

**Adopted  
AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 3164**

**BY: Committee**

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

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

80           (2) The Legislature finds that:

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



88 (b) The General Fund revenue collections estimate for  
89 fiscal year 2022 is Five Billion Nine Hundred Twenty-seven Million  
90 Dollars (\$5,927,000,000.00), with an estimate for the first half  
91 of fiscal year 2022 of Two Billion Eight Hundred Twenty-four  
92 Million Three Hundred Twenty-six Thousand One Hundred Dollars  
93 (\$2,824,326,100.00), and actual General Fund revenue collections  
94 through the first half of fiscal year 2022 are Three Billion Three  
95 Hundred Sixty-nine Million Five Hundred Eighty-three Thousand  
96 Seven Hundred Forty-eight Dollars (\$3,369,583,748.00), which  
97 significantly exceed estimated General Fund revenue collections  
98 for such period;

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

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



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

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

119           (b) **Single individuals.** In the case of a single individual,  
120 a personal exemption of Five Thousand Two Hundred Fifty Dollars  
121 (\$5,250.00) for the 1979 and 1980 calendar years \* \* \*, Six  
122 Thousand Dollars (\$6,000.00) for each calendar year thereafter  
123 through calendar year 2022, and Twenty-two Thousand Seven Hundred  
124 Dollars (\$22,700.00) for each calendar year thereafter.

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



138           (d) **Head of family individuals.** In the case of a head of  
139 family individual, a personal exemption of Eight Thousand Dollars  
140 (\$8,000.00) for the 1979 and 1980 calendar years \* \* \*, Nine  
141 Thousand Five Hundred Dollars (\$9,500.00) for each calendar year  
142 thereafter through calendar year 2022, and Twenty-one Thousand Six  
143 Hundred Dollars (\$21,600.00) for each calendar year thereafter.  
144 The term "head of family" means an individual who is single, or  
145 married but not living with his spouse for the entire taxable  
146 year, who maintains a household which constitutes the principal  
147 place of abode of himself and one or more individuals who are  
148 dependents under the provisions of Section 152(a) of the Internal  
149 Revenue Code of 1954, as amended. The head of family individual  
150 shall be entitled to the additional dependent exemption as  
151 provided in subsection (e) of this section only to the extent of  
152 dependents in excess of the one (1) dependent needed to qualify as  
153 head of family.

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



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

167           (g) **Additional exemption for blindness of taxpayer or**  
168 **spouse.** In the case of any taxpayer or the spouse of the taxpayer  
169 who is blind at the close of the taxable year, an additional  
170 exemption of One Thousand Five Hundred Dollars (\$1,500.00). For  
171 the purpose of this subsection, an individual is blind only if his  
172 central visual acuity does not exceed 20/200 in the better eye  
173 with correcting lenses, or if his visual acuity is greater than  
174 20/200 but is accompanied by a limitation in the fields of vision  
175 such that the widest diameter of the visual field subtends an  
176 angle no greater than twenty (20) degrees.

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



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

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

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



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

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

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

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

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



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

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

246 (p) (i) On or before December 1, 2024, and on or before  
247 December 1 of each succeeding year, the Commissioner of Revenue  
248 shall calculate the amount of the increases in the personal  
249 exemption for single individuals, the personal exemption for  
250 married individuals, and the personal exemption for head of family  
251 individuals, that will produce a reduction in revenue equal to the  
252 lesser of the tax reduction growth amount calculated as provided  
253 in paragraph (ii) of this subsection (p) or One Hundred Fifty  
254 Million Dollars (\$150,000,000.00). The commissioner shall  
255 increase each of the personal exemptions by the amount calculated  
256 in this paragraph (i), rounded down to the nearest One Thousand  
257 Dollars (\$1,000.00) increment, and the revised personal exemption  
258 amounts calculated by the commissioner shall be effective for the  
259 next calendar year. From and after January 1 of the next  
260 succeeding year after the date that the Commissioner of Revenue  
261 certifies that the reduction in revenue mandated by this paragraph





262 (i) equals or exceeds the remaining revenue produced by the  
263 individual income tax, the individual income tax shall stand  
264 repealed as provided in Section 27-7-5.

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

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

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

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

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



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

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

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

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

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



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

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

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

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

328 In order to be eligible for the rate of tax provided for in  
329 this subparagraph (ii), such sales must be made to a professional  
330 logger. For the purposes of this subparagraph (ii), a  
331 "professional logger" is a person, corporation, limited liability  
332 company or other entity, or an agent thereof, who possesses a  
333 professional logger's permit issued by the Department of Revenue



334 and who presents the permit to the seller at the time of purchase.  
335 The department shall establish an application process for a  
336 professional logger's permit to be issued, which shall include a  
337 requirement that the applicant submit a copy of documentation  
338 verifying that the applicant is certified according to Sustainable  
339 Forestry Initiative guidelines. Upon a determination that an  
340 applicant is a professional logger, the department shall issue the  
341 applicant a numbered professional logger's permit.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

404           (l) Sales of the factory-built components of modular  
405 homes, panelized homes and precut homes, and panel constructed



406 homes consisting of structural insulated panels, shall be taxed at  
407 the rate of three percent (3%).

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

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

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

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

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



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

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

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

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

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

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

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

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





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

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

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

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

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

467            (1) (a) On or before August 15, 1992, and each succeeding  
468 month thereafter through July 15, 1993, eighteen percent (18%) of  
469 the total sales tax revenue collected during the preceding month  
470 under the provisions of this chapter, except that collected under  
471 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
472 business activities within a municipal corporation shall be  
473 allocated for distribution to the municipality and paid to the  
474 municipal corporation. Except as otherwise provided in this  
475 paragraph (a), on or before August 15, 1993, and each succeeding  
476 month thereafter through February 15, 2023, eighteen and one-half  
477 percent (18-1/2%) of the total sales tax revenue collected during



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



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



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



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



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

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

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

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



602 paid to the state institution of higher learning or community or  
603 junior college. On or before March 15, 2023, and each succeeding  
604 month thereafter, eighteen and one-half percent (18-1/2%) of the  
605 total sales tax revenue collected during the preceding month under  
606 the provisions of this chapter, except that collected under the  
607 provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3) and  
608 27-65-21, on business activities on the campus of a state  
609 institution of higher learning or community or junior college  
610 whose campus is not located within the corporate limits of a  
611 municipality, shall be allocated for distribution to the state  
612 institution of higher learning or community or junior college and  
613 paid to the state institution of higher learning or community or  
614 junior college. On or before March 15, 2023, and each succeeding  
615 month thereafter through February 15, 2024, nineteen and nineteen  
616 one-hundredths percent (19-19/100%) of the total sales tax revenue  
617 collected during the preceding month under the provisions of  
618 Section 27-65-17(1)(n) on business activities on the campus of a  
619 state institution of higher learning or community or junior  
620 college whose campus is not located within the corporate limits of  
621 a municipality, shall be allocated for distribution to the state  
622 institution of higher learning or community or junior college and  
623 paid to the state institution of higher learning or community or  
624 junior college. On or before March 15, 2024, and each succeeding  
625 month thereafter through February 15, 2025, nineteen and  
626 ninety-two one-hundredths percent (19-92/100%) of the total sales



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





652 distribution to the state institution of higher learning or  
653 community or junior college and paid to the state institution of  
654 higher learning or community or junior college. On or before  
655 March 15, 2027, and each succeeding month thereafter through  
656 February 15, 2028, twenty-two and fifty-two one-hundredths percent  
657 (22-52/100%) of the total sales tax revenue collected during the  
658 preceding month under the provisions of Section 27-65-17(1) (n) on  
659 business activities on the campus of a state institution of higher  
660 learning or community or junior college whose campus is not  
661 located within the corporate limits of a municipality, shall be  
662 allocated for distribution to the state institution of higher  
663 learning or community or junior college and paid to the state  
664 institution of higher learning or community or junior college. On  
665 or before March 15, 2028, and each succeeding month thereafter  
666 through February 15, 2029, twenty-three and fifty-five  
667 one-hundredths percent (23-55/100%) of the total sales tax revenue  
668 collected during the preceding month under the provisions of  
669 Section 27-65-17(1) (n) on business activities on the campus of a  
670 state institution of higher learning or community or junior  
671 college whose campus is not located within the corporate limits of  
672 a municipality, shall be allocated for distribution to the state  
673 institution of higher learning or community or junior college and  
674 paid to the state institution of higher learning or community or  
675 junior college. On or before March 15, 2029, and each succeeding  
676 month thereafter through February 15, 2030, twenty-four and



677 sixty-seven one-hundredths percent (24-67/100%) of the total sales  
678 tax revenue collected during the preceding month under the  
679 provisions of Section 27-65-17(1)(n) on business activities on the  
680 campus of a state institution of higher learning or community or  
681 junior college whose campus is not located within the corporate  
682 limits of a municipality, shall be allocated for distribution to  
683 the state institution of higher learning or community or junior  
684 college and paid to the state institution of higher learning or  
685 community or junior college. On or before March 15, 2030, and  
686 each succeeding month thereafter through February 15, 2031,  
687 twenty-five and ninety one-hundredths percent (25-90/100%) of the  
688 total sales tax revenue collected during the preceding month under  
689 the provisions of Section 27-65-17(1)(n) on business activities on  
690 the campus of a state institution of higher learning or community  
691 or junior college whose campus is not located within the corporate  
692 limits of a municipality, shall be allocated for distribution to  
693 the state institution of higher learning or community or junior  
694 college and paid to the state institution of higher learning or  
695 community or junior college. On or before March 15, 2031, and  
696 each succeeding month thereafter through February 15, 2032,  
697 twenty-seven and twenty-six one-hundredths percent (27-26/100%) of  
698 the total sales tax revenue collected during the preceding month  
699 under the provisions of Section 27-65-17(1)(n) on business  
700 activities on the campus of a state institution of higher learning  
701 or community or junior college whose campus is not located within



702 the corporate limits of a municipality, shall be allocated for  
703 distribution to the state institution of higher learning or  
704 community or junior college and paid to the state institution of  
705 higher learning or community or junior college. On or before  
706 March 15, 2032, and each succeeding month thereafter through  
707 February 15, 2033, twenty-eight and seventy-eight one-hundredths  
708 percent (28-78/100%) of the total sales tax revenue collected  
709 during the preceding month under the provisions of Section  
710 27-65-17(1) (n) on business activities on the campus of a state  
711 institution of higher learning or community or junior college  
712 whose campus is not located within the corporate limits of a  
713 municipality, shall be allocated for distribution to the state  
714 institution of higher learning or community or junior college and  
715 paid to the state institution of higher learning or community or  
716 junior college. On or before March 15, 2033, and each succeeding  
717 month thereafter through February 15, 2034, thirty and forty-seven  
718 one-hundredths percent (30-47/100%) of the total sales tax revenue  
719 collected during the preceding month under the provisions of  
720 Section 27-65-17(1) (n) on business activities on the campus of a  
721 state institution of higher learning or community or junior  
722 college whose campus is not located within the corporate limits of  
723 a municipality, shall be allocated for distribution to the state  
724 institution of higher learning or community or junior college and  
725 paid to the state institution of higher learning or community or  
726 junior college. On or before March 15, 2034, and each succeeding



727 month thereafter, thirty-two and thirty-seven one-hundredths  
728 percent (32-37/100%) of the total sales tax revenue collected  
729 during the preceding month under the provisions of Section  
730 27-65-17(1) (n) on business activities on the campus of a state  
731 institution of higher learning or community or junior college  
732 whose campus is not located within the corporate limits of a  
733 municipality, shall be allocated for distribution to the state  
734 institution of higher learning or community or junior college and  
735 paid to the state institution of higher learning or community or  
736 junior college.

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



752 Capitol Complex Improvement District Project Fund created in  
753 Section 29-5-215. On or before August 15, 2020, and each  
754 succeeding month thereafter through February 15, 2023, six percent  
755 (6%) of the total sales tax revenue collected during the preceding  
756 month under the provisions of this chapter, except that collected  
757 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
758 and 27-65-24, on business activities within the corporate limits  
759 of the City of Jackson, Mississippi, shall be deposited into the  
760 Capitol Complex Improvement District Project Fund created in  
761 Section 29-5-215. On or before March 15, 2023, and each  
762 succeeding month thereafter through February 15, 2024, six and  
763 three one-hundredths percent (6-3/100%) of the total sales tax  
764 revenue collected during the preceding month under the provisions  
765 of this chapter, except that collected under the provisions of  
766 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
767 activities within the corporate limits of the City of Jackson,  
768 Mississippi, shall be deposited into the Capitol Complex  
769 Improvement District Project Fund created in Section 29-5-215. On  
770 or before March 15, 2024, and each succeeding month thereafter  
771 through February 15, 2025, six and five one-hundredths percent  
772 (6-5/100%) of the total sales tax revenue collected during the  
773 preceding month under the provisions of this chapter, except that  
774 collected under the provisions of Sections 27-65-15, 27-65-19(3),  
775 27-65-21 and 27-65-24, on business activities within the corporate  
776 limits of the City of Jackson, Mississippi, shall be deposited



777 into the Capitol Complex Improvement District Project Fund created  
778 in Section 29-5-215. On or before March 15, 2025, and each  
779 succeeding month thereafter through February 15, 2026, six and  
780 eight one-hundredths percent (6-8/100%) of the total sales tax  
781 revenue collected during the preceding month under the provisions  
782 of this chapter, except that collected under the provisions of  
783 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
784 activities within the corporate limits of the City of Jackson,  
785 Mississippi, shall be deposited into the Capitol Complex  
786 Improvement District Project Fund created in Section 29-5-215. On  
787 or before March 15, 2026, and each succeeding month thereafter  
788 through February 15, 2027, six and eleven one-hundredths  
789 percent (6-11/100%) of the total sales tax revenue collected during  
790 the preceding month under the provisions of this chapter, except  
791 that collected under the provisions of Sections 27-65-15,  
792 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
793 the corporate limits of the City of Jackson, Mississippi, shall be  
794 deposited into the Capitol Complex Improvement District Project  
795 Fund created in Section 29-5-215. On or before March 15, 2027,  
796 and each succeeding month thereafter through February 15, 2028,  
797 six and thirteen one-hundredths percent (6-13/100%) of the total  
798 sales tax revenue collected during the preceding month under the  
799 provisions of this chapter, except that collected under the  
800 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
801 27-65-24, on business activities within the corporate limits of



