

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 2842

1 AN ACT TO REENACT SECTIONS 57-117-1, 57-117-3, 57-117-5,
2 57-117-7, 57-117-9 AND 57-117-11, MISSISSIPPI CODE OF 1972, WHICH
3 CONSTITUTE THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; TO AMEND
4 REENACTED SECTION 57-117-3, MISSISSIPPI CODE OF 1972, TO MAKE
5 MINOR FORMATTING REVISIONS; TO AMEND REENACTED SECTION 57-117-11,
6 MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF REPEAL ON THE
7 MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; TO AMEND SECTION
8 27-31-101, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES COUNTY
9 BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING AUTHORITIES TO GRANT
10 CERTAIN AD VALOREM TAX EXEMPTIONS, TO EXTEND THE REVERTER ON THE
11 PROVISION OF LAW ALLOWING SUCH EXEMPTIONS FOR HEALTH CARE INDUSTRY
12 FACILITIES AS DEFINED IN THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE
13 ACT; TO AMEND SECTION 27-31-104, MISSISSIPPI CODE OF 1972, WHICH
14 AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING
15 AUTHORITIES TO ENTER INTO AGREEMENTS WITH CERTAIN ENTERPRISES
16 GRANTING A FEE-IN-LIEU OF AD VALOREM TAXES, TO EXTEND THE REVERTER
17 ON THE PROVISION OF LAW ALLOWING SUCH AGREEMENTS FOR PROJECTS
18 TOTALING OVER \$100,000,000.00 BY QUALIFIED BUSINESSES, AS DEFINED
19 IN THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT, MEETING MINIMUM
20 CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO
21 AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972, WHICH PROVIDES
22 INDUSTRIAL EXEMPTIONS TO THE SALES TAX, TO EXTEND THE DATE OF
23 REPEAL ON THE EXEMPTION OF SALES OF MATERIALS USED IN THE
24 CONSTRUCTION OF A HEALTH CARE INDUSTRY FACILITY, OR ADDITIONS OR
25 IMPROVEMENTS THEREON, AND SALES OF CERTAIN RELATED MACHINERY AND
26 EQUIPMENT TO QUALIFIED BUSINESSES AS DEFINED IN THE MISSISSIPPI
27 HEALTH CARE INDUSTRY ZONE ACT; AND FOR RELATED PURPOSES.

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

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



31 57-117-1. This chapter shall be known and may be cited as
32 the "Mississippi Health Care Industry Zone Act."

33 **SECTION 2.** Section 57-117-3, Mississippi Code of 1972, is
34 reenacted and amended as follows:

35 57-117-3. In this chapter:

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

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

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

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

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



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

57 (e) "Person" means a natural person, partnership,
58 limited liability company, association, corporation, business
59 trust or other business entity.

60 (f) "Qualified business" means a business or health
61 care industry facility that meets the requirements of Section
62 57-117-7 and any other requirements of this chapter.

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

65 57-117-5. (1) The MDA may certify an area as a health care
66 industry zone if the following requirements are met:

67 (a) The area is located within:

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

71 (ii) A county which has a hospital with a minimum
72 capital investment of Two Hundred Fifty Million Dollars
73 (\$250,000,000.00) and for which construction is completed before
74 July 1, 2017;

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

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

79 (ii) A university or college that is:



80 1. Accredited by the Southern Association of
81 Colleges and Schools and awards degrees and/or trains workers for
82 jobs in health care or pharmaceutical fields of study and/or work,
83 and

84 2. Located along or near Mississippi Highway
85 67 within a master planned community as defined in Section
86 19-5-10; and

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

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

94 (3) The MDA may adopt and promulgate such rules and
95 regulations, in compliance with the Mississippi Administrative
96 Procedures Law, as are necessary for the efficient and effective
97 administration of this section in keeping with the purposes for
98 which it is enacted.

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

101 57-117-7. (1) Businesses and health care industry
102 facilities shall apply to the MDA for certification as a qualified
103 business. If the health care industry facility or business is



104 located in a health care industry zone and meets the requirements
105 of this chapter, the MDA shall certify it as a qualified business.

106 (2) A health care industry facility or business certified by
107 the MDA as a qualified business within a health care industry zone
108 that constructs or renovates a health care industry facility
109 within a health care industry zone shall qualify for the
110 following:

111 (a) An accelerated state income tax depreciation
112 deduction. The accelerated depreciation deduction shall be
113 computed by accelerating depreciation period required by
114 Mississippi Administrative Code, to a ten-year depreciation
115 period.

116 (b) A sales tax exemption as authorized in Section
117 27-65-101(pp).

118 (c) A fee-in-lieu of taxes as authorized in Section
119 27-31-104.

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

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

124 57-117-9. If the qualified business has not created the
125 requisite number of jobs required by this chapter, the health care
126 industry zone certification may be revoked by MDA after five (5)
127 years have elapsed from the effective date of certification. A



128 revocation under this section shall not act retroactively to
129 remove any incentives granted by this chapter.

130 **SECTION 6.** Section 57-117-11, Mississippi Code of 1972, is
131 reenacted and amended as follows:

132 57-117-11. Sections 57-117-1 through 57-117-11 of this act
133 shall be repealed from and after July 1, * * * 2026.

134 **SECTION 7.** Section 27-31-101, Mississippi Code of 1972, is
135 amended as follows:

136 **[Through June 30, * * * 2026, this section shall read as**
137 **follows:]**

138 27-31-101. (1) County boards of supervisors and municipal
139 authorities are hereby authorized and empowered, in their
140 discretion, to grant exemptions from ad valorem taxation, except
141 state ad valorem taxation; however, such governing authorities
142 shall not exempt ad valorem taxes for school district purposes on
143 tangible property used in, or necessary to, the operation of the
144 manufacturers and other new enterprises enumerated by classes in
145 this section, except to the extent authorized in Sections
146 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
147 taxes the products of the manufacturers or other new enterprises
148 or automobiles and trucks belonging to the manufacturers or other
149 new enterprises operating on and over the highways of the State of
150 Mississippi. The time of such exemption shall be for a period not
151 to exceed a total of ten (10) years which shall begin on the date
152 of completion of the new enterprise for which the exemption is



153 granted; however, boards of supervisors and municipal authorities,
154 in lieu of granting the exemption for one (1) period of ten (10)
155 years, may grant the exemption in a period of less than ten (10)
156 years. When the initial exemption period granted is less than ten
157 (10) years, the boards of supervisors and municipal authorities
158 may grant a subsequent consecutive period or periods to follow the
159 initial period of exemption, provided that the total of all
160 periods of exemption shall not exceed ten (10) years. The date of
161 completion of the new enterprise, from which the initial period of
162 exemption shall begin, shall be the date on which operations of
163 the new enterprise begin. The initial request for an exemption
164 must be made in writing by June 1 of the year immediately
165 following the year in which the date of completion of a new
166 enterprise occurs. If the initial request for the exemption is
167 not timely made, the board of supervisors or municipal authorities
168 may grant a subsequent request for the exemption and, in such
169 case, the exemption shall begin on the anniversary date of
170 completion of the enterprise in the year in which the request is
171 made and may be for a period of time extending not more than ten
172 (10) years from the date of completion of the new enterprise. Any
173 subsequent request for the exemption must be made in writing by
174 June 1 of the year in which it is granted.

