017, on the first Five  
2511   Thousand Dollars (\$5,000.00) of taxable income, or any part  
2512   thereof, the rate shall be three percent (3%);

2513                   (ii)   For calendar year 2018, on the first One  
2514   Thousand Dollars (\$1,000.00) of taxable income there shall be no  
2515   tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
2516   taxable income, or any part thereof, the rate shall be three  
2517   percent (3%);

2518                   (iii)   For calendar year 2019, on the first Two  
2519   Thousand Dollars (\$2,000.00) of taxable income there shall be no  
2520   tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
2521   taxable income, or any part thereof, the rate shall be three  
2522   percent (3%);

2523                   (iv)   For calendar year 2020, on the first Three  
2524   Thousand Dollars (\$3,000.00) of taxable income there shall be no  
2525   tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
2526   taxable income, or any part thereof, the rate shall be three  
2527   percent (3%);

2528                   (v)   For calendar year 2021, on the first Four  
2529   Thousand Dollars (\$4,000.00) of taxable income there shall be no  
2530   tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
2531   taxable income, or any part thereof, the rate shall be three  
2532   percent (3%);



2533                   (vi) For calendar year 2022 and all taxable years  
2534 thereafter, there shall be no tax levied on the first Five  
2535 Thousand Dollars (\$5,000.00) of taxable income;

2536                   (b) On taxable income in excess of Five Thousand  
2537 Dollars (\$5,000.00) up to and including Ten Thousand Dollars  
2538 (\$10,000.00), or any part thereof, the rate shall be four percent  
2539 (4%); and

2540                   (c) On all taxable income in excess of Ten Thousand  
2541 Dollars (\$10,000.00), the rate shall be five percent (5%).

2542                   (2) An S corporation, as defined in Section 27-8-3(1)(g),  
2543 shall not be subject to the income tax imposed under this section.

2544                   (3) A like tax is hereby imposed to be assessed, collected  
2545 and paid annually, except as hereinafter provided, at the rate  
2546 specified in this section and as hereinafter provided, upon and  
2547 with respect to the entire net income, from all property owned or  
2548 sold, and from every business, trade or occupation carried on in  
2549 this state by \* \* \* corporations, partnerships, trusts or estates,  
2550 not residents of the State of Mississippi.

2551                   (4) In the case of taxpayers having a fiscal year beginning  
2552 in a calendar year with a rate in effect that is different than  
2553 the rate in effect for the next calendar year and ending in the  
2554 next calendar year, the tax due for that taxable year shall be  
2555 determined by:



2556           (a) Computing for the full fiscal year the amount of  
2557 tax that would be due under the rates in effect for the calendar  
2558 year in which the fiscal year begins; and

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

2562           (c) Applying to the tax computed under paragraph (a)  
2563 the ratio which the number of months falling within the earlier  
2564 calendar year bears to the total number of months in the fiscal  
2565 year; and

2566           (d) Applying to the tax computed under paragraph (b)  
2567 the ratio which the number of months falling within the later  
2568 calendar year bears to the total number of months within the  
2569 fiscal year; and

2570           (e) Adding to the tax determined under paragraph (c)  
2571 the tax determined under paragraph (d) the sum of which shall be  
2572 the amount of tax due for the fiscal year.

2573           **SECTION 13.** (1) As used in this section, the following  
2574 words and phrases shall have the meanings as defined herein unless  
2575 the context clearly requires otherwise:

2576           (a) "Department" means the Department of Revenue.

2577           (b) "Local taxing district" means and has the same  
2578 definition as such term has in Section 27-51-101.

2579           (c) "Motor vehicle" means and has the same definition  
2580 as such term has in Section 27-19-3.



2581           (2) From and after January 1, 2023, a taxpayer shall be  
2582 allowed a credit against motor vehicle ad valorem taxes due under  
2583 Chapter 51, Title 27, Mississippi Code of 1972, on any motor  
2584 vehicle owned by the taxpayer upon which the taxpayer is required  
2585 to pay the annual highway privilege tax levied in Chapter 19,  
2586 Title 27, Mississippi Code of 1972. The ad valorem tax credit  
2587 authorized in this subsection is in addition to the ad valorem tax  
2588 credit authorized in Section 27-51-103. The amount of the ad  
2589 valorem tax credit authorized in this subsection shall be equal to  
2590 thirty-five percent (35%) of the amount of ad valorem taxes due on  
2591 the motor vehicle after the application of the ad valorem tax  
2592 credit authorized in Section 27-51-103.

2593           (3) (a) There is created in the State Treasury a special  
2594 fund to be known as the Motor Vehicle Ad Valorem Tax Credit  
2595 Reimbursement Fund, into which shall be deposited monies as  
2596 provided in Sections 27-65-75(24) and 27-67-31(i) and monies from  
2597 any other source designated for deposit into such fund. The  
2598 monies in the fund shall be used for the purpose of making  
2599 payments to counties for the reduction in motor vehicle ad valorem  
2600 tax revenues incurred by local taxing districts in the county as a  
2601 result of the ad valorem tax credit for motor vehicles provided  
2602 for in subsection (2) of this section.

2603           (b) The Motor Vehicle Ad Valorem Tax Credit  
2604 Reimbursement Fund shall be administered by the department, and  
2605 monies in the fund shall be expended upon appropriation by the



2606 Legislature. Unexpended amounts remaining in the fund at the end  
2607 of a state fiscal year shall not lapse into the State General  
2608 Fund, and any interest earned on amounts in the fund shall be  
2609 deposited to the credit of the fund. However, after completion of  
2610 all of the payments made by the department under subsection (4) of  
2611 this section, unexpended amounts remaining in the fund which are  
2612 derived from monies deposited therein during the immediately  
2613 preceding state fiscal year shall lapse into the State General  
2614 Fund.

2615       (4) (a) On or before August 1, 2023, and August 1 of each  
2616 succeeding year thereafter, the department shall make payments  
2617 from the Motor Vehicle Ad Valorem Tax Credit Reimbursement Fund to  
2618 the county tax collectors for distribution to the local taxing  
2619 districts as reimbursement for motor vehicle ad valorem taxes that  
2620 are lost during the preceding state fiscal year as a result of the  
2621 ad valorem tax credit for motor vehicles provided for in  
2622 subsection (2) of this section.

2623       (b) On or before September 1, 2023, and September 1 of  
2624 each succeeding year thereafter, after the payments from the  
2625 department under this subsection are received, the county tax  
2626 collectors shall remit the appropriate amount of such payments to  
2627 the local taxing districts for which the county tax collector  
2628 collects motor vehicle ad valorem taxes.

2629       (c) Funds received by local taxing districts from the  
2630 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.

(l) "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



2706 by the trust in accordance with such plan, shall not be taxable  
2707 under the income tax laws of the State of Mississippi provided  
2708 that the trust is irrevocable and no part of the trust corpus or  
2709 income can be used for purposes other than for the exclusive  
2710 benefit of employees, or their beneficiaries; but any amount  
2711 actually distributed or made available to any distributee shall be  
2712 taxable to him in the year in which so distributed or made  
2713 available to the extent that it exceeds amounts paid in by him.

2714 (b) That all trusts of real or personal property, or  
2715 real and personal property combined, created under a retirement  
2716 plan for which provision has been made under the laws of the  
2717 United States of America exempting such trust from federal income  
2718 tax, shall be exempt from income taxation by the State of  
2719 Mississippi.

2720 (2) Notwithstanding the provisions of subsection (1) of this  
2721 section, a taxpayer shall include any Mississippi unrelated  
2722 business taxable income in computing its taxable income under this  
2723 chapter. As used in this subsection "Mississippi unrelated  
2724 business taxable income" includes:

2725 (a) "Unrelated business taxable income" as defined  
2726 under the provisions of the Internal Revenue Code, as amended, and  
2727 not otherwise inconsistent with other provisions of this chapter,  
2728 and

2729 (b) Any income attributable to an ownership interest in  
2730 an S corporation.



2731           (3) A trust required to include the activity of a  
2732 disregarded entity for federal income tax purposes shall do  
2733 likewise for the purpose of computing income for this state.

2734           (4) Except as otherwise provided in this section, the gross  
2735 and net income shall be determined in the same manner as is  
2736 provided by law for any other taxpayer.

2737           **SECTION 16.** Section 27-7-22.5, Mississippi Code of 1972, is  
2738 brought forward as follows:

2739           27-7-22.5. (1) (a) For any manufacturer, distributor,  
2740 wholesale or retail merchant who pays to a county, municipality,  
2741 school district, levee district or any other taxing authority of  
2742 the state or a political subdivision thereof, ad valorem taxes  
2743 imposed on commodities, raw materials, works-in-process, products,  
2744 goods, wares and merchandise held for resale, a credit against the  
2745 income taxes imposed under this chapter shall be allowed for the  
2746 portion of the ad valorem taxes so paid in the amounts prescribed  
2747 in subsection (2).

2748           (b) (i) For any person, firm or corporation who pays  
2749 to a county, municipality, school district, levee district or any  
2750 other taxing authority of the state or a political subdivision  
2751 thereof, ad valorem taxes imposed on rental equipment, a credit  
2752 against the income taxes imposed under this chapter shall be  
2753 allowed for the portion of the ad valorem taxes so paid in the  
2754 amounts prescribed in subsection (2).



2755 (ii) As used in this paragraph, "rental equipment"  
2756 means any rental equipment or other rental items which are held  
2757 for short-term rental to the public:

- 2758 1. Under rental agreements with no specific  
2759 term;
- 2760 2. Under at-will or open-ended agreements; or
- 2761 3. Under rental agreements with terms  
2762 ordinarily of less than three hundred sixty-five (365) days; and
- 2763 4. Is not subject to privilege taxes imposed  
2764 in Chapter 19, Title 27, Mississippi Code of 1972.

2765 (2) The tax credit allowed by this section shall not exceed  
2766 the amounts set forth in paragraphs (a) through (g) of this  
2767 subsection; and may be claimed for each location where such  
2768 commodities, raw material, works-in-process, products, goods,  
2769 wares, merchandise and/or rental equipment are found and upon  
2770 which the ad valorem taxes have been paid. Any tax credit claimed  
2771 under this section but not used in any taxable year may be carried  
2772 forward for five (5) consecutive years from the close of the tax  
2773 year in which the credit was earned.

2774 (a) For the 1994 taxable year, the tax credit for each  
2775 location of the taxpayer shall not exceed the lesser of Two  
2776 Thousand Dollars (\$2,000.00) or the amount of income taxes due the  
2777 State of Mississippi that are attributable to such location.

2778 (b) For the 1995 taxable year, the tax credit for each  
2779 location of the taxpayer shall not exceed the lesser of Three



2780 Thousand Dollars (\$3,000.00) or the amount of income taxes due the  
2781 State of Mississippi that are attributable to such location.

2782 (c) For the 1996 taxable year, the tax credit for each  
2783 location of the taxpayer shall not exceed the lesser of Four  
2784 Thousand Dollars (\$4,000.00) or the amount of income taxes due the  
2785 State of Mississippi that are attributable to such location.

2786 (d) For the 1997 taxable year and each taxable year  
2787 thereafter through taxable year 2013, the tax credit for each  
2788 location of the taxpayer shall not exceed the lesser of Five  
2789 Thousand Dollars (\$5,000.00) or the amount of income taxes due the  
2790 State of Mississippi that are attributable to such location.

2791 (e) For the 2014 taxable year, the tax credit for each  
2792 location of the taxpayer shall not exceed the lesser of Ten  
2793 Thousand Dollars (\$10,000.00) or the amount of income taxes due  
2794 the State of Mississippi that are attributable to such location.

2795 (f) For the 2015 taxable year, the tax credit for each  
2796 location of the taxpayer shall not exceed the lesser of Fifteen  
2797 Thousand Dollars (\$15,000.00) or the amount of income taxes due  
2798 the State of Mississippi that are attributable to such location.

2799 (g) For the 2016 taxable year and each taxable year  
2800 thereafter, the tax credit of the taxpayer shall be the lesser of  
2801 the amount of the ad valorem taxes described in subsection (1)  
2802 paid or the amount of income taxes due the State of Mississippi  
2803 that are attributable to such location.



2804           (3) Any amount of ad valorem taxes paid by a taxpayer that  
2805 is applied toward the tax credit allowed in this section may not  
2806 be used as a deduction by the taxpayer for state income tax  
2807 purposes. In the case of a taxpayer that is a partnership,  
2808 limited liability company or S corporation, the credit may be  
2809 applied only to the tax attributable to partnership, limited  
2810 liability company or S corporation income derived from the  
2811 taxpayer.

2812           **SECTION 17.** Section 27-7-22.15, Mississippi Code of 1972, is  
2813 brought forward as follows:

2814           27-7-22.15. (1) As used in this section, the following  
2815 words and phrases shall have the meanings ascribed to herein  
2816 unless the context clearly indicates otherwise:

2817           (a) "Approved reforestation practices" means the  
2818 following practices for establishing a crop of trees suitable for  
2819 manufacturing into forest products:

2820                   (i) "Pine and hardwood tree planting practices"  
2821 including the cost of seedlings, planting by hand or machine, and  
2822 site preparation.

2823                   (ii) "Mixed-stand regeneration practices" to  
2824 establish a mixed-crop of pine and hardwood trees by planting or  
2825 direct seeding, or both, including the cost of seedlings,  
2826 seed/acorns, planting, seeding and site preparation.

2827                   (iii) "Direct seeding practices" to establish a  
2828 crop of pine or oak trees by directly applying seed/acorns to the



2829 site including the cost of seed/acorns, seeding and site  
2830 preparation.

2831 (iv) "Post-planting site preparation practices" to  
2832 reduce or control undesirable competition within the first growing  
2833 season of an established crop of trees.

2834 Approved reforestation practices shall not include the  
2835 establishment of orchards, Christmas trees or ornamental trees.

2836 (b) "Eligible tree species" means pine and hardwood  
2837 commercial tree species suitable for manufacturing into forest  
2838 products.

2839 (c) "Cost-share assistance" means partial financial  
2840 payment for approved reforestation practices from the state  
2841 government as authorized under Sections 49-19-201 through  
2842 49-19-227, or the federal government.

2843 (d) "Eligible owner" means a private individual, group  
2844 or association, but the term shall not mean private corporations  
2845 which manufacture products or provide public utility services of  
2846 any type or any subsidiary of such corporations.

2847 (e) "Eligible lands" means nonindustrial private lands  
2848 owned by a private individual, group or association, but shall not  
2849 mean lands owned by private corporations which manufacture  
2850 products or provide public utility services of any type or any  
2851 subsidiary of such corporations.

2852 (f) "Reforestation prescription or plan" means a  
2853 written description of the approved reforestation practices that



2854 the eligible owner plans to use and includes a legal description  
2855 and map of the area to be reforested, a list of the tree seedling  
2856 or seed species to be used in the reforestation and the site  
2857 preparation practices that will be utilized.

2858       (2) Subject to the limitations provided in subsection (3) of  
2859 this section, upon submission to the State Tax Commission of the  
2860 written verification provided for in subsection (5) of this  
2861 section and such other documentation as the State Tax Commission  
2862 may require, any eligible owner who incurs costs for approved  
2863 reforestation practices for eligible tree species on eligible  
2864 lands shall be allowed a credit, in an amount equal to the lesser  
2865 of fifty percent (50%) of the actual costs of the approved  
2866 reforestation practices or fifty percent (50%) of the average cost  
2867 of approved practices as established by the Mississippi Forestry  
2868 Commission under Section 49-19-219, against the taxes imposed  
2869 pursuant to this chapter for the tax year in which the costs are  
2870 incurred.

2871       (3) The maximum amount of the credit provided for in  
2872 subsection (2) of this section that may be utilized in any one (1)  
2873 taxable year shall not exceed the lesser of Ten Thousand Dollars  
2874 (\$10,000.00) or the amount of income tax imposed upon the eligible  
2875 owner for the taxable year reduced by the sum of all other credits  
2876 allowable to the eligible owner under this chapter, except credit  
2877 for tax payments made by or on behalf of the eligible owner. Any  
2878 unused portion of the credit may be carried forward for succeeding



2879 tax years. The maximum dollar amount of the credit provided for  
2880 in subsection (2) of this section that an eligible owner may  
2881 utilize during his lifetime shall be Seventy-five Thousand Dollars  
2882 (\$75,000.00) in the aggregate.

2883 (4) If an eligible owner receives any state or federal cost  
2884 share assistance funds to defray the cost of an approved  
2885 reforestation practice, the cost of that practice on the same acre  
2886 or acres within the same tax year is not eligible for the credit  
2887 provided in this section unless the eligible owner's adjusted  
2888 gross income is less than the federal earned income credit level.

2889 (5) To be eligible for the tax credit, an eligible owner  
2890 must have a reforestation prescription or plan prepared for the  
2891 eligible lands by a graduate forester of a college, school or  
2892 university accredited by the Society of American Foresters or by a  
2893 registered forester under the Foresters Registration Law of 1977.  
2894 The forester must verify in writing that the reforestation  
2895 practices were completed and that the reforestation prescription  
2896 or plan was followed.

2897 **SECTION 18.** Section 27-7-22.21, Mississippi Code of 1972, is  
2898 brought forward as follows:

2899 27-7-22.21. (1) As used in this section, the following  
2900 words and phrases shall have the following meanings, unless the  
2901 context clearly indicates otherwise:

2902 (a) "Eligible land" means nonindustrial private lands  
2903 in the state that are adjacent to and along a stream which is



2904 fully nominated to the Mississippi Scenic Streams Stewardship  
2905 Program, or nonindustrial private lands in the state which are  
2906 considered to be priority sites for conservation under the  
2907 Mississippi Natural Heritage Program.

2908 (b) "Eligible owner" means a private individual, group  
2909 or association other than a private corporation, or any subsidiary  
2910 thereof, which manufactures products or provides public utility  
2911 services of any type.

2912 (c) "Interest in land" means any right in real  
2913 property, including access thereto or improvements thereon, or  
2914 water, including, but not limited to, a fee simple easement, a  
2915 conservation easement, provided such interest complies with the  
2916 requirements of the United States Internal Revenue Code Section  
2917 170(h), partial interest, mineral right, remainder or future  
2918 interest, or other interest or right in real property.

2919 (d) "Land" or "lands" means real property, with or  
2920 without improvements thereon, rights-of-way, water and riparian  
2921 rights, easements, privileges and all other rights or interests of  
2922 any land or description in, relating to, or connected with real  
2923 property.

2924 (e) "Allowable transaction costs" mean the costs of the  
2925 appraisal of the lands or interests in lands, including  
2926 conservation easements, that are being donated, of the baseline  
2927 survey of the natural features, animals and plants present on the  
2928 site, of engineering and surveying fees, of maintenance fees, of



2929 monitoring fees and of legal fees, including the costs of document  
2930 preparation, title review and title insurance.

2931 (f) "Specified conservation purposes" mean the  
2932 preservation of stream bank habitats and the stability of stream  
2933 banks, or the protection of land necessary because of high  
2934 biodiversity significance or high protection urgency due to the  
2935 presence of exemplary natural communities or species of special  
2936 concern, including threatened or endangered species.

2937 (2) For the taxable years beginning on or after January 1,  
2938 2003, for any income taxpayer who is an eligible owner, a credit  
2939 against the taxes imposed by this chapter shall be allowed in the  
2940 amounts provided in this section upon the donation of land or an  
2941 interest in land for specified conservation purposes.

2942 (3) The credit provided for in this section shall be fifty  
2943 percent (50%) of the allowable transaction costs involved in the  
2944 donation for the tax year in which the allowable transaction costs  
2945 occur. The aggregate amount of the credit provided in this  
2946 section for allowable transaction costs shall not exceed the  
2947 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax  
2948 imposed upon the taxpayer for the taxable year reduced by the sum  
2949 of all other credits allowable to such taxpayer under this  
2950 chapter, except credit for tax payments made by or on behalf of  
2951 the taxpayer. Any unused portion of the credit may be carried  
2952 forward for ten (10) succeeding tax years. The maximum dollar  
2953 amount of the credit provided for in this section that an eligible



2954 owner may utilize during his lifetime shall be Ten Thousand  
2955 Dollars (\$10,000.00) in the aggregate.

2956 (4) To be eligible for the credit provided for in this  
2957 section, an eligible owner must demonstrate that the donation  
2958 qualifies as a conservation contribution under Section 170(h) of  
2959 the United States Internal Revenue Code of 1986, by means of being  
2960 a donation in perpetuity, for conservation purposes and made to a  
2961 qualified holder or donee. A letter from the donee indicating  
2962 acceptance and a completed copy of the appropriate United States  
2963 Internal Revenue Service form shall constitute proof of  
2964 acceptance. The eligible owner also must submit any other  
2965 documentation that the State Tax Commission may require.

2966 **SECTION 19.** Section 27-7-22.22, Mississippi Code of 1972, is  
2967 brought forward as follows:

2968 27-7-22.22. (1) A credit is allowed against the taxes  
2969 imposed by this chapter to a taxpayer for allowing land owned by  
2970 the taxpayer to be used as a natural area preserve, a wildlife  
2971 refuge or habitat area, a wildlife management area, or for the  
2972 purpose of providing public outdoor recreational opportunities, as  
2973 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to  
2974 the following conditions and limitations:

2975 (a) The land may not be under lease to the Mississippi  
2976 Commission on Wildlife, Fisheries and Parks, and the commission  
2977 must approve the land as being suitable for the uses described in  
2978 this section.



2979           (b) The amount of the tax credit allowed by this  
2980 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of  
2981 land in each taxable year.

2982           (c) In no event shall the amount of the tax credits  
2983 allowed by this section for a taxable year exceed the taxpayer's  
2984 liability for those taxes. Any unused credit amount shall be  
2985 allowed to be carried forward for five (5) years from the close of  
2986 the taxable year in which the land was approved for such a use.  
2987 No such credit shall be allowed the taxpayer against prior years'  
2988 tax liability.

2989           (2) To claim a credit allowed by this section, the taxpayer  
2990 shall provide any information required by the Mississippi  
2991 Commission on Wildlife, Fisheries and Parks or the Mississippi  
2992 Commissioner of Revenue. Every taxpayer claiming a credit under  
2993 this section shall maintain and make available for inspection by  
2994 the Mississippi Commission on Wildlife, Fisheries and Parks or the  
2995 Mississippi Commissioner of Revenue any records that either entity  
2996 considers necessary to determine and verify the amount of the  
2997 credit to which the taxpayer is entitled. The burden of proving  
2998 eligibility for a credit and the amount of the credit rests upon  
2999 the taxpayer, and no credit may be allowed to a taxpayer that  
3000 fails to maintain adequate records or to make them available for  
3001 inspection.

3002           (3) Upon approval of the Commission on Wildlife, Fisheries  
3003 and Parks under subsection (1)(a), a taxpayer seeking to claim any



3004 tax credit provided for under this section must submit an  
3005 application to the Mississippi Commissioner of Revenue for  
3006 approval of the tax credit. The Mississippi Commissioner of  
3007 Revenue shall promulgate the rules and forms on which the  
3008 application is to be submitted. The Mississippi Commissioner of  
3009 Revenue shall review the application and may approve such  
3010 application upon determining that it meets the requirements of  
3011 this section within sixty (60) days after receiving the  
3012 application.

3013       **SECTION 20.** Section 27-7-22.31, Mississippi Code of 1972, is  
3014 amended as follows:

3015       27-7-22.31. (1) As used in this section:

3016               (a) "Certified historic structure" means a property  
3017 located in Mississippi that has been:

3018                       (i) Listed individually on the National Register  
3019 of Historic Places; or

3020                       (ii) Determined eligible for the National Register  
3021 of Historic Places by the Secretary of the United States  
3022 Department of the Interior and will be listed within thirty (30)  
3023 months of claiming the rebate or credit authorized by this  
3024 section; or

3025                       (iii) Property designated a Mississippi Landmark  
3026 by the Department of Archives and History pursuant to Section  
3027 39-7-3 et seq.



3028                   (b) "Eligible property" means property located in  
3029 Mississippi and offered or used for residential or business  
3030 purposes.

3031                   (c) "Structure in a certified historic district" means  
3032 a structure (and its structural components) located in Mississippi  
3033 which:

3034                               (i) Is listed in the National Register of Historic  
3035 Places; or

3036                               (ii) Has been determined eligible for the National  
3037 Register of Historic Places by the Secretary of the United States  
3038 Department of the Interior and will be listed within thirty (30)  
3039 months of claiming the rebate or credit authorized by this  
3040 section; or

3041                               (iii) Is located in a registered historic district  
3042 listed on the National Register of Historic Places or located in a  
3043 potential district that has been determined eligible for the  
3044 National Register of Historic Places by the Secretary of the  
3045 United States Department of the Interior and will be listed within  
3046 thirty (30) months of claiming the rebate or credit authorized by  
3047 this section, and is certified by the Secretary of the United  
3048 States Department of the Interior as being of historic  
3049 significance to the district; or

3050                               (iv) Is certified by the Mississippi Department of  
3051 Archives and History as contributing to the historic significance  
3052 of:



3053 1. A certified historic district listed on  
3054 the National Register of Historic Places; or

3055 2. A potential district that has been  
3056 determined eligible for the National Register of Historic Places  
3057 by the Secretary of the United States Department of the Interior  
3058 and will be listed within thirty (30) months of claiming the  
3059 rebate or credit authorized by this section; or

3060 3. A local district that has been certified  
3061 by the United States Department of the Interior.

3062 (d) "Department" means the Department of Archives and  
3063 History.

3064 (2) Any taxpayer incurring costs and expenses for the  
3065 rehabilitation of eligible property, which is a certified historic  
3066 structure or a structure in a certified historic district, shall  
3067 be entitled to a rebate or credit against the taxes imposed  
3068 pursuant to this chapter in an amount equal to twenty-five percent  
3069 (25%) of the total costs and expenses of rehabilitation incurred  
3070 after January 1, 2006, which shall include, but not be limited to,  
3071 qualified rehabilitation expenditures as defined under Section  
3072 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and  
3073 the related regulations thereunder:

3074 (a) If the costs and expenses associated with  
3075 rehabilitation exceed:

3076 (i) Five Thousand Dollars (\$5,000.00) in the case  
3077 of an owner-occupied dwelling; or



3078                   (ii) Fifty percent (50%) of the adjusted basis in  
3079 the property in the case of all other properties; and

3080                   (b) The rehabilitation is consistent with the standards  
3081 of the Secretary of the United States Department of the Interior  
3082 as determined by the department.

3083                   (3) Any taxpayer eligible for the rebate or credit  
3084 authorized by this section may claim the rebate or credit in  
3085 phases if:

3086                   (a) There is a written set of architectural plans and  
3087 specifications for all phases of the rehabilitation (written plans  
3088 outlining and describing all phases of the rehabilitation shall be  
3089 accepted as written plans and specifications);

3090                   (b) The written set of architectural plans and  
3091 specifications are completed before the physical work on the  
3092 rehabilitation begins; and

3093                   (c) The project receives final certification by the  
3094 department within sixty (60) months of the project start date  
3095 certified in the first phase.

3096                   (4) (a) (i) If the amount of the tax credit established by  
3097 this section exceeds the total state income tax liability for the  
3098 credit year, the amount that exceeds the total state income tax  
3099 liability may be carried forward for the ten (10) succeeding tax  
3100 years.

3101                   (ii) In lieu of claiming a tax credit, the  
3102 taxpayer may elect to claim a rebate in the amount of seventy-five



3103 percent (75%) of the amount that would be eligible to claim as a  
3104 credit. The election must be made in the year in which the rebate  
3105 is certified.

3106 (iii) Rebate requests shall be submitted to the  
3107 department on forms prescribed by the department. The department  
3108 will then provide the taxpayer with a voucher for the approved  
3109 amount. Within twelve (12) months of the issuance of the voucher  
3110 by the department, the taxpayer may submit the voucher to the  
3111 Department of Revenue to receive payment. Rebates shall be made  
3112 from current tax collections.

3113 (b) Not-for-profit entities, including, but not limited  
3114 to, nonprofit corporations organized under Section 79-11-101 et  
3115 seq., shall be ineligible for the rebate or credit authorized by  
3116 this section. Credits granted to a partnership, a limited  
3117 liability company taxed as a partnership or multiple owners of  
3118 property shall be passed through to the partners, members or  
3119 owners on a pro rata basis or pursuant to an executed agreement  
3120 among the partners, members or owners documenting an alternative  
3121 distribution method. Partners, members or other owners of a  
3122 pass-through entity are not eligible to elect a refund of excess  
3123 credit in lieu of a carryforward of the credit. However, a  
3124 partnership or limited liability company taxed as a partnership  
3125 may elect to claim a rebate at the entity level on a form  
3126 prescribed by the department. Additionally, excess tax credits  
3127 that are attributable to rehabilitated property that was placed in



3128 service by a pass-through entity prior to January 1, 2011, and  
3129 that have previously been allocated to and are held by another  
3130 pass-through entity prior to January 1, 2011, may be refunded to  
3131 such other pass-through entity.