802 the City of Jackson, Mississippi, shall be deposited into the  
803 Capitol Complex Improvement District Project Fund created in  
804 Section 29-5-215. On or before March 15, 2028, and each  
805 succeeding month thereafter through February 15, 2029, six and  
806 sixteen one-hundredths percent (6-16/100%) of the total sales tax  
807 revenue collected during the preceding month under the provisions  
808 of this chapter, except that collected under the provisions of  
809 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
810 activities within the corporate limits of the City of Jackson,  
811 Mississippi, shall be deposited into the Capitol Complex  
812 Improvement District Project Fund created in Section 29-5-215. On  
813 or before March 15, 2029, and each succeeding month thereafter  
814 through February 15, 2030, six and nineteen one-hundredths percent  
815 (6-19/100%) of the total sales tax revenue collected during the  
816 preceding month under the provisions of this chapter, except that  
817 collected under the provisions of Sections 27-65-15, 27-65-19(3),  
818 27-65-21 and 27-65-24, on business activities within the corporate  
819 limits of the City of Jackson, Mississippi, shall be deposited  
820 into the Capitol Complex Improvement District Project Fund created  
821 in Section 29-5-215. On or before March 15, 2030, and each  
822 succeeding month thereafter through February 15, 2031, six and  
823 twenty-two one-hundredths percent (6-22/100%) of the total sales  
824 tax revenue collected during the preceding month under the  
825 provisions of this chapter, except that collected under the  
826 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



827 27-65-24, on business activities within the corporate limits of  
828 the City of Jackson, Mississippi, shall be deposited into the  
829 Capitol Complex Improvement District Project Fund created in  
830 Section 29-5-215. On or before March 15, 2031, and each  
831 succeeding month thereafter through February 15, 2032, six and  
832 twenty-four one-hundredths percent (6-24/100%) of the total sales  
833 tax revenue collected during the preceding month under the  
834 provisions of this chapter, except that collected under the  
835 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
836 27-65-24, on business activities within the corporate limits of  
837 the City of Jackson, Mississippi, shall be deposited into the  
838 Capitol Complex Improvement District Project Fund created in  
839 Section 29-5-215. On or before March 15, 2032, and each  
840 succeeding month thereafter through February 15, 2033, six and  
841 twenty-seven one-hundredths percent (6-27/100%) of the total sales  
842 tax revenue collected during the preceding month under the  
843 provisions of this chapter, except that collected under the  
844 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
845 27-65-24, on business activities within the corporate limits of  
846 the City of Jackson, Mississippi, shall be deposited into the  
847 Capitol Complex Improvement District Project Fund created in  
848 Section 29-5-215. On or before March 15, 2033, and each  
849 succeeding month thereafter through February 15, 2034, six and  
850 thirty one-hundredths percent (6-30/100%) of the total sales tax  
851 revenue collected during the preceding month under the provisions





852 of this chapter, except that collected under the provisions of  
853 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
854 activities within the corporate limits of the City of Jackson,  
855 Mississippi, shall be deposited into the Capitol Complex  
856 Improvement District Project Fund created in Section 29-5-215. On  
857 or before March 15, 2034, and each succeeding month thereafter,  
858 six and thirty-three one-hundredths percent (6-33/100%) of the  
859 total sales tax revenue collected during the preceding month under  
860 the provisions of this chapter, except that collected under the  
861 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
862 27-65-24, on business activities within the corporate limits of  
863 the City of Jackson, Mississippi, shall be deposited into the  
864 Capitol Complex Improvement District Project Fund created in  
865 Section 29-5-215.

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



877                   1. The county:

878                    a. Borders on the Mississippi Sound and

879 the State of Alabama, or

880                    b. Is Harrison County, Mississippi, and

881 the project area is within a radius of two (2) miles from the

882 intersection of Interstate 10 and Menge Avenue;

883                   2. The county has issued bonds under Section

884 21-45-9 to finance all or a portion of a redevelopment project in

885 the redevelopment project area;

886                   3. Any debt service for the indebtedness

887 incurred is outstanding; and

888                   4. A development with a value of Ten Million

889 Dollars (\$10,000,000.00) or more is, or will be, located in the

890 redevelopment area.

891                   (ii) Before any sales tax revenue may be allocated

892 for distribution to a county under this paragraph, the county

893 shall certify to the Department of Revenue that the requirements

894 of this paragraph have been met, the amount of bonded indebtedness

895 that has been incurred by the county for the redevelopment project

896 and the expected date the indebtedness incurred by the county will

897 be satisfied.

898                   (iii) The diversion of sales tax revenue

899 authorized by this paragraph shall begin the month following the

900 month in which the Department of Revenue determines that the

901 requirements of this paragraph have been met. The diversion shall



902 end the month the indebtedness incurred by the county is  
903 satisfied. All revenue received by the county under this  
904 paragraph shall be deposited in the fund required to be created in  
905 the tax increment financing plan under Section 21-45-11 and be  
906 utilized solely to satisfy the indebtedness incurred by the  
907 county.

908 (2) On or before September 15, 1987, and each succeeding  
909 month thereafter, from the revenue collected under this chapter  
910 during the preceding month, One Million One Hundred Twenty-five  
911 Thousand Dollars (\$1,125,000.00) shall be allocated for  
912 distribution to municipal corporations as defined under subsection  
913 (1) of this section in the proportion that the number of gallons  
914 of gasoline and diesel fuel sold by distributors to consumers and  
915 retailers in each such municipality during the preceding fiscal  
916 year bears to the total gallons of gasoline and diesel fuel sold  
917 by distributors to consumers and retailers in municipalities  
918 statewide during the preceding fiscal year. The Department of  
919 Revenue shall require all distributors of gasoline and diesel fuel  
920 to report to the department monthly the total number of gallons of  
921 gasoline and diesel fuel sold by them to consumers and retailers  
922 in each municipality during the preceding month. The Department  
923 of Revenue shall have the authority to promulgate such rules and  
924 regulations as is necessary to determine the number of gallons of  
925 gasoline and diesel fuel sold by distributors to consumers and  
926 retailers in each municipality. In determining the percentage



927 allocation of funds under this subsection for the fiscal year  
928 beginning July 1, 1987, and ending June 30, 1988, the Department  
929 of Revenue may consider gallons of gasoline and diesel fuel sold  
930 for a period of less than one (1) fiscal year. For the purposes  
931 of this subsection, the term "fiscal year" means the fiscal year  
932 beginning July 1 of a year.

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

945 (4) On or before August 15, 1994, and on or before the  
946 fifteenth day of each succeeding month through July 15, 1999, from  
947 the proceeds of gasoline, diesel fuel or kerosene taxes as  
948 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
949 (\$4,000,000.00) shall be deposited in the State Treasury to the  
950 credit of a special fund designated as the "State Aid Road Fund,"  
951 created by Section 65-9-17. On or before August 15, 1999, and on



952 or before the fifteenth day of each succeeding month, from the  
953 total amount of the proceeds of gasoline, diesel fuel or kerosene  
954 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
955 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
956 one-fourth percent (23-1/4%) of those funds, whichever is the  
957 greater amount, shall be deposited in the State Treasury to the  
958 credit of the "State Aid Road Fund," created by Section 65-9-17.  
959 Those funds shall be pledged to pay the principal of and interest  
960 on state aid road bonds heretofore issued under Sections 19-9-51  
961 through 19-9-77, in lieu of and in substitution for the funds  
962 previously allocated to counties under this section. Those funds  
963 may not be pledged for the payment of any state aid road bonds  
964 issued after April 1, 1981; however, this prohibition against the  
965 pledging of any such funds for the payment of bonds shall not  
966 apply to any bonds for which intent to issue those bonds has been  
967 published for the first time, as provided by law before March 29,  
968 1981. From the amount of taxes paid into the special fund under  
969 this subsection and subsection (9) of this section, there shall be  
970 first deducted and paid the amount necessary to pay the expenses  
971 of the Office of State Aid Road Construction, as authorized by the  
972 Legislature for all other general and special fund agencies. The  
973 remainder of the fund shall be allocated monthly to the several  
974 counties in accordance with the following formula:

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



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

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

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

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

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

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



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

1006           (7) On or before August 15, 1992, and each succeeding month  
1007 thereafter through July 15, 2000, two and two hundred sixty-six  
1008 one-thousandths percent (2.266%) of the total sales tax revenue  
1009 collected during the preceding month under the provisions of this  
1010 chapter, except that collected under the provisions of Section  
1011 27-65-17(2), shall be deposited by the department into the School  
1012 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
1013 or before August 15, 2000, and each succeeding month thereafter  
1014 February 15, 2023, two and two hundred sixty-six one-thousandths  
1015 percent (2.266%) of the total sales tax revenue collected during  
1016 the preceding month under the provisions of this chapter, except  
1017 that collected under the provisions of Section 27-65-17(2), shall  
1018 be deposited into the School Ad Valorem Tax Reduction Fund created  
1019 under Section 37-61-35 until such time that the total amount  
1020 deposited into the fund during a fiscal year equals Forty-two  
1021 Million Dollars (\$42,000,000.00). Thereafter, the amounts  
1022 diverted under this subsection (7) during the fiscal year in  
1023 excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1024 deposited into the Education Enhancement Fund created under  
1025 Section 37-61-33 for appropriation by the Legislature as other



1026 education needs and shall not be subject to the percentage  
1027 appropriation requirements set forth in Section 37-61-33. On or  
1028 before March 15, 2023, and each succeeding month thereafter  
1029 through February 15, 2024, two and two hundred sixty-six  
1030 one-thousandths percent (2.266%) of the total sales tax revenue  
1031 collected during the preceding month under the provisions of this  
1032 chapter, except that collected under the provisions of Section  
1033 27-65-17(1)(n) and (2), and two and thirty-five one-hundredths  
1034 percent (2.35%) of the total sales tax revenue collected during  
1035 the preceding month under the provisions of Section 27-65-17(1)(n)  
1036 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1037 created under Section 37-61-35 until such time that the total  
1038 amount deposited into the fund during a fiscal year equals  
1039 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1040 amounts diverted under this subsection (7) during the fiscal year  
1041 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1042 deposited into the Education Enhancement Fund created under  
1043 Section 37-61-33 for appropriation by the Legislature as other  
1044 education needs and shall not be subject to the percentage  
1045 appropriation requirements set forth in Section 37-61-33. On or  
1046 before March 15, 2024, and each succeeding month thereafter  
1047 through February 15, 2025, two and two hundred sixty-six  
1048 one-thousandths percent (2.266%) of the total sales tax revenue  
1049 collected during the preceding month under the provisions of this  
1050 chapter, except that collected under the provisions of Section





1051 27-65-17(1)(n) and (2), and two and forty-four one-hundredths  
1052 percent (2.44%) of the total sales tax revenue collected during  
1053 the preceding month under the provisions of Section 27-65-17(1)(n)  
1054 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1055 created under Section 37-61-35 until such time that the total  
1056 amount deposited into the fund during a fiscal year equals  
1057 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1058 amounts diverted under this subsection (7) during the fiscal year  
1059 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1060 deposited into the Education Enhancement Fund created under  
1061 Section 37-61-33 for appropriation by the Legislature as other  
1062 education needs and shall not be subject to the percentage  
1063 appropriation requirements set forth in Section 37-61-33. On or  
1064 before March 15, 2025, and each succeeding month thereafter  
1065 through February 15, 2026, two and two hundred sixty-six  
1066 one-thousandths percent (2.266%) of the total sales tax revenue  
1067 collected during the preceding month under the provisions of this  
1068 chapter, except that collected under the provisions of Section  
1069 27-65-17(1)(n) and (2), and two and fifty-four one-hundredths  
1070 percent (2.54%) of the total sales tax revenue collected during  
1071 the preceding month under the provisions of Section 27-65-17(1)(n)  
1072 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1073 created under Section 37-61-35 until such time that the total  
1074 amount deposited into the fund during a fiscal year equals  
1075 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the



1076 amounts diverted under this subsection (7) during the fiscal year  
1077 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1078 deposited into the Education Enhancement Fund created under  
1079 Section 37-61-33 for appropriation by the Legislature as other  
1080 education needs and shall not be subject to the percentage  
1081 appropriation requirements set forth in Section 37-61-33. On or  
1082 before March 15, 2026, and each succeeding month thereafter  
1083 through February 15, 2027, two and two hundred sixty-six  
1084 one-thousandths percent (2.266%) of the total sales tax revenue  
1085 collected during the preceding month under the provisions of this  
1086 chapter, except that collected under the provisions of Section  
1087 27-65-17(1) (n) and (2), and two and sixty-four one-hundredths  
1088 percent (2.64%) of the total sales tax revenue collected during  
1089 the preceding month under the provisions of Section 27-65-17(1) (n)  
1090 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1091 created under Section 37-61-35 until such time that the total  
1092 amount deposited into the fund during a fiscal year equals  
1093 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1094 amounts diverted under this subsection (7) during the fiscal year  
1095 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1096 deposited into the Education Enhancement Fund created under  
1097 Section 37-61-33 for appropriation by the Legislature as other  
1098 education needs and shall not be subject to the percentage  
1099 appropriation requirements set forth in Section 37-61-33. On or  
1100 before March 15, 2027, and each succeeding month thereafter