175 (2) Any board of supervisors or municipal authority which
176 has granted an exemption for a period of less than ten (10) years
177 may grant subsequent periods of exemption to run consecutively



178 with the initial exemption period, or a subsequently granted
179 exemption period, but in no case shall the total of the exemption
180 periods granted for a new enterprise exceed ten (10) years. Any
181 consecutive period of exemption shall be granted by entry of an
182 order by the board or the authority granting the consecutive
183 exemption on its minutes, reflecting the granting of the
184 consecutive exemption period and the dates upon which such
185 consecutive exemption period begins and expires. The entry of
186 this order granting the consecutive period of exemption shall be
187 made before the expiration of the exemption period immediately
188 preceding the consecutive exemption period being granted.

189 (3) (a) The new enterprises for which any or all of the
190 tangible property described in paragraph (b) of this subsection
191 (3) may be exempt from ad valorem taxation, except state ad
192 valorem taxation, ad valorem taxes for school district purposes,
193 and ad valorem taxes on the products thereof or on automobiles and
194 trucks belonging thereto and operating on and over the highways of
195 the State of Mississippi, are enumerated as and limited to the
196 following, as determined by the Department of Revenue:

- 197 (i) Warehouse and/or distribution centers;
198 (ii) Manufacturing, processors and refineries;
199 (iii) Research facilities;
200 (iv) Corporate regional and national headquarters
201 meeting minimum criteria established by the Mississippi
202 Development Authority;



203 (v) Movie industry studios meeting minimum
204 criteria established by the Mississippi Development Authority;
205 (vi) Air transportation and maintenance facilities
206 meeting minimum criteria established by the Mississippi
207 Development Authority;
208 (vii) Recreational facilities that impact tourism
209 meeting minimum criteria established by the Mississippi
210 Development Authority;
211 (viii) Data/information processing enterprises
212 meeting minimum criteria established by the Mississippi
213 Development Authority;
214 (ix) Technology intensive enterprises or
215 facilities meeting criteria established by the Mississippi
216 Development Authority;
217 (x) Health care industry facilities as defined in
218 Section 57-117-3;
219 (xi) Data centers as defined in Section 57-113-21;
220 and
221 (xii) Telecommunications enterprises meeting
222 minimum criteria established by the Mississippi Development
223 Authority. The term "telecommunications enterprises" means
224 entities engaged in the creation, display, management, storage,
225 processing, transmission or distribution for compensation of
226 images, text, voice, video or data by wire or by wireless means,
227 or entities engaged in the construction, design, development,



228 manufacture, maintenance or distribution for compensation of
229 devices, products, software or structures used in the above
230 activities. Companies organized to do business as commercial
231 broadcast radio stations, television stations or news
232 organizations primarily serving in-state markets shall not be
233 included within the definition of the term "telecommunications
234 enterprises."

235 (b) An exemption from ad valorem taxes granted under
236 this section may include any or all tangible property, real or
237 personal, including any leasehold interests therein but excluding
238 automobiles and trucks operating on and over the highways of the
239 State of Mississippi, used in connection with, or necessary to,
240 the operation of an enterprise enumerated in paragraph (a) of this
241 subsection (3), whether or not such property is owned, leased,
242 subleased, licensed or otherwise obtained by such enterprise,
243 irrespective of the taxpayer to which any such leased property is
244 assessed for ad valorem tax purposes. If an exemption is granted
245 pursuant to this section with respect to any leasehold interest
246 under a lease, sublease or license of tangible property used in
247 connection with, or necessary to, the operation of an enterprise
248 enumerated in paragraph (a) of this subsection (3), the
249 corresponding ownership interest of the owner, lessor and
250 sublessor of such tangible property shall similarly and
251 automatically be exempt without any action being required to be
252 taken by such owner, lessor or sublessor.



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

256 **[From and after July 1, * * * 2026, this section shall read**
257 **as follows:]**

258 27-31-101. (1) County boards of supervisors and municipal
259 authorities are hereby authorized and empowered, in their
260 discretion, to grant exemptions from ad valorem taxation, except
261 state ad valorem taxation; however, such governing authorities
262 shall not exempt ad valorem taxes for school district purposes on
263 tangible property used in, or necessary to, the operation of the
264 manufacturers and other new enterprises enumerated by classes in
265 this section, except to the extent authorized in Sections
266 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
267 taxes the products of the manufacturers or other new enterprises
268 or automobiles and trucks belonging to the manufacturers or other
269 new enterprises operating on and over the highways of the State of
270 Mississippi. The time of such exemption shall be for a period not
271 to exceed a total of ten (10) years which shall begin on the date
272 of completion of the new enterprise for which the exemption is
273 granted; however, boards of supervisors and municipal authorities,
274 in lieu of granting the exemption for one (1) period of ten (10)
275 years, may grant the exemption in a period of less than ten (10)
276 years. When the initial exemption period granted is less than ten
277 (10) years, the boards of supervisors and municipal authorities



278 may grant a subsequent consecutive period or periods to follow the
279 initial period of exemption, provided that the total of all
280 periods of exemption shall not exceed ten (10) years. The date of
281 completion of the new enterprise, from which the initial period of
282 exemption shall begin, shall be the date on which operations of
283 the new enterprise begin. The initial request for an exemption
284 must be made in writing by June 1 of the year immediately
285 following the year in which the date of completion of a new
286 enterprise occurs. If the initial request for the exemption is
287 not timely made, the board of supervisors or municipal authorities
288 may grant a subsequent request for the exemption and, in such
289 case, the exemption shall begin on the anniversary date of
290 completion of the enterprise in the year in which the request is
291 made and may be for a period of time extending not more than ten
292 (10) years from the date of completion of the new enterprise. Any
293 subsequent request for the exemption must be made in writing by
294 June 1 of the year in which it is granted.