3132 (5) (a) (i) To claim the rebate or credit authorized  
3133 pursuant to this section, the taxpayer shall apply to the  
3134 department which shall determine the amount of eligible  
3135 rehabilitation costs and expenses and whether the rehabilitation  
3136 is consistent with the standards of the Secretary of the United  
3137 States Department of the Interior. The department shall issue a  
3138 certificate evidencing the date of the rebate or credit and amount  
3139 of eligible rebate or credit if the taxpayer is found to be  
3140 eligible for the tax rebate or credit. The taxpayer shall attach  
3141 the certificate to all income tax returns on which the credit is  
3142 claimed. Except as otherwise provided in this paragraph (a), the  
3143 department shall not issue certificates evidencing the eligible  
3144 rebate or credit which will result in rebates or credits being  
3145 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in  
3146 any one (1) calendar year for projects with total qualified  
3147 rehabilitation costs and expenses of One Million Seven Hundred  
3148 Fifty Thousand Dollars (\$1,750,000.00) or more. The department  
3149 shall also not issue certificates evidencing the eligible rebate  
3150 or credit which will result in rebates or credits being awarded in  
3151 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)  
3152 calendar year for projects with total qualified rehabilitation



3153 costs and expenses of less than One Million Seven Hundred Fifty  
3154 Thousand Dollars (\$1,750,000.00).

3155 (ii) If claiming a credit instead of a rebate, the  
3156 taxpayer shall claim such credit on the income tax return for the  
3157 tax year for which the credit is certified.

3158 (b) The date of the rebate or credit shall be certified  
3159 in the following order:

3160 (i) The rebate or credit shall be certified based  
3161 on the date of project completion.

3162 (ii) If the eligible rebate or credit exceeds the  
3163 available limit in the year in which the project is completed, the  
3164 rebate or credit shall be certified based on the date the  
3165 certification is issued by the department. The department shall  
3166 issue the certification in the first calendar year in which the  
3167 requested rebate or credit would not exceed the calendar year  
3168 limit.

3169 (c) The aggregate amount of tax rebates \* \* \*, credits  
3170 or grants that may be awarded under this section shall not exceed  
3171 One Hundred Eighty Million Dollars (\$180,000,000.00).

3172 (6) (a) The rebate \* \* \*, credit or grant received by a  
3173 taxpayer pursuant to this section is subject to recapture if:

3174 (i) The property is one that has been determined  
3175 eligible for the National Register of Historic Places but is not  
3176 listed on the National Register of Historic Places within thirty



3177 (30) months of claiming the rebate or credit authorized by this  
3178 section;

3179 (ii) The potential district in which the property  
3180 is located is not listed on the National Register of Historic  
3181 Places within thirty (30) months of claiming the rebate or credit  
3182 authorized by this section; or

3183 (iii) The project has not received final  
3184 certification by the department within sixty (60) months of the  
3185 project start date certified in the first phase.

3186 (b) The taxpayer shall notify the department and the  
3187 Department of Revenue if any of the situations that subject the  
3188 credit to recapture occur.

3189 (7) (a) The board of trustees of the department shall  
3190 establish fees to be charged for the services performed by the  
3191 department under this section and shall publish the fee schedule.  
3192 The fees contained in the schedule shall be in amounts reasonably  
3193 calculated to recover the costs incurred by the department for the  
3194 administration of this section. Any taxpayer desiring to  
3195 participate in the tax credits authorized by this section shall  
3196 pay the appropriate fee as contained in the fee schedule to the  
3197 department, which shall be used by the department, without  
3198 appropriation, to offset the administrative costs of the  
3199 department associated with its duties under this section.

3200 (b) There is hereby created within the State Treasury a  
3201 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



3227 income tax liability had been calculated using any applicable  
3228 income tax personal exemptions in Section 27-7-21(b), (c) and (d),  
3229 as such exemptions existed before January 1, 2023, then the  
3230 taxpayer shall receive a grant from the Department of Revenue  
3231 equal to the difference between such two (2) amounts. Grants made  
3232 by the Department of Revenue under this section shall be made from  
3233 current tax collections.

3234       **SECTION 21.** Section 27-7-22.32, Mississippi Code of 1972, is  
3235 brought forward as follows:

3236       **[Through December 31, 2023, this section shall read as**  
3237 **follows:]**

3238       27-7-22.32. (1) (a) There shall be allowed as a credit  
3239 against the tax imposed by this chapter the amount of the  
3240 qualified adoption expenses paid or incurred, not to exceed Two  
3241 Thousand Five Hundred Dollars (\$2,500.00), for each dependent  
3242 child legally adopted by a taxpayer under the laws of this state  
3243 during calendar year 2006 or during any calendar year thereafter  
3244 through calendar year 2017, and not to exceed Five Thousand  
3245 Dollars (\$5,000.00) for each dependent child legally adopted by a  
3246 taxpayer under the laws of this state during any calendar year  
3247 thereafter. A taxpayer claiming a credit under this paragraph (a)  
3248 may not claim a credit under paragraph (b) of this subsection for  
3249 the adoption of the same child.

3250       (b) There shall be allowed as a credit against the tax  
3251 imposed by this chapter the amount of Five Thousand Dollars



3252 (\$5,000.00) for each dependent child legally adopted by a taxpayer  
3253 under the laws of this state through the Mississippi Department of  
3254 Child Protection Services during calendar year 2018 or during any  
3255 calendar year thereafter. A taxpayer claiming a credit under this  
3256 paragraph (b) may not claim a credit under paragraph (a) of this  
3257 subsection for the adoption of the same child.

3258 (2) The tax credit under this section may be claimed for the  
3259 taxable year in which the adoption becomes final under the laws of  
3260 this state. Any tax credit claimed under this section but not  
3261 used in any taxable year may be carried forward for the five (5)  
3262 succeeding tax years. A tax credit is allowed under this section  
3263 for any child for which an exemption is claimed during the same  
3264 taxable year under Section 27-7-21(e). For the purposes of this  
3265 section, the term "qualified adoption expenses" means and has the  
3266 same definition as that term has in 26 USCS 36C.

3267 **[From and after January 1, 2024, this section shall read as**  
3268 **follows:]**

3269 27-7-22.32. There shall be allowed as a credit against the  
3270 tax imposed by this chapter the amount of the qualified adoption  
3271 expenses paid or incurred, not to exceed Two Thousand Five Hundred  
3272 Dollars (\$2,500.00), for each dependent child legally adopted by a  
3273 taxpayer under the laws of this state during calendar year 2006 or  
3274 during any calendar year thereafter. The tax credit under this  
3275 section may be claimed for the taxable year in which the adoption  
3276 becomes final under the laws of this state. Any tax credit



3277 claimed under this section but not used in any taxable year may be  
3278 carried forward for the three (3) succeeding tax years. A tax  
3279 credit is allowed under this section for any child for which an  
3280 exemption is claimed during the same taxable year under Section  
3281 27-7-21(e). For the purposes of this section, the term "qualified  
3282 adoption expenses" means and has the same definition as that term  
3283 has in 26 USCS 36C.

3284       **SECTION 22.** Section 27-7-22.33, Mississippi Code of 1972, is  
3285 brought forward as follows:

3286       27-7-22.33. (1) A taxpayer shall be allowed a credit  
3287 against the income taxes imposed under this chapter in an amount  
3288 equal to twenty-five percent (25%) of the premium costs paid  
3289 during the taxable year for a qualified long-term care insurance  
3290 policy as defined in Section 7702B of the Internal Revenue Code  
3291 that offers coverage to either the individual, the individual's  
3292 spouse, the individual's parent or parent-in-law, or the  
3293 individual's dependent as defined in Section 152 of the Internal  
3294 Revenue Code.

3295       (2) No taxpayer shall be entitled to the credit with respect  
3296 to the same expended amounts for qualified long-term care  
3297 insurance which are claimed by another taxpayer.

3298       (3) The credit allowed by this section shall not exceed Five  
3299 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,  
3300 whichever is less, for each qualified long-term care insurance  
3301 policy. Any unused tax credit shall not be allowed to be carried



3302 forward to apply to the taxpayer's succeeding year's tax  
3303 liability.

3304 (4) No credit shall be allowed under this section with  
3305 respect to any premium for qualified long-term care insurance  
3306 either deducted or subtracted by the taxpayer in arriving at his  
3307 net taxable income under this section or with respect to any  
3308 premiums for qualified long-term care insurance which were  
3309 excluded from his net taxable income.

3310 **SECTION 23.** Section 27-7-22.37, Mississippi Code of 1972, is  
3311 brought forward as follows:

3312 27-7-22.37. (1) There shall be allowed as a credit against  
3313 the tax imposed by Section 27-7-5 the amount of the qualified  
3314 prekindergarten program support contributions paid to approved  
3315 providers, lead partners or collaboratives, not to exceed One  
3316 Million Dollars (\$1,000,000.00), by any individual, corporation or  
3317 other entity having taxable income under the laws of this state  
3318 during calendar year 2013 or during any calendar year thereafter.  
3319 In order to qualify for a tax credit, such contributions may  
3320 support the local match requirement of approved providers, lead  
3321 partners or collaboratives as is necessary to match  
3322 state-appropriated funds, and any such providers, lead partners or  
3323 collaboratives shall be approved by the State Department of  
3324 Education.

3325 (2) Any unused portion of the credit may be carried forward  
3326 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.



3352                   (b) "Qualifying charitable organization" means a  
3353 charitable organization that is exempt from federal income  
3354 taxation under Section 501(c)(3) of the Internal Revenue Code or  
3355 is a designated community action agency that receives community  
3356 services block grant program monies pursuant to 42 USC 9901. The  
3357 organization must spend at least fifty percent (50%) of its budget  
3358 on services to residents of this state who receive temporary  
3359 assistance for needy families benefits or low-income residents of  
3360 this state and their households or to children who have a chronic  
3361 illness or physical, intellectual, developmental or emotional  
3362 disability who are residents of this state. A charitable  
3363 organization that is exempt from federal income tax under Section  
3364 501(c)(3) of the Internal Revenue Code and that meets all other  
3365 requirements of this paragraph except that it does not spend at  
3366 least fifty percent (50%) of its overall budget in Mississippi may  
3367 be a qualifying charitable organization if it spends at least  
3368 fifty percent (50%) of its Mississippi budget on services to  
3369 qualified individuals in Mississippi and it certifies to the  
3370 department that one hundred percent (100%) of the voluntary cash  
3371 contributions from the taxpayer will be spent on services to  
3372 qualified individuals in Mississippi. Taxpayers choosing to make  
3373 donations through an umbrella charitable organization that  
3374 collects donations on behalf of member charities shall designate  
3375 that the donation be directed to a member charitable organization  
3376 that would qualify under this section on a stand-alone basis.



3377 Qualifying charitable organization does not include any entity  
3378 that provides, pays for or provides coverage of abortions or that  
3379 financially supports any other entity that provides, pays for or  
3380 provides coverage of abortions.

3381 (c) "Qualifying foster care charitable organization"  
3382 means a qualifying charitable organization that each operating  
3383 year provides services to at least one hundred (100) qualified  
3384 individuals in this state and spends at least fifty percent (50%)  
3385 of its budget on services to qualified individuals in this state.  
3386 A charitable organization that is exempt from federal income tax  
3387 under Section 501(c)(3) of the Internal Revenue Code and that  
3388 meets all other requirements of this paragraph except that it does  
3389 not spend at least fifty percent (50%) of its overall budget in  
3390 Mississippi may be a qualifying foster care charitable  
3391 organization if it spends at least fifty percent (50%) of its  
3392 Mississippi budget on services to qualified individuals in  
3393 Mississippi and it certifies to the department that one hundred  
3394 percent (100%) of the voluntary cash contributions from the  
3395 taxpayer will be spent on services to qualified individuals in  
3396 Mississippi. For the purposes of this paragraph, "qualified  
3397 individual" means a child in a foster care placement program  
3398 established by the Department of Child Protection Services, a  
3399 child placed under the Safe Families for Children model, or a  
3400 child at significant risk of entering a foster care placement



3401 program established by the Department of Child Protection  
3402 Services.

3403 (d) "Services" means:

3404 (i) Cash assistance, medical care, child care,  
3405 food, clothing, shelter, and job-placement services or any other  
3406 assistance that is reasonably necessary to meet immediate basic  
3407 needs and that is provided and used in this state;

3408 (ii) Job-training or education services or funding  
3409 for parents, foster parents or guardians; or

3410 (iii) Job-training or education services or  
3411 funding provided as part of a foster care independent living  
3412 program.

3413 (2) Except as provided in subsections (3) and (4) of this  
3414 section, a credit is allowed against the taxes imposed by this  
3415 chapter for voluntary cash contributions by the taxpayer during  
3416 the taxable year to a qualifying charitable organization, other  
3417 than a qualifying foster care charitable organization, not to  
3418 exceed:

3419 (a) The lesser of Four Hundred Dollars (\$400.00) or the  
3420 amount of the contribution in any taxable year for a single  
3421 individual or a head of household.

3422 (b) The lesser of Eight Hundred Dollars (\$800.00) or  
3423 the amount of the contribution in any taxable year for a married  
3424 couple filing a joint return.



3425           (3) A separate credit is allowed against the taxes imposed  
3426 by this chapter for voluntary cash contributions during the  
3427 taxable year to a qualifying foster care charitable organization.  
3428 A contribution to a qualifying foster care charitable organization  
3429 does not qualify for, and shall not be included in, any credit  
3430 amount under subsection (2) of this section. If the voluntary  
3431 cash contribution by the taxpayer is to a qualifying foster care  
3432 charitable organization, the credit shall not exceed:

3433           (a) The lesser of Five Hundred Dollars (\$500.00) or the  
3434 amount of the contribution in any taxable year for a single  
3435 individual or a head of household.

3436           (b) The lesser of One Thousand Dollars (\$1,000.00) or  
3437 the amount of the contribution in any taxable year for a married  
3438 couple filing a joint return.

3439           (4) Subsections (2) and (3) of this section provide separate  
3440 credits against taxes imposed by this chapter depending on the  
3441 recipients of the contributions. A taxpayer, including a married  
3442 couple filing a joint return, in the same taxable year, may either  
3443 or both:

3444           (a) Contribute to a qualifying charitable organization,  
3445 other than a qualifying foster care charitable organization, and  
3446 claim a credit under subsection (2) of this section.

3447           (b) Contribute to a qualifying foster care charitable  
3448 organization and claim a credit under subsection (3) of this  
3449 section.



3450           (5) A husband and wife who file separate returns for a  
3451 taxable year in which they could have filed a joint return may  
3452 each claim only one-half (1/2) of the tax credit that would have  
3453 been allowed for a joint return.

3454           (6) If the allowable tax credit exceeds the taxes otherwise  
3455 due under this chapter on the claimant's income, or if there are  
3456 no taxes due under this chapter, the taxpayer may carry forward  
3457 the amount of the claim not used to offset the taxes under this  
3458 chapter for not more than five (5) consecutive taxable years'  
3459 income tax liability.

3460           (7) The credit allowed by this section is in lieu of a  
3461 deduction pursuant to Section 170 of the Internal Revenue Code and  
3462 taken for state tax purposes.

3463           (8) Taxpayers taking a credit authorized by this section  
3464 shall provide the name of the qualifying charitable organization  
3465 and the amount of the contribution to the department on forms  
3466 provided by the department.

3467           (9) A qualifying charitable organization shall provide the  
3468 department with a written certification that it meets all criteria  
3469 to be considered a qualifying charitable organization. The  
3470 organization shall also notify the department of any changes that  
3471 may affect the qualifications under this section.

3472           (10) The charitable organization's written certification  
3473 must be signed by an officer of the organization under penalty of  
3474 perjury. The written certification shall include the following:



3475           (a) Verification of the organization's status under  
3476 Section 501(c)(3) of the Internal Revenue Code or verification  
3477 that the organization is a designated community action agency that  
3478 receives community services block grant program monies pursuant to  
3479 42 USC 9901.

3480           (b) Financial data indicating the organization's budget  
3481 for the organization's prior operating year and the amount of that  
3482 budget spent on services to residents of this state who either:

3483                   (i) Receive temporary assistance for needy  
3484 families benefits;

3485                   (ii) Are low-income residents of this state;

3486                   (iii) Are children who have a chronic illness or  
3487 physical, intellectual, developmental or emotional disability; or

3488                   (iv) Are children in a foster care placement  
3489 program established by the Department of Child Protection  
3490 Services, children placed under the Safe Families for Children  
3491 model or children at significant risk of entering a foster care  
3492 placement program established by the Department of Child  
3493 Protection Services.

3494           (c) A statement that the organization plans to continue  
3495 spending at least fifty percent (50%) of its budget on services to  
3496 residents of this state who receive temporary assistance for needy  
3497 families benefits, who are low-income residents of this state, who  
3498 are children who have a chronic illness or physical, intellectual,  
3499 developmental or emotional disability or who are children in a



3500 foster care placement program established by the Department of  
3501 Child Protection Services, children placed under the Safe Families  
3502 for Children model or children at significant risk of entering a  
3503 foster care placement program established by the Department of  
3504 Child Protection Services. A charitable organization that is  
3505 exempt from federal income tax under Section 501(c)(3) of the  
3506 Internal Revenue Code and that meets all other requirements for a  
3507 qualifying charitable organization or qualifying foster care  
3508 charitable organization except that it does not spend at least  
3509 fifty percent (50%) of its overall budget in Mississippi shall  
3510 submit a statement that it spends at least fifty percent (50%) of  
3511 its Mississippi budget on services to qualified individuals in  
3512 Mississippi and that one hundred percent (100%) of the voluntary  
3513 cash contributions it receives from Mississippi taxpayers will be  
3514 spent on services to qualified individuals in Mississippi.

3515 (d) In the case of a foster care charitable  
3516 organization, a statement that each operating year it provides  
3517 services to at least one hundred (100) qualified individuals in  
3518 this state.

3519 (e) A statement that the organization does not provide,  
3520 pay for or provide coverage of abortions and does not financially  
3521 support any other entity that provides, pays for or provides  
3522 coverage of abortions.

3523 (f) Any other information that the department requires  
3524 to administer this section.



3525           (11) The department shall review each written certification  
3526 and determine whether the organization meets all the criteria to  
3527 be considered a qualifying charitable organization and notify the  
3528 organization of its determination. The department may also  
3529 periodically request recertification from the organization. The  
3530 department shall compile and make available to the public a list  
3531 of the qualifying charitable organizations.

3532           (12) The aggregate amount of tax credits that may be awarded  
3533 under this section in any calendar year shall not exceed Three  
3534 Million Dollars (\$3,000,000.00). However, for calendar year 2021,  
3535 and for each calendar year thereafter, the aggregate amount of tax  
3536 credits that may be awarded under this section in any calendar  
3537 year shall not exceed One Million Dollars (\$1,000,000.00). In  
3538 addition, any tax credits not awarded under this section before  
3539 June 1, 2020, may be allocated during calendar year 2020 under  
3540 Section 27-7-22.41 for contributions by taxpayers to eligible  
3541 charitable organizations described in Section  
3542 27-7-22.41(1)(b)(ii) as provided under such section,  
3543 notwithstanding any limitation on the percentage of tax credits  
3544 that may be allocated for such contributions.

3545           (13) A taxpayer shall apply for credits with the department  
3546 on forms prescribed by the department. In the application the  
3547 taxpayer shall certify to the department the dollar amount of the  
3548 contributions made or to be made during the calendar year. Within  
3549 thirty (30) days after the receipt of an application, the



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

3568 (14) This section shall be repealed from and after January  
3569 1, 2025.

3570 **SECTION 25.** Section 27-7-22.41, Mississippi Code of 1972, is  
3571 brought forward as follows:

3572 27-7-22.41. (1) For the purposes of this section, the  
3573 following words and phrases shall have the meanings ascribed in  
3574 this section unless the context clearly indicates otherwise:



3575 (a) "Department" means the Department of Revenue.

3576 (b) "Eligible charitable organization" means an  
3577 organization that is exempt from federal income taxation under  
3578 Section 501(c)(3) of the Internal Revenue Code and is:

3579 (i) Licensed by or under contract with the  
3580 Mississippi Department of Child Protection Services and provides  
3581 services for:

3582 1. The prevention and diversion of children  
3583 from custody with the Department of Child Protection Services,

3584 2. The safety, care and well-being of  
3585 children in custody with the Department of Child Protection  
3586 Services, or

3587 3. The express purpose of creating permanency  
3588 for children through adoption; or

3589 (ii) Certified by the department as an educational  
3590 services charitable organization and provides services to:

3591 1. Children in a foster care placement  
3592 program established by the Department of Child Protection  
3593 Services, children placed under the Safe Families for Children  
3594 model, or children at significant risk of entering a foster care  
3595 placement program established by the Department of Child  
3596 Protection Services,

3597 2. Children who have a chronic illness  
3598 or physical, intellectual, developmental or emotional disability,  
3599 or



3600 3. Children eligible for free or reduced  
3601 price meals programs under Section 37-11-7, or selected for  
3602 participation in the Promise Neighborhoods Program sponsored by  
3603 the U.S. Department of Education.

3604 (2) (a) The tax credit authorized in this section shall be  
3605 available only to a taxpayer who is a business enterprise engaged  
3606 in commercial, industrial or professional activities and operating  
3607 as a corporation, limited liability company, partnership or sole  
3608 proprietorship. Except as otherwise provided in this section, a  
3609 credit is allowed against the taxes imposed by Sections 27-7-5,  
3610 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
3611 contributions made by a taxpayer during the taxable year to an  
3612 eligible charitable organization. From and after January 1, 2022,  
3613 for a taxpayer that is not operating as a corporation, a credit is  
3614 also allowed against ad valorem taxes assessed and levied on real  
3615 property for voluntary cash contributions made by the taxpayer  
3616 during the taxable year to an eligible charitable organization.  
3617 The amount of credit that may be utilized by a taxpayer in a  
3618 taxable year shall be limited to (i) an amount not to exceed fifty  
3619 percent (50%) of the total tax liability of the taxpayer for the  
3620 taxes imposed by such sections of law and (ii) an amount not to  
3621 exceed fifty percent (50%) of the total tax liability of the  
3622 taxpayer for ad valorem taxes assessed and levied on real  
3623 property. Any tax credit claimed under this section but not used  
3624 in any taxable year may be carried forward for five (5)



3625 consecutive years from the close of the tax year in which the  
3626 credits were earned.

3627 (b) A contribution to an eligible charitable  
3628 organization for which a credit is claimed under this section does  
3629 not qualify for and shall not be included in any credit that may  
3630 be claimed under Section 27-7-22.39.

3631 (c) A contribution for which a credit is claimed under  
3632 this section may not be used as a deduction by the taxpayer for  
3633 state income tax purposes.

3634 (3) Taxpayers taking a credit authorized by this section  
3635 shall provide the name of the eligible charitable organization and  
3636 the amount of the contribution to the department on forms provided  
3637 by the department.

3638 (4) An eligible charitable organization shall provide the  
3639 department with a written certification that it meets all criteria  
3640 to be considered an eligible charitable organization. An eligible  
3641 charitable organization must also provide the department with  
3642 written documented proof of its license and/or written contract  
3643 with the Mississippi Department of Child Protection Services. The  
3644 organization shall also notify the department of any changes that  
3645 may affect eligibility under this section.

3646 (5) The eligible charitable organization's written  
3647 certification must be signed by an officer of the organization  
3648 under penalty of perjury. The written certification shall include  
3649 the following:



3650 (a) Verification of the organization's status under  
3651 Section 501(c)(3) of the Internal Revenue Code;

3652 (b) A statement that the organization does not provide,  
3653 pay for or provide coverage of abortions and does not financially  
3654 support any other entity that provides, pays for or provides  
3655 coverage of abortions;

3656 (c) Any other information that the department requires  
3657 to administer this section.

3658 (6) The department shall review each written certification  
3659 and determine whether the organization meets all the criteria to  
3660 be considered an eligible charitable organization and notify the  
3661 organization of its determination. The department may also  
3662 periodically request recertification from the organization. The  
3663 department shall compile and make available to the public a list  
3664 of eligible charitable organizations.

3665 (7) Tax credits authorized by this section that are earned  
3666 by a partnership, limited liability company, S corporation or  
3667 other similar pass-through entity, shall be allocated among all  
3668 partners, members or shareholders, respectively, either in  
3669 proportion to their ownership interest in such entity or as the  
3670 partners, members or shareholders mutually agree as provided in an  
3671 executed document.

3672 (8) (a) A taxpayer shall apply for credits with the  
3673 department on forms prescribed by the department. In the  
3674 application the taxpayer shall certify to the department the



3675 dollar amount of the contributions made or to be made during the  
3676 calendar year. Within thirty (30) days after the receipt of an  
3677 application, the department shall allocate credits based on the  
3678 dollar amount of contributions as certified in the application.  
3679 However, if the department cannot allocate the full amount of  
3680 credits certified in the application due to the limit on the  
3681 aggregate amount of credits that may be awarded under this section  
3682 in a calendar year, the department shall so notify the applicant  
3683 within thirty (30) days with the amount of credits, if any, that  
3684 may be allocated to the applicant in the calendar year. Once the  
3685 department has allocated credits to a taxpayer, if the  
3686 contribution for which a credit is allocated has not been made as  
3687 of the date of the allocation, then the contribution must be made  
3688 not later than sixty (60) days from the date of the allocation.  
3689 If the contribution is not made within such time period, the  
3690 allocation shall be cancelled and returned to the department for  
3691 reallocation. Upon final documentation of the contributions, if  
3692 the actual dollar amount of the contributions is lower than the  
3693 amount estimated, the department shall adjust the tax credit  
3694 allowed under this section.

3695           (b) A taxpayer who applied for a tax credit under this  
3696 section during calendar year 2020, but who was unable to be  
3697 awarded the credit due to the limit on the aggregate amount of  
3698 credits authorized for calendar year 2020, shall be given priority



3699 for tax credits authorized to be allocated to taxpayers under this  
3700 section by Section 27-7-22.39.

3701 (c) For the purposes of using a tax credit against ad  
3702 valorem taxes assessed and levied on real property, a taxpayer  
3703 shall present to the appropriate tax collector the tax credit  
3704 documentation provided to the taxpayer by the Department of  
3705 Revenue, and the tax collector shall apply the tax credit against  
3706 such ad valorem taxes. The tax collector shall forward the tax  
3707 credit documentation to the Department of Revenue along with the  
3708 amount of the tax credit applied against ad valorem taxes, and the  
3709 department shall disburse funds to the tax collector for the  
3710 amount of the tax credit applied against ad valorem taxes. Such  
3711 payments by the Department of Revenue shall be made from current  
3712 tax collections.

3713 (9) The aggregate amount of tax credits that may be  
3714 allocated by the department under this section during a calendar  
3715 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
3716 not more than fifty percent (50%) of tax credits allocated during  
3717 a calendar year may be allocated for contributions to eligible  
3718 charitable organizations described in subsection (1)(b)(ii) of  
3719 this section. However, for calendar year 2021, the aggregate  
3720 amount of tax credits that may be allocated by the department  
3721 under this section during a calendar year shall not exceed Ten  
3722 Million Dollars (\$10,000,000.00), and for calendar year 2022, and  
3723 for each calendar year thereafter, the aggregate amount of tax



3724 credits that may be allocated by the department under this section  
3725 during a calendar year shall not exceed Sixteen Million Dollars  
3726 (\$16,000,000.00). For calendar year 2021, and for each calendar  
3727 year thereafter, fifty percent (50%) of the tax credits allocated  
3728 during a calendar year shall be allocated for contributions to  
3729 eligible charitable organizations described in subsection  
3730 (1)(b)(i) of this section and fifty percent (50%) of the tax  
3731 credits allocated during a calendar year shall be allocated for  
3732 contributions to eligible charitable organizations described in  
3733 subsection (1)(b)(ii) of this section. For calendar year 2022,  
3734 and for each calendar year thereafter, of the amount of tax  
3735 credits that may be allocated for contributions to eligible  
3736 charitable organizations described in subsection (1)(b)(ii) of  
3737 this section, fifteen percent (15%) of the tax credits shall be  
3738 available solely for allocation for contributions to eligible  
3739 charitable organizations described in subsection (1)(b)(ii)2;  
3740 however, any such tax credits not allocated before April 1 of a  
3741 calendar year may be allocated for contributions to eligible  
3742 charitable organizations described in subsection (1)(b)(ii)1 of  
3743 this section. For calendar year 2021, and for each calendar year  
3744 thereafter, for credits allocated during a calendar year for  
3745 contributions to eligible charitable organizations described in  
3746 subsection (1)(b)(i) of this section, no more than twenty-five  
3747 percent (25%) of such credits may be allocated for contributions  
3748 to a single eligible charitable organization. Except as otherwise



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

3765       **SECTION 26.** Section 27-7-207, Mississippi Code of 1972, is  
3766 brought forward as follows:

3767       27-7-207. (1) Subject to the limitations provided for in  
3768 this section, through calendar year 2023 a taxpayer shall be  
3769 allowed a credit against the tax imposed by Chapter 7, Title 27,  
3770 in an amount equal to twenty-five percent (25%) of a qualified  
3771 contribution to an endowed fund at a qualified community  
3772 foundation, subject to the following:



3773           (a) The minimum amount of a qualified contribution  
3774 shall be One Thousand Dollars (\$1,000.00).