1101 through February 15, 2028, two and two hundred sixty-six  
1102 one-thousandths percent (2.266%) of the total sales tax revenue  
1103 collected during the preceding month under the provisions of this  
1104 chapter, except that collected under the provisions of Section  
1105 27-65-17(1) (n) and (2), and two and seventy-six one-hundredths  
1106 percent (2.76%) of the total sales tax revenue collected during  
1107 the preceding month under the provisions of Section 27-65-17(1) (n)  
1108 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1109 created under Section 37-61-35 until such time that the total  
1110 amount deposited into the fund during a fiscal year equals  
1111 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1112 amounts diverted under this subsection (7) during the fiscal year  
1113 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1114 deposited into the Education Enhancement Fund created under  
1115 Section 37-61-33 for appropriation by the Legislature as other  
1116 education needs and shall not be subject to the percentage  
1117 appropriation requirements set forth in Section 37-61-33. On or  
1118 before March 15, 2028, and each succeeding month thereafter  
1119 through February 15, 2029, two and two hundred sixty-six  
1120 one-thousandths percent (2.266%) of the total sales tax revenue  
1121 collected during the preceding month under the provisions of this  
1122 chapter, except that collected under the provisions of Section  
1123 27-65-17(1) (n) and (2), and two and eighty-eight one-hundredths  
1124 percent (2.88%) of the total sales tax revenue collected during  
1125 the preceding month under the provisions of Section 27-65-17(1) (n)



1126 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1127 created under Section 37-61-35 until such time that the total  
1128 amount deposited into the fund during a fiscal year equals  
1129 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1130 amounts diverted under this subsection (7) during the fiscal year  
1131 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1132 deposited into the Education Enhancement Fund created under  
1133 Section 37-61-33 for appropriation by the Legislature as other  
1134 education needs and shall not be subject to the percentage  
1135 appropriation requirements set forth in Section 37-61-33. On or  
1136 before March 15, 2029, and each succeeding month thereafter  
1137 through February 15, 2030, two and two hundred sixty-six  
1138 one-thousandths percent (2.266%) of the total sales tax revenue  
1139 collected during the preceding month under the provisions of this  
1140 chapter, except that collected under the provisions of Section  
1141 27-65-17(1) (n) and (2), and three and two one-hundredths percent  
1142 (3.02%) of the total sales tax revenue collected during the  
1143 preceding month under the provisions of Section 27-65-17(1) (n)  
1144 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1145 created under Section 37-61-35 until such time that the total  
1146 amount deposited into the fund during a fiscal year equals  
1147 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1148 amounts diverted under this subsection (7) during the fiscal year  
1149 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1150 deposited into the Education Enhancement Fund created under



1151 Section 37-61-33 for appropriation by the Legislature as other  
1152 education needs and shall not be subject to the percentage  
1153 appropriation requirements set forth in Section 37-61-33. On or  
1154 before March 15, 2030, and each succeeding month thereafter  
1155 through February 15, 2031, two and two hundred sixty-six  
1156 one-thousandths percent (2.266%) of the total sales tax revenue  
1157 collected during the preceding month under the provisions of this  
1158 chapter, except that collected under the provisions of Section  
1159 27-65-17(1) (n) and (2), and three and seventeen one-hundredths  
1160 percent (3.17%) of the total sales tax revenue collected during  
1161 the preceding month under the provisions of Section 27-65-17(1) (n)  
1162 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1163 created under Section 37-61-35 until such time that the total  
1164 amount deposited into the fund during a fiscal year equals  
1165 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1166 amounts diverted under this subsection (7) during the fiscal year  
1167 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1168 deposited into the Education Enhancement Fund created under  
1169 Section 37-61-33 for appropriation by the Legislature as other  
1170 education needs and shall not be subject to the percentage  
1171 appropriation requirements set forth in Section 37-61-33. On or  
1172 before March 15, 2031, and each succeeding month thereafter  
1173 through February 15, 2032, two and two hundred sixty-six  
1174 one-thousandths percent (2.266%) of the total sales tax revenue  
1175 collected during the preceding month under the provisions of this



1176 chapter, except that collected under the provisions of Section  
1177 27-65-17(1)(n) and (2), and three and thirty-four one-hundredths  
1178 percent (3.34%) of the total sales tax revenue collected during  
1179 the preceding month under the provisions of Section 27-65-17(1)(n)  
1180 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1181 created under Section 37-61-35 until such time that the total  
1182 amount deposited into the fund during a fiscal year equals  
1183 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1184 amounts diverted under this subsection (7) during the fiscal year  
1185 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1186 deposited into the Education Enhancement Fund created under  
1187 Section 37-61-33 for appropriation by the Legislature as other  
1188 education needs and shall not be subject to the percentage  
1189 appropriation requirements set forth in Section 37-61-33. On or  
1190 before March 15, 2032, and each succeeding month thereafter  
1191 through February 15, 2033, two and two hundred sixty-six  
1192 one-thousandths percent (2.266%) of the total sales tax revenue  
1193 collected during the preceding month under the provisions of this  
1194 chapter, except that collected under the provisions of Section  
1195 27-65-17(1)(n) and (2), and three and fifty-two one-hundredths  
1196 percent (3.52%) of the total sales tax revenue collected during  
1197 the preceding month under the provisions of Section 27-65-17(1)(n)  
1198 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1199 created under Section 37-61-35 until such time that the total  
1200 amount deposited into the fund during a fiscal year equals



1201 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1202 amounts diverted under this subsection (7) during the fiscal year  
1203 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1204 deposited into the Education Enhancement Fund created under  
1205 Section 37-61-33 for appropriation by the Legislature as other  
1206 education needs and shall not be subject to the percentage  
1207 appropriation requirements set forth in Section 37-61-33. On or  
1208 before March 15, 2033, and each succeeding month thereafter  
1209 through February 15, 2034, two and two hundred sixty-six  
1210 one-thousandths percent (2.266%) of the total sales tax revenue  
1211 collected during the preceding month under the provisions of this  
1212 chapter, except that collected under the provisions of Section  
1213 27-65-17(1) (n) and (2), and three and seventy-three one-hundredths  
1214 percent (3.73%) of the total sales tax revenue collected during  
1215 the preceding month under the provisions of Section 27-65-17(1) (n)  
1216 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1217 created under Section 37-61-35 until such time that the total  
1218 amount deposited into the fund during a fiscal year equals  
1219 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1220 amounts diverted under this subsection (7) during the fiscal year  
1221 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1222 deposited into the Education Enhancement Fund created under  
1223 Section 37-61-33 for appropriation by the Legislature as other  
1224 education needs and shall not be subject to the percentage  
1225 appropriation requirements set forth in Section 37-61-33. On or



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

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





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



1276 revenue collected during the preceding month under the provisions  
1277 of Section 27-65-17(1)(n) shall be deposited into the Education  
1278 Enhancement Fund created under Section 37-61-33. On or before  
1279 March 15, 2027, and each succeeding month thereafter through  
1280 February 15, 2028, eleven and five one-hundredths percent (11.05%)  
1281 of the total sales tax revenue collected during the preceding  
1282 month under the provisions of Section 27-65-17(1)(n) shall be  
1283 deposited into the Education Enhancement Fund created under  
1284 Section 37-61-33. On or before March 15, 2028, and each  
1285 succeeding month thereafter through February 15, 2029, eleven and  
1286 fifty-five one-hundredths percent (11.55%) of the total sales tax  
1287 revenue collected during the preceding month under the provisions  
1288 of Section 27-65-17(1)(n) shall be deposited into the Education  
1289 Enhancement Fund created under Section 37-61-33. On or before  
1290 March 15, 2029, and each succeeding month thereafter through  
1291 February 15, 2030, twelve and ten one-hundredths percent (12.10%)  
1292 of the total sales tax revenue collected during the preceding  
1293 month under the provisions of Section 27-65-17(1)(n) shall be  
1294 deposited into the Education Enhancement Fund created under  
1295 Section 37-61-33. On or before March 15, 2030, and each  
1296 succeeding month thereafter through February 15, 2031, twelve and  
1297 seventy one-hundredths percent (12.70%) of the total sales tax  
1298 revenue collected during the preceding month under the provisions  
1299 of Section 27-65-17(1)(n) shall be deposited into the Education  
1300 Enhancement Fund created under Section 37-61-33. On or before



1301 March 15, 2031, and each succeeding month thereafter through  
1302 February 15, 2032, thirteen and thirty-seven one-hundredths  
1303 percent (13.37%) of the total sales tax revenue collected during  
1304 the preceding month under the provisions of Section 27-65-17(1)(n)  
1305 shall be deposited into the Education Enhancement Fund created  
1306 under Section 37-61-33. On or before March 15, 2032, and each  
1307 succeeding month thereafter through February 15, 2033, fourteen  
1308 and eleven one-hundredths percent (14.11%) of the total sales tax  
1309 revenue collected during the preceding month under the provisions  
1310 of Section 27-65-17(1)(n) shall be deposited into the Education  
1311 Enhancement Fund created under Section 37-61-33. On or before  
1312 March 15, 2033, and each succeeding month thereafter through  
1313 February 15, 2034, fourteen and ninety-four one-hundredths percent  
1314 (14.94%) of the total sales tax revenue collected during the  
1315 preceding month under the provisions of Section 27-65-17(1)(n)  
1316 shall be deposited into the Education Enhancement Fund created  
1317 under Section 37-61-33. On or before March 15, 2034, and each  
1318 succeeding month thereafter, fifteen and eighty-eight  
1319 one-hundredths percent (15.88%) of the total sales tax revenue  
1320 collected during the preceding month under the provisions of  
1321 Section 27-65-17(1)(n) shall be deposited into the Education  
1322 Enhancement Fund created under Section 37-61-33.

1323 (9) On or before August 15, 1994, and each succeeding month  
1324 thereafter, from the revenue collected under this chapter during



1325 the preceding month, Two Hundred Fifty Thousand Dollars  
1326 (\$250,000.00) shall be paid into the State Aid Road Fund.

1327 (10) On or before August 15, 1994, and each succeeding month  
1328 thereafter through August 15, 1995, from the revenue collected  
1329 under this chapter during the preceding month, Two Million Dollars  
1330 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1331 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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



1350           (13) On or before July 15, 1994, and on or before the  
1351 fifteenth day of each succeeding month thereafter, that portion of  
1352 the avails of the tax imposed in Section 27-65-22 that is derived  
1353 from activities held on the Mississippi State Fairgrounds Complex  
1354 shall be paid into a special fund that is created in the State  
1355 Treasury and shall be expended upon legislative appropriation  
1356 solely to defray the costs of repairs and renovation at the Trade  
1357 Mart and Coliseum.

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



1375 thereafter through July 15, 2011, fifty percent (50%) of that  
1376 portion of the avails of the tax imposed in Section 27-65-23 that  
1377 is derived from sales by cotton compresses or cotton warehouses  
1378 and that would otherwise be paid into the General Fund shall be  
1379 deposited into the special fund created under Section 69-37-39  
1380 until such time that the total amount deposited into the fund  
1381 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
1382 On or before August 15, 2011, and each succeeding month  
1383 thereafter, that portion of the avails of the tax imposed in  
1384 Section 27-65-23 that is derived from sales by cotton compresses  
1385 or cotton warehouses and that would otherwise be paid into the  
1386 General Fund shall be deposited into the special fund created  
1387 under Section 69-37-39 until such time that the total amount  
1388 deposited into the fund during a fiscal year equals One Million  
1389 Dollars (\$1,000,000.00).

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

1397 (16) (a) On or before August 15, 2000, and each succeeding  
1398 month thereafter, the sales tax revenue collected during the  
1399 preceding month under the provisions of this chapter on the gross



1400 proceeds of sales of a project as defined in Section 57-30-1 shall  
1401 be deposited, after all diversions except the diversion provided  
1402 for in subsection (1) of this section, into the Sales Tax  
1403 Incentive Fund created in Section 57-30-3.

1404 (b) On or before August 15, 2007, and each succeeding  
1405 month thereafter, eighty percent (80%) of the sales tax revenue  
1406 collected during the preceding month under the provisions of this  
1407 chapter from the operation of a tourism project under the  
1408 provisions of Sections 57-26-1 through 57-26-5, shall be  
1409 deposited, after the diversions required in subsections (7) and  
1410 (8) of this section, into the Tourism Project Sales Tax Incentive  
1411 Fund created in Section 57-26-3.

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

1419 (18) [Repealed]

1420 (19) (a) On or before August 15, 2005, and each succeeding  
1421 month thereafter, the sales tax revenue collected during the  
1422 preceding month under the provisions of this chapter on the gross  
1423 proceeds of sales of a business enterprise located within a  
1424 redevelopment project area under the provisions of Sections



1425 57-91-1 through 57-91-11, and the revenue collected on the gross  
1426 proceeds of sales from sales made to a business enterprise located  
1427 in a redevelopment project area under the provisions of Sections  
1428 57-91-1 through 57-91-11 (provided that such sales made to a  
1429 business enterprise are made on the premises of the business  
1430 enterprise), shall, except as otherwise provided in this  
1431 subsection (19), be deposited, after all diversions, into the  
1432 Redevelopment Project Incentive Fund as created in Section  
1433 57-91-9.

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

1447 (i) For the first six (6) years in which payments  
1448 are made to a developer from the Redevelopment Project Incentive





1449 Fund, one hundred percent (100%) of the diversion shall be  
1450 deposited into the fund;

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

1455 (iii) For the eighth year in which such payments  
1456 are made to a developer from the Redevelopment Project Incentive  
1457 Fund, seventy percent (70%) of the diversion shall be deposited  
1458 into the fund;

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

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

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



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

1480           (b)   On or before July 15, 2013, and each succeeding  
1481 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
1482 of the sales tax revenue collected during the preceding month  
1483 under the provisions of this chapter shall be deposited into the  
1484 Mississippi Development Authority Job Training Grant Fund created  
1485 in Section 57-1-451.

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

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



1499 month thereafter through July 15, 2021, two percent (2%) of the  
1500 total sales tax revenue collected during the preceding month from  
1501 restaurants and hotels shall be allocated for distribution to the  
1502 Mississippi Development Authority Tourism Advertising Fund  
1503 established under Section 57-1-64, to be used exclusively for the  
1504 purpose stated therein. On or before August 15, 2021, and each  
1505 month thereafter, three percent (3%) of the total sales tax  
1506 revenue collected during the preceding month from restaurants and  
1507 hotels shall be allocated for distribution to the Mississippi  
1508 Development Authority Tourism Advertising Fund established under  
1509 Section 57-1-64, to be used exclusively for the purpose stated  
1510 therein. The revenue diverted pursuant to this subsection shall  
1511 not be available for expenditure until February 1, 2020.