295 (2) Any board of supervisors or municipal authority which
296 has granted an exemption for a period of less than ten (10) years
297 may grant subsequent periods of exemption to run consecutively
298 with the initial exemption period, or a subsequently granted
299 exemption period, but in no case shall the total of the exemption
300 periods granted for a new enterprise exceed ten (10) years. Any
301 consecutive period of exemption shall be granted by entry of an
302 order by the board or the authority granting the consecutive



303 exemption on its minutes, reflecting the granting of the
304 consecutive exemption period and the dates upon which such
305 consecutive exemption period begins and expires. The entry of
306 this order granting the consecutive period of exemption shall be
307 made before the expiration of the exemption period immediately
308 preceding the consecutive exemption period being granted.

309 (3) (a) The new enterprises for which any or all of the
310 tangible property described in paragraph (b) of this subsection
311 (3) may be exempt from ad valorem taxation, except state ad
312 valorem taxation, ad valorem taxes for school district purposes,
313 and ad valorem taxes on the products thereof or on automobiles and
314 trucks belonging thereto and operating on and over the highways of
315 the State of Mississippi, are enumerated as and limited to the
316 following, as determined by the Department of Revenue:

317 (i) Warehouse and/or distribution centers;

318 (ii) Manufacturing, processors and refineries;

319 (iii) Research facilities;

320 (iv) Corporate regional and national headquarters
321 meeting minimum criteria established by the Mississippi
322 Development Authority;

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

325 (vi) Air transportation and maintenance facilities
326 meeting minimum criteria established by the Mississippi
327 Development Authority;



328 (vii) Recreational facilities that impact tourism
329 meeting minimum criteria established by the Mississippi
330 Development Authority;

331 (viii) Data/information processing enterprises
332 meeting minimum criteria established by the Mississippi
333 Development Authority;

334 (ix) Technology intensive enterprises or
335 facilities meeting criteria established by the Mississippi
336 Development Authority;

337 (x) Data centers as defined in Section 57-113-21;
338 and

339 (xi) Telecommunications enterprises meeting
340 minimum criteria established by the Mississippi Development
341 Authority. The term "telecommunications enterprises" means
342 entities engaged in the creation, display, management, storage,
343 processing, transmission or distribution for compensation of
344 images, text, voice, video or data by wire or by wireless means,
345 or entities engaged in the construction, design, development,
346 manufacture, maintenance or distribution for compensation of
347 devices, products, software or structures used in the above
348 activities. Companies organized to do business as commercial
349 broadcast radio stations, television stations or news
350 organizations primarily serving in-state markets shall not be
351 included within the definition of the term "telecommunications
352 enterprises."



353 (b) An exemption from ad valorem taxes granted under
354 this section may include any or all tangible property, real or
355 personal, including any leasehold interests therein but excluding
356 automobiles and trucks operating on and over the highways of the
357 State of Mississippi, used in connection with, or necessary to,
358 the operation of an enterprise enumerated in paragraph (a) of this
359 subsection (3), whether or not such property is owned, leased,
360 subleased, licensed or otherwise obtained by such enterprise,
361 irrespective of the taxpayer to which any such leased property is
362 assessed for ad valorem tax purposes. If an exemption is granted
363 pursuant to this section with respect to any leasehold interest
364 under a lease, sublease or license of tangible property used in
365 connection with, or necessary to, the operation of an enterprise
366 enumerated in paragraph (a) of this subsection (3), the
367 corresponding ownership interest of the owner, lessor and
368 sublessor of such tangible property shall similarly and
369 automatically be exempt without any action being required to be
370 taken by such owner, lessor or sublessor.

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

374 **SECTION 8.** Section 27-31-104, Mississippi Code of 1972, is
375 amended as follows:

376 **[Through June 30, * * * 2026, this section shall read as**
377 **follows:]**



378 27-31-104. (1) (a) County boards of supervisors and
379 municipal authorities are each hereby authorized and empowered to
380 enter into an agreement with an enterprise granting, and pursuant
381 to such agreement grant a fee-in-lieu of ad valorem taxes,
382 including ad valorem taxes levied for school purposes, for the
383 following:

384 (i) Projects totaling over Sixty Million Dollars
385 (\$60,000,000.00) by any new enterprises enumerated in Section
386 27-31-101;

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

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

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

400 (v) A private company (as such term is defined in
401 Section 57-61-5) having a minimum capital investment of One
402 Hundred Million Dollars (\$100,000,000.00) from any source or



403 combination of sources, provided that a majority of the capital
404 investment is from private sources, when such project is located
405 within a geographic area for which a Presidential Disaster
406 Declaration was issued on or after January 1, 2014.

407 (b) A fee-in-lieu of ad valorem taxes granted in
408 accordance with this section may include any or all tangible
409 property, real or personal, including any leasehold interests
410 therein but excluding automobiles and trucks operating on and over
411 the highways of the State of Mississippi, used in connection with,
412 or necessary to, the operation of any enterprise, private company
413 or business described in paragraph (a) of this subsection (1), as
414 applicable, whether or not such property is owned, leased,
415 subleased, licensed or otherwise obtained by such enterprise,
416 private company or business, as applicable, irrespective of the
417 taxpayer to which any such leased property is assessed for ad
418 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
419 granted pursuant to this section with respect to any leasehold
420 interest under a lease, sublease or license of tangible property
421 used in connection with, or necessary to, the operation of an
422 enterprise, private company or business described in paragraph (a)
423 of this subsection (1), as applicable, the corresponding ownership
424 interest of the owner, lessor and sublessor of such tangible
425 property shall similarly and automatically be exempt and subject
426 to the fee-in-lieu granted in accordance herewith without any



427 action being required to be taken by such owner, lessor or
428 sublessor.

429 (2) A county board of supervisors may enter into a
430 fee-in-lieu agreement on behalf of the county and any county
431 school district, and a municipality may enter into such a
432 fee-in-lieu agreement on behalf of the municipality and any
433 municipal school district located in the municipality; however, if
434 the project is located outside the limits of a municipality but
435 within the boundaries of the municipal school district, then the
436 county board of supervisors may enter into such a fee-in-lieu
437 agreement on behalf of the school district granting a fee-in-lieu
438 of ad valorem taxes for school district purposes.