3775           (b) The maximum amount of a qualified contribution  
3776 shall be Two Hundred Thousand Dollars (\$200,000.00).

3777           (c) The total qualified contributions from any  
3778 qualified taxpayer eligible for the tax credit authorized under  
3779 this section shall be Two Hundred Thousand Dollars (\$200,000.00)  
3780 per year.

3781           (2) Except as otherwise provided in this subsection, the  
3782 aggregate amount of tax credits authorized under this article  
3783 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in  
3784 any one (1) calendar year. The credits shall be awarded on a  
3785 first-come, first-served basis. If the tax credits authorized for  
3786 used in any calendar year are not utilized, the amount not  
3787 utilized may be awarded or carried forward in up to five (5)  
3788 subsequent calendar years from the year in which such credits are  
3789 made available.

3790           (3) If the amount allowable as a credit exceeds the tax  
3791 imposed by Chapter 7, Title 27, the amount of such excess may be  
3792 carried forward for not more than five (5) subsequent taxable  
3793 years.

3794           (4) From and after January 1, 2024, no additional credits  
3795 shall be authorized under this section; however, any tax credits  
3796 authorized prior to January 1, 2024, and not used, may be carried



3797 forward for not more than five (5) taxable years subsequent to  
3798 calendar year 2023.

3799       **SECTION 27.** Section 27-7-312, Mississippi Code of 1972, is  
3800 brought forward as follows:

3801       27-7-312. (1) Of the revenue collected under the provisions  
3802 of this article from the new direct jobs of a qualified business  
3803 or industry as defined in Section 57-62-5 of the Mississippi  
3804 Advantage Jobs Act, an amount equal to the estimated amount of the  
3805 quarterly incentive payment for which such qualified business or  
3806 industry is eligible shall be deposited into the Mississippi  
3807 Advantage Jobs Incentive Payment Fund created pursuant to Section  
3808 57-62-1 et seq., on or before the twentieth day of the month  
3809 following the close of each calendar quarter.

3810       (2) Of the revenue collected under the provisions of this  
3811 article from the qualified jobs of a qualified business or  
3812 industry as defined in Section 57-99-1, an amount equal to the  
3813 estimated amount of the quarterly incentive payment for which such  
3814 qualified business or industry is eligible shall be deposited into  
3815 the MMEIA Withholding Rebate Fund created pursuant to Section  
3816 57-99-5, on or before the twentieth day of the month following the  
3817 close of each calendar quarter.

3818       (3) Of the revenue collected under the provisions of this  
3819 article from the qualified jobs of a qualified business or  
3820 industry as defined in Section 57-100-1, an amount equal to the  
3821 estimated amount of the quarterly incentive payment for which such



3822 qualified business or industry is eligible shall be deposited into  
3823 the Existing Industry Withholding Rebate Fund created pursuant to  
3824 Section 57-100-5, on or before the twentieth day of the month  
3825 following the close of each calendar quarter.

3826 (4) Of the revenue collected under the provisions of this  
3827 article from the qualified jobs of a qualified business or  
3828 industry as defined in Section 57-99-21, an amount equal to the  
3829 estimated amount of the quarterly incentive payment for which such  
3830 qualified business or industry is eligible shall be deposited into  
3831 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or  
3832 before the twentieth day of the month following the close of each  
3833 calendar quarter.

3834 **SECTION 28.** Section 57-62-5, Mississippi Code of 1972, is  
3835 brought forward as follows:

3836 **[For businesses or industries that received or applied for**  
3837 **incentive payments prior to July 1, 2005, this section shall read**  
3838 **as follows:]**

3839 57-62-5. As used in this chapter, the following words and  
3840 phrases shall have the meanings ascribed in this section unless  
3841 the context clearly indicates otherwise:

3842 (a) "Qualified business or industry" means any  
3843 corporation, limited liability company, partnership, sole  
3844 proprietorship, business trust or other legal entity and subunits  
3845 or affiliates thereof, pursuant to rules and regulations of the  
3846 MDA, which provides an average annual salary, excluding benefits



3847 which are not subject to Mississippi income taxes, of at least one  
3848 hundred twenty-five percent (125%) of the most recently published  
3849 state average annual wage or the most recently published average  
3850 annual wage of the county in which the qualified business or  
3851 industry is located as determined by the Mississippi Department of  
3852 Employment Security, whichever is the lesser. An establishment  
3853 shall not be considered to be a qualified business or industry  
3854 unless it offers, or will offer within one hundred eighty (180)  
3855 days of the date it receives the first incentive payment pursuant  
3856 to the provisions of this chapter, a basic health benefits plan to  
3857 the individuals it employs in new direct jobs in this state which  
3858 is approved by the MDA. Qualified business or industry does not  
3859 include retail business or gaming business;

3860           (b) "New direct job" means full-time employment in this  
3861 state in a qualified business or industry that has qualified to  
3862 receive an incentive payment pursuant to this chapter, which  
3863 employment did not exist in this state before the date of approval  
3864 by the MDA of the application of the qualified business or  
3865 industry pursuant to the provisions of this chapter. "New direct  
3866 job" shall include full-time employment in this state of employees  
3867 who are employed by an entity other than the establishment that  
3868 has qualified to receive an incentive payment and who are leased  
3869 to the qualified business or industry, if such employment did not  
3870 exist in this state before the date of approval by the MDA of the  
3871 application of the establishment;



3872                   (c) "Full-time job" means a job of at least thirty-five  
3873 (35) hours per week;

3874                   (d) "Estimated direct state benefits" means the tax  
3875 revenues projected by the MDA to accrue to the state as a result  
3876 of the qualified business or industry;

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

3880                   (f) "Estimated net direct state benefits" means the  
3881 estimated direct state benefits less the estimated direct state  
3882 costs;

3883                   (g) "Net benefit rate" means the estimated net direct  
3884 state benefits computed as a percentage of gross payroll, provided  
3885 that:

3886                               (i) Except as otherwise provided in this paragraph  
3887 (g), the net benefit rate may be variable and shall not exceed  
3888 four percent (4%) of the gross payroll; and shall be set in the  
3889 sole discretion of the MDA;

3890                               (ii) In no event shall incentive payments,  
3891 cumulatively, exceed the estimated net direct state benefits;

3892                   (h) "Gross payroll" means wages for new direct jobs of  
3893 the qualified business or industry; and

3894                   (i) "MDA" means the Mississippi Development Authority.



3895           **[For businesses or industries that received or applied for**  
3896 **incentive payments from and after July 1, 2005, but prior to July**  
3897 **1, 2010, this section shall read as follows:]**

3898           57-62-5. As used in this chapter, the following words and  
3899 phrases shall have the meanings ascribed in this section unless  
3900 the context clearly indicates otherwise:

3901           (a) "Qualified business or industry" means any  
3902 corporation, limited liability company, partnership, sole  
3903 proprietorship, business trust or other legal entity and subunits  
3904 or affiliates thereof, pursuant to rules and regulations of the  
3905 MDA, which:

3906           (i) Is a data/information processing enterprise  
3907 meeting minimum criteria established by the MDA that provides an  
3908 average annual salary, excluding benefits which are not subject to  
3909 Mississippi income taxes, of at least one hundred percent (100%)  
3910 of the most recently published state average annual wage or the  
3911 most recently published average annual wage of the county in which  
3912 the qualified business or industry is located as determined by the  
3913 Mississippi Department of Employment Security, whichever is the  
3914 lesser, and creates not less than two hundred (200) new direct  
3915 jobs if the enterprise is located in a Tier One or Tier Two area  
3916 (as such areas are designated in accordance with Section  
3917 57-73-21), or which creates not less than one hundred (100) new  
3918 jobs if the enterprise is located in a Tier Three area (as such  
3919 areas are designated in accordance with Section 57-73-21);



3920                   (ii) Is a manufacturing or distribution enterprise  
3921 meeting minimum criteria established by the MDA that provides an  
3922 average annual salary, excluding benefits which are not subject to  
3923 Mississippi income taxes, of at least one hundred ten percent  
3924 (110%) of the most recently published state average annual wage or  
3925 the most recently published average annual wage of the county in  
3926 which the qualified business or industry is located as determined  
3927 by the Mississippi Department of Employment Security, whichever is  
3928 the lesser, invests not less than Twenty Million Dollars  
3929 (\$20,000,000.00) in land, buildings and equipment, and creates not  
3930 less than fifty (50) new direct jobs if the enterprise is located  
3931 in a Tier One or Tier Two area (as such areas are designated in  
3932 accordance with Section 57-73-21), or which creates not less than  
3933 twenty (20) new jobs if the enterprise is located in a Tier Three  
3934 area (as such areas are designated in accordance with Section  
3935 57-73-21);

3936                   (iii) Is a corporation, limited liability company,  
3937 partnership, sole proprietorship, business trust or other legal  
3938 entity and subunits or affiliates thereof, pursuant to rules and  
3939 regulations of the MDA, which provides an average annual salary,  
3940 excluding benefits which are not subject to Mississippi income  
3941 taxes, of at least one hundred twenty-five percent (125%) of the  
3942 most recently published state average annual wage or the most  
3943 recently published average annual wage of the county in which the  
3944 qualified business or industry is located as determined by the



3945 Mississippi Department of Employment Security, whichever is the  
3946 lesser, and creates not less than twenty-five (25) new direct jobs  
3947 if the enterprise is located in a Tier One or Tier Two area (as  
3948 such areas are designated in accordance with Section 57-73-21), or  
3949 which creates not less than ten (10) new jobs if the enterprise is  
3950 located in a Tier Three area (as such areas are designated in  
3951 accordance with Section 57-73-21). An establishment shall not be  
3952 considered to be a qualified business or industry unless it  
3953 offers, or will offer within one hundred eighty (180) days of the  
3954 date it receives the first incentive payment pursuant to the  
3955 provisions of this chapter, a basic health benefits plan to the  
3956 individuals it employs in new direct jobs in this state which is  
3957 approved by the MDA. Qualified business or industry does not  
3958 include retail business or gaming business; or  
3959 (iv) Is a research and development or a technology  
3960 intensive enterprise meeting minimum criteria established by the  
3961 MDA that provides an average annual salary, excluding benefits  
3962 which are not subject to Mississippi income taxes, of at least one  
3963 hundred fifty percent (150%) of the most recently published state  
3964 average annual wage or the most recently published average annual  
3965 wage of the county in which the qualified business or industry is  
3966 located as determined by the Mississippi Department of Employment  
3967 Security, whichever is the lesser, and creates not less than ten  
3968 (10) new direct jobs.



3969           An establishment shall not be considered to be a qualified  
3970 business or industry unless it offers, or will offer within one  
3971 hundred eighty (180) days of the date it receives the first  
3972 incentive payment pursuant to the provisions of this chapter, a  
3973 basic health benefits plan to the individuals it employs in new  
3974 direct jobs in this state which is approved by the MDA. Qualified  
3975 business or industry does not include retail business or gaming  
3976 business.

3977           (b) "New direct job" means full-time employment in this  
3978 state in a qualified business or industry that has qualified to  
3979 receive an incentive payment pursuant to this chapter, which  
3980 employment did not exist in this state before the date of approval  
3981 by the MDA of the application of the qualified business or  
3982 industry pursuant to the provisions of this chapter. "New direct  
3983 job" shall include full-time employment in this state of employees  
3984 who are employed by an entity other than the establishment that  
3985 has qualified to receive an incentive payment and who are leased  
3986 to the qualified business or industry, if such employment did not  
3987 exist in this state before the date of approval by the MDA of the  
3988 application of the establishment.

3989           (c) "Full-time job" or "full-time employment" means a  
3990 job of at least thirty-five (35) hours per week.

3991           (d) "Estimated direct state benefits" means the tax  
3992 revenues projected by the MDA to accrue to the state as a result  
3993 of the qualified business or industry.



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

3997 (f) "Estimated net direct state benefits" means the  
3998 estimated direct state benefits less the estimated direct state  
3999 costs.

4000 (g) "Net benefit rate" means the estimated net direct  
4001 state benefits computed as a percentage of gross payroll, provided  
4002 that:

4003 (i) Except as otherwise provided in this paragraph  
4004 (g), the net benefit rate may be variable and shall not exceed  
4005 four percent (4%) of the gross payroll; and shall be set in the  
4006 sole discretion of the MDA;

4007 (ii) In no event shall incentive payments,  
4008 cumulatively, exceed the estimated net direct state benefits.

4009 (h) "Gross payroll" means wages for new direct jobs of  
4010 the qualified business or industry.

4011 (i) "MDA" means the Mississippi Development Authority.

4012 **[For businesses or industries that apply for incentive**  
4013 **payments from and after July 1, 2010, this section shall read as**  
4014 **follows:]**

4015 57-62-5. As used in this chapter, the following words and  
4016 phrases shall have the meanings ascribed in this section unless  
4017 the context clearly indicates otherwise:



4018           (a) "Qualified business or industry" means any  
4019 corporation, limited liability company, partnership, sole  
4020 proprietorship, business trust or other legal entity and subunits  
4021 or affiliates thereof, pursuant to rules and regulations of the  
4022 MDA, which:

4023                   (i) Is a data/information processing enterprise  
4024 meeting minimum criteria established by the MDA that provides an  
4025 average annual salary, excluding benefits which are not subject to  
4026 Mississippi income taxes, of at least one hundred percent (100%)  
4027 of the most recently published state average annual wage or the  
4028 most recently published average annual wage of the county in which  
4029 the qualified business or industry is located as determined by the  
4030 Mississippi Department of Employment Security, whichever is the  
4031 lesser, and creates not less than two hundred (200) new direct  
4032 jobs;

4033                   (ii) Is a corporation, limited liability company,  
4034 partnership, sole proprietorship, business trust or other legal  
4035 entity and subunits or affiliates thereof, pursuant to rules and  
4036 regulations of the MDA, which provides an average annual salary,  
4037 excluding benefits which are not subject to Mississippi income  
4038 taxes, of at least one hundred ten percent (110%) of the most  
4039 recently published state average annual wage or the most recently  
4040 published average annual wage of the county in which the qualified  
4041 business or industry is located as determined by the Mississippi



4042 Department of Employment Security, whichever is the lesser, and  
4043 creates not less than twenty-five (25) new direct jobs; or  
4044 (iii) Is a corporation, limited liability company,  
4045 partnership, sole proprietorship, business trust or other legal  
4046 entity and subunits or affiliates thereof, pursuant to rules and  
4047 regulations of the MDA, which is a manufacturer that:

4048 1. Provides an average annual salary,  
4049 excluding benefits which are not subject to Mississippi income  
4050 taxes, of at least one hundred ten percent (110%) of the most  
4051 recently published state average annual wage or the most recently  
4052 published average annual wage of the county in which the qualified  
4053 business or industry is located as determined by the Mississippi  
4054 Department of Employment Security, whichever is the lesser;

4055 2. Has a minimum of five thousand (5,000)  
4056 existing employees as of the last day of the previous calendar  
4057 year; and

4058 3. MDA determines will create not less than  
4059 three thousand (3,000) new direct jobs within forty-eight (48)  
4060 months of the date the MDA determines that the applicant is  
4061 qualified to receive incentive payments.

4062 An establishment shall not be considered to be a qualified  
4063 business or industry unless it offers, or will offer within one  
4064 hundred eighty (180) days of the date it receives the first  
4065 incentive payment pursuant to the provisions of this chapter, a  
4066 basic health benefits plan to the individuals it employs in new



4067 direct jobs in this state which is approved by the MDA. Qualified  
4068 business or industry does not include retail business or gaming  
4069 business.

4070 (b) "New direct job" means full-time employment in this  
4071 state in a qualified business or industry that has qualified to  
4072 receive an incentive payment pursuant to this chapter, which  
4073 employment did not exist in this state:

4074 (i) Before the date of approval by the MDA of the  
4075 application of the qualified business or industry pursuant to the  
4076 provisions of this chapter; or

4077 (ii) Solely with respect to any farm equipment  
4078 manufacturer that locates its North American headquarters to  
4079 Mississippi between January 1, 2018, and December 31, 2020, before  
4080 a specific date determined by the MDA that falls on or after the  
4081 date that the MDA first issues to such farm equipment manufacturer  
4082 one or more written commitments or offers of any incentives in  
4083 connection with the new headquarters project and related  
4084 facilities expected to result in the creation of such new job.

4085 "New direct job" shall include full-time employment in this  
4086 state of employees who are employed by an entity other than the  
4087 establishment that has qualified to receive an incentive payment  
4088 and who are leased to the qualified business or industry, if such  
4089 employment did not exist in this state before the date of approval  
4090 by the MDA of the application of the establishment.



4091 (c) "Full-time job" or "full-time employment" means a  
4092 job of at least thirty-five (35) hours per week.

4093 (d) "Gross payroll" means wages for new direct jobs of  
4094 the qualified business or industry.

4095 (e) "MDA" means the Mississippi Development Authority.

4096 **SECTION 29.** Section 57-62-9, Mississippi Code of 1972, is  
4097 amended as follows:

4098 **[For businesses or industries that received or applied for**  
4099 **incentive payments prior to July 1, 2005, this section shall read**  
4100 **as follows:]**

4101 57-62-9. (1) Except as otherwise provided in this section,  
4102 a qualified business or industry that meets the qualifications  
4103 specified in this chapter may receive quarterly incentive payments  
4104 for a period not to exceed ten (10) years from the Department of  
4105 Revenue pursuant to the provisions of this chapter in an amount  
4106 which shall be equal to the net benefit rate multiplied by the  
4107 actual gross payroll of new direct jobs for a calendar quarter as  
4108 verified by the Mississippi Department of Employment Security, but  
4109 not to exceed the amount of money previously paid into the fund by  
4110 the employer. A qualified business or industry that is a project  
4111 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
4112 which the ten-year period will begin. Such date may not be later  
4113 than sixty (60) months after the date the business or industry  
4114 applied for incentive payments.



4115           (2)   (a)   A qualified business or industry that is a project  
4116 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
4117 receive incentive payments for an additional period not to exceed  
4118 five (5) years beyond the expiration date of the initial ten-year  
4119 period if:

4120                       (i)   The qualified business or industry creates at  
4121 least three thousand (3,000) new direct jobs within five (5) years  
4122 after the date the business or industry commences commercial  
4123 production;

4124                       (ii)   Within five (5) years after the date the  
4125 business or industry commences commercial production, the average  
4126 annual wage of the jobs is at least one hundred fifty percent  
4127 (150%) of the most recently published state average annual wage or  
4128 the most recently published average annual wage of the county in  
4129 which the qualified business or industry is located as determined  
4130 by the Mississippi Department of Employment Security, whichever is  
4131 the lesser. The criteria for the average annual wage requirement  
4132 shall be based upon the state average annual wage or the average  
4133 annual wage of the county whichever is appropriate, at the time of  
4134 creation of the minimum number of jobs, and the threshold  
4135 established at that time will remain constant for the duration of  
4136 the additional period; and

4137                       (iii)   The qualified business or industry meets and  
4138 maintains the job and wage requirements of subparagraphs (i) and



4139 (ii) of this paragraph (a) for four (4) consecutive calendar  
4140 quarters.

4141 (b) A qualified business or industry that is a project  
4142 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
4143 incentive payments for the additional period provided in paragraph  
4144 (a) of this subsection (2) may apply to the MDA to receive  
4145 incentive payments for an additional period not to exceed ten (10)  
4146 years beyond the expiration date of the additional period provided  
4147 in paragraph (a) of this subsection (2) if:

4148 (i) The qualified business or industry creates at  
4149 least four thousand (4,000) new direct jobs after qualifying for  
4150 the additional incentive period provided in paragraph (a) of this  
4151 subsection (2) but before the expiration of the additional period.  
4152 For purposes of determining whether the business or industry meets  
4153 the minimum jobs requirement of this subparagraph (i), the number  
4154 of jobs the business or industry created in order to meet the  
4155 minimum jobs requirement of paragraph (a) of this subsection (2)  
4156 shall be subtracted from the minimum jobs requirement of this  
4157 subparagraph (i);

4158 (ii) The average annual wage of the jobs is at  
4159 least one hundred fifty percent (150%) of the most recently  
4160 published state average annual wage or the most recently published  
4161 average annual wage of the county in which the qualified business  
4162 or industry is located as determined by the Mississippi Department  
4163 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



4214 the net benefit rate applicable for a period not to exceed ten  
4215 (10) years and to estimate the amount of gross payroll for the  
4216 period. If the applicant is determined to be qualified to receive  
4217 incentive payments for an additional period under subsection (2)  
4218 of this section, the MDA shall conduct a cost/benefit analysis to  
4219 determine the estimated net direct state benefits and the net  
4220 benefit rate applicable for the appropriate additional period and  
4221 to estimate the amount of gross payroll for the additional period.  
4222 In conducting such cost/benefit analysis, the MDA shall consider  
4223 quantitative factors, such as the anticipated level of new tax  
4224 revenues to the state along with the cost to the state of the  
4225 qualified business or industry, and such other criteria as deemed  
4226 appropriate by the MDA, including the adequacy of retirement  
4227 benefits that the business or industry provides to individuals it  
4228 employs in new direct jobs in this state. In no event shall  
4229 incentive payments, cumulatively, exceed the estimated net direct  
4230 state benefits. Once the qualified business or industry is  
4231 approved by the MDA, an agreement shall be deemed to exist between  
4232 the qualified business or industry and the State of Mississippi,  
4233 requiring the continued incentive payment, together with any  
4234 amount due pursuant to subsection (8) of this section, if  
4235 applicable, to be made as long as the qualified business or  
4236 industry retains its eligibility.

4237 (6) Upon approval of such an application, the MDA shall  
4238 notify the Department of Revenue and shall provide it with a copy



4239 of the approved application and the estimated net direct state  
4240 benefits. The Department of Revenue may require the qualified  
4241 business or industry to submit such additional information as may  
4242 be necessary to administer the provisions of this chapter. The  
4243 qualified business or industry shall report to the Department of  
4244 Revenue periodically to show its continued eligibility for  
4245 incentive payments. The qualified business or industry may be  
4246 audited by the Department of Revenue to verify such eligibility.  
4247 In addition, the State Auditor may conduct performance and  
4248 compliance audits under this chapter according to Section  
4249 7-7-211(o) and may bill the oversight agency.

4250 (7) If the qualified business or industry is located in an  
4251 area that has been declared by the Governor to be a disaster area  
4252 and as a result of the disaster the business or industry is unable  
4253 to create or maintain the full-time jobs required by this section:

4254 (a) The Commissioner of Revenue may extend the period  
4255 of time that the business or industry may receive incentive  
4256 payments for a period of time not to exceed two (2) years;

4257 (b) The Commissioner of Revenue may waive the  
4258 requirement that a certain number of jobs be maintained for a  
4259 period of time not to exceed twenty-four (24) months; and

4260 (c) The MDA may extend the period of time within which  
4261 the jobs must be created for a period of time not to exceed  
4262 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:



4288                   (i)   Ninety percent (90%) of the amount of money  
4289 previously paid into the fund by the employer if the employer  
4290 provides an average annual salary, excluding benefits which are  
4291 not subject to Mississippi income taxes, of at least one hundred  
4292 seventy-five percent (175%) of the most recently published state  
4293 average annual wage or the most recently published average annual  
4294 wage of the county in which the qualified business or industry is  
4295 located as determined by the Mississippi Department of Employment  
4296 Security, whichever is the lesser;

4297                   (ii)   Eighty percent (80%) of the amount of money  
4298 previously paid into the fund by the employer if the employer  
4299 provides an average annual salary, excluding benefits which are  
4300 not subject to Mississippi income taxes, of at least one hundred  
4301 twenty-five percent (125%) but less than one hundred seventy-five  
4302 percent (175%) of the most recently published state average annual  
4303 wage or the most recently published average annual wage of the  
4304 county in which the qualified business or industry is located as  
4305 determined by the Mississippi Department of Employment Security,  
4306 whichever is the lesser; or

4307                   (iii)   Seventy percent (70%) of the amount of money  
4308 previously paid into the fund by the employer if the employer  
4309 provides an average annual salary, excluding benefits which are  
4310 not subject to Mississippi income taxes, of less than one hundred  
4311 twenty-five percent (125%) of the most recently published state  
4312 average annual wage or the most recently published average annual



4313 wage of the county in which the qualified business or industry is  
4314 located as determined by the Mississippi Department of Employment  
4315 Security, whichever is the lesser.

4316 (b) A qualified business or industry that is a project  
4317 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
4318 which the ten-year period will begin. Such date may not be later  
4319 than sixty (60) months after the date the business or industry  
4320 applied for incentive payments.

4321 (2) (a) A qualified business or industry that is a project  
4322 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
4323 receive incentive payments for an additional period not to exceed  
4324 five (5) years beyond the expiration date of the initial ten-year  
4325 period if:

4326 (i) The qualified business or industry creates at  
4327 least three thousand (3,000) new direct jobs within five (5) years  
4328 after the date the business or industry commences commercial  
4329 production;

4330 (ii) Within five (5) years after the date the  
4331 business or industry commences commercial production, the average  
4332 annual wage of the jobs is at least one hundred fifty percent  
4333 (150%) of the most recently published state average annual wage or  
4334 the most recently published average annual wage of the county in  
4335 which the qualified business or industry is located as determined  
4336 by the Mississippi Department of Employment Security, whichever is  
4337 the lesser. The criteria for the average annual wage requirement



4338 shall be based upon the state average annual wage or the average  
4339 annual wage of the county whichever is appropriate, at the time of  
4340 creation of the minimum number of jobs, and the threshold  
4341 established at that time will remain constant for the duration of  
4342 the additional period; and

4343 (iii) The qualified business or industry meets and  
4344 maintains the job and wage requirements of subparagraphs (i) and  
4345 (ii) of this paragraph (a) for four (4) consecutive calendar  
4346 quarters.

4347 (b) A qualified business or industry that is a project  
4348 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
4349 incentive payments for the additional period provided in paragraph  
4350 (a) of this subsection (2) may apply to the MDA to receive  
4351 incentive payments for an additional period not to exceed ten (10)  
4352 years beyond the expiration date of the additional period provided  
4353 in paragraph (a) of this subsection (2) if:

4354 (i) The qualified business or industry creates at  
4355 least four thousand (4,000) new direct jobs after qualifying for  
4356 the additional incentive period provided in paragraph (a) of this  
4357 subsection (2) but before the expiration of the additional period.  
4358 For purposes of determining whether the business or industry meets  
4359 the minimum jobs requirement of this subparagraph (i), the number  
4360 of jobs the business or industry created in order to meet the  
4361 minimum jobs requirement of paragraph (a) of this subsection (2)



4362 shall be subtracted from the minimum jobs requirement of this  
4363 subparagraph (i);

4364                   (ii) The average annual wage of the jobs is at  
4365 least one hundred fifty percent (150%) of the most recently  
4366 published state average annual wage or the most recently published  
4367 average annual wage of the county in which the qualified business  
4368 or industry is located as determined by the Mississippi Department  
4369 of Employment Security, whichever is the lesser. The criteria for  
4370 the average annual wage requirement shall be based upon the state  
4371 average annual wage or the average annual wage of the county  
4372 whichever is appropriate, at the time of creation of the minimum  
4373 number of jobs, and the threshold established at that time will  
4374 remain constant for the duration of the additional period; and

4375                   (iii) The qualified business or industry meets and  
4376 maintains the job and wage requirements of subparagraphs (i) and  
4377 (ii) of this paragraph (b) for four (4) consecutive calendar  
4378 quarters.