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

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

1521 (25) (a) It shall be the duty of the municipal officials of  
1522 any municipality that expands its limits, or of any community that  
1523 incorporates as a municipality, to notify the commissioner of that



1524 action thirty (30) days before the effective date. Failure to so  
1525 notify the commissioner shall cause the municipality to forfeit  
1526 the revenue that it would have been entitled to receive during  
1527 this period of time when the commissioner had no knowledge of the  
1528 action.

1529           (b) (i) Except as otherwise provided in subparagraph  
1530 (ii) of this paragraph, if any funds have been erroneously  
1531 disbursed to any municipality or any overpayment of tax is  
1532 recovered by the taxpayer, the commissioner may make correction  
1533 and adjust the error or overpayment with the municipality by  
1534 withholding the necessary funds from any later payment to be made  
1535 to the municipality.

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



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

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

1556           27-7-5. (1) There is hereby assessed and levied, to be  
1557 collected and paid as hereinafter provided, for the calendar year  
1558 1983 and fiscal years ending during the calendar year 1983 and all  
1559 taxable years thereafter, upon the entire net income of every  
1560 resident individual, corporation, association, trust or estate, in  
1561 excess of the credits provided, a tax at the following rates:

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

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

1570           (iii) For calendar year 2019, on the first Two  
1571 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
1572 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of



1573 taxable income, or any part thereof, the rate shall be three  
1574 percent (3%);

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

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

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

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

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

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

1596 (3) A like tax is hereby imposed to be assessed, collected  
1597 and paid annually, except as hereinafter provided, at the rate



1598 specified in this section and as hereinafter provided, upon and  
1599 with respect to the entire net income, from all property owned or  
1600 sold, and from every business, trade or occupation carried on in  
1601 this state by individuals, corporations, partnerships, trusts or  
1602 estates, not residents of the State of Mississippi.

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

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

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

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

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



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

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

1631 27-7-5. (1) There is hereby assessed and levied, to be  
1632 collected and paid as hereinafter provided, for the calendar year  
1633 1983 and fiscal years ending during the calendar year 1983 and all  
1634 taxable years thereafter, upon the entire net income of every  
1635 resident \* \* \* corporation, association, trust or estate, in  
1636 excess of the credits provided, a tax at the following rates:

1637 (a) (i) Through calendar year 2017, on the first Five  
1638 Thousand Dollars (\$5,000.00) of taxable income, or any part  
1639 thereof, the rate shall be three percent (3%);

1640 (ii) For calendar year 2018, on the first One  
1641 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
1642 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
1643 taxable income, or any part thereof, the rate shall be three  
1644 percent (3%);

1645 (iii) For calendar year 2019, on the first Two  
1646 Thousand Dollars (\$2,000.00) of taxable income there shall be no





1647 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
1648 taxable income, or any part thereof, the rate shall be three  
1649 percent (3%);

1650 (iv) For calendar year 2020, on the first Three  
1651 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
1652 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
1653 taxable income, or any part thereof, the rate shall be three  
1654 percent (3%);

1655 (v) For calendar year 2021, on the first Four  
1656 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
1657 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
1658 taxable income, or any part thereof, the rate shall be three  
1659 percent (3%);

1660 (vi) For calendar year 2022 and all taxable years  
1661 thereafter, there shall be no tax levied on the first Five  
1662 Thousand Dollars (\$5,000.00) of taxable income;

1663 (b) On taxable income in excess of Five Thousand  
1664 Dollars (\$5,000.00) up to and including Ten Thousand Dollars  
1665 (\$10,000.00), or any part thereof, the rate shall be four percent  
1666 (4%); and

1667 (c) On all taxable income in excess of Ten Thousand  
1668 Dollars (\$10,000.00), the rate shall be five percent (5%).

1669 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
1670 shall not be subject to the income tax imposed under this section.



1671           (3) A like tax is hereby imposed to be assessed, collected  
1672 and paid annually, except as hereinafter provided, at the rate  
1673 specified in this section and as hereinafter provided, upon and  
1674 with respect to the entire net income, from all property owned or  
1675 sold, and from every business, trade or occupation carried on in  
1676 this state by \* \* \* corporations, partnerships, trusts or estates,  
1677 not residents of the State of Mississippi.

1678           (4) In the case of taxpayers having a fiscal year beginning  
1679 in a calendar year with a rate in effect that is different than  
1680 the rate in effect for the next calendar year and ending in the  
1681 next calendar year, the tax due for that taxable year shall be  
1682 determined by:

1683                   (a) Computing for the full fiscal year the amount of  
1684 tax that would be due under the rates in effect for the calendar  
1685 year in which the fiscal year begins; and

1686                   (b) Computing for the full fiscal year the amount of  
1687 tax that would be due under the rates in effect for the calendar  
1688 year in which the fiscal year ends; and

1689                   (c) Applying to the tax computed under paragraph (a)  
1690 the ratio which the number of months falling within the earlier  
1691 calendar year bears to the total number of months in the fiscal  
1692 year; and

1693                   (d) Applying to the tax computed under paragraph (b)  
1694 the ratio which the number of months falling within the later



1695 calendar year bears to the total number of months within the  
1696 fiscal year; and

1697 (e) Adding to the tax determined under paragraph (c)  
1698 the tax determined under paragraph (d) the sum of which shall be  
1699 the amount of tax due for the fiscal year.

1700 **SECTION 6.** Upon the effective date of this act, the State  
1701 Fiscal Officer shall transfer the sum of Five Hundred Million  
1702 Dollars (\$500,000,000.00) from the Capital Expense Fund created in  
1703 Section 27-103-303 to the Budget Stabilization Fund created by  
1704 Section 7 of this act.

1705 **SECTION 7.** There is hereby created in the State Treasury a  
1706 special fund to be designated as the "Budget Stabilization Fund,"  
1707 which shall consist of funds made available by the Legislature in  
1708 any manner and funds from any other source designated for deposit  
1709 into such fund. Unexpended amounts remaining in the special fund  
1710 at the end of a fiscal year shall not lapse into the State General  
1711 Fund, and any investment earnings or interest earned on amounts in  
1712 the fund shall be deposited to the credit of the fund; however,  
1713 any unencumbered monies remaining in the special fund on July 1,  
1714 2026, shall be transferred to the Capital Expense Fund created in  
1715 Section 27-103-303. Monies in the special fund shall only be  
1716 appropriated by the Legislature for budgetary purposes related to  
1717 losses of General Fund revenue.

1718 **SECTION 8.** Section 27-7-3, Mississippi Code of 1972, is  
1719 brought forward as follows:



1720 27-7-3. When used in this article:

1721 (a) "Taxpayer" includes any individual, partnership,  
1722 corporation, association, trust or estate, subject to a tax  
1723 imposed hereunder, or whose income is, in whole or in part,  
1724 subject to a tax imposed hereunder.

1725 (b) "Domestic," when applied to any corporation or  
1726 association, including partnerships, means created or organized in  
1727 the State of Mississippi.

1728 (c) "Foreign," when applied to any corporation or  
1729 association, including partnerships, means created or organized  
1730 outside the State of Mississippi.

1731 (d) "Fiduciary" means a guardian, trustee, executor,  
1732 administrator, receiver, conservator, or any person, whether  
1733 individual or corporate, acting in any fiduciary capacity, for any  
1734 person, trust, or estate.

1735 (e) "Resident" means a natural person and includes, for  
1736 the purpose of determining liability for the tax imposed by this  
1737 article upon or with reference to the income of any taxable year,  
1738 any person domiciled in the State of Mississippi and any other  
1739 person who maintains a legal or actual residence within the state.

1740 (f) "Nonresident," when used in connection with this  
1741 article, shall apply to any natural person whose domicile and  
1742 place of abode is without the State of Mississippi.

1743 (g) "Foreign country" or "foreign government" means any  
1744 jurisdiction other than the one embraced within the United States.



1745 The words "United States" includes the states, the District of  
1746 Columbia, and the territorial possessions of the United States.

1747 (h) "State Tax Commission" or "Tax Commission" means  
1748 the Department of Revenue. "Commission" or "department" also  
1749 means the Department of Revenue except where such words are  
1750 specifically given other meanings.

1751 (i) "Commissioner," "Chairman of the Mississippi State  
1752 Tax Commission," "Chairman of the State Tax Commission," "chairman  
1753 of the commission" or "chairman" means the Commissioner of Revenue  
1754 of the Department of Revenue.

1755 (j) "Taxable year" means the calendar year, or fiscal  
1756 year ending during such calendar year, upon the basis of which the  
1757 net income is computed hereunder. "Fiscal year" means an  
1758 accounting period of twelve (12) months, ending on the last day of  
1759 any month other than December.

1760 (k) "Paid or accrued" means paid or accrued, or paid or  
1761 incurred, and these terms, "paid or incurred" or "paid or  
1762 accrued," shall be construed according to the method of accounting  
1763 or the basis on which the net income is computed. The term  
1764 "received for the purpose of computation of net income" means  
1765 received or accrued, and the term "received or accrued" shall be  
1766 construed according to the method of accounting or the basis on  
1767 which the net income is computed.



1768           (1) "Dividend" means any distribution made by a  
1769 corporation, association, trust or estate, to its shareholders or  
1770 members, whether in cash, other property, or its own stock.

1771           **SECTION 9.** Section 27-7-27, Mississippi Code of 1972, is  
1772 brought forward as follows:

1773           27-7-27. (1) The tax imposed under the income tax laws of  
1774 the State of Mississippi shall apply to the income of estates of  
1775 any kind or property held in trust except:

1776           (a) That a trust forming part of a pension plan, stock  
1777 bonus plan, disability or death benefit plan or profit-sharing  
1778 plan of an employer for the exclusive benefit of some or all of  
1779 his or its employees, or their beneficiaries, to which  
1780 contributions are made by such employer, or employees, or both,  
1781 for the purpose of distributing to such employees, or their  
1782 beneficiaries, the earnings and principal of the fund accumulated  
1783 by the trust in accordance with such plan, shall not be taxable  
1784 under the income tax laws of the State of Mississippi provided  
1785 that the trust is irrevocable and no part of the trust corpus or  
1786 income can be used for purposes other than for the exclusive  
1787 benefit of employees, or their beneficiaries; but any amount  
1788 actually distributed or made available to any distributee shall be  
1789 taxable to him in the year in which so distributed or made  
1790 available to the extent that it exceeds amounts paid in by him.

1791           (b) That all trusts of real or personal property, or  
1792 real and personal property combined, created under a retirement



1793 plan for which provision has been made under the laws of the  
1794 United States of America exempting such trust from federal income  
1795 tax, shall be exempt from income taxation by the State of  
1796 Mississippi.

1797 (2) Notwithstanding the provisions of subsection (1) of this  
1798 section, a taxpayer shall include any Mississippi unrelated  
1799 business taxable income in computing its taxable income under this  
1800 chapter. As used in this subsection "Mississippi unrelated  
1801 business taxable income" includes:

1802 (a) "Unrelated business taxable income" as defined  
1803 under the provisions of the Internal Revenue Code, as amended, and  
1804 not otherwise inconsistent with other provisions of this chapter,  
1805 and

1806 (b) Any income attributable to an ownership interest in  
1807 an S corporation.

1808 (3) A trust required to include the activity of a  
1809 disregarded entity for federal income tax purposes shall do  
1810 likewise for the purpose of computing income for this state.

1811 (4) Except as otherwise provided in this section, the gross  
1812 and net income shall be determined in the same manner as is  
1813 provided by law for any other taxpayer.

1814 **SECTION 10.** Section 27-7-22.5, Mississippi Code of 1972, is  
1815 brought forward as follows:

1816 27-7-22.5. (1) (a) For any manufacturer, distributor,  
1817 wholesale or retail merchant who pays to a county, municipality,



1818 school district, levee district or any other taxing authority of  
1819 the state or a political subdivision thereof, ad valorem taxes  
1820 imposed on commodities, raw materials, works-in-process, products,  
1821 goods, wares and merchandise held for resale, a credit against the  
1822 income taxes imposed under this chapter shall be allowed for the  
1823 portion of the ad valorem taxes so paid in the amounts prescribed  
1824 in subsection (2).

1825           (b) (i) For any person, firm or corporation who pays  
1826 to a county, municipality, school district, levee district or any  
1827 other taxing authority of the state or a political subdivision  
1828 thereof, ad valorem taxes imposed on rental equipment, a credit  
1829 against the income taxes imposed under this chapter shall be  
1830 allowed for the portion of the ad valorem taxes so paid in the  
1831 amounts prescribed in subsection (2).

1832           (ii) As used in this paragraph, "rental equipment"  
1833 means any rental equipment or other rental items which are held  
1834 for short-term rental to the public:

- 1835                           1. Under rental agreements with no specific  
1836 term;
- 1837                           2. Under at-will or open-ended agreements; or
- 1838                           3. Under rental agreements with terms  
1839 ordinarily of less than three hundred sixty-five (365) days; and
- 1840                           4. Is not subject to privilege taxes imposed  
1841 in Chapter 19, Title 27, Mississippi Code of 1972.





1842           (2) The tax credit allowed by this section shall not exceed  
1843 the amounts set forth in paragraphs (a) through (g) of this  
1844 subsection; and may be claimed for each location where such  
1845 commodities, raw material, works-in-process, products, goods,  
1846 wares, merchandise and/or rental equipment are found and upon  
1847 which the ad valorem taxes have been paid. Any tax credit claimed  
1848 under this section but not used in any taxable year may be carried  
1849 forward for five (5) consecutive years from the close of the tax  
1850 year in which the credit was earned.

1851           (a) For the 1994 taxable year, the tax credit for each  
1852 location of the taxpayer shall not exceed the lesser of Two  
1853 Thousand Dollars (\$2,000.00) or the amount of income taxes due the  
1854 State of Mississippi that are attributable to such location.