439 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
440 evidenced by a written agreement negotiated by the enterprise and
441 the county board of supervisors and/or municipal authority, as the
442 case may be, and given final approval by the Mississippi
443 Development Authority as satisfying the requirements of this
444 section.

445 (4) The minimum sum allowable as a fee-in-lieu shall not be
446 less than one-third (1/3) of the ad valorem levy, including ad
447 valorem taxes for school district purposes, and except as
448 otherwise provided, the sum allowed shall be apportioned between
449 the county or municipality, as appropriate, and the school
450 districts in such amounts as may be determined by the county board
451 of supervisors or municipal governing authority, as the case may



452 be, however, except as otherwise provided in this section, from
453 the sum allowed the apportionment to school districts shall not be
454 less than the school districts' pro rata share based upon the
455 proportion that the millage imposed for the school districts by
456 the appropriate levying authority bears to the millage imposed by
457 such levying authority for all other county or municipal purposes.
458 Any fee-in-lieu agreement entered into under this section shall
459 become a binding obligation of the parties to the agreement, be
460 effective upon its execution by the parties and approval by the
461 Mississippi Development Authority and, except as otherwise
462 provided in Section 17-25-23 or Section 57-75-33, or any other
463 provision of law, continue in effect for a period not to exceed
464 thirty (30) years commencing on the date that the fee-in-lieu
465 granted thereunder begins in accordance with the agreement;
466 however, no particular parcel of land, real property improvement
467 or item of personal property shall be subject to a fee-in-lieu for
468 a duration of more than ten (10) years. Any such agreement shall
469 be binding, according to its terms, on future boards of
470 supervisors of the county and/or governing authorities of a
471 municipality, as the case may be, for the duration of the
472 agreement.

473 (5) The fee-in-lieu may be a stated fraction or percentage
474 of the ad valorem taxes otherwise payable or a stated dollar
475 amount. If the fee is a fraction or percentage of the ad valorem
476 tax levy, it shall be annually computed on all ad valorem taxes



477 otherwise payable, including school taxes, as the same may vary
478 from year to year based upon changes in the millage rate or
479 assessed value and shall not be less than one-third (1/3) of that
480 amount. If the fee is a stated dollar amount, said amount shall
481 be the higher of the sum provided for fixed payment or one-third
482 (1/3) of the total of all ad valorem taxes otherwise payable as
483 annually determined during each year of the fee-in-lieu.

484 (6) Notwithstanding Section 27-31-111, the parties to a
485 fee-in-lieu may agree on terms and conditions providing for the
486 reduction, suspension, termination or reinstatement of a
487 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
488 upon the cessation of operations by project for twelve (12) or
489 more consecutive months or due to other conditions set forth in
490 the agreement.

491 (7) For a project as defined in Section 57-75-5(f)(xxi) and
492 located in a county that is a member of a regional economic
493 development alliance created under Section 57-64-1 et seq., the
494 members of the regional economic development alliance may divide
495 the sum allowed as a fee-in-lieu in a manner as determined by the
496 alliance agreement, and the boards of supervisors of the member
497 counties may then apportion the sum allowed between school
498 district purposes and all other county purposes.

499 (8) For a project as defined in Section 57-75-5(f)(xxvi),
500 the board of supervisors of the county in which the project is
501 located may negotiate with the school district in which the



502 project is located and apportion to the school district an amount
503 of the fee-in-lieu that is agreed upon in the negotiations
504 different than the amount provided for in subsection (3) of this
505 section.

506 (9) For a project as defined in Section 57-75-5(f)(xxviii),
507 the annual amount of the fee-in-lieu apportioned to the county
508 shall not be less than the amount necessary to pay the debt
509 service on bonds issued by the county pursuant to Section
510 57-75-37(3)(c).

511 (10) Any fee-in-lieu of ad valorem taxes granted under this
512 section before the effective date of this act, and consistent
513 herewith, is hereby ratified, approved and confirmed.

514 **[From and after July 1, * * * 2026, this section shall read**
515 **as follows:]**

516 27-31-104. (1) (a) County boards of supervisors and
517 municipal authorities are each hereby authorized and empowered to
518 enter into an agreement with an enterprise granting, and pursuant
519 to such agreement grant a fee-in-lieu of ad valorem taxes,
520 including ad valorem taxes levied for school purposes, for the
521 following:

522 (i) Projects totaling over Sixty Million Dollars
523 (\$60,000,000.00) by any new enterprises enumerated in Section
524 27-31-101;

525 (ii) Projects by a private company (as such term
526 is defined in Section 57-61-5, Mississippi Code of 1972) having a



527 minimum capital investment of Sixty Million Dollars

528 (\$60,000,000.00);

529 (iii) Projects, in addition to those projects
530 referenced in Section 27-31-105, totaling over Sixty Million
531 Dollars (\$60,000,000.00) by an existing enterprise that has been
532 doing business in the county or municipality for twenty-four (24)
533 months. For purposes of this subparagraph (iii), the term
534 "existing enterprise" includes those enterprises enumerated in
535 Section 27-31-101; or

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

543 (b) A fee-in-lieu of ad valorem taxes granted in
544 accordance with this section may include any or all tangible
545 property, real or personal, including any leasehold interests
546 therein but excluding automobiles and trucks operating on and over
547 the highways of the State of Mississippi, used in connection with,
548 or necessary to, the operation of any enterprise, private company
549 or business described in paragraph (a) of this subsection (1), as
550 applicable, whether or not such property is owned, leased,
551 subleased, licensed or otherwise obtained by such enterprise,



552 private company or business, as applicable, irrespective of the
553 taxpayer to which any such leased property is assessed for ad
554 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
555 granted pursuant to this section with respect to any leasehold
556 interest under a lease, sublease or license of tangible property
557 used in connection with, or necessary to, the operation of an
558 enterprise, private company or business described in paragraph (a)
559 of this subsection (1), as applicable, the corresponding ownership
560 interest of the owner, lessor and sublessor of such tangible
561 property shall similarly and automatically be exempt and subject
562 to the fee-in-lieu granted in accordance herewith without any
563 action being required to be taken by such owner, lessor or
564 sublessor.