4379           (3) In order to receive incentive payments, an establishment  
4380 shall apply to the MDA. The application shall be on a form  
4381 prescribed by the MDA and shall contain such information as may be  
4382 required by the MDA to determine if the applicant is qualified.

4383           (4) (a) In order to qualify to receive such payments, the  
4384 establishment applying shall be required to meet the definition of  
4385 the term "qualified business or industry";



4386           (b) The criteria for the average annual salary  
4387 requirement shall be based upon the state average annual wage or  
4388 the average annual wage of the county whichever is appropriate, at  
4389 the time of application, and the threshold established upon  
4390 application will remain constant for the duration of the project;

4391           (c) The business or industry must meet its job creation  
4392 commitment within twenty-four (24) months of the application  
4393 approval. However, if the qualified business or industry is  
4394 applying for incentive payments for an additional period under  
4395 subsection (2) of this section, the business or industry must  
4396 comply with the applicable job and wage requirements of subsection  
4397 (2) of this section.

4398           (5) (a) The MDA shall determine if the applicant is  
4399 qualified to receive incentive payments.

4400           (b) If the applicant is determined to be qualified to  
4401 receive incentive payments for an additional period under  
4402 subsection (2) of this section, the MDA shall conduct a  
4403 cost/benefit analysis to determine the estimated net direct state  
4404 benefits and the net benefit rate applicable for the appropriate  
4405 additional period and to estimate the amount of gross payroll for  
4406 the additional period. In conducting such cost/benefit analysis,  
4407 the MDA shall consider quantitative factors, such as the  
4408 anticipated level of new tax revenues to the state along with the  
4409 cost to the state of the qualified business or industry, and such  
4410 other criteria as deemed appropriate by the MDA, including the



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

4421 (6) Upon approval of such an application, the MDA shall  
4422 notify the Department of Revenue and shall provide it with a copy  
4423 of the approved application and the estimated net direct state  
4424 benefits. The Department of Revenue may require the qualified  
4425 business or industry to submit such additional information as may  
4426 be necessary to administer the provisions of this chapter. The  
4427 qualified business or industry shall report to the Department of  
4428 Revenue periodically to show its continued eligibility for  
4429 incentive payments. The qualified business or industry may be  
4430 audited by the Department of Revenue to verify such eligibility.  
4431 In addition, the State Auditor may conduct performance and  
4432 compliance audits under this chapter according to Section  
4433 7-7-211(o) and may bill the oversight agency.

4434 (7) If the qualified business or industry is located in an  
4435 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.



4460           **[For businesses or industries that apply for incentive**  
4461 **payments from and after July 1, 2010, this section shall read as**  
4462 **follows:]**

4463           57-62-9. (1) (a) Except as otherwise provided in this  
4464 section, a qualified business or industry that meets the  
4465 qualifications specified in this chapter may receive quarterly  
4466 incentive payments for a period not to exceed ten (10) years from  
4467 the Department of Revenue pursuant to the provisions of this  
4468 chapter in an amount which shall be equal to ninety percent (90%)  
4469 of the amount of actual income tax withheld for employees with new  
4470 direct jobs, but in no event more than four percent (4%) of the  
4471 total annual salary paid for new direct jobs during such period,  
4472 excluding benefits which are not subject to Mississippi income  
4473 taxes.

4474           (b) A qualified business or industry that is a project  
4475 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
4476 which the ten-year period will begin. Such date may not be later  
4477 than sixty (60) months after the date the business or industry  
4478 applied for incentive payments.

4479           (c) A qualified business or industry as defined in  
4480 Section 57-62-5(a)(iii) may elect the date upon which the ten-year  
4481 period will begin and may elect to begin receiving incentive  
4482 payments as early as the second quarter after that date.  
4483 Incentive payments will be calculated on all jobs above the  
4484 existing number of jobs as of the date the MDA determines that the



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

4495 (2) (a) A qualified business or industry that is a project  
4496 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
4497 receive incentive payments for an additional period not to exceed  
4498 five (5) years beyond the expiration date of the initial ten-year  
4499 period if:

4500 (i) The qualified business or industry creates at  
4501 least three thousand (3,000) new direct jobs within five (5) years  
4502 after the date the business or industry commences commercial  
4503 production;

4504 (ii) Within five (5) years after the date the  
4505 business or industry commences commercial production, the average  
4506 annual wage of the jobs is at least one hundred fifty percent  
4507 (150%) of the most recently published state average annual wage or  
4508 the most recently published average annual wage of the county in  
4509 which the qualified business or industry is located as determined



4510 by the Mississippi Department of Employment Security, whichever is  
4511 the lesser. The criteria for the average annual wage requirement  
4512 shall be based upon the state average annual wage or the average  
4513 annual wage of the county whichever is appropriate, at the time of  
4514 creation of the minimum number of jobs, and the threshold  
4515 established at that time will remain constant for the duration of  
4516 the additional period; and

4517 (iii) The qualified business or industry meets and  
4518 maintains the job and wage requirements of subparagraphs (i) and  
4519 (ii) of this paragraph (a) for four (4) consecutive calendar  
4520 quarters.

4521 (b) A qualified business or industry that is a project  
4522 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
4523 incentive payments for the additional period provided in paragraph  
4524 (a) of this subsection (2) may apply to the MDA to receive  
4525 incentive payments for an additional period not to exceed ten (10)  
4526 years beyond the expiration date of the additional period provided  
4527 in paragraph (a) of this subsection (2) if:

4528 (i) The qualified business or industry creates at  
4529 least four thousand (4,000) new direct jobs after qualifying for  
4530 the additional incentive period provided in paragraph (a) of this  
4531 subsection (2) but before the expiration of the additional period.  
4532 For purposes of determining whether the business or industry meets  
4533 the minimum jobs requirement of this subparagraph (i), the number  
4534 of jobs the business or industry created in order to meet the



4535 minimum jobs requirement of paragraph (a) of this subsection (2)  
4536 shall be subtracted from the minimum jobs requirement of this  
4537 subparagraph (i);

4538                   (ii) The average annual wage of the jobs is at  
4539 least one hundred fifty percent (150%) of the most recently  
4540 published state average annual wage or the most recently published  
4541 average annual wage of the county in which the qualified business  
4542 or industry is located as determined by the Mississippi Department  
4543 of Employment Security, whichever is the lesser. The criteria for  
4544 the average annual wage requirement shall be based upon the state  
4545 average annual wage or the average annual wage of the county  
4546 whichever is appropriate, at the time of creation of the minimum  
4547 number of jobs, and the threshold established at that time will  
4548 remain constant for the duration of the additional period; and

4549                   (iii) The qualified business or industry meets and  
4550 maintains the job and wage requirements of subparagraphs (i) and  
4551 (ii) of this paragraph (b) for four (4) consecutive calendar  
4552 quarters.

4553           (3) In order to receive incentive payments, an establishment  
4554 shall apply to the MDA. The application shall be on a form  
4555 prescribed by the MDA and shall contain such information as may be  
4556 required by the MDA to determine if the applicant is qualified.

4557           (4) (a) In order to qualify to receive such payments, the  
4558 establishment applying shall be required to meet the definition of  
4559 the term "qualified business or industry";



4560           (b) The criteria for the average annual salary  
4561 requirement shall be based upon the state average annual wage or  
4562 the average annual wage of the county whichever is appropriate, at  
4563 the time of application, and the threshold established upon  
4564 application will remain constant for the duration of the project;

4565           (c) Except as otherwise provided for a qualified  
4566 business or industry as defined in Section 57-62-5(a)(iii), the  
4567 business or industry must meet its job creation commitment within  
4568 twenty-four (24) months of the application approval. However, if  
4569 the qualified business or industry is applying for incentive  
4570 payments for an additional period under subsection (2) of this  
4571 section, the business or industry must comply with the applicable  
4572 job and wage requirements of subsection (2) of this section.

4573           (5) (a) The MDA shall determine if the applicant is  
4574 qualified to receive incentive payments.

4575           (b) If the applicant is determined to be qualified to  
4576 receive incentive payments for an additional period under  
4577 subsection (2) of this section, the MDA shall conduct an analysis  
4578 to estimate the amount of gross payroll for the appropriate  
4579 additional period. Incentive payments, cumulatively, shall not  
4580 exceed ninety percent (90%) of the amount of actual income tax  
4581 withheld for employees with new direct jobs, but in no event more  
4582 than four percent (4%) of the total annual salary paid for new  
4583 direct jobs during the additional period, excluding benefits which  
4584 are not subject to Mississippi income taxes. Once the qualified



4585 business or industry is approved by the MDA, an agreement shall be  
4586 deemed to exist between the qualified business or industry and the  
4587 State of Mississippi, requiring the continued incentive payment,  
4588 together with any amount due pursuant to subsection (8) of this  
4589 section, if applicable, to be made as long as the qualified  
4590 business or industry retains its eligibility.

4591 (6) Upon approval of such an application, the MDA shall  
4592 notify the Department of Revenue and shall provide it with a copy  
4593 of the approved application and the minimum job and salary  
4594 requirements. The Department of Revenue may require the qualified  
4595 business or industry to submit such additional information as may  
4596 be necessary to administer the provisions of this chapter. The  
4597 qualified business or industry shall report to the Department of  
4598 Revenue periodically to show its continued eligibility for  
4599 incentive payments. The qualified business or industry may be  
4600 audited by the Department of Revenue to verify such eligibility.  
4601 In addition, the State Auditor may conduct performance and  
4602 compliance audits under this chapter according to Section  
4603 7-7-211(o) and may bill the oversight agency.

4604 (7) If the qualified business or industry is located in an  
4605 area that has been declared by the Governor to be a disaster area  
4606 and as a result of the disaster the business or industry is unable  
4607 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:



4632           57-62-11. (1) There is created in the State Treasury a  
4633 special fund to be known as the Mississippi Advantage Jobs  
4634 Incentive Payment Fund, into which shall be deposited withholding  
4635 tax revenue required to be deposited into such fund pursuant to  
4636 Section 27-7-312 and any other monies designated for deposit  
4637 therein. The money in the fund shall be used for the purpose of  
4638 making the incentive payments and grants authorized under this  
4639 chapter.

4640           (2) The Mississippi Advantage Jobs Incentive Payment Fund  
4641 shall be administered by the Department of Revenue, and monies in  
4642 the fund, less three percent (3%) to be retained by the Department  
4643 of Revenue to pay the reasonable and necessary expenses of the  
4644 Department of Revenue in administering its duties under this  
4645 chapter, shall be expended pursuant to the approved application.  
4646 Amounts in the fund at the end of any fiscal year that are not  
4647 necessary to make future incentive payments and grants shall be  
4648 paid into the General Fund.

4649           (3) The liability of the State of Mississippi to make the  
4650 incentive payments and grants authorized under this chapter shall  
4651 be limited to the balance contained in the fund.

4652           **SECTION 31.** Section 57-62-13, Mississippi Code of 1972, is  
4653 brought forward as follows:

4654           57-62-13. (1) As soon as practicable after the end of a  
4655 calendar quarter for which a qualified business or industry has  
4656 qualified to receive an incentive payment, the qualified business



4657 or industry shall file a claim for the payment with the Department  
4658 of Revenue and shall specify the actual number of new direct jobs  
4659 created and maintained by the business or industry for the  
4660 calendar quarter and the gross payroll thereof. The Department of  
4661 Revenue shall verify the actual number of new direct jobs created  
4662 and maintained by the business or industry and compliance with the  
4663 average annual wage requirements for such business or industry  
4664 under this chapter. If the qualified business or industry files a  
4665 claim for an incentive payment during an additional incentive  
4666 period provided under Section 57-62-9(2), the Department of  
4667 Revenue shall verify the actual number of new direct jobs created  
4668 and maintained by the business or industry and compliance with the  
4669 average annual wage requirements for such business or industry  
4670 under this chapter. If the Department of Revenue is not able to  
4671 provide such verification utilizing all available resources, the  
4672 Department of Revenue may request such additional information from  
4673 the business or industry as may be necessary.

4674       (2) (a) Except as otherwise provided in this chapter, the  
4675 business or industry must meet the salary and job requirements of  
4676 this chapter for four (4) consecutive calendar quarters prior to  
4677 payment of the first incentive payment. Except as otherwise  
4678 provided in Section 57-62-9, if the business or industry does not  
4679 maintain the salary or job requirements of this chapter at any  
4680 other time during the ten-year period after the date the first  
4681 payment was made, the incentive payments shall not be made and



4682 shall not be resumed until such time as the actual verified number  
4683 of new direct jobs created and maintained by the business or  
4684 industry equals or exceeds the requirements of this chapter for  
4685 one (1) calendar quarter.

4686 (b) If the business or industry is qualified to receive  
4687 incentive payments for an additional period provided under Section  
4688 57-62-9(2), the business or industry must meet the wage and job  
4689 requirements of Section 57-62-9(2), for four (4) consecutive  
4690 calendar quarters prior to payment of the first incentive payment.  
4691 If the business or industry does not maintain the wage or job  
4692 requirements of Section 57-62-9(2), at any other time during the  
4693 appropriate additional period after the date the first payment was  
4694 made, the incentive payments shall not be made and shall not be  
4695 resumed until such time as the actual verified number of new  
4696 direct jobs created and maintained by the business or industry  
4697 equals or exceeds the amounts specified in Section 57-62-9(2), for  
4698 one (1) calendar quarter.

4699 (3) An establishment that has qualified pursuant to this  
4700 chapter may receive payments only in accordance with the provision  
4701 under which it initially applied and was approved. If an  
4702 establishment that is receiving incentive payments expands, it may  
4703 apply for additional incentive payments based on the new gross  
4704 payroll for new direct jobs anticipated from the expansion only,  
4705 pursuant to this chapter.



4706           (4) As soon as practicable after verification of the  
4707 qualified business or industry meeting the requirements of this  
4708 chapter and all rules and regulations, the Department of Finance  
4709 and Administration, upon requisition of the Department of Revenue,  
4710 shall issue a warrant drawn on the Mississippi Advantage Jobs  
4711 Incentive Payment Fund to the establishment in the amount of the  
4712 incentive payment as determined pursuant to subsection (1) of this  
4713 section for the calendar quarter.

4714           **SECTION 32.** Section 57-89-3, Mississippi Code of 1972, is  
4715 brought forward as follows:

4716           57-89-3. As used in this chapter, the following terms shall  
4717 have the meanings ascribed in this section unless the context  
4718 clearly indicates otherwise:

4719           (a) "Base investment" means the actual investment made  
4720 and expended in Mississippi by a motion picture production company  
4721 in connection with the production of a state-certified production  
4722 in the state. The term "base investment" includes amounts  
4723 expended in Mississippi by a motion picture production company as  
4724 per diem and housing allowances in connection with the production  
4725 of a state-certified production in the state. The term "base  
4726 investment" shall not include payroll. However, in the case of a  
4727 motion picture production company, or its owner, principal,  
4728 member, production partner, independent contractor director or  
4729 producer, or subsidiary company that (i) is designated and  
4730 pre-qualified by the Mississippi Development Authority as



4731 Mississippi-based or a Mississippi resident; (ii) has filed income  
4732 taxes in the State of Mississippi during each of the previous  
4733 three (3) years; and (iii) has engaged in activities related to  
4734 the production of at least two (2) motion pictures in Mississippi  
4735 during the past ten (10) years, base investment may include  
4736 payroll and fringes paid for any employee who is not a resident  
4737 and whose wages are subject to the Mississippi Income Tax  
4738 Withholding Law of 1968, if so requested by the motion picture  
4739 production company. A motion picture production company must  
4740 submit such a request to the Mississippi Development Authority at  
4741 the time the company submits an application for approval as a  
4742 state-certified production. In addition, if base investment  
4743 includes payroll and fringes, and the payroll and fringes paid for  
4744 an employee exceeds Five Million Dollars (\$5,000,000.00), then  
4745 only the first Five Million Dollars (\$5,000,000.00) of such  
4746 payroll and fringes may be included in base investment.

4747 (b) "Employee" means an individual directly involved in  
4748 the physical production and/or post-production of a motion picture  
4749 produced in the state and who is employed by a:

4750 (i) Motion picture production company that is  
4751 directly involved in the physical production and/or  
4752 post-production of a motion picture in the state;

4753 (ii) Personal service corporation retained by a  
4754 motion picture production company to provide persons used directly



4755 in the physical production and/or post-production of a motion  
4756 picture in the state; or

4757 (iii) Payroll service or loan-out company that is  
4758 retained by a motion picture production company to provide  
4759 employees who work directly in the physical production and/or  
4760 post-production of a motion picture in the state.

4761 (c) "Fringes" means costs paid by a motion picture  
4762 production company on or after September 1, 2013, for employee  
4763 benefits that are not subject to state income tax. Fringes may  
4764 include, but are not limited to, payments by an employer for  
4765 unemployment insurance, Federal Insurance Contribution Act (FICA),  
4766 workers' compensation insurance, pension and welfare benefits and  
4767 health insurance premiums.

4768 (d) "Motion picture" means a nationally distributed  
4769 feature-length film, video, DVD, television program or series,  
4770 commercial, or computer or video game made in Mississippi, in  
4771 whole or in part, for theatrical or DVD release or television  
4772 viewing or as a television pilot or viewing through streaming  
4773 video or internet delivery, or for playing on a video game  
4774 console, personal computer or handheld device. The term "motion  
4775 picture" shall not include the production of television coverage  
4776 of news and athletic events, or a film, video, DVD, television  
4777 program, series, or commercial that contains any material or  
4778 performance defined in Section 97-29-103.



4779                   (e) "Motion picture production company" means a company  
4780 engaged in the business of producing nationally distributed motion  
4781 pictures, videos, DVDs, television programs or series,  
4782 commercials, or computer or video games intended for a theatrical  
4783 release, for television viewing or for playing on a video game  
4784 console, personal computer or handheld device. The term "motion  
4785 picture production company" includes a company engaged in the  
4786 business of making such productions through the use of animation,  
4787 interactive media, preproduction and post-production 3D  
4788 applications, video game cinematics, virtual production, visual  
4789 effects, and motion capture within the fields of feature film,  
4790 television, commercials and games. The term "motion picture  
4791 production company" shall not mean or include any company owned,  
4792 affiliated, or controlled, in whole or in part, by any company or  
4793 person which is in default on a loan made by the state or a loan  
4794 guaranteed by the state, or any company or person who has ever  
4795 declared bankruptcy under which an obligation of the company or  
4796 person to pay or repay public funds or monies was discharged as a  
4797 part of such bankruptcy.

4798                   (f) "Payroll" means salary, wages or other compensation  
4799 including related benefits paid to employees upon which  
4800 Mississippi income tax is due and has been withheld.

4801                   (g) "Resident" or "resident of Mississippi" means a  
4802 natural person, and for the purpose of determining eligibility for  
4803 the rebate provided by Section 57-89-7, any person domiciled in



4804 the State of Mississippi and any other person who maintains a  
4805 permanent place of abode within the state and spends in the  
4806 aggregate more than six (6) months of each year within the state.

4807 (h) "State" means the State of Mississippi.

4808 (i) "State-certified production" means a motion picture  
4809 approved by the Mississippi Development Authority produced by a  
4810 motion picture production company in the state. An application  
4811 for approval as a state-certified production must be submitted to  
4812 the Mississippi Development Authority before production of the  
4813 project begins.

4814 **SECTION 33.** Section 57-89-7, Mississippi Code of 1972, is  
4815 brought forward as follows:

4816 57-89-7. (1) (a) A motion picture production company that  
4817 expends at least Fifty Thousand Dollars (\$50,000.00) in base  
4818 investment, payroll and/or fringes, in the state shall be entitled  
4819 to a rebate of a portion of the base investment made by the motion  
4820 picture production company. Subject to the provisions of this  
4821 section, the amount of the rebate shall be equal to twenty-five  
4822 percent (25%) of the base investment made by the motion picture  
4823 production company.

4824 (b) In addition to the rebates authorized under  
4825 paragraphs (a), (c) and (d) of this subsection, a motion picture  
4826 production company may receive a rebate equal to twenty-five  
4827 percent (25%) of payroll and fringes paid for any employee who is  
4828 not a resident and whose wages are subject to the Mississippi



4829 Income Tax Withholding Law of 1968. However, if the payroll and  
4830 fringes paid for an employee exceeds Five Million Dollars  
4831 (\$5,000,000.00), then the rebate is authorized only for the first  
4832 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

4833 (c) In addition to the rebates authorized under  
4834 paragraphs (a), (b) and (d) of this subsection, a motion picture  
4835 production company may receive a rebate equal to thirty percent  
4836 (30%) of payroll and fringes paid for any employee who is a  
4837 resident and whose wages are subject to the Mississippi Income Tax  
4838 Withholding Law of 1968. However, if the payroll and fringes paid  
4839 for an employee exceeds Five Million Dollars (\$5,000,000.00), then  
4840 the rebate is authorized only for the first Five Million Dollars  
4841 (\$5,000,000.00) of such payroll and fringes.

4842 (d) In addition to the rebates authorized in paragraphs  
4843 (a), (b) and (c) of this subsection, a motion picture production  
4844 company may receive an additional rebate equal to five percent  
4845 (5%) of the payroll and fringes paid for any employee who is an  
4846 honorably discharged veteran of the United States Armed Forces and  
4847 whose wages are subject to the Mississippi Income Tax Withholding  
4848 Law of 1968.

4849 (e) If a motion picture has physical production  
4850 activities and/or post-production activities both inside and  
4851 outside the state, then the motion picture production company  
4852 shall be required to provide an itemized accounting for each  
4853 employee regarding such activities inside and outside the state



4854 for the purposes of proration of eligible payroll based on the  
4855 percentage of activities performed in the state.

4856 (f) The total amount of rebates authorized for a motion  
4857 picture project shall not exceed Ten Million Dollars  
4858 (\$10,000,000.00) in the aggregate.

4859 (g) The total amount of rebates authorized in any  
4860 fiscal year shall not exceed Twenty Million Dollars  
4861 (\$20,000,000.00) in the aggregate.

4862 (2) A motion picture production company desiring a rebate  
4863 under this section must submit a rebate request to the Department  
4864 of Revenue upon completion of the project. The request must  
4865 include a detailed accounting of the base investment made by the  
4866 motion picture production company and any other information  
4867 required by the Department of Revenue. Rebates made by the  
4868 Department of Revenue under this section shall be made from  
4869 current income tax collections. The Department of Revenue shall  
4870 not approve any application for a rebate under subsection (1)(b)  
4871 of this section after July 1, 2017.

4872 (3) The Department of Revenue shall have all powers  
4873 necessary to implement and administer the provisions of this  
4874 section, and the Department of Revenue shall promulgate rules and  
4875 regulations, in accordance with the Mississippi Administrative  
4876 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



4901                   3. In which the average annual wages and  
4902 taxable benefits of the jobs created by such project are at least  
4903 one hundred ten percent (110%) of the most recently published  
4904 average annual wage of the state or the most recently published  
4905 average annual wage of the county in which the project is located,  
4906 as determined by the Mississippi Department of Employment  
4907 Security, whichever is the lesser; or

4908                   (iv) A project:

4909                   1. That has been certified by the MMEIA as a  
4910 project defined in Section 57-75-5(f)(xxix);

4911                   2. That creates at least twenty-five (25)  
4912 jobs within sixty (60) months following the date required by the  
4913 MMEIA and prescribed by written agreement between the MMEIA and  
4914 the enterprise establishing the project described in item 1 of  
4915 this subparagraph (iv); and

4916                   3. In which the average annual wages of the  
4917 jobs created by such project are at least one hundred ten percent  
4918 (110%) of the most recently published average annual wage of the  
4919 state, as determined by the Mississippi Department of Employment  
4920 Security.

4921                   (b) "Qualified job" means full-time employment in this  
4922 state within the project site of a qualified business or industry  
4923 that has qualified to receive an incentive payment pursuant to  
4924 Sections 57-99-1 through 57-99-9, which employment did not exist  
4925 in this state before the date of approval by the MDA of the



4926 application of the qualified business or industry pursuant to the  
4927 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"  
4928 also shall include full-time employment in this state of employees  
4929 who are employed by an entity other than the establishment that  
4930 has qualified to receive an incentive payment such as employees  
4931 who are leased to and managed by the qualified business or  
4932 industry, if such employment did not exist in this state before  
4933 the date of approval by the MDA of the application of the  
4934 establishment; provided, however, that in order for a qualified  
4935 business or industry to receive incentive payments for such  
4936 employees, the actual employer of the employees must agree to such  
4937 payments being made to the qualified business or industry.

4938 (c) "Full-time employment" means a job of at least  
4939 thirty-five (35) hours per week.

4940 (d) "Rebate amount" means the amount of Mississippi  
4941 income taxes withheld from employees in qualified jobs that is  
4942 available for rebate to the qualified business or industry,  
4943 provided that:

4944 (i) Except as otherwise provided in this paragraph  
4945 (d), the rebate amount shall be three and one-half percent  
4946 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

4947 (ii) Except as otherwise provided in Section  
4948 57-99-3(5), in no event shall incentive payments exceed the actual  
4949 Mississippi income taxes withheld from employees in qualified jobs



4950 that are available for rebate to the qualified business or  
4951 industry.

4952 (e) "MDA" means the Mississippi Development Authority.

4953 (f) "MMEIA" means the Mississippi Major Economic Impact  
4954 Authority.

4955 **SECTION 35.** Section 57-99-3, Mississippi Code of 1972, is  
4956 amended as follows:

4957 57-99-3. (1) Except as otherwise provided in this section,  
4958 a qualified business or industry that meets the qualifications  
4959 specified in Sections 57-99-1 through 57-99-9 may receive  
4960 quarterly incentive payments for a period not to exceed  
4961 twenty-five (25) years from the Department of Revenue pursuant to  
4962 the provisions of Sections 57-99-1 through 57-99-9 in an amount  
4963 which shall be equal to the lesser of three and one-half percent  
4964 (3-1/2%) of the wages and taxable benefits for qualified jobs or  
4965 the actual amount of Mississippi income tax withheld by the  
4966 employer for the qualified jobs. A qualified business or industry  
4967 may elect the date upon which the incentive rebate period will  
4968 begin. Such date may not be later than sixty (60) months after  
4969 the date the business or industry applied for incentive payments;  
4970 however, in the case of a qualified business or industry described  
4971 in Section 57-99-1(a)(ii), such date may not be later than  
4972 seventy-two (72) months after the date the business or industry  
4973 applied for incentive payments, or for a qualified business or  
4974 industry described in Section 57-99-1(a)(iv), such date may not be



4975 later than the date that is sixty (60) months after the earlier  
4976 of:

4977 (a) The date the qualified business or industry applied  
4978 for incentive payments; or

4979 (b) The start of commercial production as defined in a  
4980 definitive agreement between such qualified business or industry  
4981 and the MDA.

4982 (2) In order to receive incentive payments, an establishment  
4983 shall apply to the MDA. The application shall be on a form  
4984 prescribed by the MDA and shall contain such information as may be  
4985 required by the MDA to determine if the applicant is qualified.

4986 (3) In order to qualify to receive such payments, the  
4987 establishment applying shall be required to:

4988 (a) Be engaged in a qualified business or industry; and

4989 (b) The business or industry must create and maintain  
4990 the minimum number of qualified jobs as set forth in Section  
4991 57-99-1. Establishments that are approved as a qualified business  
4992 or industry under Sections 57-99-1 through 57-99-9 may not receive  
4993 incentive payments under Section 57-62-1 et seq.

4994 (4) Upon approval of such an application, the MDA shall  
4995 notify the Department of Revenue and shall provide it with a copy  
4996 of the approved application. The Department of Revenue may  
4997 require the qualified business or industry to submit such  
4998 additional information as may be necessary to administer the  
4999 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



5025 fund shall be used for the purpose of making the incentive  
5026 payments and grants authorized under Sections 57-99-1 through  
5027 57-99-9.

5028 (2) The liability of the State of Mississippi to make the  
5029 incentive payments and grants authorized under Sections 57-99-1  
5030 through 57-99-9 shall be limited to the balance contained in the  
5031 fund.

5032 **SECTION 37.** Section 57-99-7, Mississippi Code of 1972, is  
5033 brought forward as follows:

5034 57-99-7. (1) As soon as practicable after the end of a  
5035 calendar quarter for which a qualified business or industry has  
5036 qualified to receive an incentive payment, the qualified business  
5037 or industry shall file a claim for the payment with the State Tax  
5038 Commission and shall specify the actual number of qualified jobs  
5039 created and maintained by the business or industry for the  
5040 calendar quarter and the wages and taxable benefits thereof. The  
5041 State Tax Commission shall verify the actual number of qualified  
5042 jobs created and maintained by the business or industry. If the  
5043 State Tax Commission is not able to provide such verification  
5044 utilizing all available resources, the State Tax Commission may  
5045 request such additional information from the business or industry  
5046 as may be necessary.