1855           (b) For the 1995 taxable year, the tax credit for each  
1856 location of the taxpayer shall not exceed the lesser of Three  
1857 Thousand Dollars (\$3,000.00) or the amount of income taxes due the  
1858 State of Mississippi that are attributable to such location.

1859           (c) For the 1996 taxable year, the tax credit for each  
1860 location of the taxpayer shall not exceed the lesser of Four  
1861 Thousand Dollars (\$4,000.00) or the amount of income taxes due the  
1862 State of Mississippi that are attributable to such location.

1863           (d) For the 1997 taxable year and each taxable year  
1864 thereafter through taxable year 2013, the tax credit for each  
1865 location of the taxpayer shall not exceed the lesser of Five



1866 Thousand Dollars (\$5,000.00) or the amount of income taxes due the  
1867 State of Mississippi that are attributable to such location.

1868 (e) For the 2014 taxable year, the tax credit for each  
1869 location of the taxpayer shall not exceed the lesser of Ten  
1870 Thousand Dollars (\$10,000.00) or the amount of income taxes due  
1871 the State of Mississippi that are attributable to such location.

1872 (f) For the 2015 taxable year, the tax credit for each  
1873 location of the taxpayer shall not exceed the lesser of Fifteen  
1874 Thousand Dollars (\$15,000.00) or the amount of income taxes due  
1875 the State of Mississippi that are attributable to such location.

1876 (g) For the 2016 taxable year and each taxable year  
1877 thereafter, the tax credit of the taxpayer shall be the lesser of  
1878 the amount of the ad valorem taxes described in subsection (1)  
1879 paid or the amount of income taxes due the State of Mississippi  
1880 that are attributable to such location.

1881 (3) Any amount of ad valorem taxes paid by a taxpayer that  
1882 is applied toward the tax credit allowed in this section may not  
1883 be used as a deduction by the taxpayer for state income tax  
1884 purposes. In the case of a taxpayer that is a partnership,  
1885 limited liability company or S corporation, the credit may be  
1886 applied only to the tax attributable to partnership, limited  
1887 liability company or S corporation income derived from the  
1888 taxpayer.

1889 **SECTION 11.** Section 27-7-22.15, Mississippi Code of 1972, is  
1890 brought forward as follows:



1891 27-7-22.15. (1) As used in this section, the following  
1892 words and phrases shall have the meanings ascribed to herein  
1893 unless the context clearly indicates otherwise:

1894 (a) "Approved reforestation practices" means the  
1895 following practices for establishing a crop of trees suitable for  
1896 manufacturing into forest products:

1897 (i) "Pine and hardwood tree planting practices"  
1898 including the cost of seedlings, planting by hand or machine, and  
1899 site preparation.

1900 (ii) "Mixed-stand regeneration practices" to  
1901 establish a mixed-crop of pine and hardwood trees by planting or  
1902 direct seeding, or both, including the cost of seedlings,  
1903 seed/acorns, planting, seeding and site preparation.

1904 (iii) "Direct seeding practices" to establish a  
1905 crop of pine or oak trees by directly applying seed/acorns to the  
1906 site including the cost of seed/acorns, seeding and site  
1907 preparation.

1908 (iv) "Post-planting site preparation practices" to  
1909 reduce or control undesirable competition within the first growing  
1910 season of an established crop of trees.

1911 Approved reforestation practices shall not include the  
1912 establishment of orchards, Christmas trees or ornamental trees.

1913 (b) "Eligible tree species" means pine and hardwood  
1914 commercial tree species suitable for manufacturing into forest  
1915 products.



1916 (c) "Cost-share assistance" means partial financial  
1917 payment for approved reforestation practices from the state  
1918 government as authorized under Sections 49-19-201 through  
1919 49-19-227, or the federal government.

1920 (d) "Eligible owner" means a private individual, group  
1921 or association, but the term shall not mean private corporations  
1922 which manufacture products or provide public utility services of  
1923 any type or any subsidiary of such corporations.

1924 (e) "Eligible lands" means nonindustrial private lands  
1925 owned by a private individual, group or association, but shall not  
1926 mean lands owned by private corporations which manufacture  
1927 products or provide public utility services of any type or any  
1928 subsidiary of such corporations.

1929 (f) "Reforestation prescription or plan" means a  
1930 written description of the approved reforestation practices that  
1931 the eligible owner plans to use and includes a legal description  
1932 and map of the area to be reforested, a list of the tree seedling  
1933 or seed species to be used in the reforestation and the site  
1934 preparation practices that will be utilized.

1935 (2) Subject to the limitations provided in subsection (3) of  
1936 this section, upon submission to the State Tax Commission of the  
1937 written verification provided for in subsection (5) of this  
1938 section and such other documentation as the State Tax Commission  
1939 may require, any eligible owner who incurs costs for approved  
1940 reforestation practices for eligible tree species on eligible



1941 lands shall be allowed a credit, in an amount equal to the lesser  
1942 of fifty percent (50%) of the actual costs of the approved  
1943 reforestation practices or fifty percent (50%) of the average cost  
1944 of approved practices as established by the Mississippi Forestry  
1945 Commission under Section 49-19-219, against the taxes imposed  
1946 pursuant to this chapter for the tax year in which the costs are  
1947 incurred.

1948 (3) The maximum amount of the credit provided for in  
1949 subsection (2) of this section that may be utilized in any one (1)  
1950 taxable year shall not exceed the lesser of Ten Thousand Dollars  
1951 (\$10,000.00) or the amount of income tax imposed upon the eligible  
1952 owner for the taxable year reduced by the sum of all other credits  
1953 allowable to the eligible owner under this chapter, except credit  
1954 for tax payments made by or on behalf of the eligible owner. Any  
1955 unused portion of the credit may be carried forward for succeeding  
1956 tax years. The maximum dollar amount of the credit provided for  
1957 in subsection (2) of this section that an eligible owner may  
1958 utilize during his lifetime shall be Seventy-five Thousand Dollars  
1959 (\$75,000.00) in the aggregate.

1960 (4) If an eligible owner receives any state or federal cost  
1961 share assistance funds to defray the cost of an approved  
1962 reforestation practice, the cost of that practice on the same acre  
1963 or acres within the same tax year is not eligible for the credit  
1964 provided in this section unless the eligible owner's adjusted  
1965 gross income is less than the federal earned income credit level.



1966 (5) To be eligible for the tax credit, an eligible owner  
1967 must have a reforestation prescription or plan prepared for the  
1968 eligible lands by a graduate forester of a college, school or  
1969 university accredited by the Society of American Foresters or by a  
1970 registered forester under the Foresters Registration Law of 1977.  
1971 The forester must verify in writing that the reforestation  
1972 practices were completed and that the reforestation prescription  
1973 or plan was followed.

1974 **SECTION 12.** Section 27-7-22.21, Mississippi Code of 1972, is  
1975 brought forward as follows:

1976 27-7-22.21. (1) As used in this section, the following  
1977 words and phrases shall have the following meanings, unless the  
1978 context clearly indicates otherwise:

1979 (a) "Eligible land" means nonindustrial private lands  
1980 in the state that are adjacent to and along a stream which is  
1981 fully nominated to the Mississippi Scenic Streams Stewardship  
1982 Program, or nonindustrial private lands in the state which are  
1983 considered to be priority sites for conservation under the  
1984 Mississippi Natural Heritage Program.

1985 (b) "Eligible owner" means a private individual, group  
1986 or association other than a private corporation, or any subsidiary  
1987 thereof, which manufactures products or provides public utility  
1988 services of any type.

1989 (c) "Interest in land" means any right in real  
1990 property, including access thereto or improvements thereon, or



1991 water, including, but not limited to, a fee simple easement, a  
1992 conservation easement, provided such interest complies with the  
1993 requirements of the United States Internal Revenue Code Section  
1994 170(h), partial interest, mineral right, remainder or future  
1995 interest, or other interest or right in real property.

1996 (d) "Land" or "lands" means real property, with or  
1997 without improvements thereon, rights-of-way, water and riparian  
1998 rights, easements, privileges and all other rights or interests of  
1999 any land or description in, relating to, or connected with real  
2000 property.

2001 (e) "Allowable transaction costs" mean the costs of the  
2002 appraisal of the lands or interests in lands, including  
2003 conservation easements, that are being donated, of the baseline  
2004 survey of the natural features, animals and plants present on the  
2005 site, of engineering and surveying fees, of maintenance fees, of  
2006 monitoring fees and of legal fees, including the costs of document  
2007 preparation, title review and title insurance.

2008 (f) "Specified conservation purposes" mean the  
2009 preservation of stream bank habitats and the stability of stream  
2010 banks, or the protection of land necessary because of high  
2011 biodiversity significance or high protection urgency due to the  
2012 presence of exemplary natural communities or species of special  
2013 concern, including threatened or endangered species.

2014 (2) For the taxable years beginning on or after January 1,  
2015 2003, for any income taxpayer who is an eligible owner, a credit



2016 against the taxes imposed by this chapter shall be allowed in the  
2017 amounts provided in this section upon the donation of land or an  
2018 interest in land for specified conservation purposes.

2019 (3) The credit provided for in this section shall be fifty  
2020 percent (50%) of the allowable transaction costs involved in the  
2021 donation for the tax year in which the allowable transaction costs  
2022 occur. The aggregate amount of the credit provided in this  
2023 section for allowable transaction costs shall not exceed the  
2024 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax  
2025 imposed upon the taxpayer for the taxable year reduced by the sum  
2026 of all other credits allowable to such taxpayer under this  
2027 chapter, except credit for tax payments made by or on behalf of  
2028 the taxpayer. Any unused portion of the credit may be carried  
2029 forward for ten (10) succeeding tax years. The maximum dollar  
2030 amount of the credit provided for in this section that an eligible  
2031 owner may utilize during his lifetime shall be Ten Thousand  
2032 Dollars (\$10,000.00) in the aggregate.

2033 (4) To be eligible for the credit provided for in this  
2034 section, an eligible owner must demonstrate that the donation  
2035 qualifies as a conservation contribution under Section 170(h) of  
2036 the United States Internal Revenue Code of 1986, by means of being  
2037 a donation in perpetuity, for conservation purposes and made to a  
2038 qualified holder or donee. A letter from the donee indicating  
2039 acceptance and a completed copy of the appropriate United States  
2040 Internal Revenue Service form shall constitute proof of





2041 acceptance. The eligible owner also must submit any other  
2042 documentation that the State Tax Commission may require.

2043 **SECTION 13.** Section 27-7-22.22, Mississippi Code of 1972, is  
2044 brought forward as follows:

2045 27-7-22.22. (1) A credit is allowed against the taxes  
2046 imposed by this chapter to a taxpayer for allowing land owned by  
2047 the taxpayer to be used as a natural area preserve, a wildlife  
2048 refuge or habitat area, a wildlife management area, or for the  
2049 purpose of providing public outdoor recreational opportunities, as  
2050 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to  
2051 the following conditions and limitations:

2052 (a) The land may not be under lease to the Mississippi  
2053 Commission on Wildlife, Fisheries and Parks, and the commission  
2054 must approve the land as being suitable for the uses described in  
2055 this section.

2056 (b) The amount of the tax credit allowed by this  
2057 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of  
2058 land in each taxable year.

2059 (c) In no event shall the amount of the tax credits  
2060 allowed by this section for a taxable year exceed the taxpayer's  
2061 liability for those taxes. Any unused credit amount shall be  
2062 allowed to be carried forward for five (5) years from the close of  
2063 the taxable year in which the land was approved for such a use.  
2064 No such credit shall be allowed the taxpayer against prior years'  
2065 tax liability.



2066           (2) To claim a credit allowed by this section, the taxpayer  
2067 shall provide any information required by the Mississippi  
2068 Commission on Wildlife, Fisheries and Parks or the Mississippi  
2069 Commissioner of Revenue. Every taxpayer claiming a credit under  
2070 this section shall maintain and make available for inspection by  
2071 the Mississippi Commission on Wildlife, Fisheries and Parks or the  
2072 Mississippi Commissioner of Revenue any records that either entity  
2073 considers necessary to determine and verify the amount of the  
2074 credit to which the taxpayer is entitled. The burden of proving  
2075 eligibility for a credit and the amount of the credit rests upon  
2076 the taxpayer, and no credit may be allowed to a taxpayer that  
2077 fails to maintain adequate records or to make them available for  
2078 inspection.

2079           (3) Upon approval of the Commission on Wildlife, Fisheries  
2080 and Parks under subsection (1) (a), a taxpayer seeking to claim any  
2081 tax credit provided for under this section must submit an  
2082 application to the Mississippi Commissioner of Revenue for  
2083 approval of the tax credit. The Mississippi Commissioner of  
2084 Revenue shall promulgate the rules and forms on which the  
2085 application is to be submitted. The Mississippi Commissioner of  
2086 Revenue shall review the application and may approve such  
2087 application upon determining that it meets the requirements of  
2088 this section within sixty (60) days after receiving the  
2089 application.



2090           **SECTION 14.** Section 27-7-22.31, Mississippi Code of 1972, is  
2091 amended as follows:

2092           27-7-22.31. (1) As used in this section:

2093                   (a) "Certified historic structure" means a property  
2094 located in Mississippi that has been:

2095                           (i) Listed individually on the National Register  
2096 of Historic Places; or

2097                           (ii) Determined eligible for the National Register  
2098 of Historic Places by the Secretary of the United States  
2099 Department of the Interior and will be listed within thirty (30)  
2100 months of claiming the rebate or credit authorized by this  
2101 section; or

2102                           (iii) Property designated a Mississippi Landmark  
2103 by the Department of Archives and History pursuant to Section  
2104 39-7-3 et seq.

2105                   (b) "Eligible property" means property located in  
2106 Mississippi and offered or used for residential or business  
2107 purposes.