565 (2) A county board of supervisors may enter into a
566 fee-in-lieu agreement on behalf of the county and any county
567 school district, and a municipality may enter into such a
568 fee-in-lieu agreement on behalf of the municipality and any
569 municipal school district located in the municipality; however, if
570 the project is located outside the limits of a municipality but
571 within the boundaries of the municipal school district, then the
572 county board of supervisors may enter into such a fee-in-lieu
573 agreement on behalf of the school district granting a fee-in-lieu
574 of ad valorem taxes for school district purposes.

575 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
576 evidenced by a written agreement negotiated by the enterprise and



577 the county board of supervisors and/or municipal authority, as the
578 case may be, and given final approval by the Mississippi
579 Development Authority as satisfying the requirements of this
580 section.

581 (4) The minimum sum allowable as a fee-in-lieu shall not be
582 less than one-third (1/3) of the ad valorem levy, including ad
583 valorem taxes for school district purposes, and except as
584 otherwise provided, the sum allowed shall be apportioned between
585 the county or municipality, as appropriate, and the school
586 districts in such amounts as may be determined by the county board
587 of supervisors or municipal governing authority, as the case may
588 be, however, except as otherwise provided in this section, from
589 the sum allowed the apportionment to school districts shall not be
590 less than the school districts' pro rata share based upon the
591 proportion that the millage imposed for the school districts by
592 the appropriate levying authority bears to the millage imposed by
593 such levying authority for all other county or municipal purposes.
594 Any fee-in-lieu agreement entered into under this section shall
595 become a binding obligation of the parties to the agreement, be
596 effective upon its execution by the parties and approval by the
597 Mississippi Development Authority and, except as otherwise
598 provided in Section 17-25-23 or Section 57-75-33, or any other
599 provision of law, continue in effect for a period not to exceed
600 thirty (30) years commencing on the date that the fee-in-lieu
601 granted thereunder begins in accordance with the agreement;



602 however, no particular parcel of land, real property improvement
603 or item of personal property shall be subject to a fee-in-lieu for
604 a duration of more than ten (10) years. Any such agreement shall
605 be binding, according to its terms, on future boards of
606 supervisors of the county and/or governing authorities of a
607 municipality, as the case may be, for the duration of the
608 agreement.

609 (5) The fee-in-lieu may be a stated fraction or percentage
610 of the ad valorem taxes otherwise payable or a stated dollar
611 amount. If the fee is a fraction or percentage of the ad valorem
612 tax levy, it shall be annually computed on all ad valorem taxes
613 otherwise payable, including school taxes, as the same may vary
614 from year to year based upon changes in the millage rate or
615 assessed value and shall not be less than one-third (1/3) of that
616 amount. If the fee is a stated dollar amount, said amount shall
617 be the higher of the sum provided for fixed payment or one-third
618 (1/3) of the total of all ad valorem taxes otherwise payable as
619 annually determined during each year of the fee-in-lieu.

620 (6) Notwithstanding Section 27-31-111, the parties to a
621 fee-in-lieu may agree on terms and conditions providing for the
622 reduction, suspension, termination or reinstatement of a
623 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
624 upon the cessation of operations by project for twelve (12) or
625 more consecutive months or due to other conditions set forth in
626 the agreement.



627 (7) For a project as defined in Section 57-75-5(f)(xxi) and
628 located in a county that is a member of a regional economic
629 development alliance created under Section 57-64-1 et seq., the
630 members of the regional economic development alliance may divide
631 the sum allowed as a fee-in-lieu in a manner as determined by the
632 alliance agreement, and the boards of supervisors of the member
633 counties may then apportion the sum allowed between school
634 district purposes and all other county purposes.

635 (8) For a project as defined in Section 57-75-5(f)(xxvi),
636 the board of supervisors of the county in which the project is
637 located may negotiate with the school district in which the
638 project is located and apportion to the school district an amount
639 of the fee-in-lieu that is agreed upon in the negotiations
640 different than the amount provided for in subsection (3) of this
641 section.

642 (9) For a project as defined in Section 57-75-5(f)(xxviii),
643 the annual amount of the fee-in-lieu apportioned to the county
644 shall not be less than the amount necessary to pay the annual debt
645 service on bonds issued by the county pursuant to Section
646 57-75-37(3)(c).

647 (10) Any fee-in-lieu of ad valorem taxes granted under this
648 section before the effective date of this act, and consistent
649 herewith, is hereby ratified, approved and confirmed.

650 **SECTION 9.** Section 27-65-101, Mississippi Code of 1972, is
651 amended as follows:



652 27-65-101. (1) The exemptions from the provisions of this
653 chapter which are of an industrial nature or which are more
654 properly classified as industrial exemptions than any other
655 exemption classification of this chapter shall be confined to
656 those persons or property exempted by this section or by the
657 provisions of the Constitution of the United States or the State
658 of Mississippi. No industrial exemption as now provided by any
659 other section except Section 57-3-33 shall be valid as against the
660 tax herein levied. Any subsequent industrial exemption from the
661 tax levied hereunder shall be provided by amendment to this
662 section. No exemption provided in this section shall apply to
663 taxes levied by Section 27-65-15 or 27-65-21.

664 The tax levied by this chapter shall not apply to the
665 following:

666 (a) Sales of boxes, crates, cartons, cans, bottles and
667 other packaging materials to manufacturers and wholesalers for use
668 as containers or shipping materials to accompany goods sold by
669 said manufacturers or wholesalers where possession thereof will
670 pass to the customer at the time of sale of the goods contained
671 therein and sales to anyone of containers or shipping materials
672 for use in ships engaged in international commerce.

673 (b) Sales of raw materials, catalysts, processing
674 chemicals, welding gases or other industrial processing gases
675 (except natural gas) to a manufacturer for use directly in
676 manufacturing or processing a product for sale or rental or



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

684 (c) The gross proceeds of sales of dry docks, offshore
685 drilling equipment for use in oil or natural gas exploration or
686 production, vessels or barges of fifty (50) tons load displacement
687 and over, when the vessels or barges are sold by the manufacturer
688 or builder thereof. In addition to other types of equipment,
689 offshore drilling equipment for use in oil or natural gas
690 exploration or production shall include aircraft used
691 predominately to transport passengers or property to or from
692 offshore oil or natural gas exploration or production platforms or
693 vessels, and engines, accessories and spare parts for such
694 aircraft.