5047 (2) The business or industry must meet the job requirements  
5048 of Sections 57-99-1 through 57-99-9 for four (4) consecutive  
5049 calendar quarters prior to payment of the first incentive payment.



5050 If the business or industry does not maintain the job requirements  
5051 of Sections 57-99-1 through 57-99-9 at any other time during the  
5052 twenty-five-year period after the date the first payment was made,  
5053 the incentive payments shall not be made and shall not be resumed  
5054 until such time as the actual verified number of qualified jobs  
5055 created and maintained by the business or industry equals or  
5056 exceeds the requirements of Sections 57-99-1 through 57-99-9 for  
5057 one (1) calendar quarter.

5058 (3) An establishment that has qualified pursuant to Sections  
5059 57-99-1 through 57-99-9 may receive payments only in accordance  
5060 with the provision under which it initially applied and was  
5061 approved. If an establishment that is receiving incentive  
5062 payments expands, it may apply for additional incentive payments  
5063 based on the wages and taxable benefits for qualified jobs  
5064 anticipated from the expansion only, pursuant to Sections 57-99-1  
5065 through 57-99-9.

5066 (4) As soon as practicable after verification of the  
5067 qualified business or industry meeting the requirements of  
5068 Sections 57-99-1 through 57-99-9 and all rules and regulations,  
5069 the Department of Finance and Administration, upon requisition of  
5070 the State Tax Commission, shall issue a warrant drawn on the MMEIA  
5071 Withholding Rebate Fund to the establishment in the amount of the  
5072 rebate as determined pursuant to subsection (1) of this section  
5073 for the calendar quarter.



5074           **SECTION 38.** Section 57-99-21, Mississippi Code of 1972, is  
5075 brought forward as follows:

5076           57-99-21. As used in Sections 57-99-21 through 57-99-29, the  
5077 following words and phrases shall have the meanings ascribed in  
5078 this section unless the context clearly indicates otherwise:

5079           (a) "Qualified business or industry" means any  
5080 enterprise which is a project that has been certified by the  
5081 Mississippi Major Economic Impact Authority (MMEIA) as a project  
5082 defined in Section 57-75-5(f)(xxiv).

5083           (b) "Qualified job" means full-time employment at the  
5084 location of the manufacturing plant in this state of a qualified  
5085 business or industry that has qualified to receive an incentive  
5086 payment pursuant to Sections 57-99-21 through 57-99-29, which  
5087 employment existed in this state at the location of the  
5088 manufacturing plant on July 1, 2009.

5089           (c) "Full-time employment" means a job of at least  
5090 thirty-five (35) hours per week.

5091           (d) "Rebate amount" means the amount of Mississippi  
5092 income taxes withheld from employees in qualified jobs that is  
5093 available for rebate to the qualified business or industry,  
5094 provided that:

5095           (i) Except as otherwise provided in this paragraph  
5096 (d), the rebate amount shall be one percent (1%) of the wages and  
5097 taxable benefits for qualified jobs;



5098                   (ii) In no event shall incentive payments exceed  
5099 the actual Mississippi income taxes withheld from employees in  
5100 qualified jobs that are available for rebate to the qualified  
5101 business or industry; and

5102                   (iii) In no event shall the aggregate amount of  
5103 incentive payments authorized under Sections 57-99-21 through  
5104 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

5105                   (e) "MDA" means the Mississippi Development Authority.

5106           **SECTION 39.** Section 57-99-23, Mississippi Code of 1972, is  
5107 brought forward as follows:

5108           57-99-23. (1) Except as otherwise provided in this section,  
5109 a qualified business or industry that meets the qualifications  
5110 specified in Sections 57-99-21 through 57-99-29 may receive  
5111 quarterly incentive payments for a period not to exceed ten (10)  
5112 years from the State Tax Commission pursuant to the provisions of  
5113 Sections 57-99-21 through 57-99-29 in an amount which shall be  
5114 equal to the lesser of one percent (1%) of the wages and taxable  
5115 benefits for qualified jobs or the actual amount of Mississippi  
5116 income tax withheld by the employer for the qualified jobs.

5117           (2) In order to receive incentive payments, an establishment  
5118 shall apply to the MDA by not later than July 1, 2010. The  
5119 application shall be on a form prescribed by the MDA and shall  
5120 contain such information as may be required by the MDA to  
5121 determine if the applicant is qualified.



5122           (3) In order to qualify to receive such payments, the  
5123 establishment applying shall be required to:  
5124           (a) Be engaged in a qualified business or industry; and  
5125           (b) The business or industry must maintain a minimum of  
5126 one thousand two hundred (1,200) qualified jobs.  
5127           (4) Upon approval of such an application, the MDA shall  
5128 notify the State Tax Commission and shall provide it with a copy  
5129 of the approved application. The State Tax Commission may require  
5130 the qualified business or industry to submit such additional  
5131 information as may be necessary to administer the provisions of  
5132 Sections 57-99-21 through 57-99-29. The qualified business or  
5133 industry shall report to the State Tax Commission periodically to  
5134 show its continued eligibility for incentive payments. The  
5135 qualified business or industry may be audited by the State Tax  
5136 Commission to verify such eligibility.

5137           **SECTION 40.** Section 57-99-25, Mississippi Code of 1972, is  
5138 brought forward as follows:

5139           57-99-25. (1) There is created in the State Treasury a  
5140 special fund to be known as the "MMEIA Rebate Fund" into which  
5141 shall be deposited withholding tax revenue required to be  
5142 deposited into such fund pursuant to Section 27-7-312. The money  
5143 in the fund shall be used for the purpose of making the incentive  
5144 payments authorized under Sections 57-99-21 through 57-99-29.



5145           (2) The liability of the State of Mississippi to make the  
5146 incentive payments authorized under Sections 57-99-21 through  
5147 57-99-29 shall be limited to the balance contained in the fund.

5148           **SECTION 41.** Section 57-99-27, Mississippi Code of 1972, is  
5149 brought forward as follows:

5150           57-99-27. (1) As soon as practicable after the end of a  
5151 calendar quarter for which a qualified business or industry has  
5152 qualified to receive an incentive payment, the qualified business  
5153 or industry shall file a claim for the payment with the State Tax  
5154 Commission and shall specify the actual number of qualified jobs  
5155 created and maintained by the business or industry for the  
5156 calendar quarter and the wages and taxable benefits thereof. The  
5157 State Tax Commission shall verify the actual number of qualified  
5158 jobs maintained by the business or industry. If the State Tax  
5159 Commission is not able to provide such verification utilizing all  
5160 available resources, the State Tax Commission may request such  
5161 additional information from the business or industry as may be  
5162 necessary.

5163           (2) If the business or industry does not maintain the job  
5164 requirements of Sections 57-99-21 through 57-99-29 at any other  
5165 time during the ten-year period after the date the first payment  
5166 was made, the incentive payments shall not be made and shall not  
5167 be resumed until such time as the actual verified number of  
5168 qualified jobs created and maintained by the business or industry



5169 equals or exceeds the requirements of Sections 57-99-21 through  
5170 57-99-29 for one (1) calendar quarter.

5171 (3) An establishment that has qualified pursuant to Sections  
5172 57-99-21 through 57-99-29 may receive payments only in accordance  
5173 with the provision under which it initially applied and was  
5174 approved.

5175 (4) As soon as practicable after verification of the  
5176 qualified business or industry meeting the requirements of  
5177 Sections 57-99-21 through 57-99-29 and all rules and regulations,  
5178 the Department of Finance and Administration, upon requisition of  
5179 the State Tax Commission, shall issue a warrant drawn on the MMEIA  
5180 Withholding Rebate Fund to the establishment in the amount of the  
5181 rebate as determined pursuant to subsection (1) of this section  
5182 for the calendar quarter.

5183 **SECTION 42.** Section 37-148-3, Mississippi Code of 1972, is  
5184 brought forward as follows:

5185 37-148-3. As used in this chapter, the following words and  
5186 phrases have the meanings ascribed in this section unless the  
5187 context clearly indicates otherwise:

5188 (a) "College" means the state institutions of higher  
5189 learning in Mississippi which are accredited by the Southern  
5190 Association of Colleges and Schools.

5191 (b) "Investor" means a natural person, partnership,  
5192 limited liability company, association, corporation, business  
5193 trust or other business entity, not formed for the specific



5194 purpose of acquiring the rebate offered, which is subject to  
5195 Mississippi income tax.

5196 (c) "Qualified research" means the systematic  
5197 investigative process that is undertaken for the purpose of  
5198 discovering information. The term "qualified research" does not  
5199 include research conducted outside the State of Mississippi or  
5200 research expenses that are already being funded by any grant,  
5201 contract or otherwise by another person or governmental entity.

5202 (d) "Research agreement" means a written contract,  
5203 grant or cooperative agreement entered into between a person and a  
5204 college or research corporation for the performance of qualified  
5205 research. All qualified research costs generating a SMART  
5206 Business Rebate must be spent by the college or research  
5207 corporation on qualified research undertaken according to a  
5208 research agreement.

5209 (e) "Research corporation" means any research  
5210 corporation formed under Section 37-147-15 if the corporation is  
5211 wholly owned by or affiliated with a college and all income and  
5212 profits of the corporation inure to the benefit of the college.

5213 (f) "Qualified research costs" means costs paid or  
5214 incurred by an investor to a college or research corporation for  
5215 qualified research undertaken according to a research agreement.

5216 (g) "State" means the State of Mississippi or a  
5217 governmental entity of the State of Mississippi.



5218                   (h) "IHL" means the Board of Trustees of State  
5219 Institutions of Higher Learning in Mississippi.

5220                   (i) "SMART Business" means Strengthening Mississippi  
5221 Academic Research Through Business.

5222                   (j) "Applicant" means a college or research corporation  
5223 applying for SMART Business Accelerate Initiative funds to develop  
5224 state-owned intellectual property into products and services.

5225                   (k) "Qualified validation expense" includes, but is not  
5226 limited to, services that accelerate the development of early  
5227 product concepts, conducting proof-of-concept studies, and  
5228 manufacturing prototypes to perform research validation.  
5229 Qualified validation expense does not include salaries or wages  
5230 associated with a licensee of state-owned intellectual property,  
5231 legal fees or any payment in conflict with state law.

5232                   (l) "Research validation" means research intended to  
5233 validate the commercial viability of state-owned intellectual  
5234 property.

5235                   (m) "Disbursement" means a grant of funds to support  
5236 research validation.

5237           **SECTION 43.** Section 37-148-5, Mississippi Code of 1972, is  
5238 brought forward as follows:

5239           37-148-5. (1) The SMART Business Act shall include the  
5240 SMART Business Rebate to promote research partnerships between  
5241 colleges and investors and the SMART Business Accelerate



5242 Initiative to promote the development of state-owned intellectual  
5243 property.

5244 (2) The SMART Business Rebate shall be implemented as  
5245 follows:

5246 (a) Subject to the provisions of this chapter, an  
5247 investor incurring qualified research costs subject to a research  
5248 agreement is eligible for a rebate equal to twenty-five percent  
5249 (25%) of the investor's qualified research costs.

5250 (b) An investor incurring research costs may not claim  
5251 a rebate pursuant to this chapter greater than One Million Dollars  
5252 (\$1,000,000.00) in any fiscal year.

5253 (c) The total amount of rebates issued under the SMART  
5254 Business Rebate by the state in any fiscal year may not exceed  
5255 Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

5256 (d) Investors desiring to apply for the SMART Business  
5257 rebate authorized by this chapter shall submit an application to  
5258 IHL which must contain, at a minimum, the following:

5259 (i) A description of the qualified research to be  
5260 conducted by the college or research corporation;

5261 (ii) A proposed budget;

5262 (iii) An estimated date for completion of the  
5263 qualified research; and

5264 (iv) Such additional information as may be  
5265 requested by IHL.



5266                   (e) IHL shall review each application to determine if  
5267 the investor has satisfied all of the requirements of this  
5268 section.

5269                   (f) Within sixty (60) days of receiving an application,  
5270 IHL shall issue or refuse to issue a SMART Business Rebate  
5271 certificate. The SMART Business Rebate certificate must include  
5272 the amount of the rebate the investor is eligible to claim,  
5273 subject to subsection (1) of this section. IHL must notify the  
5274 Department of Revenue when a SMART Business Rebate certificate is  
5275 issued.

5276                   (g) To claim a rebate, the investor must submit a  
5277 rebate allocation claim to the Department of Revenue. The rebate  
5278 allocation claim must include, at a minimum, the SMART Business  
5279 Rebate certificate issued by IHL and proof of payment to the  
5280 college or research corporation for qualified research conducted  
5281 according to the research agreement.

5282                   (h) The Department of Revenue may request an audit from  
5283 the investor submitting a rebate allocation claim, at the  
5284 investor's expense, to verify the investor has satisfied the  
5285 requirements of this chapter.

5286                   (i) The Department of Revenue shall issue rebates  
5287 available under this subsection from current income tax  
5288 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;



5312                   (iii) A certified determination from the applicant  
5313 that the proposed research validation is necessary to develop  
5314 state-owned intellectual property into products and services; and

5315                   (iv) Such additional information as may be  
5316 requested by IHL.

5317                   (d) IHL shall review each application to determine if  
5318 the applicant has satisfied all of the requirements of this  
5319 section.

5320                   (e) Within sixty (60) days of receiving an application,  
5321 IHL shall issue or refuse to issue a SMART Business Accelerate  
5322 Initiative disbursement certificate. The SMART Business  
5323 Accelerate Initiative disbursement certificate must include the  
5324 amount of the disbursement the applicant is eligible to receive,  
5325 subject to paragraphs (a) and (b) of this subsection. IHL must  
5326 notify the Department of Revenue when a SMART Business Accelerate  
5327 Initiative disbursement certificate is issued.

5328                   (f) IHL shall develop a process for accepting,  
5329 reviewing and selecting proposals for SMART Business Accelerate  
5330 Initiative disbursements and notifying the Department of Revenue  
5331 when applicants have been selected to receive disbursements.

5332                   (g) The Department of Revenue shall issue disbursements  
5333 available under this subsection from current income tax  
5334 collections.

5335                   **SECTION 44.** Section 57-105-1, Mississippi Code of 1972, is  
5336 brought forward as follows:



5337           57-105-1. (1) As used in this section:

5338           (a) "Adjusted purchase price" means the investment in  
5339 the qualified community development entity for the qualified  
5340 equity investment, substantially all of the proceeds of which are  
5341 used to make qualified low-income community investments in  
5342 Mississippi.

5343           For the purposes of calculating the amount of qualified  
5344 low-income community investments held by a qualified community  
5345 development entity, an investment will be considered held by a  
5346 qualified community development entity even if the investment has  
5347 been sold or repaid; provided that the qualified community  
5348 development entity reinvests an amount equal to the capital  
5349 returned to or recovered by the qualified community development  
5350 entity from the original investment, exclusive of any profits  
5351 realized, in another qualified low-income community investment in  
5352 Mississippi, including any federal Indian reservation located  
5353 within the geographical boundary of Mississippi within twelve (12)  
5354 months of the receipt of such capital. A qualified community  
5355 development entity will not be required to reinvest capital  
5356 returned from the qualified low-income community investments after  
5357 the sixth anniversary of the issuance of the qualified equity  
5358 investment, the proceeds of which were used to make the qualified  
5359 low-income community investment, and the qualified low-income  
5360 community investment will be considered held by the qualified



5361 community development entity through the seventh anniversary of  
5362 the qualified equity investment's issuance.

5363 (b) "Applicable percentage" means:

5364 (i) For any equity investment issued prior to July  
5365 1, 2008, four percent (4%) for each of the second through seventh  
5366 credit allowance dates for purposes of the taxes imposed by  
5367 Section 27-7-5 and one and one-third percent (1-1/3%) for each of  
5368 the second through seventh credit allowance dates for purposes of  
5369 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

5370 (ii) For any equity investment issued from and  
5371 after July 1, 2008, eight percent (8%) for each of the first  
5372 through third credit allowance dates for purposes of the taxes  
5373 imposed by Section 27-7-5 or the taxes imposed by Sections  
5374 27-15-103, 27-15-109 and 27-15-123.

5375 (c) "Credit allowance date" means, with respect to any  
5376 qualified equity investment:

5377 (i) The later of:

5378 1. The date upon which the qualified equity  
5379 investment is initially made; or

5380 2. The date upon which the Mississippi  
5381 Development Authority issues a certificate under subsection (4) of  
5382 this section; and

5383 (ii) 1. For equity investments issued prior to  
5384 July 1, 2008, each of the subsequent six (6) anniversary dates of  
5385 the date upon which the investment is initially made; or



5386                   2. For equity investments issued from and  
5387 after July 1, 2008, each of the subsequent two (2) anniversary  
5388 dates of the date determined as provided for in subparagraph (i)  
5389 of this paragraph.

5390                   (d) "Qualified community development entity" shall have  
5391 the meaning ascribed to such term in Section 45D of the Internal  
5392 Revenue Code of 1986, as amended, if the entity has entered into  
5393 an Allocation Agreement with the Community Development Financial  
5394 Institutions Fund of the United States Department of the Treasury  
5395 with respect to credits authorized by Section 45D of the Internal  
5396 Revenue Code of 1986, as amended.

5397                   (e) "Qualified active low-income community business"  
5398 shall have the meaning ascribed to such term in Section 45D of the  
5399 Internal Revenue Code of 1986, as amended.

5400                   (f) "Qualified equity investment" shall have the  
5401 meaning ascribed to such term in Section 45D of the Internal  
5402 Revenue Code of 1986, as amended. The investment does not have to  
5403 be designated as a qualified equity investment by the Community  
5404 Development Financial Institutions Fund of the United States  
5405 Treasury to be considered a qualified equity investment under this  
5406 section but otherwise must meet the definition under the Internal  
5407 Revenue Code. In addition to meeting the definition in Section  
5408 45D of the Internal Revenue Code such investment must also:

5409                   (i) Have been acquired after January 1, 2007, at  
5410 its original issuance solely in exchange for cash; and



5411                   (ii) Have been allocated by the Mississippi  
5412 Development Authority.

5413           For the purposes of this section, such investment shall be  
5414 deemed a qualified equity investment on the later of the date such  
5415 qualified equity investment is made or the date on which the  
5416 Mississippi Development Authority issues a certificate under  
5417 subsection (4) of this section allocating credits based on such  
5418 investment.

5419           (g) "Qualified low-income community investment" shall  
5420 have the meaning ascribed to such term in Section 45D of the  
5421 Internal Revenue Code of 1986, as amended; provided, however, that  
5422 the maximum amount of qualified low-income community investments  
5423 issued for a single qualified active low-income community  
5424 business, on an aggregate basis with all of its affiliates, that  
5425 may be included for purposes of allocating any credits under this  
5426 section shall not exceed Ten Million Dollars (\$10,000,000.00), in  
5427 the aggregate, whether issued by one (1) or several qualified  
5428 community development entities.

5429           (2) A taxpayer that holds a qualified equity investment on  
5430 the credit allowance date shall be entitled to a credit applicable  
5431 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109  
5432 and 27-15-123 during the taxable year that includes the credit  
5433 allowance date. The amount of the credit shall be equal to the  
5434 applicable percentage of the adjusted purchase price paid to the  
5435 qualified community development entity for the qualified equity



5436 investment. The amount of the credit that may be utilized in any  
5437 one (1) tax year shall be limited to an amount not greater than  
5438 the total tax liability of the taxpayer for the taxes imposed by  
5439 the above-referenced sections. The credit shall not be refundable  
5440 or transferable. Any unused portion of the credit may be carried  
5441 forward for seven (7) taxable years beyond the credit allowance  
5442 date on which the credit was earned. The maximum aggregate amount  
5443 of qualified equity investments that may be allocated by the  
5444 Mississippi Development Authority may not exceed an amount that  
5445 would result in taxpayers claiming in any one (1) state fiscal  
5446 year credits in excess of Fifteen Million Dollars  
5447 (\$15,000,000.00), exclusive of credits that might be carried  
5448 forward from previous taxable years; however, a maximum of  
5449 one-third (1/3) of this amount may be allocated as credits for  
5450 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any  
5451 taxpayer claiming a credit under this section against the taxes  
5452 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123  
5453 shall not be required to pay any additional tax under Section  
5454 27-15-123 as a result of claiming such credit. The Mississippi  
5455 Development Authority shall allocate credits within this limit as  
5456 provided for in subsection (4) of this section.

5457 (3) Tax credits authorized by this section that are earned  
5458 by a partnership, limited liability company, S corporation or  
5459 other similar pass-through entity, shall be allocated among all  
5460 partners, members or shareholders, respectively, either in



5461 proportion to their ownership interest in such entity or as the  
5462 partners, members or shareholders mutually agree as provided in an  
5463 executed document. Such allocation shall be made each taxable  
5464 year of such pass-through entity which contains a credit allowance  
5465 date.

5466 (4) The qualified community development entity shall apply  
5467 for credits with the Mississippi Development Authority on forms  
5468 prescribed by the Mississippi Development Authority. The  
5469 qualified community development entity must pay an application fee  
5470 of One Thousand Dollars (\$1,000.00) to the Mississippi Development  
5471 Authority at the time the application is submitted. In the  
5472 application the qualified community development entity shall  
5473 certify to the Mississippi Development Authority the dollar amount  
5474 of the qualified equity investments made or to be made in this  
5475 state, including in any federal Indian reservation located within  
5476 the state's geographical boundary, during the first twelve-month  
5477 period following the initial credit allowance date. The  
5478 Mississippi Development Authority shall allocate credits based on  
5479 the dollar amount of qualified equity investments as certified in  
5480 the application. Once the Mississippi Development Authority has  
5481 allocated credits to a qualified community development entity, if  
5482 the corresponding qualified equity investment has not been issued  
5483 as of the date of such allocation, then the corresponding  
5484 qualified equity investment must be issued not later than one  
5485 hundred twenty (120) days from the date of such allocation. If



5486 the qualified equity investment is not issued within such time  
5487 period, the allocation shall be cancelled and returned to the  
5488 Mississippi Development Authority for reallocation. Upon final  
5489 documentation of the qualified low-income community investments,  
5490 if the actual dollar amount of the investments is lower than the  
5491 amount estimated, the Mississippi Development Authority shall  
5492 adjust the tax credit allowed under this section. The Department  
5493 of Revenue may recapture all of the credit allowed under this  
5494 section if:

5495 (a) Any amount of federal tax credits available with  
5496 respect to a qualified equity investment that is eligible for a  
5497 tax credit under this section is recaptured under Section 45D of  
5498 the Internal Revenue Code of 1986, as amended; or

5499 (b) The qualified community development entity redeems  
5500 or makes any principal repayment with respect to a qualified  
5501 equity investment prior to the seventh anniversary of the issuance  
5502 of the qualified equity investment; or

5503 (c) The qualified community development entity fails to  
5504 maintain at least eighty-five percent (85%) of the proceeds of the  
5505 qualified equity investment in qualified low-income community  
5506 investments in Mississippi at any time prior to the seventh  
5507 anniversary of the issuance of the qualified equity investment.

5508 Any credits that are subject to recapture under this  
5509 subsection shall be recaptured from the taxpayer that actually  
5510 claimed the credit.



5511           The Mississippi Development Authority shall not allocate any  
5512 credits under this section after July 1, 2024.

5513           (5) Each qualified community development entity that  
5514 receives qualified equity investments to make qualified low-income  
5515 community investments in Mississippi must annually report to the  
5516 Mississippi Development Authority the North American Industry  
5517 Classification System Code, the county, the dollars invested, the  
5518 number of jobs assisted and the number of jobs assisted with wages  
5519 over one hundred percent (100%) of the federal poverty level for a  
5520 family of four (4) of each qualified low-income community  
5521 investment.

5522           (6) The Mississippi Development Authority shall file an  
5523 annual report on all qualified low-income community investments  
5524 with the Governor, the Clerk of the House of Representatives, the  
5525 Secretary of the Senate and the Secretary of State describing the  
5526 North American Industry Classification System Code, the county,  
5527 the dollars invested, the number of jobs assisted and the number  
5528 of jobs assisted with wages over one hundred percent (100%) of the  
5529 federal poverty level for a family of four (4) of each qualified  
5530 low-income community investment. The annual report will be posted  
5531 on the Mississippi Development Authority's Internet website.

5532           (7) (a) The purpose of this subsection is to authorize the  
5533 creation and establishment of public benefit corporations for  
5534 financing arrangements regarding public property and facilities.

5535           (b) As used in this subsection:



5536                   (i) "New Markets Tax Credit transaction" means any  
5537 financing transaction which utilizes either this section or  
5538 Section 45D of the Internal Revenue Code of 1986, as amended.

5539                   (ii) "Public benefit corporation" means a  
5540 nonprofit corporation formed or designated by a public entity to  
5541 carry out the purposes of this subsection.

5542                   (iii) "Public entity or public entities" includes  
5543 utility districts, regional solid waste authorities, regional  
5544 utility authorities, community hospitals, regional airport  
5545 authorities, municipal airport authorities, community and junior  
5546 colleges, educational building corporations established by or on  
5547 behalf of the state institutions of higher learning, school  
5548 districts, planning and development districts, county economic  
5549 development districts, urban renewal agencies, any other regional  
5550 or local economic development authority, agency or governmental  
5551 entity, and any other regional or local industrial development  
5552 authority, agency or governmental entity.

5553                   (iv) "Public property or facilities" means any  
5554 property or facilities owned or leased by a public entity or  
5555 public benefit corporation.

5556                   (c) Notwithstanding any other provision of law to the  
5557 contrary, public entities are authorized pursuant to this  
5558 subsection to create one or more public benefit corporations or  
5559 designate an existing corporation as a public benefit corporation  
5560 for the purpose of entering into financing agreements and engaging



5561 in New Markets Tax Credit transactions, which shall include,  
5562 without limitation, arrangements to plan, acquire, renovate,  
5563 construct, lease, sublease, manage, operate and/or improve new or  
5564 existing public property or facilities located within the  
5565 boundaries or service area of the public entity. Any financing  
5566 arrangement authorized under this subsection shall further any  
5567 purpose of the public entity and may include a term of up to fifty  
5568 (50) years.

5569 (d) Notwithstanding any other provision of law to the  
5570 contrary and in order to facilitate the acquisition, renovation,  
5571 construction, leasing, subleasing, management, operating and/or  
5572 improvement of new or existing public property or facilities to  
5573 further any purpose of a public entity, public entities are  
5574 authorized to enter into financing arrangements in order to  
5575 transfer public property or facilities to and/or from public  
5576 benefit corporations, including, without limitation, sales,  
5577 sale-leasebacks, leases and lease-leasebacks, provided such  
5578 transfer is related to any New Markets Tax Credit transaction  
5579 furthering any purpose of the public entity. Any such transfer  
5580 under this paragraph (d) and the public property or facilities  
5581 transferred in connection therewith shall be exempted from any  
5582 limitation or requirements with respect to leasing, acquiring,  
5583 and/or constructing public property or facilities.

5584 (e) With respect to a New Markets Tax Credit  
5585 transaction, public entities and public benefit corporations are



5586 authorized to enter into financing arrangements with any  
5587 governmental, nonprofit or for-profit entity in order to leverage  
5588 funds not otherwise available to public entities for the  
5589 acquisition, construction and/or renovation of properties  
5590 transferred to such public benefit corporations. The use of any  
5591 funds loaned by or contributed by a public benefit corporation or  
5592 borrowed by or otherwise made available to a public benefit  
5593 corporation in such financing arrangement shall be dedicated  
5594 solely to (i) the development of new properties or facilities  
5595 and/or the renovation of existing properties or facilities or  
5596 operation of properties or facilities, and/or (ii) the payment of  
5597 costs and expenditures related to any such financing arrangements,  
5598 including, but not limited to, funding any reserves required in  
5599 connection therewith, the repayment of any indebtedness incurred  
5600 in connection therewith, and the payment of fees and expenses  
5601 incurred in connection with the closing, administration,  
5602 accounting and/or compliance with respect to the New Markets Tax  
5603 Credit transaction.

5604 (f) A public benefit corporation created pursuant to  
5605 this subsection shall not be a political subdivision of the state  
5606 but shall be a nonprofit corporation organized and governed under  
5607 the provisions of the laws of this state and shall be a special  
5608 purpose corporation established to facilitate New Markets Tax  
5609 Credit transactions consistent with the requirements of this  
5610 section.