2108                   (c) "Structure in a certified historic district" means  
2109 a structure (and its structural components) located in Mississippi  
2110 which:

2111                           (i) Is listed in the National Register of Historic  
2112 Places; or

2113                           (ii) Has been determined eligible for the National  
2114 Register of Historic Places by the Secretary of the United States



2115 Department of the Interior and will be listed within thirty (30)  
2116 months of claiming the rebate or credit authorized by this  
2117 section; or

2118                   (iii) Is located in a registered historic district  
2119 listed on the National Register of Historic Places or located in a  
2120 potential district that has been determined eligible for the  
2121 National Register of Historic Places by the Secretary of the  
2122 United States Department of the Interior and will be listed within  
2123 thirty (30) months of claiming the rebate or credit authorized by  
2124 this section, and is certified by the Secretary of the United  
2125 States Department of the Interior as being of historic  
2126 significance to the district; or

2127                   (iv) Is certified by the Mississippi Department of  
2128 Archives and History as contributing to the historic significance  
2129 of:

2130                   1. A certified historic district listed on  
2131 the National Register of Historic Places; or

2132                   2. A potential district that has been  
2133 determined eligible for the National Register of Historic Places  
2134 by the Secretary of the United States Department of the Interior  
2135 and will be listed within thirty (30) months of claiming the  
2136 rebate or credit authorized by this section; or

2137                   3. A local district that has been certified  
2138 by the United States Department of the Interior.



2139 (d) "Department" means the Department of Archives and  
2140 History.

2141 (2) Any taxpayer incurring costs and expenses for the  
2142 rehabilitation of eligible property, which is a certified historic  
2143 structure or a structure in a certified historic district, shall  
2144 be entitled to a rebate or credit against the taxes imposed  
2145 pursuant to this chapter in an amount equal to twenty-five percent  
2146 (25%) of the total costs and expenses of rehabilitation incurred  
2147 after January 1, 2006, which shall include, but not be limited to,  
2148 qualified rehabilitation expenditures as defined under Section  
2149 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and  
2150 the related regulations thereunder:

2151 (a) If the costs and expenses associated with  
2152 rehabilitation exceed:

2153 (i) Five Thousand Dollars (\$5,000.00) in the case  
2154 of an owner-occupied dwelling; or

2155 (ii) Fifty percent (50%) of the adjusted basis in  
2156 the property in the case of all other properties; and

2157 (b) The rehabilitation is consistent with the standards  
2158 of the Secretary of the United States Department of the Interior  
2159 as determined by the department.

2160 (3) Any taxpayer eligible for the rebate or credit  
2161 authorized by this section may claim the rebate or credit in  
2162 phases if:



2163 (a) There is a written set of architectural plans and  
2164 specifications for all phases of the rehabilitation (written plans  
2165 outlining and describing all phases of the rehabilitation shall be  
2166 accepted as written plans and specifications);

2167 (b) The written set of architectural plans and  
2168 specifications are completed before the physical work on the  
2169 rehabilitation begins; and

2170 (c) The project receives final certification by the  
2171 department within sixty (60) months of the project start date  
2172 certified in the first phase.

2173 (4) (a) (i) If the amount of the tax credit established by  
2174 this section exceeds the total state income tax liability for the  
2175 credit year, the amount that exceeds the total state income tax  
2176 liability may be carried forward for the ten (10) succeeding tax  
2177 years.

2178 (ii) In lieu of claiming a tax credit, the  
2179 taxpayer may elect to claim a rebate in the amount of seventy-five  
2180 percent (75%) of the amount that would be eligible to claim as a  
2181 credit. The election must be made in the year in which the rebate  
2182 is certified.

2183 (iii) Rebate requests shall be submitted to the  
2184 department on forms prescribed by the department. The department  
2185 will then provide the taxpayer with a voucher for the approved  
2186 amount. Within twelve (12) months of the issuance of the voucher  
2187 by the department, the taxpayer may submit the voucher to the



2188 Department of Revenue to receive payment. Rebates shall be made  
2189 from current tax collections.

2190 (b) Not-for-profit entities, including, but not limited  
2191 to, nonprofit corporations organized under Section 79-11-101 et  
2192 seq., shall be ineligible for the rebate or credit authorized by  
2193 this section. Credits granted to a partnership, a limited  
2194 liability company taxed as a partnership or multiple owners of  
2195 property shall be passed through to the partners, members or  
2196 owners on a pro rata basis or pursuant to an executed agreement  
2197 among the partners, members or owners documenting an alternative  
2198 distribution method. Partners, members or other owners of a  
2199 pass-through entity are not eligible to elect a refund of excess  
2200 credit in lieu of a carryforward of the credit. However, a  
2201 partnership or limited liability company taxed as a partnership  
2202 may elect to claim a rebate at the entity level on a form  
2203 prescribed by the department. Additionally, excess tax credits  
2204 that are attributable to rehabilitated property that was placed in  
2205 service by a pass-through entity prior to January 1, 2011, and  
2206 that have previously been allocated to and are held by another  
2207 pass-through entity prior to January 1, 2011, may be refunded to  
2208 such other pass-through entity.

2209 (5) (a) (i) To claim the rebate or credit authorized  
2210 pursuant to this section, the taxpayer shall apply to the  
2211 department which shall determine the amount of eligible  
2212 rehabilitation costs and expenses and whether the rehabilitation



2213 is consistent with the standards of the Secretary of the United  
2214 States Department of the Interior. The department shall issue a  
2215 certificate evidencing the date of the rebate or credit and amount  
2216 of eligible rebate or credit if the taxpayer is found to be  
2217 eligible for the tax rebate or credit. The taxpayer shall attach  
2218 the certificate to all income tax returns on which the credit is  
2219 claimed. Except as otherwise provided in this paragraph (a), the  
2220 department shall not issue certificates evidencing the eligible  
2221 rebate or credit which will result in rebates or credits being  
2222 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in  
2223 any one (1) calendar year for projects with total qualified  
2224 rehabilitation costs and expenses of One Million Seven Hundred  
2225 Fifty Thousand Dollars (\$1,750,000.00) or more. The department  
2226 shall also not issue certificates evidencing the eligible rebate  
2227 or credit which will result in rebates or credits being awarded in  
2228 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)  
2229 calendar year for projects with total qualified rehabilitation  
2230 costs and expenses of less than One Million Seven Hundred Fifty  
2231 Thousand Dollars (\$1,750,000.00).

2232 (ii) If claiming a credit instead of a rebate, the  
2233 taxpayer shall claim such credit on the income tax return for the  
2234 tax year for which the credit is certified.

2235 (b) The date of the rebate or credit shall be certified  
2236 in the following order:





2237 (i) The rebate or credit shall be certified based  
2238 on the date of project completion.

2239 (ii) If the eligible rebate or credit exceeds the  
2240 available limit in the year in which the project is completed, the  
2241 rebate or credit shall be certified based on the date the  
2242 certification is issued by the department. The department shall  
2243 issue the certification in the first calendar year in which the  
2244 requested rebate or credit would not exceed the calendar year  
2245 limit.

2246 (c) The aggregate amount of tax rebates \* \* \*, credits  
2247 or grants that may be awarded under this section shall not exceed  
2248 One Hundred Eighty Million Dollars (\$180,000,000.00).

2249 (6) (a) The rebate \* \* \*, credit or grant received by a  
2250 taxpayer pursuant to this section is subject to recapture if:

2251 (i) The property is one that has been determined  
2252 eligible for the National Register of Historic Places but is not  
2253 listed on the National Register of Historic Places within thirty  
2254 (30) months of claiming the rebate or credit authorized by this  
2255 section;

2256 (ii) The potential district in which the property  
2257 is located is not listed on the National Register of Historic  
2258 Places within thirty (30) months of claiming the rebate or credit  
2259 authorized by this section; or



2260 (iii) The project has not received final  
2261 certification by the department within sixty (60) months of the  
2262 project start date certified in the first phase.

2263 (b) The taxpayer shall notify the department and the  
2264 Department of Revenue if any of the situations that subject the  
2265 credit to recapture occur.

2266 (7) (a) The board of trustees of the department shall  
2267 establish fees to be charged for the services performed by the  
2268 department under this section and shall publish the fee schedule.  
2269 The fees contained in the schedule shall be in amounts reasonably  
2270 calculated to recover the costs incurred by the department for the  
2271 administration of this section. Any taxpayer desiring to  
2272 participate in the tax credits authorized by this section shall  
2273 pay the appropriate fee as contained in the fee schedule to the  
2274 department, which shall be used by the department, without  
2275 appropriation, to offset the administrative costs of the  
2276 department associated with its duties under this section.

2277 (b) There is hereby created within the State Treasury a  
2278 special fund into which shall be deposited all the fees collected  
2279 by the department pursuant to this section. Money deposited into  
2280 the fund shall not lapse at the end of any fiscal year and  
2281 investment earnings on the proceeds in such special fund shall be  
2282 deposited into such fund. Money from the fund shall be disbursed  
2283 upon warrants issued by the State Fiscal Officer upon requisitions



2284 signed by the executive director of the department to assist the  
2285 department in carrying out its duties under this section.

2286 (8) This section shall only apply to taxpayers:

2287 (a) Who have been issued a certificate evidencing the  
2288 eligible credit before December 31, 2030; or

2289 (b) Who, before December 31, 2030, have received a  
2290 determination in writing from the Mississippi Department of  
2291 Archives and History, in accordance with the department's Historic  
2292 Preservation Certificate Application, Part 2, that the  
2293 rehabilitation is consistent with the historic character of the  
2294 property and that the property meets the United States Secretary  
2295 of the Interior's Standards for Rehabilitation, or will meet the  
2296 standards if certain specified conditions are met, and, who are  
2297 issued a certificate evidencing the eligible credit on or after  
2298 December 31, 2030.

2299 (9) Notwithstanding any other provision of this section to  
2300 the contrary, from and after January 1, 2023, if the amount of the  
2301 credit or rebate that a taxpayer is eligible to receive or to use  
2302 is less than the amount of credit or rebate that the taxpayer  
2303 would have been eligible to receive or to use if the taxpayer's  
2304 income tax liability had been calculated using any applicable  
2305 income tax personal exemptions in Section 27-7-21(b), (c) and (d),  
2306 as such exemptions existed before January 1, 2023, then the  
2307 taxpayer shall receive a grant from the Department of Revenue  
2308 equal to the difference between such two (2) amounts. Grants made



2309 by the Department of Revenue under this section shall be made from  
2310 current tax collections.

2311 **SECTION 15.** Section 27-7-22.32, Mississippi Code of 1972, is  
2312 brought forward as follows:

2313 **[Through December 31, 2023, this section shall read as**  
2314 **follows:]**

2315 27-7-22.32. (1) (a) There shall be allowed as a credit  
2316 against the tax imposed by this chapter the amount of the  
2317 qualified adoption expenses paid or incurred, not to exceed Two  
2318 Thousand Five Hundred Dollars (\$2,500.00), for each dependent  
2319 child legally adopted by a taxpayer under the laws of this state  
2320 during calendar year 2006 or during any calendar year thereafter  
2321 through calendar year 2017, and not to exceed Five Thousand  
2322 Dollars (\$5,000.00) for each dependent child legally adopted by a  
2323 taxpayer under the laws of this state during any calendar year  
2324 thereafter. A taxpayer claiming a credit under this paragraph (a)  
2325 may not claim a credit under paragraph (b) of this subsection for  
2326 the adoption of the same child.

2327 (b) There shall be allowed as a credit against the tax  
2328 imposed by this chapter the amount of Five Thousand Dollars  
2329 (\$5,000.00) for each dependent child legally adopted by a taxpayer  
2330 under the laws of this state through the Mississippi Department of  
2331 Child Protection Services during calendar year 2018 or during any  
2332 calendar year thereafter. A taxpayer claiming a credit under this



2333 paragraph (b) may not claim a credit under paragraph (a) of this  
2334 subsection for the adoption of the same child.

2335 (2) The tax credit under this section may be claimed for the  
2336 taxable year in which the adoption becomes final under the laws of  
2337 this state. Any tax credit claimed under this section but not  
2338 used in any taxable year may be carried forward for the five (5)  
2339 succeeding tax years. A tax credit is allowed under this section  
2340 for any child for which an exemption is claimed during the same  
2341 taxable year under Section 27-7-21(e). For the purposes of this  
2342 section, the term "qualified adoption expenses" means and has the  
2343 same definition as that term has in 26 USCS 36C.

2344 **[From and after January 1, 2024, this section shall read as**  
2345 **follows:]**

2346 27-7-22.32. There shall be allowed as a credit against the  
2347 tax imposed by this chapter the amount of the qualified adoption  
2348 expenses paid or incurred, not to exceed Two Thousand Five Hundred  
2349 Dollars (\$2,500.00), for each dependent child legally adopted by a  
2350 taxpayer under the laws of this state during calendar year 2006 or  
2351 during any calendar year thereafter. The tax credit under this  
2352 section may be claimed for the taxable year in which the adoption  
2353 becomes final under the laws of this state. Any tax credit  
2354 claimed under this section but not used in any taxable year may be  
2355 carried forward for the three (3) succeeding tax years. A tax  
2356 credit is allowed under this section for any child for which an  
2357 exemption is claimed during the same taxable year under Section



2358 27-7-21(e). For the purposes of this section, the term "qualified  
2359 adoption expenses" means and has the same definition as that term  
2360 has in 26 USCS 36C.

2361 **SECTION 16.** Section 27-7-22.33, Mississippi Code of 1972, is  
2362 brought forward as follows:

2363 27-7-22.33. (1) A taxpayer shall be allowed a credit  
2364 against the income taxes imposed under this chapter in an amount  
2365 equal to twenty-five percent (25%) of the premium costs paid  
2366 during the taxable year for a qualified long-term care insurance  
2367 policy as defined in Section 7702B of the Internal Revenue Code  
2368 that offers coverage to either the individual, the individual's  
2369 spouse, the individual's parent or parent-in-law, or the  
2370 individual's dependent as defined in Section 152 of the Internal  
2371 Revenue Code.

2372 (2) No taxpayer shall be entitled to the credit with respect  
2373 to the same expended amounts for qualified long-term care  
2374 insurance which are claimed by another taxpayer.

2375 (3) The credit allowed by this section shall not exceed Five  
2376 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,  
2377 whichever is less, for each qualified long-term care insurance  
2378 policy. Any unused tax credit shall not be allowed to be carried  
2379 forward to apply to the taxpayer's succeeding year's tax  
2380 liability.