695 (d) Sales to commercial fishermen of commercial fishing
696 boats of over five (5) tons load displacement and not more than
697 fifty (50) tons load displacement as registered with the United
698 States Coast Guard and licensed by the Mississippi Commission on
699 Marine Resources.

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



702 (f) Sales of petroleum products to vessels or barges
703 for consumption in marine international commerce or interstate
704 transportation businesses.

705 (g) Sales and rentals of rail rolling stock (and
706 component parts thereof) for ultimate use in interstate commerce
707 and gross income from services with respect to manufacturing,
708 repairing, cleaning, altering, reconditioning or improving such
709 rail rolling stock (and component parts thereof).

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

716 (i) Sales of machinery or tools or repair parts
717 therefor or replacements thereof, fuel or supplies used directly
718 in manufacturing, converting or repairing ships, vessels or barges
719 of three thousand (3,000) tons load displacement and over, but not
720 to include office and plant supplies or other equipment not
721 directly used on the ship, vessel or barge being built, converted
722 or repaired. For purposes of this exemption, "ships, vessels or
723 barges" shall not include floating structures described in Section
724 27-65-18.

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



727 on board such ships. This exemption shall be limited to cases in
728 which procedures satisfactory to the commissioner, ensuring
729 against use in this state other than on such ships, are
730 established.

731 (k) Sales of materials used in the construction of a
732 building, or any addition or improvement thereon, and sales of any
733 machinery and equipment not later than three (3) months after the
734 completion of construction of the building, or any addition
735 thereon, to be used therein, to qualified businesses, as defined
736 in Section 57-51-5, which are located in a county or portion
737 thereof designated as an enterprise zone pursuant to Sections
738 57-51-1 through 57-51-15.

739 (l) Sales of materials used in the construction of a
740 building, or any addition or improvement thereon, and sales of any
741 machinery and equipment not later than three (3) months after the
742 completion of construction of the building, or any addition
743 thereon, to be used therein, to qualified businesses, as defined
744 in Section 57-54-5.

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

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



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

754 (p) Sales of materials used in the construction of a
755 building, or any addition or improvement thereon, and sales of any
756 machinery and equipment not later than three (3) months after the
757 completion of construction of the building, or any addition
758 thereon, to be used therein, to qualified companies, certified as
759 such by the Mississippi Development Authority under Section
760 57-53-1.

761 (q) Sales of component materials used in the
762 construction of a building, or any addition or improvement
763 thereon, sales of machinery and equipment to be used therein, and
764 sales of manufacturing or processing machinery and equipment which
765 is permanently attached to the ground or to a permanent foundation
766 and which is not by its nature intended to be housed within a
767 building structure, not later than three (3) months after the
768 initial start-up date, to permanent business enterprises engaging
769 in manufacturing or processing in Tier Three areas (as such term
770 is defined in Section 57-73-21), which businesses are certified by
771 the Department of Revenue as being eligible for the exemption
772 granted in this paragraph (q).

773 (r) (i) Sales of component materials used in the
774 construction of a building, or any addition or improvement
775 thereon, and sales of any machinery and equipment not later than
776 three (3) months after the completion of the building, addition or



777 improvement thereon, to be used therein, for any company
778 establishing or transferring its national or regional headquarters
779 from within or outside the State of Mississippi and creating a
780 minimum of twenty (20) jobs at the new headquarters in this state.
781 The Department of Revenue shall establish criteria and prescribe
782 procedures to determine if a company qualifies as a national or
783 regional headquarters for the purpose of receiving the exemption
784 provided in this subparagraph (i).

785 (ii) Sales of component materials used in the
786 construction of a building, or any addition or improvement
787 thereon, and sales of any machinery and equipment not later than
788 three (3) months after the completion of the building, addition or
789 improvement thereon, to be used therein, for any company expanding
790 or making additions after January 1, 2013, to its national or
791 regional headquarters within the State of Mississippi and creating
792 a minimum of twenty (20) new jobs at the headquarters as a result
793 of the expansion or additions. The Department of Revenue shall
794 establish criteria and prescribe procedures to determine if a
795 company qualifies as a national or regional headquarters for the
796 purpose of receiving the exemption provided in this subparagraph
797 (ii).

798 (s) The gross proceeds from the sale of semitrailers,
799 trailers, boats, travel trailers, motorcycles, all-terrain cycles
800 and rotary-wing aircraft if exported from this state within



801 forty-eight (48) hours and registered and first used in another
802 state.

803 (t) Gross income from the storage and handling of
804 natural gas in underground salt domes and in other underground
805 reservoirs, caverns, structures and formations suitable for such
806 storage.

807 (u) Sales of machinery and equipment to nonprofit
808 organizations if the organization:

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

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

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

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

822 (v) Sales or leases of materials and equipment to
823 approved business enterprises as provided under the Growth and
824 Prosperity Act.



825 (w) From and after July 1, 2001, sales of pollution
826 control equipment to manufacturers or custom processors for
827 industrial use. For the purposes of this exemption, "pollution
828 control equipment" means equipment, devices, machinery or systems
829 used or acquired to prevent, control, monitor or reduce air, water
830 or groundwater pollution, or solid or hazardous waste as required
831 by federal or state law or regulation.

832 (x) Sales or leases to a manufacturer of motor vehicles
833 or powertrain components operating a project that has been
834 certified by the Mississippi Major Economic Impact Authority as a
835 project as defined in Section 57-75-5(f)(iv)1, Section
836 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
837 equipment; special tooling such as dies, molds, jigs and similar
838 items treated as special tooling for federal income tax purposes;
839 or repair parts therefor or replacements thereof; repair services
840 thereon; fuel, supplies, electricity, coal and natural gas used
841 directly in the manufacture of motor vehicles or motor vehicle
842 parts or used to provide climate control for manufacturing areas.

843 (y) Sales or leases of component materials, machinery
844 and equipment used in the construction of a building, or any
845 addition or improvement thereon to an enterprise operating a
846 project that has been certified by the Mississippi Major Economic
847 Impact Authority as a project as defined in Section
848 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)



849 or Section 57-75-5(f) (xxviii) and any other sales or leases
850 required to establish or operate such project.

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

853 (aa) The gross income from the stripping and painting
854 of commercial aircraft engaged in foreign or interstate
855 transportation business.