5611 (g) Neither this subsection nor anything herein  
5612 contained is or shall be construed as a restriction or limitation  
5613 upon any powers which the public entity or public benefit  
5614 corporation might otherwise have under any laws of this state, and  
5615 this subsection is cumulative to any such powers. This subsection  
5616 does and shall be construed to provide a complete additional and  
5617 alternative method for the doing of the things authorized thereby  
5618 and shall be regarded as supplemental and additional to powers  
5619 conferred by other laws.

5620 (8) The Mississippi Development Authority shall promulgate  
5621 rules and regulations to implement the provisions of this section.

5622 **SECTION 45.** Section 27-25-503, Mississippi Code of 1972, is  
5623 brought forward as follows:

5624 27-25-503. (1) (a) Except as otherwise provided in this  
5625 section, there is levied, to be collected as provided in this  
5626 article, annual privilege taxes upon every person engaging or  
5627 continuing within this state in the business of producing, or  
5628 severing oil from the soil or water for sale, transport, storage,  
5629 profit or for commercial use. The amount of the tax shall be  
5630 measured by the value of the oil produced, and shall be levied and  
5631 assessed at the rate of six percent (6%) of the value of the oil  
5632 at the point of production.

5633 (b) The tax shall be levied and assessed at the rate of  
5634 three percent (3%) of the value of the oil at the point of  
5635 production on oil produced by an enhanced oil recovery method in



5636 which carbon dioxide is used; provided, that such carbon dioxide  
5637 is transported by pipeline to the oil well site and on oil  
5638 produced by any other enhanced oil recovery method approved and  
5639 permitted by the State Oil and Gas Board on or after April 1,  
5640 1994, pursuant to Section 53-3-101 et seq.

5641 (c) (i) The tax shall be levied and assessed at the  
5642 rate of one and three-tenths percent (1.3%) of the value of the  
5643 oil at the point of production on oil produced from a horizontally  
5644 drilled well or from any horizontally drilled recompletion well  
5645 from which production commences from and after July 1, 2013, for a  
5646 period of thirty (30) months beginning on the date of first sale  
5647 of production or until payout of the well cost is achieved,  
5648 whichever first occurs. Thereafter, the tax shall be levied and  
5649 assessed as provided for in paragraph (a) of this subsection.

5650 (ii) Payout of a horizontally drilled well or  
5651 horizontally drilled recompletion well shall be deemed to have  
5652 occurred the first day of the next month after gross revenues,  
5653 less royalties and severance taxes, equal to the cost to drill and  
5654 complete the well.

5655 (iii) Each operator must apply by letter to the  
5656 State Oil and Gas Board for the reduced rate provided in this  
5657 paragraph (c), and shall provide the board with the status of  
5658 payout on a semiannual basis of any horizontally drilled well or  
5659 horizontally drilled recompletion well by signed affidavit  
5660 executed by a company representative.



5661                   (iv) This paragraph (c) shall be repealed from and  
5662 after July 1, 2023; however, any horizontally drilled well or  
5663 horizontally drilled recompletion well from which production  
5664 commences before July 1, 2023, shall be taxed as provided for in  
5665 this paragraph (c) notwithstanding that the repeal of this  
5666 paragraph (c) has become effective.

5667           (2) The tax is levied upon the entire production in this  
5668 state regardless of the place of sale or to whom sold, or by whom  
5669 used, or the fact that the delivery may be made to points outside  
5670 the state, and the tax shall accrue at the time the oil is severed  
5671 from the soil, or water, and in its natural, unrefined or  
5672 unmanufactured state.

5673           (3) (a) Oil produced from a discovery well for which  
5674 drilling or re-entry commenced on or after April 1, 1994, but  
5675 before July 1, 1999, shall be exempt from the taxes levied under  
5676 this section for a period of five (5) years beginning on the date  
5677 of first sale of production from such well, provided that the  
5678 average monthly sales price of such oil does not exceed  
5679 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil  
5680 produced from a discovery well as described in this paragraph (a)  
5681 shall be repealed from and after July 1, 2003, provided that any  
5682 such production for which a permit was granted by the board before  
5683 July 1, 2003, shall be exempt for an entire period of five (5)  
5684 years, notwithstanding that the repeal of this provision has  
5685 become effective. Oil produced from development wells or



5686 replacement wells drilled in connection with discovery wells for  
5687 which drilling commenced on or after January 1, 1994, but before  
5688 July 1, 1999, shall be assessed at the rate of three percent (3%)  
5689 of the value of the oil at the point of production for a period of  
5690 three (3) years. The reduced rate of assessment of oil produced  
5691 from development wells or replacement wells as described in this  
5692 paragraph (a) shall be repealed from and after January 1, 2003,  
5693 provided that any such production for which drilling commenced  
5694 before January 1, 2003, shall be assessed at the reduced rate for  
5695 an entire period of three (3) years, notwithstanding that the  
5696 repeal of this provision has become effective.

5697 (b) Oil produced from a discovery well for which  
5698 drilling or re-entry commenced on or after July 1, 1999, shall be  
5699 assessed at the rate of three percent (3%) of the value of the oil  
5700 at the point of production for a period of five (5) years  
5701 beginning on the date of first sale of production from such well,  
5702 provided that the average monthly sales price of such oil does not  
5703 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of  
5704 assessment of oil produced from a discovery well as described in  
5705 this paragraph (b) shall be repealed from and after July 1, 2003,  
5706 provided that any such production for which a permit was granted  
5707 by the board before July 1, 2003, shall be assessed at the reduced  
5708 rate for an entire period of five (5) years, notwithstanding that  
5709 the repeal of this provision has become effective. Oil produced  
5710 from development wells or replacement wells drilled in connection



5711 with discovery wells for which drilling commenced on or after July  
5712 1, 1999, shall be assessed at the rate of three percent (3%) of  
5713 the value of the oil at the point of production for a period of  
5714 three (3) years. The reduced rate of assessment of oil produced  
5715 from development wells or replacement wells as described in this  
5716 paragraph (b) shall be repealed from and after January 1, 2003,  
5717 provided that any such production for which drilling commenced  
5718 before July 1, 2003, shall be assessed at the reduced rate for an  
5719 entire period of three (3) years, notwithstanding that the repeal  
5720 of this provision has become effective.

5721 (4) (a) Oil produced from a development well for which  
5722 drilling commenced on or after April 1, 1994, but before July 1,  
5723 1999, and for which three-dimensional seismic was utilized in  
5724 connection with the drilling of such well shall be assessed at the  
5725 rate of three percent (3%) of the value of the oil at the point of  
5726 production for a period of five (5) years, provided that the  
5727 average monthly sales price of such oil does not exceed  
5728 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of  
5729 assessment of oil produced from a development well as described in  
5730 this paragraph (a) and for which three-dimensional seismic was  
5731 utilized shall be repealed from and after July 1, 2003, provided  
5732 that any such production for which a permit was granted by the  
5733 board before July 1, 2003, shall be assessed at the reduced rate  
5734 for an entire period of five (5) years, notwithstanding that the  
5735 repeal of this provision has become effective.



5736 (b) Oil produced from a development well for which  
5737 drilling commenced on or after July 1, 1999, and for which  
5738 three-dimensional seismic was utilized in connection with the  
5739 drilling of such well shall be assessed at the rate of three  
5740 percent (3%) of the value of the oil at the point of production  
5741 for a period of five (5) years, provided that the average monthly  
5742 sales price of such oil does not exceed Twenty Dollars (\$20.00)  
5743 per barrel. The reduced rate of assessment of oil produced from a  
5744 development well as described in this paragraph (b) and for which  
5745 three-dimensional seismic was utilized shall be repealed from and  
5746 after July 1, 2003, provided that any such production for which a  
5747 permit was granted by the board before July 1, 2003, shall be  
5748 assessed at the reduced rate for an entire period of five (5)  
5749 years, notwithstanding that the repeal of this provision has  
5750 become effective.

5751 (5) (a) Oil produced before July 1, 1999, from a two-year  
5752 inactive well as defined in Section 27-25-501 shall be exempt from  
5753 the taxes levied under this section for a period of three (3)  
5754 years beginning on the date of first sale of production from such  
5755 well, provided that the average monthly sales price of such oil  
5756 does not exceed Twenty-five Dollars (\$25.00) per barrel. The  
5757 exemption for oil produced from an inactive well shall be repealed  
5758 from and after July 1, 2003, provided that any such production  
5759 which began before July 1, 2003, shall be exempt for an entire



5760 period of three (3) years, notwithstanding that the repeal of this  
5761 provision has become effective.

5762 (b) Oil produced on or after July 1, 1999, from a  
5763 two-year inactive well as defined in Section 27-25-501 shall be  
5764 exempt from the taxes levied under this section for a period of  
5765 three (3) years beginning on the date of first sale of production  
5766 from such well, provided that the average monthly sales price of  
5767 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The  
5768 exemption for oil produced from an inactive well shall be repealed  
5769 from and after July 1, 2003, provided that any such production  
5770 which began before July 1, 2003, shall be exempt for an entire  
5771 period of three (3) years, notwithstanding that the repeal of this  
5772 provision has become effective.

5773 (6) [Repealed]

5774 (7) The State Oil and Gas Board shall have the exclusive  
5775 authority to determine the qualification of wells defined in  
5776 paragraphs (n) through (t) of Section 27-25-501.

5777 **SECTION 46.** Section 27-25-505, Mississippi Code of 1972, is  
5778 brought forward as follows:

5779 **[With regard to any county which is exempt from the**  
5780 **provisions of Section 19-2-3, this section shall read as follows:]**

5781 27-25-505. (1) All taxes levied in this article and  
5782 collected by the Department of Revenue shall be paid into the  
5783 State Treasury on the same day collected.



5784           (2) Except as otherwise provided in this section, the  
5785 commissioner shall apportion all the tax collections made pursuant  
5786 to this article to the state and to the county in which the oil  
5787 was produced, in accordance with the following schedule and so  
5788 certify such apportionment to the State Treasurer at the end of  
5789 each month:

5790           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
5791 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
5792 the state and thirty-three and one-third percent (33-1/3%) to the  
5793 county.

5794           Above and exceeding Six Hundred Thousand Dollars  
5795 (\$600,000.00), or any part thereof, ninety percent (90%) to the  
5796 state and ten percent (10%) to the county through June 30, 1989;  
5797 eighty-five percent (85%) to the state and fifteen percent (15%)  
5798 to the county from July 1, 1989, through June 30, 1990; eighty  
5799 percent (80%) to the state and twenty percent (20%) to the county  
5800 from July 1, 1990, through June 30, 2015; seventy-nine percent  
5801 (79%) to the state and twenty-one percent (21%) to the county from  
5802 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)  
5803 to the state and twenty-two percent (22%) to the county from July  
5804 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the  
5805 state and twenty-three percent (23%) to the county from July 1,  
5806 2017, through June 30, 2018; seventy-six percent (76%) to the  
5807 state and twenty-four percent (24%) to the county from July 1,  
5808 2018, through June 30, 2019; and seventy-four percent (74%) to the



5809 state and twenty-six percent (26%) to the county for each fiscal  
5810 year thereafter.

5811 (3) The state's share of all oil severance taxes collected  
5812 pursuant to this article shall be deposited as provided for in  
5813 Section 27-25-506.

5814 (4) The commissioner shall apportion all the tax collections  
5815 made pursuant to Section 27-25-503(1)(c) to the county in which  
5816 the oil was produced.

5817 (5) The State Treasurer shall remit the county's share of  
5818 taxes collected pursuant to this article on or before the  
5819 twentieth day of the month next succeeding the month in which the  
5820 collections were made, for division among the municipalities and  
5821 taxing districts of the county. He shall accompany his remittance  
5822 with a report to the county receiving the funds prepared by the  
5823 commissioner showing from whom the tax was collected. Upon  
5824 receipt of the funds, the board of supervisors of the county shall  
5825 allocate the funds to the municipalities and to the various  
5826 maintenance and bond and interest funds of the county, school  
5827 districts, supervisors districts and road districts, as provided  
5828 in this subsection.

5829 (6) Except as provided in subsection (8) of this section,  
5830 when there are any oil producing properties within the corporate  
5831 limits of any municipality, then the municipality shall  
5832 participate in the division of the tax returned to the county in  
5833 which the municipality is located, in the proportion which the tax



5834 on production of oil from any properties located within the  
5835 municipal corporate limits bears to the tax on the total  
5836 production of oil in the county. In no event, however, shall the  
5837 amount allocated to municipalities exceed one-third (1/3) of the  
5838 tax produced in the municipality and returned to the county. Any  
5839 amount received by any municipality as a result of the allocation  
5840 provided for in this subsection shall be used only for such  
5841 purposes as are authorized by law.

5842 (7) Except as provided in subsection (8) of this section,  
5843 the balance remaining of any amount of tax returned to the county  
5844 after the allocation to municipalities shall be divided among the  
5845 various maintenance and bond interest funds of the county, school  
5846 districts, supervisors districts and road districts, in the  
5847 discretion of the board of supervisors, and the board shall make  
5848 the division in consideration of the needs of the various taxing  
5849 districts. The funds so allocated shall be used only for purposes  
5850 as are authorized by law.

5851 (8) Any amount above and exceeding Six Hundred Thousand  
5852 Dollars (\$600,000.00) that is remitted to the county that is more  
5853 than twenty percent (20%) of the taxes above and exceeding Six  
5854 Hundred Thousand Dollars (\$600,000.00) collected on oil produced  
5855 in the county, shall be utilized by the county for infrastructure  
5856 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%)



5882 to the state and twenty-two percent (22%) to the county from July  
5883 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the  
5884 state and twenty-three percent (23%) to the county from July 1,  
5885 2017, through June 30, 2018; seventy-six percent (76%) to the  
5886 state and twenty-four percent (24%) to the county from July 1,  
5887 2018, through June 30, 2019; and seventy-four percent (74%) to the  
5888 state and twenty-six percent (26%) to the county for each fiscal  
5889 year thereafter.

5890 (3) The state's share of all oil severance taxes collected  
5891 pursuant to this article shall be deposited as provided for in  
5892 Section 27-25-506.

5893 (4) The commissioner shall apportion all the tax collections  
5894 made pursuant to the tax levied in Section 27-25-503(1)(c) to the  
5895 county in which the oil was produced.

5896 (5) The State Treasurer shall remit the county's share of  
5897 the taxes collected pursuant to this article on or before the  
5898 twentieth day of the month next succeeding the month in which the  
5899 collections were made, for division among the municipalities and  
5900 taxing districts of the county. He shall accompany his remittance  
5901 with a report to the county receiving the funds prepared by the  
5902 commissioner showing from whom the tax was collected. Upon  
5903 receipt of the funds, the board of supervisors of the county shall  
5904 allocate the funds to the municipalities and to the various  
5905 maintenance and bond and interest funds of the county and school  
5906 districts, as provided in this subsection.



5907           (6) Except as provided in subsection (8) of this section,  
5908 when there are any oil producing properties within the corporate  
5909 limits of any municipality, then the municipality shall  
5910 participate in the division of the tax returned to the county in  
5911 which the municipality is located, in the proportion which the tax  
5912 on production of oil from any properties located within the  
5913 municipal corporate limits bears to the tax on the total  
5914 production of oil in the county. In no event, however, shall the  
5915 amount allocated to municipalities exceed one-third (1/3) of the  
5916 tax produced in the municipality and returned to the county. Any  
5917 amount received by any municipality as a result of the allocation  
5918 provided in this subsection shall be used only for such purposes  
5919 as are authorized by law.

5920           (7) Except as provided in subsection (8) of this section,  
5921 the balance remaining of any amount of tax returned to the county  
5922 after the allocation to municipalities shall be divided among the  
5923 various maintenance and bond interest funds of the county and  
5924 school districts, in the discretion of the board of supervisors,  
5925 and the board shall make the division in consideration of the  
5926 needs of the various taxing districts. The funds so allocated  
5927 shall be used only for purposes as are authorized by law.

5928           (8) Any amount above and exceeding Six Hundred Thousand  
5929 Dollars (\$600,000.00) that is remitted to the county that is more  
5930 than twenty percent (20%) of the taxes above and exceeding Six  
5931 Hundred Thousand Dollars (\$600,000.00) collected on oil produced



5932 in the county, shall be utilized by the county for infrastructure  
5933 repairs.

5934         **SECTION 47.** Section 27-25-703, Mississippi Code of 1972, is  
5935 brought forward as follows:

5936         27-25-703. (1) (a) Except as otherwise provided in this  
5937 section, there is hereby levied, to be collected as provided in  
5938 this article, annual privilege taxes upon every person engaging or  
5939 continuing within this state in the business of producing, or  
5940 severing gas from below the soil or water for sale, transport,  
5941 storage, profit or for commercial use. The amount of the tax  
5942 shall be measured by the value of the gas produced and shall be  
5943 levied and assessed at a rate of six percent (6%) of the value of  
5944 the gas at the point of production, except as otherwise provided  
5945 in subsection (4) of this section.

5946                 (b) (i) The tax shall be levied and assessed at the  
5947 rate of one and three-tenths percent (1.3%) of the value of the  
5948 gas at the point of production on gas produced from a horizontally  
5949 drilled well or from any horizontally drilled recompletion well  
5950 from which production commences from and after July 1, 2013, for a  
5951 period of thirty (30) months beginning on the date of first sale  
5952 of production or until payout of the well cost is achieved,  
5953 whichever first occurs. Thereafter, the tax shall be levied and  
5954 assessed as provided for in paragraph (a) of this subsection.

5955                         (ii) Payout of a horizontally drilled well or  
5956 horizontally drilled recompletion well shall be deemed to have



5957 occurred the first day of the next month after gross revenues,  
5958 less royalties and severance taxes, equal to the cost to drill and  
5959 complete the well.

5960 (iii) Each operator must apply by letter to the  
5961 State Oil and Gas Board for the reduced rate provided in this  
5962 paragraph (b), and shall provide the board with the status of  
5963 payout on a semiannual basis of any horizontally drilled well or  
5964 horizontally drilled recompletion well by signed affidavit  
5965 executed by a company representative.

5966 (iv) This paragraph (b) shall be repealed from and  
5967 after July 1, 2023; however, any horizontally drilled well or  
5968 horizontally drilled recompletion well from which production  
5969 commences before July 1, 2023, shall be taxed as provided for in  
5970 this paragraph (b) notwithstanding that the repeal of this  
5971 paragraph (b) has become effective.

5972 (2) The tax is levied upon the entire production in this  
5973 state, regardless of the place of sale or to whom sold or by whom  
5974 used, or the fact that the delivery may be made to points outside  
5975 the state, but not levied upon that gas, lawfully injected into  
5976 the earth for cycling, repressuring, lifting or enhancing the  
5977 recovery of oil, nor upon gas lawfully vented or flared in  
5978 connection with the production of oil, nor upon gas condensed into  
5979 liquids on which the oil severance tax of six percent (6%) is  
5980 paid; however, if any gas so injected into the earth is sold for  
5981 such purposes, then the gas so sold shall not be excluded in



5982 computing the tax. The tax shall accrue at the time the gas is  
5983 produced or severed from the soil or water, and in its natural,  
5984 unrefined or unmanufactured state.

5985 (3) Natural gas and condensate produced from any wells for  
5986 which drilling is commenced after March 15, 1987, and before July  
5987 1, 1990, shall be exempt from the tax levied under this section  
5988 for a period of two (2) years beginning on the date of first sale  
5989 of production from such wells.

5990 (4) (a) Any well which begins commercial production of  
5991 occluded natural gas from coal seams on or after March 20, 1990,  
5992 and before July 1, 1993, shall be taxed at the rate of three and  
5993 one-half percent (3-1/2%) of the gross value of the occluded  
5994 natural gas from coal seams at the point of production for a  
5995 period of five (5) years after such well begins production.

5996 (b) Any well which begins commercial production of  
5997 occluded natural gas from coal seams on or after July 1, 2004, and  
5998 before July 1, 2007, shall be taxed at the rate of three percent  
5999 (3%) of the gross value of the occluded natural gas from coal  
6000 seams at the point of production for a period of five (5) years  
6001 beginning on the date of the first sale of production from such  
6002 well.

6003 (5) (a) Natural gas produced from discovery wells for which  
6004 drilling or re-entry commenced on or after April 1, 1994, but  
6005 before July 1, 1999, shall be exempt from the tax levied under  
6006 this section for a period of five (5) years beginning on the



6007 earlier of one (1) year from completion of the well or the date of  
6008 first sale from such well, provided that the average monthly sales  
6009 price of such gas does not exceed Three Dollars and Fifty Cents  
6010 (\$3.50) per one thousand (1,000) cubic feet. The exemption for  
6011 natural gas produced from discovery wells as described in this  
6012 paragraph (a) shall be repealed from and after July 1, 2003,  
6013 provided that any such production for which a permit was granted  
6014 by the board before July 1, 2003, shall be exempt for an entire  
6015 period of five (5) years, notwithstanding that the repeal of this  
6016 provision has become effective. Natural gas produced from  
6017 development wells or replacement wells drilled in connection with  
6018 discovery wells for which drilling commenced on or after January  
6019 1, 1994, shall be assessed at a rate of three percent (3%) of the  
6020 value thereof at the point of production for a period of three (3)  
6021 years. The reduced rate of assessment of natural gas produced  
6022 from development wells or replacement wells as described in this  
6023 paragraph (a) shall be repealed from and after January 1, 2003,  
6024 provided that any such production for which drilling commenced  
6025 before January 1, 2003, shall be assessed at the reduced rate for  
6026 an entire period of three (3) years, notwithstanding that the  
6027 repeal of this provision has become effective.

6028 (b) Natural gas produced from discovery wells for which  
6029 drilling or re-entry commenced on or after July 1, 1999, shall be  
6030 assessed at a rate of three percent (3%) of the value thereof at  
6031 the point of production for a period of five (5) years beginning



6032 on the earlier of one (1) year from completion of the well or the  
6033 date of first sale from such well, provided that the average  
6034 monthly sales price of such gas does not exceed Two Dollars and  
6035 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The  
6036 reduced rate of assessment of natural gas produced from discovery  
6037 wells as described in this paragraph (b) shall be repealed from  
6038 and after July 1, 2003, provided that any such production for  
6039 which a permit was granted by the board before July 1, 2003, shall  
6040 be assessed at the reduced rate for an entire period of five (5)  
6041 years, notwithstanding that the repeal of this provision has  
6042 become effective. Natural gas produced from development wells or  
6043 replacement wells drilled in connection with discovery wells for  
6044 which drilling commenced on or after July 1, 1999, shall be  
6045 assessed at a rate of three percent (3%) of the value thereof at  
6046 the point of production for a period of three (3) years. The  
6047 reduced rate of assessment of natural gas produced from  
6048 development wells or replacement wells as described in this  
6049 paragraph (b) shall be repealed from and after January 1, 2003,  
6050 provided that any such production for which drilling commenced  
6051 before January 1, 2003, shall be assessed at the reduced rate for  
6052 an entire period of three (3) years, notwithstanding that the  
6053 repeal of this provision has become effective.

6054       (6) (a) Gas produced from a development well for which  
6055 drilling commenced on or after April 1, 1994, but before July 1,  
6056 1999, and for which three-dimensional seismic was utilized in



6057 connection with the drilling of such well, shall be assessed at a  
6058 rate of three percent (3%) of the value of the gas at the point of  
6059 production for a period of five (5) years, provided that the  
6060 average monthly sales price of such gas does not exceed Three  
6061 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic  
6062 feet. The reduced rate of assessment of gas produced from a  
6063 development well as described in this subsection and for which  
6064 three-dimensional seismic was utilized shall be repealed from and  
6065 after July 1, 2003, provided that any such production for which a  
6066 permit was granted by the board before July 1, 2003, shall be  
6067 assessed at the reduced rate for an entire period of five (5)  
6068 years, notwithstanding that the repeal of this provision has  
6069 become effective.

6070 (b) Gas produced from a development well for which  
6071 drilling commenced on or after July 1, 1999, and for which  
6072 three-dimensional seismic was utilized in connection with the  
6073 drilling of such well, shall be assessed at a rate of three  
6074 percent (3%) of the value of the gas at the point of production  
6075 for a period of five (5) years, provided that the average monthly  
6076 sales price of such gas does not exceed Two Dollars and Fifty  
6077 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced  
6078 rate of assessment of gas produced from a development well as  
6079 described in this paragraph (b) and for which three-dimensional  
6080 seismic was utilized shall be repealed from and after July 1,  
6081 2003, provided that any such production for which a permit was



6082 granted by the board before July 1, 2003, shall be assessed at the  
6083 reduced rate for an entire period of five (5) years,  
6084 notwithstanding that the repeal of this provision has become  
6085 effective.

6086 (7) (a) Natural gas produced before July 1, 1999, from a  
6087 two-year inactive well as defined in Section 27-25-701 shall be  
6088 exempt from the taxes levied under this section for a period of  
6089 three (3) years beginning on the date of first sale of production  
6090 from such well, provided that the average monthly sales price of  
6091 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per  
6092 one thousand (1,000) cubic feet. The exemption for natural gas  
6093 produced from an inactive well as described in this subsection  
6094 shall be repealed from and after July 1, 2003, provided that any  
6095 such production which began before July 1, 2003, shall be exempt  
6096 for an entire period of three (3) years, notwithstanding that the  
6097 repeal of this provision has become effective.

6098 (b) Natural gas produced on or after July 1, 1999, from  
6099 a two-year inactive well as defined in Section 27-25-701 shall be  
6100 exempt from the taxes levied under this section for a period of  
6101 three (3) years beginning on the date of first sale of production  
6102 from such well, provided that the average monthly sales price of  
6103 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per  
6104 one thousand (1,000) cubic feet. The exemption for natural gas  
6105 produced from an inactive well as described in this paragraph (b)  
6106 shall be repealed from and after July 1, 2003, provided that any



6107 such production which began before July 1, 2003, shall be exempt  
6108 for an entire period of three (3) years, notwithstanding that the  
6109 repeal of this provision has become effective.

6110 (8) The State Oil and Gas Board shall have the exclusive  
6111 authority to determine the qualification of wells defined in  
6112 paragraphs (n) through (t) of Section 27-25-701.

6113 **SECTION 48.** Section 27-25-705, Mississippi Code of 1972, is  
6114 brought forward as follows:

6115 **[With regard to any county which is exempt from the**  
6116 **provisions of Section 19-2-3, this section shall read as follows:]**

6117 27-25-705. (1) All taxes levied in this article and  
6118 collected by the department shall be paid into the State Treasury  
6119 on the same day in which the taxes are collected.

6120 (2) Except as otherwise provided in this section, the  
6121 commissioner shall apportion all the tax collections made pursuant  
6122 to this article to the state and to the county in which the gas  
6123 was produced, in the proportion of sixty-six and two-thirds  
6124 percent (66-2/3%) to the state and thirty-three and one-third  
6125 percent (33-1/3%) to the county.

6126 (3) The commissioner shall apportion all the tax collections  
6127 made pursuant to Section 27-25-703(1)(b) to the county in which  
6128 the gas is produced.

6129 (4) When the producer of gas subject to the tax levied in  
6130 this article increases the price of the gas sold and such increase  
6131 is subject to approval by a federal regulatory board or



6132 commission, and when the producer of the gas so requests, the  
6133 State Treasurer is hereby authorized to hold the severance tax  
6134 collected on the price increase in escrow until such time as the  
6135 price increase or a portion thereof is finally granted or  
6136 approved. The severance tax thus held in escrow shall be  
6137 deposited by the State Treasurer to an account in a state  
6138 depository to be invested in an interest-bearing account in the  
6139 manner provided by law. When the price increase in question or a  
6140 portion thereof is granted or approved, the commissioner shall  
6141 compute the correct severance tax due on the increase and certify  
6142 the amount of tax thus computed. This amount and interest earned  
6143 from the depository shall be distributed to the General Fund and  
6144 to the county or counties proportionately as provided in this  
6145 subsection. The balance, if any, of the tax and interest held in  
6146 escrow on the price increase shall be returned to the taxpayer.

6147 (5) The state's share of all gas severance taxes collected  
6148 pursuant to this section shall be deposited as provided for in  
6149 Section 27-25-506.

6150 (6) The commissioner shall certify at the end of each month  
6151 the apportionment to each county to the State Treasurer, who shall  
6152 remit the county's share of the funds on or before the twentieth  
6153 day of the month next succeeding the month in which the  
6154 collections were made for division among the municipalities and  
6155 taxing districts of the county. The commissioner shall submit a  
6156 report to the State Treasurer for distribution to each county



6157 receiving the funds showing from whom the tax and interest, if  
6158 any, were collected. Upon receipt of the funds, the board of  
6159 supervisors of the county shall allocate the funds to the  
6160 municipalities and to the various maintenance and bond and  
6161 interest funds of the county, school districts, supervisors  
6162 districts and road districts, as provided in this subsection.