2381 (4) No credit shall be allowed under this section with  
2382 respect to any premium for qualified long-term care insurance



2383 either deducted or subtracted by the taxpayer in arriving at his  
2384 net taxable income under this section or with respect to any  
2385 premiums for qualified long-term care insurance which were  
2386 excluded from his net taxable income.

2387         **SECTION 17.** Section 27-7-22.37, Mississippi Code of 1972, is  
2388 brought forward as follows:

2389         27-7-22.37. (1) There shall be allowed as a credit against  
2390 the tax imposed by Section 27-7-5 the amount of the qualified  
2391 prekindergarten program support contributions paid to approved  
2392 providers, lead partners or collaboratives, not to exceed One  
2393 Million Dollars (\$1,000,000.00), by any individual, corporation or  
2394 other entity having taxable income under the laws of this state  
2395 during calendar year 2013 or during any calendar year thereafter.  
2396 In order to qualify for a tax credit, such contributions may  
2397 support the local match requirement of approved providers, lead  
2398 partners or collaboratives as is necessary to match  
2399 state-appropriated funds, and any such providers, lead partners or  
2400 collaboratives shall be approved by the State Department of  
2401 Education.

2402         (2) Any unused portion of the credit may be carried forward  
2403 for three (3) tax years.

2404         (3) Any prekindergarten program support contribution shall  
2405 be verified by submission to the Mississippi Department of Revenue  
2406 of a copy of the receipt provided to the donor taxpayer by the



2407 prekindergarten program recipient or such other written  
2408 verification as may be required by the Department of Revenue.

2409 (4) The maximum amount of donations accepted by the  
2410 Department of Revenue in calendar year 2014 shall not exceed Eight  
2411 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not  
2412 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar  
2413 year 2016 and calendar years thereafter shall not exceed  
2414 Thirty-two Million Dollars (\$32,000,000.00), or what is  
2415 appropriated by the Legislature to fund Chapter 493, Laws of 2013  
2416 each year.

2417 (5) The Mississippi Department of Revenue shall promulgate  
2418 rules necessary to effectuate the purposes of Chapter 493, Laws of  
2419 2013. Such rules shall include a means of informing the public of  
2420 the existence of the prekindergarten support program and the  
2421 application process for provider, lead partner and collaborative  
2422 candidates.

2423 **SECTION 18.** Section 27-7-22.39, Mississippi Code of 1972, is  
2424 brought forward as follows:

2425 27-7-22.39. (1) As used in this section:

2426 (a) "Low-income residents" means persons whose  
2427 household income is less than one hundred fifty percent (150%) of  
2428 the federal poverty level.

2429 (b) "Qualifying charitable organization" means a  
2430 charitable organization that is exempt from federal income  
2431 taxation under Section 501(c)(3) of the Internal Revenue Code or





2432 is a designated community action agency that receives community  
2433 services block grant program monies pursuant to 42 USC 9901. The  
2434 organization must spend at least fifty percent (50%) of its budget  
2435 on services to residents of this state who receive temporary  
2436 assistance for needy families benefits or low-income residents of  
2437 this state and their households or to children who have a chronic  
2438 illness or physical, intellectual, developmental or emotional  
2439 disability who are residents of this state. A charitable  
2440 organization that is exempt from federal income tax under Section  
2441 501(c)(3) of the Internal Revenue Code and that meets all other  
2442 requirements of this paragraph except that it does not spend at  
2443 least fifty percent (50%) of its overall budget in Mississippi may  
2444 be a qualifying charitable organization if it spends at least  
2445 fifty percent (50%) of its Mississippi budget on services to  
2446 qualified individuals in Mississippi and it certifies to the  
2447 department that one hundred percent (100%) of the voluntary cash  
2448 contributions from the taxpayer will be spent on services to  
2449 qualified individuals in Mississippi. Taxpayers choosing to make  
2450 donations through an umbrella charitable organization that  
2451 collects donations on behalf of member charities shall designate  
2452 that the donation be directed to a member charitable organization  
2453 that would qualify under this section on a stand-alone basis.  
2454 Qualifying charitable organization does not include any entity  
2455 that provides, pays for or provides coverage of abortions or that



2456 financially supports any other entity that provides, pays for or  
2457 provides coverage of abortions.

2458           (c) "Qualifying foster care charitable organization"  
2459 means a qualifying charitable organization that each operating  
2460 year provides services to at least one hundred (100) qualified  
2461 individuals in this state and spends at least fifty percent (50%)  
2462 of its budget on services to qualified individuals in this state.  
2463 A charitable organization that is exempt from federal income tax  
2464 under Section 501(c)(3) of the Internal Revenue Code and that  
2465 meets all other requirements of this paragraph except that it does  
2466 not spend at least fifty percent (50%) of its overall budget in  
2467 Mississippi may be a qualifying foster care charitable  
2468 organization if it spends at least fifty percent (50%) of its  
2469 Mississippi budget on services to qualified individuals in  
2470 Mississippi and it certifies to the department that one hundred  
2471 percent (100%) of the voluntary cash contributions from the  
2472 taxpayer will be spent on services to qualified individuals in  
2473 Mississippi. For the purposes of this paragraph, "qualified  
2474 individual" means a child in a foster care placement program  
2475 established by the Department of Child Protection Services, a  
2476 child placed under the Safe Families for Children model, or a  
2477 child at significant risk of entering a foster care placement  
2478 program established by the Department of Child Protection  
2479 Services.

2480           (d) "Services" means:



2481 (i) Cash assistance, medical care, child care,  
2482 food, clothing, shelter, and job-placement services or any other  
2483 assistance that is reasonably necessary to meet immediate basic  
2484 needs and that is provided and used in this state;

2485 (ii) Job-training or education services or funding  
2486 for parents, foster parents or guardians; or

2487 (iii) Job-training or education services or  
2488 funding provided as part of a foster care independent living  
2489 program.

2490 (2) Except as provided in subsections (3) and (4) of this  
2491 section, a credit is allowed against the taxes imposed by this  
2492 chapter for voluntary cash contributions by the taxpayer during  
2493 the taxable year to a qualifying charitable organization, other  
2494 than a qualifying foster care charitable organization, not to  
2495 exceed:

2496 (a) The lesser of Four Hundred Dollars (\$400.00) or the  
2497 amount of the contribution in any taxable year for a single  
2498 individual or a head of household.

2499 (b) The lesser of Eight Hundred Dollars (\$800.00) or  
2500 the amount of the contribution in any taxable year for a married  
2501 couple filing a joint return.

2502 (3) A separate credit is allowed against the taxes imposed  
2503 by this chapter for voluntary cash contributions during the  
2504 taxable year to a qualifying foster care charitable organization.  
2505 A contribution to a qualifying foster care charitable organization



2506 does not qualify for, and shall not be included in, any credit  
2507 amount under subsection (2) of this section. If the voluntary  
2508 cash contribution by the taxpayer is to a qualifying foster care  
2509 charitable organization, the credit shall not exceed:

2510           (a) The lesser of Five Hundred Dollars (\$500.00) or the  
2511 amount of the contribution in any taxable year for a single  
2512 individual or a head of household.

2513           (b) The lesser of One Thousand Dollars (\$1,000.00) or  
2514 the amount of the contribution in any taxable year for a married  
2515 couple filing a joint return.

2516           (4) Subsections (2) and (3) of this section provide separate  
2517 credits against taxes imposed by this chapter depending on the  
2518 recipients of the contributions. A taxpayer, including a married  
2519 couple filing a joint return, in the same taxable year, may either  
2520 or both:

2521           (a) Contribute to a qualifying charitable organization,  
2522 other than a qualifying foster care charitable organization, and  
2523 claim a credit under subsection (2) of this section.

2524           (b) Contribute to a qualifying foster care charitable  
2525 organization and claim a credit under subsection (3) of this  
2526 section.

2527           (5) A husband and wife who file separate returns for a  
2528 taxable year in which they could have filed a joint return may  
2529 each claim only one-half (1/2) of the tax credit that would have  
2530 been allowed for a joint return.



2531           (6) If the allowable tax credit exceeds the taxes otherwise  
2532 due under this chapter on the claimant's income, or if there are  
2533 no taxes due under this chapter, the taxpayer may carry forward  
2534 the amount of the claim not used to offset the taxes under this  
2535 chapter for not more than five (5) consecutive taxable years'  
2536 income tax liability.

2537           (7) The credit allowed by this section is in lieu of a  
2538 deduction pursuant to Section 170 of the Internal Revenue Code and  
2539 taken for state tax purposes.

2540           (8) Taxpayers taking a credit authorized by this section  
2541 shall provide the name of the qualifying charitable organization  
2542 and the amount of the contribution to the department on forms  
2543 provided by the department.

2544           (9) A qualifying charitable organization shall provide the  
2545 department with a written certification that it meets all criteria  
2546 to be considered a qualifying charitable organization. The  
2547 organization shall also notify the department of any changes that  
2548 may affect the qualifications under this section.

2549           (10) The charitable organization's written certification  
2550 must be signed by an officer of the organization under penalty of  
2551 perjury. The written certification shall include the following:

2552                 (a) Verification of the organization's status under  
2553 Section 501(c) (3) of the Internal Revenue Code or verification  
2554 that the organization is a designated community action agency that



2555 receives community services block grant program monies pursuant to  
2556 42 USC 9901.

2557 (b) Financial data indicating the organization's budget  
2558 for the organization's prior operating year and the amount of that  
2559 budget spent on services to residents of this state who either:

2560 (i) Receive temporary assistance for needy  
2561 families benefits;

2562 (ii) Are low-income residents of this state;

2563 (iii) Are children who have a chronic illness or  
2564 physical, intellectual, developmental or emotional disability; or

2565 (iv) Are children in a foster care placement  
2566 program established by the Department of Child Protection  
2567 Services, children placed under the Safe Families for Children  
2568 model or children at significant risk of entering a foster care  
2569 placement program established by the Department of Child  
2570 Protection Services.

2571 (c) A statement that the organization plans to continue  
2572 spending at least fifty percent (50%) of its budget on services to  
2573 residents of this state who receive temporary assistance for needy  
2574 families benefits, who are low-income residents of this state, who  
2575 are children who have a chronic illness or physical, intellectual,  
2576 developmental or emotional disability or who are children in a  
2577 foster care placement program established by the Department of  
2578 Child Protection Services, children placed under the Safe Families  
2579 for Children model or children at significant risk of entering a



2580 foster care placement program established by the Department of  
2581 Child Protection Services. A charitable organization that is  
2582 exempt from federal income tax under Section 501(c)(3) of the  
2583 Internal Revenue Code and that meets all other requirements for a  
2584 qualifying charitable organization or qualifying foster care  
2585 charitable organization except that it does not spend at least  
2586 fifty percent (50%) of its overall budget in Mississippi shall  
2587 submit a statement that it spends at least fifty percent (50%) of  
2588 its Mississippi budget on services to qualified individuals in  
2589 Mississippi and that one hundred percent (100%) of the voluntary  
2590 cash contributions it receives from Mississippi taxpayers will be  
2591 spent on services to qualified individuals in Mississippi.

2592 (d) In the case of a foster care charitable  
2593 organization, a statement that each operating year it provides  
2594 services to at least one hundred (100) qualified individuals in  
2595 this state.

2596 (e) A statement that the organization does not provide,  
2597 pay for or provide coverage of abortions and does not financially  
2598 support any other entity that provides, pays for or provides  
2599 coverage of abortions.

2600 (f) Any other information that the department requires  
2601 to administer this section.

2602 (11) The department shall review each written certification  
2603 and determine whether the organization meets all the criteria to  
2604 be considered a qualifying charitable organization and notify the



2605 organization of its determination. The department may also  
2606 periodically request recertification from the organization. The  
2607 department shall compile and make available to the public a list  
2608 of the qualifying charitable organizations.

2609 (12) The aggregate amount of tax credits that may be awarded  
2610 under this section in any calendar year shall not exceed Three  
2611 Million Dollars (\$3,000,000.00). However, for calendar year 2021,  
2612 and for each calendar year thereafter, the aggregate amount of tax  
2613 credits that may be awarded under this section in any calendar  
2614 year shall not exceed One Million Dollars (\$1,000,000.00). In  
2615 addition, any tax credits not awarded under this section before  
2616 June 1, 2020, may be allocated during calendar year 2020 under  
2617 Section 27-7-22.41 for contributions by taxpayers to eligible  
2618 charitable organizations described in Section  
2619 27-7-22.41(1)(b)(ii) as provided under such section,  
2620 notwithstanding any limitation on the percentage of tax credits  
2621 that may be allocated for such contributions.

2622 (13) A taxpayer shall apply for credits with the department  
2623 on forms prescribed by the department. In the application the  
2624 taxpayer shall certify to the department the dollar amount of the  
2625 contributions made or to be made during the calendar year. Within  
2626 thirty (30) days after the receipt of an application, the  
2627 department shall allocate credits based on the dollar amount of  
2628 contributions as certified in the application. However, if the  
2629 department cannot allocate the full amount of credits certified in





2630 the application due to the limit on the aggregate amount of  
2631 credits that may be awarded under this section in a calendar year,  
2632 the department shall so notify the applicant within thirty (30)  
2633 days with the amount of credits, if any, that may be allocated to  
2634 the applicant in the calendar year. Once the department has  
2635 allocated credits to a taxpayer, if the contribution for which a  
2636 credit is allocated has not been made as of the date of the  
2637 allocation, then the contribution must be made not later than  
2638 sixty (60) days from the date of the allocation. If the  
2639 contribution is not made within such time period, the allocation  
2640 shall be cancelled and returned to the department for  
2641 reallocation. Upon final documentation of the contributions, if  
2642 the actual dollar amount of the contributions is lower than the  
2643 amount estimated, the department shall adjust the tax credit  
2644 allowed under this section.

2645 (14) This section shall be repealed from and after January  
2646 1, 2025.