856 (bb) [Repealed]

857 (cc) Sales or leases to an enterprise owning or
858 operating a project that has been designated by the Mississippi
859 Major Economic Impact Authority as a project as defined in Section
860 57-75-5(f) (xviii) of machinery and equipment; special tooling such
861 as dies, molds, jigs and similar items treated as special tooling
862 for federal income tax purposes; or repair parts therefor or
863 replacements thereof; repair services thereon; fuel, supplies,
864 electricity, coal and natural gas used directly in the
865 manufacturing/production operations of the project or used to
866 provide climate control for manufacturing/production areas.

867 (dd) Sales or leases of component materials, machinery
868 and equipment used in the construction of a building, or any
869 addition or improvement thereon to an enterprise owning or
870 operating a project that has been designated by the Mississippi
871 Major Economic Impact Authority as a project as defined in Section
872 57-75-5(f) (xviii) and any other sales or leases required to
873 establish or operate such project.



874 (ee) Sales of parts used in the repair and servicing of
875 aircraft not registered in Mississippi engaged exclusively in the
876 business of foreign or interstate transportation to businesses
877 engaged in aircraft repair and maintenance.

878 (ff) Sales of component materials used in the
879 construction of a facility, or any addition or improvement
880 thereon, and sales or leases of machinery and equipment not later
881 than three (3) months after the completion of construction of the
882 facility, or any addition or improvement thereto, to be used in
883 the building or any addition or improvement thereto, to a
884 permanent business enterprise operating a data/information
885 enterprise in Tier Three areas (as such areas are designated in
886 accordance with Section 57-73-21), meeting minimum criteria
887 established by the Mississippi Development Authority.

888 (gg) Sales of component materials used in the
889 construction of a facility, or any addition or improvement
890 thereto, and sales of machinery and equipment not later than three
891 (3) months after the completion of construction of the facility,
892 or any addition or improvement thereto, to be used in the facility
893 or any addition or improvement thereto, to technology intensive
894 enterprises for industrial purposes in Tier Three areas (as such
895 areas are designated in accordance with Section 57-73-21), as
896 certified by the Department of Revenue. For purposes of this
897 paragraph, an enterprise must meet the criteria provided for in



898 Section 27-65-17(1)(f) in order to be considered a technology
899 intensive enterprise.

900 (hh) Sales of component materials used in the
901 replacement, reconstruction or repair of a building or facility
902 that has been destroyed or sustained extensive damage as a result
903 of a disaster declared by the Governor, sales of machinery and
904 equipment to be used therein to replace machinery or equipment
905 damaged or destroyed as a result of such disaster, including, but
906 not limited to, manufacturing or processing machinery and
907 equipment which is permanently attached to the ground or to a
908 permanent foundation and which is not by its nature intended to be
909 housed within a building structure, to enterprises or companies
910 that were eligible for the exemptions authorized in paragraph (q),
911 (r), (ff) or (gg) of this subsection during initial construction
912 of the building that was destroyed or damaged, which enterprises
913 or companies are certified by the Department of Revenue as being
914 eligible for the exemption granted in this paragraph.

915 (ii) Sales of software or software services transmitted
916 by the Internet to a destination outside the State of Mississippi
917 where the first use of such software or software services by the
918 purchaser occurs outside the State of Mississippi.

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



922 (kk) Sales of component building materials and
923 equipment for initial construction of facilities or expansion of
924 facilities as authorized under Sections 57-113-1 through 57-113-7
925 and Sections 57-113-21 through 57-113-27.

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

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

932 (nn) Sales of component materials used in the
933 construction of a building, or any addition or improvement
934 thereon, and sales or leases of machinery and equipment not later
935 than three (3) months after the completion of the construction of
936 the facility, to be used in the facility, to permanent business
937 enterprises operating a facility producing renewable crude oil
938 from biomass harvested or produced, in whole or in part, in
939 Mississippi, which businesses meet minimum criteria established by
940 the Mississippi Development Authority. As used in this paragraph,
941 the term "biomass" shall have the meaning ascribed to such term in
942 Section 57-113-1.

943 (oo) Sales of supplies, equipment and other personal
944 property to an organization that is exempt from taxation under
945 Section 501(c)(3) of the Internal Revenue Code and is the host
946 organization coordinating a professional golf tournament played or



947 to be played in this state and the supplies, equipment or other
948 personal property will be used for purposes related to the golf
949 tournament and related activities.

950 (pp) Sales of materials used in the construction of a
951 health care industry facility, as defined in Section 57-117-3, or
952 any addition or improvement thereon, and sales of any machinery
953 and equipment not later than three (3) months after the completion
954 of construction of the facility, or any addition thereon, to be
955 used therein, to qualified businesses, as defined in Section
956 57-117-3. This paragraph shall be repealed from and after July
957 1, * * * 2026.

958 (qq) Sales or leases to a manufacturer of automotive
959 parts operating a project that has been certified by the
960 Mississippi Major Economic Impact Authority as a project as
961 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
962 or repair parts therefor or replacements thereof; repair services
963 thereon; fuel, supplies, electricity, coal, nitrogen and natural
964 gas used directly in the manufacture of automotive parts or used
965 to provide climate control for manufacturing areas.

966 (rr) Gross collections derived from guided tours on any
967 navigable waters of this state, which include providing
968 accommodations, guide services and/or related equipment operated
969 by or under the direction of the person providing the tour, for
970 the purposes of outdoor tourism. The exemption provided in this



971 paragraph (rr) does not apply to the sale of tangible personal
972 property by a person providing such tours.

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

978 (tt) Sales exempt under the Facilitating Business Rapid
979 Response to State Declared Disasters Act of 2015 (Sections
980 27-113-1 through 27-113-9).

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

985 (i) All personal property and fixtures, including
986 without limitation, sales or leases to the enterprise and its
987 affiliates of:

988 1. Manufacturing machinery and equipment;

989 2. Special tooling such as dies, molds, jigs
990 and similar items treated as special tooling for federal income
991 tax purposes;

992 3. Component building materials, machinery
993 and equipment used in the construction of buildings, and any other
994 additions or improvements to the project site for the project;



995 4. Nonmanufacturing furniture, fixtures and
996 equipment (inclusive of all communications, computer, server,
997 software and other hardware equipment); and

998 5. Fuel, supplies (other than
999 nonmanufacturing consumable supplies and water), electricity,
1000 nitrogen gas and natural gas used directly in the
1001 manufacturing/production operations of such project or used to
1002 provide climate control for manufacturing/production areas of such
1003 project;

1004 (ii) All replacements of, repair parts for or
1005 services to repair items described in subparagraph (i)1, 2 and 3
1006 of this paragraph; and

1007 (iii) All services taxable pursuant to Section
1008 27-65-23 required to establish, support, operate, repair and/or
1009 maintain such project.