6163       When there are any gas producing properties within the  
6164 corporate limits of any municipality, then the municipality shall  
6165 participate in the division of the tax and interest, if any,  
6166 returned to the county in which the municipality is located in the  
6167 proportion which the tax on production of gas from properties  
6168 located within the municipal corporate limits bears to the tax on  
6169 total production of gas in the county. In no event, however,  
6170 shall the amount allocated to the municipalities exceed one-third  
6171 (1/3) of the tax and interest produced in the municipality and  
6172 returned to the county. Any amount received by any municipality  
6173 as a result of the allocation provided for in this subsection  
6174 shall be used for such purposes as are authorized by law.

6175       The balance remaining of any funds returned to the county  
6176 after the allocation to municipalities shall be divided among the  
6177 various maintenance and bond and interest funds of the county,  
6178 school districts, supervisors districts and road districts, in the  
6179 discretion of the board of supervisors, and the board shall make  
6180 the division in consideration of the needs of the various taxing



districts. The funds so allocated shall be used only for such purposes as are authorized by law.

**[With regard to any county which is required to operate on a countywide system of road administration as described in Section 19-2-3, this section shall read as follows:]**

27-25-705. (1) All taxes herein levied in this article and collected by the department shall be paid into the State Treasury on the same day in which the taxes are collected.

(2) Except as otherwise provided in this section, the commissioner shall apportion all the tax collections made pursuant to this article to the state and to the county in which the gas was produced, in the proportion of sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) to the state and thirty-three and one-third percent ( $33\frac{1}{3}\%$ ) to the county.

(3) The commissioner shall apportion all the tax collections made pursuant to Section 27-25-703(1)(b) to the county in which the gas is produced.

(4) When the producer of gas subject to the tax levied in this article increases the price of the gas sold and the increase is subject to approval by a federal regulatory board or commission, and when the producer of the gas so requests, the State Treasurer is hereby authorized to hold the severance tax collected on the price increase in escrow until such time as the price increase or a portion thereof is finally granted or approved. The severance tax thus held in escrow shall be



6206 deposited by the State Treasurer to an account in a state  
6207 depository to be invested in an interest-bearing account in the  
6208 manner provided by law. When the price increase in question or a  
6209 portion thereof is granted or approved, the commissioner shall  
6210 compute the correct severance tax due on the increase and certify  
6211 the amount of tax thus computed. This amount and interest earned  
6212 from the depository shall be distributed to the General Fund and  
6213 to the county or counties proportionately as provided in this  
6214 subsection. The balance, if any, of the tax and interest held in  
6215 escrow on the price increase shall be returned to the taxpayer.

6216 (5) The state's share of all gas severance taxes collected  
6217 pursuant to this section shall be deposited as provided for in  
6218 Section 27-25-506.

6219 (6) The commissioner shall certify at the end of each month  
6220 the apportionment to each county to the State Treasurer, who shall  
6221 remit the county's share of the funds on or before the twentieth  
6222 day of the month next succeeding the month in which the  
6223 collections were made for division among the municipalities and  
6224 taxing districts of the county. The commissioner shall submit a  
6225 report to the State Treasurer for distribution to each county  
6226 receiving the funds showing from whom the tax and interest, if  
6227 any, were collected. Upon receipt of the funds, the board of  
6228 supervisors of the county shall allocate the funds to the  
6229 municipalities and to the various maintenance and bond and



6230 interest funds of the county and school districts, as provided in  
6231 this subsection.

6232       When there are any gas producing properties within the  
6233 corporate limits of any municipality, then the municipality shall  
6234 participate in the division of the tax and interest, if any,  
6235 returned to the county in which the municipality is located in the  
6236 proportion which the tax on production of gas from properties  
6237 located within the municipal corporate limits bears to the tax on  
6238 total production of gas in the county. In no event, however,  
6239 shall the amount allocated to the municipalities exceed one-third  
6240 (1/3) of the tax and interest produced in the municipality and  
6241 returned to the county. Any amount received by any municipality  
6242 as a result of the allocation provided for in this subsection  
6243 shall be used for such purposes as are authorized by law.

6244       The balance remaining of any funds returned to the county  
6245 after the allocation to municipalities shall be divided among the  
6246 various maintenance and bond and interest funds of the county and  
6247 school districts, in the discretion of the board of supervisors,  
6248 and the board shall make the division in consideration of the  
6249 needs of the various taxing districts. The funds so allocated  
6250 shall be used only for such purposes as are authorized by law.

6251       **SECTION 49.** Section 27-65-101, Mississippi Code of 1972, is  
6252 brought forward as follows:

6253       27-65-101. (1) The exemptions from the provisions of this  
6254 chapter which are of an industrial nature or which are more



6255 properly classified as industrial exemptions than any other  
6256 exemption classification of this chapter shall be confined to  
6257 those persons or property exempted by this section or by the  
6258 provisions of the Constitution of the United States or the State  
6259 of Mississippi. No industrial exemption as now provided by any  
6260 other section except Section 57-3-33 shall be valid as against the  
6261 tax herein levied. Any subsequent industrial exemption from the  
6262 tax levied hereunder shall be provided by amendment to this  
6263 section. No exemption provided in this section shall apply to  
6264 taxes levied by Section 27-65-15 or 27-65-21.

6265       The tax levied by this chapter shall not apply to the  
6266 following:

6267           (a) Sales of boxes, crates, cartons, cans, bottles and  
6268 other packaging materials to manufacturers and wholesalers for use  
6269 as containers or shipping materials to accompany goods sold by  
6270 said manufacturers or wholesalers where possession thereof will  
6271 pass to the customer at the time of sale of the goods contained  
6272 therein and sales to anyone of containers or shipping materials  
6273 for use in ships engaged in international commerce.

6274           (b) Sales of raw materials, catalysts, processing  
6275 chemicals, welding gases or other industrial processing gases  
6276 (except natural gas) to a manufacturer for use directly in  
6277 manufacturing or processing a product for sale or rental or  
6278 repairing or reconditioning vessels or barges of fifty (50) tons  
6279 load displacement and over. For the purposes of this exemption,



6280 electricity used directly in the electrolysis process in the  
6281 production of sodium chlorate shall be considered a raw material.  
6282 This exemption shall not apply to any property used as fuel except  
6283 to the extent that such fuel comprises by-products which have no  
6284 market value.

6285           (c) The gross proceeds of sales of dry docks, offshore  
6286 drilling equipment for use in oil or natural gas exploration or  
6287 production, vessels or barges of fifty (50) tons load displacement  
6288 and over, when the vessels or barges are sold by the manufacturer  
6289 or builder thereof. In addition to other types of equipment,  
6290 offshore drilling equipment for use in oil or natural gas  
6291 exploration or production shall include aircraft used  
6292 predominately to transport passengers or property to or from  
6293 offshore oil or natural gas exploration or production platforms or  
6294 vessels, and engines, accessories and spare parts for such  
6295 aircraft.

6296           (d) Sales to commercial fishermen of commercial fishing  
6297 boats of over five (5) tons load displacement and not more than  
6298 fifty (50) tons load displacement as registered with the United  
6299 States Coast Guard and licensed by the Mississippi Commission on  
6300 Marine Resources.

6301           (e) The gross income from repairs to vessels and barges  
6302 engaged in foreign trade or interstate transportation.



6303                   (f) Sales of petroleum products to vessels or barges  
6304 for consumption in marine international commerce or interstate  
6305 transportation businesses.

6306                   (g) Sales and rentals of rail rolling stock (and  
6307 component parts thereof) for ultimate use in interstate commerce  
6308 and gross income from services with respect to manufacturing,  
6309 repairing, cleaning, altering, reconditioning or improving such  
6310 rail rolling stock (and component parts thereof).

6311                   (h) Sales of raw materials, catalysts, processing  
6312 chemicals, welding gases or other industrial processing gases  
6313 (except natural gas) used or consumed directly in manufacturing,  
6314 repairing, cleaning, altering, reconditioning or improving such  
6315 rail rolling stock (and component parts thereof). This exemption  
6316 shall not apply to any property used as fuel.

6317                   (i) Sales of machinery or tools or repair parts  
6318 therefor or replacements thereof, fuel or supplies used directly  
6319 in manufacturing, converting or repairing ships, vessels or barges  
6320 of three thousand (3,000) tons load displacement and over, but not  
6321 to include office and plant supplies or other equipment not  
6322 directly used on the ship, vessel or barge being built, converted  
6323 or repaired. For purposes of this exemption, "ships, vessels or  
6324 barges" shall not include floating structures described in Section  
6325 27-65-18.

6326                   (j) Sales of tangible personal property to persons  
6327 operating ships in international commerce for use or consumption



6328 on board such ships. This exemption shall be limited to cases in  
6329 which procedures satisfactory to the commissioner, ensuring  
6330 against use in this state other than on such ships, are  
6331 established.

6332 (k) Sales of materials used in the construction of a  
6333 building, or any addition or improvement thereon, and sales of any  
6334 machinery and equipment not later than three (3) months after the  
6335 completion of construction of the building, or any addition  
6336 thereon, to be used therein, to qualified businesses, as defined  
6337 in Section 57-51-5, which are located in a county or portion  
6338 thereof designated as an enterprise zone pursuant to Sections  
6339 57-51-1 through 57-51-15.

6340 (l) Sales of materials used in the construction of a  
6341 building, or any addition or improvement thereon, and sales of any  
6342 machinery and equipment not later than three (3) months after the  
6343 completion of construction of the building, or any addition  
6344 thereon, to be used therein, to qualified businesses, as defined  
6345 in Section 57-54-5.

6346 (m) Income from storage and handling of perishable  
6347 goods by a public storage warehouse.

6348 (n) The value of natural gas lawfully injected into the  
6349 earth for cycling, repressuring or lifting of oil, or lawfully  
6350 vented or flared in connection with the production of oil;  
6351 however, if any gas so injected into the earth is sold for such  
6352 purposes, then the gas so sold shall not be exempt.



6353                   (o)   The gross collections from self-service commercial  
6354   laundering, drying, cleaning and pressing equipment.

6355                   (p)   Sales of materials used in the construction of a  
6356   building, or any addition or improvement thereon, and sales of any  
6357   machinery and equipment not later than three (3) months after the  
6358   completion of construction of the building, or any addition  
6359   thereon, to be used therein, to qualified companies, certified as  
6360   such by the Mississippi Development Authority under Section  
6361   57-53-1.

6362                   (q)   Sales of component materials used in the  
6363   construction of a building, or any addition or improvement  
6364   thereon, sales of machinery and equipment to be used therein, and  
6365   sales of manufacturing or processing machinery and equipment which  
6366   is permanently attached to the ground or to a permanent foundation  
6367   and which is not by its nature intended to be housed within a  
6368   building structure, not later than three (3) months after the  
6369   initial start-up date, to permanent business enterprises engaging  
6370   in manufacturing or processing in Tier Three areas (as such term  
6371   is defined in Section 57-73-21), which businesses are certified by  
6372   the Department of Revenue as being eligible for the exemption  
6373   granted in this paragraph (q).

6374                   (r)   (i)   Sales of component materials used in the  
6375   construction of a building, or any addition or improvement  
6376   thereon, and sales of any machinery and equipment not later than  
6377   three (3) months after the completion of the building, addition or



6378 improvement thereon, to be used therein, for any company  
6379 establishing or transferring its national or regional headquarters  
6380 from within or outside the State of Mississippi and creating a  
6381 minimum of twenty (20) jobs at the new headquarters in this state.  
6382 The Department of Revenue shall establish criteria and prescribe  
6383 procedures to determine if a company qualifies as a national or  
6384 regional headquarters for the purpose of receiving the exemption  
6385 provided in this subparagraph (i).

6386                   (ii) Sales of component materials used in the  
6387 construction of a building, or any addition or improvement  
6388 thereon, and sales of any machinery and equipment not later than  
6389 three (3) months after the completion of the building, addition or  
6390 improvement thereon, to be used therein, for any company expanding  
6391 or making additions after January 1, 2013, to its national or  
6392 regional headquarters within the State of Mississippi and creating  
6393 a minimum of twenty (20) new jobs at the headquarters as a result  
6394 of the expansion or additions. The Department of Revenue shall  
6395 establish criteria and prescribe procedures to determine if a  
6396 company qualifies as a national or regional headquarters for the  
6397 purpose of receiving the exemption provided in this subparagraph  
6398 (ii).

6399                   (s) The gross proceeds from the sale of semitrailers,  
6400 trailers, boats, travel trailers, motorcycles, all-terrain cycles  
6401 and rotary-wing aircraft if exported from this state within



6402 forty-eight (48) hours and registered and first used in another  
6403 state.

6404 (t) Gross income from the storage and handling of  
6405 natural gas in underground salt domes and in other underground  
6406 reservoirs, caverns, structures and formations suitable for such  
6407 storage.

6408 (u) Sales of machinery and equipment to nonprofit  
6409 organizations if the organization:

6410 (i) Is tax exempt pursuant to Section 501(c)(4) of  
6411 the Internal Revenue Code of 1986, as amended;

6412 (ii) Assists in the implementation of the  
6413 contingency plan or area contingency plan, and which is created in  
6414 response to the requirements of Title IV, Subtitle B of the Oil  
6415 Pollution Act of 1990, Public Law 101-380; and

6416 (iii) Engages primarily in programs to contain,  
6417 clean up and otherwise mitigate spills of oil or other substances  
6418 occurring in the United States coastal and tidal waters.

6419 For purposes of this exemption, "machinery and equipment"  
6420 means any ocean-going vessels, barges, booms, skimmers and other  
6421 capital equipment used primarily in the operations of nonprofit  
6422 organizations referred to herein.

6423 (v) Sales or leases of materials and equipment to  
6424 approved business enterprises as provided under the Growth and  
6425 Prosperity Act.



6426                   (w) From and after July 1, 2001, sales of pollution  
6427 control equipment to manufacturers or custom processors for  
6428 industrial use. For the purposes of this exemption, "pollution  
6429 control equipment" means equipment, devices, machinery or systems  
6430 used or acquired to prevent, control, monitor or reduce air, water  
6431 or groundwater pollution, or solid or hazardous waste as required  
6432 by federal or state law or regulation.

6433                   (x) Sales or leases to a manufacturer of motor vehicles  
6434 or powertrain components operating a project that has been  
6435 certified by the Mississippi Major Economic Impact Authority as a  
6436 project as defined in Section 57-75-5(f)(iv)1, Section  
6437 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
6438 equipment; special tooling such as dies, molds, jigs and similar  
6439 items treated as special tooling for federal income tax purposes;  
6440 or repair parts therefor or replacements thereof; repair services  
6441 thereon; fuel, supplies, electricity, coal and natural gas used  
6442 directly in the manufacture of motor vehicles or motor vehicle  
6443 parts or used to provide climate control for manufacturing areas.

6444                   (y) Sales or leases of component materials, machinery  
6445 and equipment used in the construction of a building, or any  
6446 addition or improvement thereon to an enterprise operating a  
6447 project that has been certified by the Mississippi Major Economic  
6448 Impact Authority as a project as defined in Section  
6449 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)



6450 or Section 57-75-5(f) (xxviii) and any other sales or leases  
6451 required to establish or operate such project.

6452 (z) Sales of component materials and equipment to a  
6453 business enterprise as provided under Section 57-64-33.

6454 (aa) The gross income from the stripping and painting  
6455 of commercial aircraft engaged in foreign or interstate  
6456 transportation business.

6457 (bb) [Repealed]

6458 (cc) Sales or leases to an enterprise owning or  
6459 operating a project that has been designated by the Mississippi  
6460 Major Economic Impact Authority as a project as defined in Section  
6461 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
6462 as dies, molds, jigs and similar items treated as special tooling  
6463 for federal income tax purposes; or repair parts therefor or  
6464 replacements thereof; repair services thereon; fuel, supplies,  
6465 electricity, coal and natural gas used directly in the  
6466 manufacturing/production operations of the project or used to  
6467 provide climate control for manufacturing/production areas.

6468 (dd) Sales or leases of component materials, machinery  
6469 and equipment used in the construction of a building, or any  
6470 addition or improvement thereon to an enterprise owning or  
6471 operating a project that has been designated by the Mississippi  
6472 Major Economic Impact Authority as a project as defined in Section  
6473 57-75-5(f) (xviii) and any other sales or leases required to  
6474 establish or operate such project.



6475               (ee) Sales of parts used in the repair and servicing of  
6476 aircraft not registered in Mississippi engaged exclusively in the  
6477 business of foreign or interstate transportation to businesses  
6478 engaged in aircraft repair and maintenance.

6479               (ff) Sales of component materials used in the  
6480 construction of a facility, or any addition or improvement  
6481 thereon, and sales or leases of machinery and equipment not later  
6482 than three (3) months after the completion of construction of the  
6483 facility, or any addition or improvement thereto, to be used in  
6484 the building or any addition or improvement thereto, to a  
6485 permanent business enterprise operating a data/information  
6486 enterprise in Tier Three areas (as such areas are designated in  
6487 accordance with Section 57-73-21), meeting minimum criteria  
6488 established by the Mississippi Development Authority.

6489               (gg) Sales of component materials used in the  
6490 construction of a facility, or any addition or improvement  
6491 thereto, and sales of machinery and equipment not later than three  
6492 (3) months after the completion of construction of the facility,  
6493 or any addition or improvement thereto, to be used in the facility  
6494 or any addition or improvement thereto, to technology intensive  
6495 enterprises for industrial purposes in Tier Three areas (as such  
6496 areas are designated in accordance with Section 57-73-21), as  
6497 certified by the Department of Revenue. For purposes of this  
6498 paragraph, an enterprise must meet the criteria provided for in



6499 Section 27-65-17(1)(f) in order to be considered a technology  
6500 intensive enterprise.

6501 (hh) Sales of component materials used in the  
6502 replacement, reconstruction or repair of a building or facility  
6503 that has been destroyed or sustained extensive damage as a result  
6504 of a disaster declared by the Governor, sales of machinery and  
6505 equipment to be used therein to replace machinery or equipment  
6506 damaged or destroyed as a result of such disaster, including, but  
6507 not limited to, manufacturing or processing machinery and  
6508 equipment which is permanently attached to the ground or to a  
6509 permanent foundation and which is not by its nature intended to be  
6510 housed within a building structure, to enterprises or companies  
6511 that were eligible for the exemptions authorized in paragraph (q),  
6512 (r), (ff) or (gg) of this subsection during initial construction  
6513 of the building that was destroyed or damaged, which enterprises  
6514 or companies are certified by the Department of Revenue as being  
6515 eligible for the exemption granted in this paragraph.

6516 (ii) Sales of software or software services transmitted  
6517 by the Internet to a destination outside the State of Mississippi  
6518 where the first use of such software or software services by the  
6519 purchaser occurs outside the State of Mississippi.

6520 (jj) Gross income of public storage warehouses derived  
6521 from the temporary storage of raw materials that are to be used in  
6522 an eligible facility as defined in Section 27-7-22.35.



6523                   (kk) Sales of component building materials and  
6524 equipment for initial construction of facilities or expansion of  
6525 facilities as authorized under Sections 57-113-1 through 57-113-7  
6526 and Sections 57-113-21 through 57-113-27.

6527                   (ll) Sales and leases of machinery and equipment  
6528 acquired in the initial construction to establish facilities as  
6529 authorized in Sections 57-113-1 through 57-113-7.

6530                   (mm) Sales and leases of replacement hardware, software  
6531 or other necessary technology to operate a data center as  
6532 authorized under Sections 57-113-21 through 57-113-27.

6533                   (nn) Sales of component materials used in the  
6534 construction of a building, or any addition or improvement  
6535 thereon, and sales or leases of machinery and equipment not later  
6536 than three (3) months after the completion of the construction of  
6537 the facility, to be used in the facility, to permanent business  
6538 enterprises operating a facility producing renewable crude oil  
6539 from biomass harvested or produced, in whole or in part, in  
6540 Mississippi, which businesses meet minimum criteria established by  
6541 the Mississippi Development Authority. As used in this paragraph,  
6542 the term "biomass" shall have the meaning ascribed to such term in  
6543 Section 57-113-1.

6544                   (oo) Sales of supplies, equipment and other personal  
6545 property to an organization that is exempt from taxation under  
6546 Section 501(c)(3) of the Internal Revenue Code and is the host  
6547 organization coordinating a professional golf tournament played or



6548 to be played in this state and the supplies, equipment or other  
6549 personal property will be used for purposes related to the golf  
6550 tournament and related activities.

6551 (pp) Sales of materials used in the construction of a  
6552 health care industry facility, as defined in Section 57-117-3, or  
6553 any addition or improvement thereon, and sales of any machinery  
6554 and equipment not later than three (3) months after the completion  
6555 of construction of the facility, or any addition thereon, to be  
6556 used therein, to qualified businesses, as defined in Section  
6557 57-117-3. This paragraph shall be repealed from and after July 1,  
6558 2022.

6559 (qq) Sales or leases to a manufacturer of automotive  
6560 parts operating a project that has been certified by the  
6561 Mississippi Major Economic Impact Authority as a project as  
6562 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;  
6563 or repair parts therefor or replacements thereof; repair services  
6564 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
6565 gas used directly in the manufacture of automotive parts or used  
6566 to provide climate control for manufacturing areas.

6567 (rr) Gross collections derived from guided tours on any  
6568 navigable waters of this state, which include providing  
6569 accommodations, guide services and/or related equipment operated  
6570 by or under the direction of the person providing the tour, for  
6571 the purposes of outdoor tourism. The exemption provided in this



6572 paragraph (rr) does not apply to the sale of tangible personal  
6573 property by a person providing such tours.

6574 (ss) Retail sales of truck-tractors and semitrailers  
6575 used in interstate commerce and registered under the International  
6576 Registration Plan (IRP) or any similar reciprocity agreement or  
6577 compact relating to the proportional registration of commercial  
6578 vehicles entered into as provided for in Section 27-19-143.

6579 (tt) Sales exempt under the Facilitating Business Rapid  
6580 Response to State Declared Disasters Act of 2015 (Sections  
6581 27-113-1 through 27-113-9).

6582 (uu) Sales or leases to an enterprise and its  
6583 affiliates operating a project that has been certified by the  
6584 Mississippi Major Economic Impact Authority as a project as  
6585 defined in Section 57-75-5(f)(xxix) of:

6586 (i) All personal property and fixtures, including  
6587 without limitation, sales or leases to the enterprise and its  
6588 affiliates of:

6589 1. Manufacturing machinery and equipment;

6590 2. Special tooling such as dies, molds, jigs  
6591 and similar items treated as special tooling for federal income  
6592 tax purposes;

6593 3. Component building materials, machinery  
6594 and equipment used in the construction of buildings, and any other  
6595 additions or improvements to the project site for the project;



6596 4. Nonmanufacturing furniture, fixtures and  
6597 equipment (inclusive of all communications, computer, server,  
6598 software and other hardware equipment); and

6599 5. Fuel, supplies (other than  
6600 nonmanufacturing consumable supplies and water), electricity,  
6601 nitrogen gas and natural gas used directly in the  
6602 manufacturing/production operations of such project or used to  
6603 provide climate control for manufacturing/production areas of such  
6604 project;

6605 (ii) All replacements of, repair parts for or  
6606 services to repair items described in subparagraph (i)1, 2 and 3  
6607 of this paragraph; and

6608 (iii) All services taxable pursuant to Section  
6609 27-65-23 required to establish, support, operate, repair and/or  
6610 maintain such project.

6611 (vv) Sales or leases to an enterprise operating a  
6612 project that has been certified by the Mississippi Major Economic  
6613 Impact Authority as a project as defined in Section  
6614 57-75-5(f) (xxx) of:

6615 (i) Purchases required to establish and operate  
6616 the project, including, but not limited to, sales of component  
6617 building materials, machinery and equipment required to establish  
6618 the project facility and any additions or improvements thereon;  
6619 and



6620                   (ii) Machinery, special tools (such as dies,  
6621 molds, and jigs) or repair parts thereof, or replacements and  
6622 lease thereof, repair services thereon, fuel, supplies and  
6623 electricity, coal and natural gas used in the manufacturing  
6624 process and purchased by the enterprise owning or operating the  
6625 project for the benefit of the project.

6626                   (wv) Sales of component materials used in the  
6627 construction of a building, or any expansion or improvement  
6628 thereon, sales of machinery and/or equipment to be used therein,  
6629 and sales of processing machinery and equipment which is  
6630 permanently attached to the ground or to a permanent foundation  
6631 which is not by its nature intended to be housed in a building  
6632 structure, no later than three (3) months after initial startup,  
6633 expansion or improvement of a permanent enterprise solely engaged  
6634 in the conversion of natural sand into proppants used in oil and  
6635 gas exploration and development with at least ninety-five percent  
6636 (95%) of such proppants used in the production of oil and/or gas  
6637 from horizontally drilled wells and/or horizontally drilled  
6638 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6639                   (2) Sales of component materials used in the construction of  
6640 a building, or any addition or improvement thereon, sales of  
6641 machinery and equipment to be used therein, and sales of  
6642 manufacturing or processing machinery and equipment which is  
6643 permanently attached to the ground or to a permanent foundation  
6644 and which is not by its nature intended to be housed within a



6645 building structure, not later than three (3) months after the  
6646 initial start-up date, to permanent business enterprises engaging  
6647 in manufacturing or processing in Tier Two areas and Tier One  
6648 areas (as such areas are designated in accordance with Section  
6649 57-73-21), which businesses are certified by the Department of  
6650 Revenue as being eligible for the exemption granted in this  
6651 subsection, shall be exempt from one-half (1/2) of the taxes  
6652 imposed on such transactions under this chapter.

6653       (3) Sales of component materials used in the construction of  
6654 a facility, or any addition or improvement thereon, and sales or  
6655 leases of machinery and equipment not later than three (3) months  
6656 after the completion of construction of the facility, or any  
6657 addition or improvement thereto, to be used in the building or any  
6658 addition or improvement thereto, to a permanent business  
6659 enterprise operating a data/information enterprise in Tier Two  
6660 areas and Tier One areas (as such areas are designated in  
6661 accordance with Section 57-73-21), which businesses meet minimum  
6662 criteria established by the Mississippi Development Authority,  
6663 shall be exempt from one-half (1/2) of the taxes imposed on such  
6664 transaction under this chapter.

6665       (4) Sales of component materials used in the construction of  
6666 a facility, or any addition or improvement thereto, and sales of  
6667 machinery and equipment not later than three (3) months after the  
6668 completion of construction of the facility, or any addition or  
6669 improvement thereto, to be used in the building or any addition or



6670 improvement thereto, to technology intensive enterprises for  
6671 industrial purposes in Tier Two areas and Tier One areas (as such  
6672 areas are designated in accordance with Section 57-73-21), which  
6673 businesses are certified by the Department of Revenue as being  
6674 eligible for the exemption granted in this subsection, shall be  
6675 exempt from one-half (1/2) of the taxes imposed on such  
6676 transactions under this chapter. For purposes of this subsection,  
6677 an enterprise must meet the criteria provided for in Section  
6678 27-65-17(1)(f) in order to be considered a technology intensive  
6679 enterprise.

6680 (5) (a) For purposes of this subsection:

6681 (i) "Telecommunications enterprises" shall have  
6682 the meaning ascribed to such term in Section 57-73-21;

6683 (ii) "Tier One areas" mean counties designated as  
6684 Tier One areas pursuant to Section 57-73-21;

6685 (iii) "Tier Two areas" mean counties designated as  
6686 Tier Two areas pursuant to Section 57-73-21;

6687 (iv) "Tier Three areas" mean counties designated  
6688 as Tier Three areas pursuant to Section 57-73-21; and

6689 (v) "Equipment used in the deployment of broadband  
6690 technologies" means any equipment capable of being used for or in  
6691 connection with the transmission of information at a rate, prior  
6692 to taking into account the effects of any signal degradation, that  
6693 is not less than three hundred eighty-four (384) kilobits per  
6694 second in at least one (1) direction, including, but not limited



6695 to, asynchronous transfer mode switches, digital subscriber line  
6696 access multiplexers, routers, servers, multiplexers, fiber optics  
6697 and related equipment.

6698 (b) Sales of equipment to telecommunications  
6699 enterprises after June 30, 2003, and before July 1, 2025, that is  
6700 installed in Tier One areas and used in the deployment of  
6701 broadband technologies shall be exempt from one-half (1/2) of the  
6702 taxes imposed on such transactions under this chapter.

6703 (c) Sales of equipment to telecommunications  
6704 enterprises after June 30, 2003, and before July 1, 2025, that is  
6705 installed in Tier Two and Tier Three areas and used in the  
6706 deployment of broadband technologies shall be exempt from the  
6707 taxes imposed on such transactions under this chapter.

6708 (6) Sales of component materials used in the replacement,  
6709 reconstruction or repair of a building that has been destroyed or  
6710 sustained extensive damage as a result of a disaster declared by  
6711 the Governor, sales of machinery and equipment to be used therein  
6712 to replace machinery or equipment damaged or destroyed as a result  
6713 of such disaster, including, but not limited to, manufacturing or  
6714 processing machinery and equipment which is permanently attached  
6715 to the ground or to a permanent foundation and which is not by its  
6716 nature intended to be housed within a building structure, to  
6717 enterprises that were eligible for the partial exemptions provided  
6718 for in subsections (2), (3) and (4) of this section during initial  
6719 construction of the building that was destroyed or damaged, which



6720 enterprises are certified by the Department of Revenue as being  
6721 eligible for the partial exemption granted in this subsection,  
6722 shall be exempt from one-half (1/2) of the taxes imposed on such  
6723 transactions under this chapter.

6724       **SECTION 50.** Section 27-65-103, Mississippi Code of 1972, is  
6725 brought forward as follows:

6726       27-65-103. The exemptions from the provisions of this  
6727 chapter which are of an agricultural nature or which are more  
6728 properly classified as agricultural exemptions than any other  
6729 exemption classification of this chapter shall be confined to  
6730 those persons or property exempted by this section or by  
6731 provisions of the Constitution of the United States or the State  
6732 of Mississippi. No agricultural exemption as now provided by any  
6733 other section shall be valid as against the tax herein levied.  
6734 Any subsequent agricultural exemption from the tax levied  
6735 hereunder shall be provided by amendment to this section.

6736       No exemption provided in this section shall apply to taxes  
6737 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6738       The tax levied by this chapter shall not apply to the  
6739 following:

6740           (a) The gross proceeds of sales of lint cotton, seed  
6741 cotton, baled cotton, whether compressed or not, and cottonseed  
6742 and soybeans in their original condition. Retail sales of seeds,  
6743 livestock feed, poultry feed, fish feed and fertilizers. Sales of  
6744 defoliants, insecticides, fungicides, herbicides and baby chicks



6745 used in growing agricultural products for market. Bagging and  
6746 ties for baling cotton, hay-baling wire and twine, boxes, bags and  
6747 cans used in growing or preparing agricultural products for market  
6748 when possession thereof will pass to the customer at the time of  
6749 sale of the product contained therein. Sales of ice to commercial  
6750 fishermen purchased for use in the preservation of seafood or to  
6751 producers for use in the refrigeration of vegetables for market.

6752 (b) The sales by producers of livestock, poultry, fish,  
6753 honey bees or other products of farm, grove, apiary or garden when  
6754 such products are sold in the original state or condition of  
6755 preparation for sale before such products are subjected to any  
6756 other process within a class of business or sold by a producer  
6757 through an established store, as defined in the Privilege Tax Law.  
6758 However, except as otherwise provided in this paragraph (b), this  
6759 exemption shall not apply to ornamental plants which bear no fruit  
6760 of commercial value. The exemption provided in this paragraph (b)  
6761 shall apply to Christmas trees, hay, straw, fresh cut flowers and  
6762 similar products when (i) grown in Mississippi and (ii) cut,  
6763 severed or otherwise removed from the farm, grove, garden or other  
6764 place of production and first sold from such place of production  
6765 in the original state or condition of preparation for sale. All  
6766 sales by agricultural cooperative associations organized under  
6767 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title  
6768 79, Mississippi Code of 1972, of agricultural products produced by



6769 members for market before such products are subjected to any  
6770 manufacturing process.

6771 (c) The gross proceeds of retail sales of mules,  
6772 horses, honey bees and other livestock.

6773 (d) Income from grading, excavating, ditching, dredging  
6774 or landscaping activities performed for a farmer on a farm for  
6775 agricultural or soil erosion purposes.

6776 (e) The gross proceeds of sales of all antibiotics,  
6777 hormones and hormone preparations, drugs, medicines and other  
6778 medications including serums and vaccines, vitamins, minerals or  
6779 other nutrients for use in the production and growing of fish,  
6780 livestock, honey bees and poultry by whomever sold. Such  
6781 exemption shall be in addition to the exemption provided in this  
6782 section for feed for fish, livestock, honey bees and poultry.

6783 (f) Sales of food products and honey that are grown,  
6784 made or processed in Mississippi and sold from farmers' markets  
6785 that have been certified by the Mississippi Department of  
6786 Agriculture and Commerce.

6787 **SECTION 51.** Section 27-65-105, Mississippi Code of 1972, is  
6788 brought forward as follows:

6789 27-65-105. The exemption from the provisions of this chapter  
6790 which are of a governmental nature or which are more properly  
6791 classified as governmental exemptions than any other exemption  
6792 classification of this chapter shall be confined to those persons  
6793 or property exempted by this section or by provisions of the



6794 Constitutions of the United States or the State of Mississippi.  
6795 No governmental exemption as now provided by any other section  
6796 shall be valid as against the tax herein levied. Any subsequent  
6797 governmental exemption from the tax levied hereunder shall be  
6798 provided by amendment to this section.

6799 No exemption provided in this section shall apply to taxes  
6800 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,  
6801 except as provided by paragraph (f) of this section.

6802 The tax levied by this chapter shall not apply to the  
6803 following:

6804 (a) Sales of property, labor, services or products  
6805 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,  
6806 when sold to and billed directly to and payment therefor is made  
6807 directly by the United States government, the State of Mississippi  
6808 and its departments, institutions, counties and municipalities or  
6809 departments or school districts of said counties and  
6810 municipalities.

6811 The exemption from the tax imposed under this chapter shall  
6812 not apply to sales of tangible personal property or specified  
6813 digital products, labor or services to contractors purchasing in  
6814 the performance of contracts with the United States, the State of  
6815 Mississippi, counties and municipalities.

6816 (b) Sales to schools, when such schools are supported  
6817 wholly or in part by funds provided by the State of Mississippi,  
6818 provided that this exemption does not apply to sales of property



6819 which is not to be used in the ordinary operation of the school,  
6820 or which is to be resold to the students or the public.

6821 (c) Amounts received from the sale of school textbooks  
6822 to students.

6823 (d) Sales to the Mississippi Band of Choctaw Indians,  
6824 but not to Indians individually.

6825 (e) Sales of firefighting equipment to governmental  
6826 fire departments or volunteer fire departments for their use.

6827 (f) Sales of any gas from any project, as defined in  
6828 the Municipal Gas Authority of Mississippi Law, to any  
6829 municipality shall not be subject to sales, use or other tax.

6830 (g) Sales of home medical equipment and home medical  
6831 supplies listed as eligible for payment under Title XVIII of the  
6832 Social Security Act or under the state plan for medical assistance  
6833 under Title XIX of the Social Security Act, prosthetics,  
6834 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
6835 oxygen and oxygen equipment, when ordered or prescribed by a  
6836 licensed physician for medical purposes of a patient, and when  
6837 payment for such equipment or supplies, or both, is made, in part  
6838 or in whole, under the provisions of the Medicare or Medicaid  
6839 program, then the entire sale shall be exempt from the taxes  
6840 imposed by this chapter. Payment does not have to be made, in  
6841 whole or in part by any particular person to be eligible for this  
6842 exemption. Purchases of home medical equipment and supplies by a  
6843 provider of home health services or a provider of hospice services



6844 are eligible for this exemption if the purchases otherwise meet  
6845 the requirements of this paragraph.

6846 (h) Sales to regional educational service agencies  
6847 established under Section 37-7-345.

6848 (i) Sales of buses and other motor vehicles, and parts  
6849 and labor used to maintain and/or repair such buses and motor  
6850 vehicles, to an entity that (a) has entered into a contract with a  
6851 school board under Section 37-41-31 for the purpose of  
6852 transporting students to and from schools and (b) uses or will use  
6853 the buses and other motor vehicles for such transportation  
6854 purposes. This paragraph (i) shall apply to contracts entered  
6855 into or renewed on or after July 1, 2010.

6856 (j) Parking at events held solely for religious or  
6857 charitable purposes at livestock facilities, agriculture  
6858 facilities or other facilities constructed, renovated or expanded  
6859 with funds for the grant program authorized under Section 18,  
6860 Chapter 530, Laws of 1995.

6861 (k) Sales of tangible personal property, labor,  
6862 services or products to schools and school districts under a  
6863 program that is administered by or coordinated with an agency,  
6864 commission, department or other instrumentality of the United  
6865 States government when payment for the tangible personal property,  
6866 labor, services or products is made by or through a nonprofit  
6867 organization or other entity established by or for the benefit of  
6868 the agency, commission, department or other instrumentality of the



6869 United States government administering or coordinating such  
6870 program.

6871       **SECTION 52.** Section 27-65-107, Mississippi Code of 1972, is  
6872 brought forward as follows:

6873       27-65-107. The exemptions from the provisions of this  
6874 chapter which relate to utilities or which are more properly  
6875 classified as utility exemptions than any other exemption  
6876 classification of this chapter shall be confined to those persons  
6877 or property exempted by this section or by provisions of the  
6878 Constitutions of the United States or the State of Mississippi.  
6879 No utility exemption as now provided by any other section shall be  
6880 valid as against the tax herein levied. Any subsequent utility  
6881 exemption from the tax levied hereunder shall be provided by  
6882 amendment to this section.

6883       No exemption provided in this section shall apply to taxes  
6884 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6885       The tax levied by this chapter shall not apply to the  
6886 following:

6887           (a) Sales and rentals of locomotives, rail rolling  
6888 stock and materials for their repair, locomotive water, when made  
6889 to a railroad whose rates are fixed by the Interstate Commerce  
6890 Commission or the Mississippi Public Service Commission.

6891           (b) Rentals of manufacturing machinery to a  
6892 manufacturer or custom processor where such manufacturer or custom  
6893 processor is engaged in, and such machinery is used in, the



6894 manufacture of containers made from timber or wood for sale. The  
6895 tax, likewise, shall not apply to replacement or repair parts of  
6896 such machinery used in such manufacture.

6897 (c) Sales of tangible personal property and services to  
6898 nonprofit water associations or corporations in which no part of  
6899 the net earnings inures to the benefit of any private shareholder,  
6900 group or individual. Only sales of property or services which are  
6901 ordinary and necessary to the operation of such organizations are  
6902 exempt from tax.

6903 (d) Wholesale sales of tangible personal property for  
6904 resale under Section 27-65-19.

6905 (e) From and after July 1, 2003, sales of fuel used to  
6906 produce electric power by a company primarily engaged in the  
6907 business of producing, generating or distributing electric power  
6908 for sale.

6909 (f) Sales of electricity, current, power, steam, coal,  
6910 natural gas, liquefied petroleum gas or other fuel to a  
6911 manufacturer, custom processor, data center meeting the criteria  
6912 provided for in Section 57-113-21, technology intensive enterprise  
6913 meeting the criteria provided for in Section 27-65-17(1)(f), or  
6914 public service company for industrial purposes, which shall  
6915 include that used to generate electricity, to operate an  
6916 electrical distribution or transmission system, to operate  
6917 pipeline compressor or pumping stations, or to operate railroad  
6918 locomotives.



6919                   (g) Sales of electricity, current, power, steam, coal,  
6920 natural gas, liquefied petroleum gas or other fuel to a producer  
6921 or processor for use directly in the production of poultry or  
6922 poultry products, the production of livestock and livestock  
6923 products, the production of domesticated fish and domesticated  
6924 fish products, the production of marine aquaculture products, the  
6925 production of plants or food by commercial horticulturists, the  
6926 processing of milk and milk products, the processing of poultry  
6927 and livestock feed, and the irrigation of farm crops.

6928                   (h) Sales of electricity, current, power, steam, coal,  
6929 natural gas, liquefied petroleum gas or other fuel to a commercial  
6930 fisherman, shrimper or oysterman.

6931                   (i) Sales exempt under the Facilitating Business Rapid  
6932 Response to State Declared Disasters Act of 2015 (Sections  
6933 27-113-1 through 27-113-9).

6934                   (j) Sales of electricity, current, power, steam, coal,  
6935 natural gas, liquefied petroleum gas or other fuel to a permanent  
6936 enterprise that is eligible for the exemption authorized in  
6937 Section 27-65-101(1)(ww) upon completion of the expansion upon  
6938 which such exemption is based; however, in order to be eligible  
6939 for the exemption authorized by this paragraph, the expansion  
6940 must:

6941                   (i) Create at least eighty-five (85) full-time  
6942 jobs in this state with an average annual wage of at least Sixty  
6943 Thousand Dollars (\$60,000.00); and



6944 (ii) Have at least Eighty Million Dollars  
6945 (\$80,000,000.00) in new investment at the existing facility.

6946 **SECTION 53.** Section 27-65-111, Mississippi Code of 1972, is  
6947 brought forward as follows:

6948 27-65-111. The exemptions from the provisions of this  
6949 chapter which are not industrial, agricultural or governmental, or  
6950 which do not relate to utilities or taxes, or which are not  
6951 properly classified as one (1) of the exemption classifications of  
6952 this chapter, shall be confined to persons or property exempted by  
6953 this section or by the Constitution of the United States or the  
6954 State of Mississippi. No exemptions as now provided by any other  
6955 section, except the classified exemption sections of this chapter  
6956 set forth herein, shall be valid as against the tax herein levied.  
6957 Any subsequent exemption from the tax levied hereunder, except as  
6958 indicated above, shall be provided by amendments to this section.

6959 No exemption provided in this section shall apply to taxes  
6960 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6961 The tax levied by this chapter shall not apply to the  
6962 following:

6963 (a) Sales of tangible personal property and services to  
6964 hospitals or infirmaries owned and operated by a corporation or  
6965 association in which no part of the net earnings inures to the  
6966 benefit of any private shareholder, group or individual, and which  
6967 are subject to and governed by Sections 41-7-123 through 41-7-127.



6968           Only sales of tangible personal property or services which  
6969           are ordinary and necessary to the operation of such hospitals and  
6970           infirmaries are exempted from tax.

6971                   (b)   Sales of daily or weekly newspapers, and  
6972           periodicals or publications of scientific, literary or educational  
6973           organizations exempt from federal income taxation under Section  
6974           501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
6975           March 31, 1975, and subscription sales of all magazines.

6976                   (c)   Sales of coffins, caskets and other materials used  
6977           in the preparation of human bodies for burial.

6978                   (d)   Sales of tangible personal property for immediate  
6979           export to a foreign country.

6980                   (e)   Sales of tangible personal property to an  
6981           orphanage, old men's or ladies' home, supported wholly or in part  
6982           by a religious denomination, fraternal nonprofit organization or  
6983           other nonprofit organization.

6984                   (f)   Sales of tangible personal property, labor or  
6985           services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
6986           to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
6987           corporation or association in which no part of the net earnings  
6988           inures to the benefit of any private shareholder, group or  
6989           individual.

6990                   (g)   Sales to elementary and secondary grade schools,  
6991           junior and senior colleges owned and operated by a corporation or  
6992           association in which no part of the net earnings inures to the



6993 benefit of any private shareholder, group or individual, and which  
6994 are exempt from state income taxation, provided that this  
6995 exemption does not apply to sales of property or services which  
6996 are not to be used in the ordinary operation of the school, or  
6997 which are to be resold to the students or the public.

6998 (h) The gross proceeds of retail sales and the use or  
6999 consumption in this state of drugs and medicines:

7000 (i) Prescribed for the treatment of a human being  
7001 by a person authorized to prescribe the medicines, and dispensed  
7002 or prescription filled by a registered pharmacist in accordance  
7003 with law; or

7004 (ii) Furnished by a licensed physician, surgeon,  
7005 dentist or podiatrist to his own patient for treatment of the  
7006 patient; or

7007 (iii) Furnished by a hospital for treatment of any  
7008 person pursuant to the order of a licensed physician, surgeon,  
7009 dentist or podiatrist; or

7010 (iv) Sold to a licensed physician, surgeon,  
7011 podiatrist, dentist or hospital for the treatment of a human  
7012 being; or

7013 (v) Sold to this state or any political  
7014 subdivision or municipal corporation thereof, for use in the  
7015 treatment of a human being or furnished for the treatment of a  
7016 human being by a medical facility or clinic maintained by this



7017 state or any political subdivision or municipal corporation  
7018 thereof.

7019 "Medicines," as used in this paragraph (h), shall mean and  
7020 include any substance or preparation intended for use by external  
7021 or internal application to the human body in the diagnosis, cure,  
7022 mitigation, treatment or prevention of disease and which is  
7023 commonly recognized as a substance or preparation intended for  
7024 such use; provided that "medicines" do not include any auditory,  
7025 prosthetic, ophthalmic or ocular device or appliance, any dentures  
7026 or parts thereof or any artificial limbs or their replacement  
7027 parts, articles which are in the nature of splints, bandages,  
7028 pads, compresses, supports, dressings, instruments, apparatus,  
7029 contrivances, appliances, devices or other mechanical, electronic,  
7030 optical or physical equipment or article or the component parts  
7031 and accessories thereof, or any alcoholic beverage or any other  
7032 drug or medicine not commonly referred to as a prescription drug.

7033 Notwithstanding the preceding sentence of this paragraph (h),  
7034 "medicines" as used in this paragraph (h), shall mean and include  
7035 sutures, whether or not permanently implanted, bone screws, bone  
7036 pins, pacemakers and other articles permanently implanted in the  
7037 human body to assist the functioning of any natural organ, artery,  
7038 vein or limb and which remain or dissolve in the body.

7039 "Hospital," as used in this paragraph (h), shall have the  
7040 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
7041 1972.



7042           Insulin furnished by a registered pharmacist to a person for  
7043 treatment of diabetes as directed by a physician shall be deemed  
7044 to be dispensed on prescription within the meaning of this  
7045 paragraph (h).

7046           (i) Retail sales of automobiles, trucks and  
7047 truck-tractors if exported from this state within forty-eight (48)  
7048 hours and registered and first used in another state.

7049           (j) Sales of tangible personal property or services to  
7050 the Salvation Army and the Muscular Dystrophy Association, Inc.

7051           (k) From July 1, 1985, through December 31, 1992,  
7052 retail sales of "alcohol blended fuel" as such term is defined in  
7053 Section 75-55-5. The gasoline-alcohol blend or the straight  
7054 alcohol eligible for this exemption shall not contain alcohol  
7055 distilled outside the State of Mississippi.

7056           (l) Sales of tangible personal property or services to  
7057 the Institute for Technology Development.

7058           (m) The gross proceeds of retail sales of food and  
7059 drink for human consumption made through vending machines serviced  
7060 by full line vendors from and not connected with other taxable  
7061 businesses.

7062           (n) The gross proceeds of sales of motor fuel.

7063           (o) Retail sales of food for human consumption  
7064 purchased with food stamps issued by the United States Department  
7065 of Agriculture, or other federal agency, from and after October 1,  
7066 1987, or from and after the expiration of any waiver granted



7067 pursuant to federal law, the effect of which waiver is to permit  
7068 the collection by the state of tax on such retail sales of food  
7069 for human consumption purchased with food stamps.

7070 (p) Sales of cookies for human consumption by the Girl  
7071 Scouts of America no part of the net earnings from which sales  
7072 inures to the benefit of any private group or individual.

7073 (q) Gifts or sales of tangible personal property or  
7074 services to public or private nonprofit museums of art.

7075 (r) Sales of tangible personal property or services to  
7076 alumni associations of state-supported colleges or universities.

7077 (s) Sales of tangible personal property or services to  
7078 National Association of Junior Auxiliaries, Inc., and chapters of  
7079 the National Association of Junior Auxiliaries, Inc.

7080 (t) Sales of tangible personal property or services to  
7081 domestic violence shelters which qualify for state funding under  
7082 Sections 93-21-101 through 93-21-113.

7083 (u) Sales of tangible personal property or services to  
7084 the National Multiple Sclerosis Society, Mississippi Chapter.

7085 (v) Retail sales of food for human consumption  
7086 purchased with food instruments issued the Mississippi Band of  
7087 Choctaw Indians under the Women, Infants and Children Program  
7088 (WIC) funded by the United States Department of Agriculture.

7089 (w) Sales of tangible personal property or services to  
7090 a private company, as defined in Section 57-61-5, which is making



7091 such purchases with proceeds of bonds issued under Section 57-61-1  
7092 et seq., the Mississippi Business Investment Act.

7093 (x) The gross collections from the operation of  
7094 self-service, coin-operated car washing equipment and sales of the  
7095 service of washing motor vehicles with portable high-pressure  
7096 washing equipment on the premises of the customer.

7097 (y) Sales of tangible personal property or services to  
7098 the Mississippi Technology Alliance.

7099 (z) Sales of tangible personal property to nonprofit  
7100 organizations that provide foster care, adoption services and  
7101 temporary housing for unwed mothers and their children if the  
7102 organization is exempt from federal income taxation under Section  
7103 501(c)(3) of the Internal Revenue Code.

7104 (aa) Sales of tangible personal property to nonprofit  
7105 organizations that provide residential rehabilitation for persons  
7106 with alcohol and drug dependencies if the organization is exempt  
7107 from federal income taxation under Section 501(c)(3) of the  
7108 Internal Revenue Code.

7109 (bb) (i) Retail sales of an article of clothing or  
7110 footwear designed to be worn on or about the human body and retail  
7111 sales of school supplies if the sales price of the article of  
7112 clothing or footwear or school supply is less than One Hundred  
7113 Dollars (\$100.00) and the sale takes place during a period  
7114 beginning at 12:01 a.m. on the last Friday in July and ending at



7115 12:00 midnight the following Saturday. This paragraph (bb) shall  
7116 not apply to:

7117 1. Accessories including jewelry, handbags,  
7118 luggage, umbrellas, wallets, watches, briefcases, garment bags and  
7119 similar items carried on or about the human body, without regard  
7120 to whether worn on the body in a manner characteristic of  
7121 clothing;

7122 2. The rental of clothing or footwear; and

7123 3. Skis, swim fins, roller blades, skates and  
7124 similar items worn on the foot.

7125 (ii) For purposes of this paragraph (bb), "school  
7126 supplies" means items that are commonly used by a student in a  
7127 course of study. The following is an all-inclusive list:

- 7128 1. Backpacks;  
7129 2. Binder pockets;  
7130 3. Binders;  
7131 4. Blackboard chalk;  
7132 5. Book bags;  
7133 6. Calculators;  
7134 7. Cellophane tape;  
7135 8. Clays and glazes;  
7136 9. Compasses;  
7137 10. Composition books;  
7138 11. Crayons;  
7139 12. Dictionaries and thesauruses;



7140	13. Dividers;
7141	14. Erasers;
7142	15. Folders: expandable, pocket, plastic and
7143	manila;
7144	16. Glue, paste and paste sticks;
7145	17. Highlighters;
7146	18. Index card boxes;
7147	19. Index cards;
7148	20. Legal pads;
7149	21. Lunch boxes;
7150	22. Markers;
7151	23. Notebooks;
7152	24. Paintbrushes for artwork;
7153	25. Paints: acrylic, tempera and oil;
7154	26. Paper: loose-leaf ruled notebook paper,
7155	copy paper, graph paper, tracing paper, manila paper, colored
7156	paper, poster board and construction paper;
7157	27. Pencil boxes and other school supply
7158	boxes;
7159	28. Pencil sharpeners;
7160	29. Pencils;
7161	30. Pens;
7162	31. Protractors;
7163	32. Reference books;
7164	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



7190 physician for medical purposes of a patient. As used in this  
7191 paragraph (dd), "durable medical equipment" and "home medical  
7192 supplies" mean equipment, including repair and replacement parts  
7193 for the equipment or supplies listed under Title XVIII of the  
7194 Social Security Act or under the state plan for medical assistance  
7195 under Title XIX of the Social Security Act, prosthetics,  
7196 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
7197 oxygen and oxygen equipment. Payment does not have to be made, in  
7198 whole or in part, by any particular person to be eligible for this  
7199 exemption. Purchases of home medical equipment and supplies by a  
7200 provider of home health services or a provider of hospice services  
7201 are eligible for this exemption if the purchases otherwise meet  
7202 the requirements of this paragraph.

7203 (ee) Sales of tangible personal property or services to  
7204 Mississippi Blood Services.

7205 (ff) (i) Subject to the provisions of this paragraph  
7206 (ff), retail sales of firearms, ammunition and hunting supplies if  
7207 sold during the annual Mississippi Second Amendment Weekend  
7208 holiday beginning at 12:01 a.m. on the last Friday in August and  
7209 ending at 12:00 midnight the following Sunday. For the purposes  
7210 of this paragraph (ff), "hunting supplies" means tangible personal  
7211 property used for hunting, including, and limited to, archery  
7212 equipment, firearm and archery cases, firearm and archery  
7213 accessories, hearing protection, holsters, belts and slings.  
7214 Hunting supplies does not include animals used for hunting.



7215                   (ii) This paragraph (ff) shall apply only if one  
7216 or more of the following occur:

7217                   1. Title to and/or possession of an eligible  
7218 item is transferred from a seller to a purchaser; and/or

7219                   2. A purchaser orders and pays for an  
7220 eligible item and the seller accepts the order for immediate  
7221 shipment, even if delivery is made after the time period provided  
7222 in subparagraph (i) of this paragraph (ff), provided that the  
7223 purchaser has not requested or caused the delay in shipment.

7224                   (gg) Sales of nonperishable food items to charitable  
7225 organizations that are exempt from federal income taxation under  
7226 Section 501(c)(3) of the Internal Revenue Code and operate a food  
7227 bank or food pantry or food lines.

7228                   (hh) Sales of tangible personal property or services to  
7229 the United Way of the Pine Belt Region, Inc.

7230                   (ii) Sales of tangible personal property or services to  
7231 the Mississippi Children's Museum or any subsidiary or affiliate  
7232 thereof operating a satellite or branch museum within this state.

7233                   (jj) Sales of tangible personal property or services to  
7234 the Jackson Zoological Park.

7235                   (kk) Sales of tangible personal property or services to  
7236 the Hattiesburg Zoo.

7237                   (ll) Gross proceeds from sales of food, merchandise or  
7238 other concessions at an event held solely for religious or  
7239 charitable purposes at livestock facilities, agriculture



7240 facilities or other facilities constructed, renovated or expanded  
7241 with funds for the grant program authorized under Section 18,  
7242 Chapter 530, Laws of 1995.

7243 (mm) Sales of tangible personal property and services  
7244 to the Diabetes Foundation of Mississippi and the Mississippi  
7245 Chapter of the Juvenile Diabetes Research Foundation.

7246 (nn) Sales of potting soil, mulch, or other soil  
7247 amendments used in growing ornamental plants which bear no fruit  
7248 of commercial value when sold to commercial plant nurseries that  
7249 operate exclusively at wholesale and where no retail sales can be  
7250 made.

7251 (oo) Sales of tangible personal property or services to  
7252 the University of Mississippi Medical Center Research Development  
7253 Foundation.

7254 (pp) Sales of tangible personal property or services to  
7255 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
7256 Mississippi Beautiful, Inc.

7257 (qq) Sales of tangible personal property or services to  
7258 the Friends of Children's Hospital.

7259 (rr) Sales of tangible personal property or services to  
7260 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
7261 Mississippi.

7262 (ss) Sales of hearing aids when ordered or prescribed  
7263 by a licensed physician, audiologist or hearing aid specialist for  
7264 the medical purposes of a patient.



7265                   (tt) Sales exempt under the Facilitating Business Rapid  
7266 Response to State Declared Disasters Act of 2015 (Sections  
7267 27-113-1 through 27-113-9).

7268                   (uu) Sales of tangible personal property or services to  
7269 the Junior League of Jackson.

7270                   (vv) Sales of tangible personal property or services to  
7271 the Mississippi's Toughest Kids Foundation for use in the  
7272 construction, furnishing and equipping of buildings and related  
7273 facilities and infrastructure at Camp Kamassa in Copiah County,  
7274 Mississippi. This paragraph (vv) shall stand repealed on July 1,  
7275 2022.

7276                   (wv) Sales of tangible personal property or services to  
7277 MS Gulf Coast Buddy Sports, Inc.

7278                   (xx) Sales of tangible personal property or services to  
7279 Biloxi Lions, Inc.

7280                   (yy) Sales of tangible personal property or services to  
7281 Lions Sight Foundation of Mississippi, Inc.

7282                   (zz) Sales of tangible personal property and services  
7283 to the Goldring/Woldenberg Institute of Southern Jewish Life  
7284 (ISJL).

7285           **SECTION 54.** This act shall take effect and be in force from  
7286 and after July 1, 2022.