1010 (vv) Sales or leases to an enterprise operating a
1011 project that has been certified by the Mississippi Major Economic
1012 Impact Authority as a project as defined in Section
1013 57-75-5(f)(xxx) of:

1014 (i) Purchases required to establish and operate
1015 the project, including, but not limited to, sales of component
1016 building materials, machinery and equipment required to establish
1017 the project facility and any additions or improvements thereon;
1018 and



1019 (ii) Machinery, special tools (such as dies,
1020 molds, and jigs) or repair parts thereof, or replacements and
1021 lease thereof, repair services thereon, fuel, supplies and
1022 electricity, coal and natural gas used in the manufacturing
1023 process and purchased by the enterprise owning or operating the
1024 project for the benefit of the project.

1025 (ww) Sales of component materials used in the
1026 construction of a building, or any expansion or improvement
1027 thereon, sales of machinery and/or equipment to be used therein,
1028 and sales of processing machinery and equipment which is
1029 permanently attached to the ground or to a permanent foundation
1030 which is not by its nature intended to be housed in a building
1031 structure, no later than three (3) months after initial startup,
1032 expansion or improvement of a permanent enterprise solely engaged
1033 in the conversion of natural sand into proppants used in oil and
1034 gas exploration and development with at least ninety-five percent
1035 (95%) of such proppants used in the production of oil and/or gas
1036 from horizontally drilled wells and/or horizontally drilled
1037 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1038 (2) Sales of component materials used in the construction of
1039 a building, or any addition or improvement thereon, sales of
1040 machinery and equipment to be used therein, and sales of
1041 manufacturing or processing machinery and equipment which is
1042 permanently attached to the ground or to a permanent foundation
1043 and which is not by its nature intended to be housed within a



1044 building structure, not later than three (3) months after the
1045 initial start-up date, to permanent business enterprises engaging
1046 in manufacturing or processing in Tier Two areas and Tier One
1047 areas (as such areas are designated in accordance with Section
1048 57-73-21), which businesses are certified by the Department of
1049 Revenue as being eligible for the exemption granted in this
1050 subsection, shall be exempt from one-half (1/2) of the taxes
1051 imposed on such transactions under this chapter.

1052 (3) Sales of component materials used in the construction of
1053 a facility, or any addition or improvement thereon, and sales or
1054 leases of machinery and equipment not later than three (3) months
1055 after the completion of construction of the facility, or any
1056 addition or improvement thereto, to be used in the building or any
1057 addition or improvement thereto, to a permanent business
1058 enterprise operating a data/information enterprise in Tier Two
1059 areas and Tier One areas (as such areas are designated in
1060 accordance with Section 57-73-21), which businesses meet minimum
1061 criteria established by the Mississippi Development Authority,
1062 shall be exempt from one-half (1/2) of the taxes imposed on such
1063 transaction under this chapter.

1064 (4) Sales of component materials used in the construction of
1065 a facility, or any addition or improvement thereto, and sales of
1066 machinery and equipment not later than three (3) months after the
1067 completion of construction of the facility, or any addition or
1068 improvement thereto, to be used in the building or any addition or



1069 improvement thereto, to technology intensive enterprises for
1070 industrial purposes in Tier Two areas and Tier One areas (as such
1071 areas are designated in accordance with Section 57-73-21), which
1072 businesses are certified by the Department of Revenue as being
1073 eligible for the exemption granted in this subsection, shall be
1074 exempt from one-half (1/2) of the taxes imposed on such
1075 transactions under this chapter. For purposes of this subsection,
1076 an enterprise must meet the criteria provided for in Section
1077 27-65-17(1) (f) in order to be considered a technology intensive
1078 enterprise.

1079 (5) (a) For purposes of this subsection:

1080 (i) "Telecommunications enterprises" shall have
1081 the meaning ascribed to such term in Section 57-73-21;

1082 (ii) "Tier One areas" mean counties designated as
1083 Tier One areas pursuant to Section 57-73-21;

1084 (iii) "Tier Two areas" mean counties designated as
1085 Tier Two areas pursuant to Section 57-73-21;

1086 (iv) "Tier Three areas" mean counties designated
1087 as Tier Three areas pursuant to Section 57-73-21; and

1088 (v) "Equipment used in the deployment of broadband
1089 technologies" means any equipment capable of being used for or in
1090 connection with the transmission of information at a rate, prior
1091 to taking into account the effects of any signal degradation, that
1092 is not less than three hundred eighty-four (384) kilobits per
1093 second in at least one (1) direction, including, but not limited



1094 to, asynchronous transfer mode switches, digital subscriber line
1095 access multiplexers, routers, servers, multiplexers, fiber optics
1096 and related equipment.

1097 (b) Sales of equipment to telecommunications
1098 enterprises after June 30, 2003, and before July 1, 2025, that is
1099 installed in Tier One areas and used in the deployment of
1100 broadband technologies shall be exempt from one-half (1/2) of the
1101 taxes imposed on such transactions under this chapter.

1102 (c) Sales of equipment to telecommunications
1103 enterprises after June 30, 2003, and before July 1, 2025, that is
1104 installed in Tier Two and Tier Three areas and used in the
1105 deployment of broadband technologies shall be exempt from the
1106 taxes imposed on such transactions under this chapter.

1107 (6) Sales of component materials used in the replacement,
1108 reconstruction or repair of a building that has been destroyed or
1109 sustained extensive damage as a result of a disaster declared by
1110 the Governor, sales of machinery and equipment to be used therein
1111 to replace machinery or equipment damaged or destroyed as a result
1112 of such disaster, including, but not limited to, manufacturing or
1113 processing machinery and equipment which is permanently attached
1114 to the ground or to a permanent foundation and which is not by its
1115 nature intended to be housed within a building structure, to
1116 enterprises that were eligible for the partial exemptions provided
1117 for in subsections (2), (3) and (4) of this section during initial
1118 construction of the building that was destroyed or damaged, which



1119 enterprises are certified by the Department of Revenue as being
1120 eligible for the partial exemption granted in this subsection,
1121 shall be exempt from one-half (1/2) of the taxes imposed on such
1122 transactions under this chapter.

1123 **SECTION 10.** This act shall take effect and be in force from
1124 and after July 1, 2022.