2647 **SECTION 19.** Section 27-7-22.41, Mississippi Code of 1972, is  
2648 brought forward as follows:

2649 27-7-22.41. (1) For the purposes of this section, the  
2650 following words and phrases shall have the meanings ascribed in  
2651 this section unless the context clearly indicates otherwise:

2652 (a) "Department" means the Department of Revenue.



2653 (b) "Eligible charitable organization" means an  
2654 organization that is exempt from federal income taxation under  
2655 Section 501(c)(3) of the Internal Revenue Code and is:

2656 (i) Licensed by or under contract with the  
2657 Mississippi Department of Child Protection Services and provides  
2658 services for:

2659 1. The prevention and diversion of children  
2660 from custody with the Department of Child Protection Services,

2661 2. The safety, care and well-being of  
2662 children in custody with the Department of Child Protection  
2663 Services, or

2664 3. The express purpose of creating permanency  
2665 for children through adoption; or

2666 (ii) Certified by the department as an educational  
2667 services charitable organization and provides services to:

2668 1. Children in a foster care placement  
2669 program established by the Department of Child Protection  
2670 Services, children placed under the Safe Families for Children  
2671 model, or children at significant risk of entering a foster care  
2672 placement program established by the Department of Child  
2673 Protection Services,

2674 2. Children who have a chronic illness  
2675 or physical, intellectual, developmental or emotional disability,  
2676 or



2677 3. Children eligible for free or reduced  
2678 price meals programs under Section 37-11-7, or selected for  
2679 participation in the Promise Neighborhoods Program sponsored by  
2680 the U.S. Department of Education.

2681 (2) (a) The tax credit authorized in this section shall be  
2682 available only to a taxpayer who is a business enterprise engaged  
2683 in commercial, industrial or professional activities and operating  
2684 as a corporation, limited liability company, partnership or sole  
2685 proprietorship. Except as otherwise provided in this section, a  
2686 credit is allowed against the taxes imposed by Sections 27-7-5,  
2687 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
2688 contributions made by a taxpayer during the taxable year to an  
2689 eligible charitable organization. From and after January 1, 2022,  
2690 for a taxpayer that is not operating as a corporation, a credit is  
2691 also allowed against ad valorem taxes assessed and levied on real  
2692 property for voluntary cash contributions made by the taxpayer  
2693 during the taxable year to an eligible charitable organization.  
2694 The amount of credit that may be utilized by a taxpayer in a  
2695 taxable year shall be limited to (i) an amount not to exceed fifty  
2696 percent (50%) of the total tax liability of the taxpayer for the  
2697 taxes imposed by such sections of law and (ii) an amount not to  
2698 exceed fifty percent (50%) of the total tax liability of the  
2699 taxpayer for ad valorem taxes assessed and levied on real  
2700 property. Any tax credit claimed under this section but not used  
2701 in any taxable year may be carried forward for five (5)



2702 consecutive years from the close of the tax year in which the  
2703 credits were earned.

2704 (b) A contribution to an eligible charitable  
2705 organization for which a credit is claimed under this section does  
2706 not qualify for and shall not be included in any credit that may  
2707 be claimed under Section 27-7-22.39.

2708 (c) A contribution for which a credit is claimed under  
2709 this section may not be used as a deduction by the taxpayer for  
2710 state income tax purposes.

2711 (3) Taxpayers taking a credit authorized by this section  
2712 shall provide the name of the eligible charitable organization and  
2713 the amount of the contribution to the department on forms provided  
2714 by the department.

2715 (4) An eligible charitable organization shall provide the  
2716 department with a written certification that it meets all criteria  
2717 to be considered an eligible charitable organization. An eligible  
2718 charitable organization must also provide the department with  
2719 written documented proof of its license and/or written contract  
2720 with the Mississippi Department of Child Protection Services. The  
2721 organization shall also notify the department of any changes that  
2722 may affect eligibility under this section.

2723 (5) The eligible charitable organization's written  
2724 certification must be signed by an officer of the organization  
2725 under penalty of perjury. The written certification shall include  
2726 the following:



2727 (a) Verification of the organization's status under  
2728 Section 501(c)(3) of the Internal Revenue Code;

2729 (b) A statement that the organization does not provide,  
2730 pay for or provide coverage of abortions and does not financially  
2731 support any other entity that provides, pays for or provides  
2732 coverage of abortions;

2733 (c) Any other information that the department requires  
2734 to administer this section.

2735 (6) The department shall review each written certification  
2736 and determine whether the organization meets all the criteria to  
2737 be considered an eligible charitable organization and notify the  
2738 organization of its determination. The department may also  
2739 periodically request recertification from the organization. The  
2740 department shall compile and make available to the public a list  
2741 of eligible charitable organizations.

2742 (7) Tax credits authorized by this section that are earned  
2743 by a partnership, limited liability company, S corporation or  
2744 other similar pass-through entity, shall be allocated among all  
2745 partners, members or shareholders, respectively, either in  
2746 proportion to their ownership interest in such entity or as the  
2747 partners, members or shareholders mutually agree as provided in an  
2748 executed document.

2749 (8) (a) A taxpayer shall apply for credits with the  
2750 department on forms prescribed by the department. In the  
2751 application the taxpayer shall certify to the department the



2752 dollar amount of the contributions made or to be made during the  
2753 calendar year. Within thirty (30) days after the receipt of an  
2754 application, the department shall allocate credits based on the  
2755 dollar amount of contributions as certified in the application.  
2756 However, if the department cannot allocate the full amount of  
2757 credits certified in the application due to the limit on the  
2758 aggregate amount of credits that may be awarded under this section  
2759 in a calendar year, the department shall so notify the applicant  
2760 within thirty (30) days with the amount of credits, if any, that  
2761 may be allocated to the applicant in the calendar year. Once the  
2762 department has allocated credits to a taxpayer, if the  
2763 contribution for which a credit is allocated has not been made as  
2764 of the date of the allocation, then the contribution must be made  
2765 not later than sixty (60) days from the date of the allocation.  
2766 If the contribution is not made within such time period, the  
2767 allocation shall be cancelled and returned to the department for  
2768 reallocation. Upon final documentation of the contributions, if  
2769 the actual dollar amount of the contributions is lower than the  
2770 amount estimated, the department shall adjust the tax credit  
2771 allowed under this section.

2772 (b) A taxpayer who applied for a tax credit under this  
2773 section during calendar year 2020, but who was unable to be  
2774 awarded the credit due to the limit on the aggregate amount of  
2775 credits authorized for calendar year 2020, shall be given priority



2776 for tax credits authorized to be allocated to taxpayers under this  
2777 section by Section 27-7-22.39.

2778 (c) For the purposes of using a tax credit against ad  
2779 valorem taxes assessed and levied on real property, a taxpayer  
2780 shall present to the appropriate tax collector the tax credit  
2781 documentation provided to the taxpayer by the Department of  
2782 Revenue, and the tax collector shall apply the tax credit against  
2783 such ad valorem taxes. The tax collector shall forward the tax  
2784 credit documentation to the Department of Revenue along with the  
2785 amount of the tax credit applied against ad valorem taxes, and the  
2786 department shall disburse funds to the tax collector for the  
2787 amount of the tax credit applied against ad valorem taxes. Such  
2788 payments by the Department of Revenue shall be made from current  
2789 tax collections.

2790 (9) The aggregate amount of tax credits that may be  
2791 allocated by the department under this section during a calendar  
2792 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
2793 not more than fifty percent (50%) of tax credits allocated during  
2794 a calendar year may be allocated for contributions to eligible  
2795 charitable organizations described in subsection (1)(b)(ii) of  
2796 this section. However, for calendar year 2021, the aggregate  
2797 amount of tax credits that may be allocated by the department  
2798 under this section during a calendar year shall not exceed Ten  
2799 Million Dollars (\$10,000,000.00), and for calendar year 2022, and  
2800 for each calendar year thereafter, the aggregate amount of tax



2801 credits that may be allocated by the department under this section  
2802 during a calendar year shall not exceed Sixteen Million Dollars  
2803 (\$16,000,000.00). For calendar year 2021, and for each calendar  
2804 year thereafter, fifty percent (50%) of the tax credits allocated  
2805 during a calendar year shall be allocated for contributions to  
2806 eligible charitable organizations described in subsection  
2807 (1)(b)(i) of this section and fifty percent (50%) of the tax  
2808 credits allocated during a calendar year shall be allocated for  
2809 contributions to eligible charitable organizations described in  
2810 subsection (1)(b)(ii) of this section. For calendar year 2022,  
2811 and for each calendar year thereafter, of the amount of tax  
2812 credits that may be allocated for contributions to eligible  
2813 charitable organizations described in subsection (1)(b)(ii) of  
2814 this section, fifteen percent (15%) of the tax credits shall be  
2815 available solely for allocation for contributions to eligible  
2816 charitable organizations described in subsection (1)(b)(ii)2;  
2817 however, any such tax credits not allocated before April 1 of a  
2818 calendar year may be allocated for contributions to eligible  
2819 charitable organizations described in subsection (1)(b)(ii)1 of  
2820 this section. For calendar year 2021, and for each calendar year  
2821 thereafter, for credits allocated during a calendar year for  
2822 contributions to eligible charitable organizations described in  
2823 subsection (1)(b)(i) of this section, no more than twenty-five  
2824 percent (25%) of such credits may be allocated for contributions  
2825 to a single eligible charitable organization. Except as otherwise





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

2842       **SECTION 20.** Section 27-7-207, Mississippi Code of 1972, is  
2843 brought forward as follows:

2844       27-7-207. (1) Subject to the limitations provided for in  
2845 this section, through calendar year 2023 a taxpayer shall be  
2846 allowed a credit against the tax imposed by Chapter 7, Title 27,  
2847 in an amount equal to twenty-five percent (25%) of a qualified  
2848 contribution to an endowed fund at a qualified community  
2849 foundation, subject to the following:



2850           (a) The minimum amount of a qualified contribution  
2851 shall be One Thousand Dollars (\$1,000.00).

2852           (b) The maximum amount of a qualified contribution  
2853 shall be Two Hundred Thousand Dollars (\$200,000.00).

2854           (c) The total qualified contributions from any  
2855 qualified taxpayer eligible for the tax credit authorized under  
2856 this section shall be Two Hundred Thousand Dollars (\$200,000.00)  
2857 per year.

2858           (2) Except as otherwise provided in this subsection, the  
2859 aggregate amount of tax credits authorized under this article  
2860 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in  
2861 any one (1) calendar year. The credits shall be awarded on a  
2862 first-come, first-served basis. If the tax credits authorized for  
2863 used in any calendar year are not utilized, the amount not  
2864 utilized may be awarded or carried forward in up to five (5)  
2865 subsequent calendar years from the year in which such credits are  
2866 made available.

2867           (3) If the amount allowable as a credit exceeds the tax  
2868 imposed by Chapter 7, Title 27, the amount of such excess may be  
2869 carried forward for not more than five (5) subsequent taxable  
2870 years.

2871           (4) From and after January 1, 2024, no additional credits  
2872 shall be authorized under this section; however, any tax credits  
2873 authorized prior to January 1, 2024, and not used, may be carried



2874 forward for not more than five (5) taxable years subsequent to  
2875 calendar year 2023.

2876           **SECTION 21.** Section 27-7-312, Mississippi Code of 1972, is  
2877 brought forward as follows:

2878           27-7-312. (1) Of the revenue collected under the provisions  
2879 of this article from the new direct jobs of a qualified business  
2880 or industry as defined in Section 57-62-5 of the Mississippi  
2881 Advantage Jobs Act, an amount equal to the estimated amount of the  
2882 quarterly incentive payment for which such qualified business or  
2883 industry is eligible shall be deposited into the Mississippi  
2884 Advantage Jobs Incentive Payment Fund created pursuant to Section  
2885 57-62-1 et seq., on or before the twentieth day of the month  
2886 following the close of each calendar quarter.

2887           (2) Of the revenue collected under the provisions of this  
2888 article from the qualified jobs of a qualified business or  
2889 industry as defined in Section 57-99-1, an amount equal to the  
2890 estimated amount of the quarterly incentive payment for which such  
2891 qualified business or industry is eligible shall be deposited into  
2892 the MMEIA Withholding Rebate Fund created pursuant to Section  
2893 57-99-5, on or before the twentieth day of the month following the  
2894 close of each calendar quarter.

2895           (3) Of the revenue collected under the provisions of this  
2896 article from the qualified jobs of a qualified business or  
2897 industry as defined in Section 57-100-1, an amount equal to the  
2898 estimated amount of the quarterly incentive payment for which such



2899 qualified business or industry is eligible shall be deposited into  
2900 the Existing Industry Withholding Rebate Fund created pursuant to  
2901 Section 57-100-5, on or before the twentieth day of the month  
2902 following the close of each calendar quarter.

2903 (4) Of the revenue collected under the provisions of this  
2904 article from the qualified jobs of a qualified business or  
2905 industry as defined in Section 57-99-21, an amount equal to the  
2906 estimated amount of the quarterly incentive payment for which such  
2907 qualified business or industry is eligible shall be deposited into  
2908 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or  
2909 before the twentieth day of the month following the close of each  
2910 calendar quarter.

2911 **SECTION 22.** Section 57-62-5, Mississippi Code of 1972, is  
2912 brought forward as follows:

2913 **[For businesses or industries that received or applied for**  
2914 **incentive payments prior to July 1, 2005, this section shall read**  
2915 **as follows:]**

2916 57-62-5. As used in this chapter, the following words and  
2917 phrases shall have the meanings ascribed in this section unless  
2918 the context clearly indicates otherwise:

2919 (a) "Qualified business or industry" means any  
2920 corporation, limited liability company, partnership, sole  
2921 proprietorship, business trust or other legal entity and subunits  
2922 or affiliates thereof, pursuant to rules and regulations of the  
2923 MDA, which provides an average annual salary, excluding benefits



2924 which are not subject to Mississippi income taxes, of at least one  
2925 hundred twenty-five percent (125%) of the most recently published  
2926 state average annual wage or the most recently published average  
2927 annual wage of the county in which the qualified business or  
2928 industry is located as determined by the Mississippi Department of  
2929 Employment Security, whichever is the lesser. An establishment  
2930 shall not be considered to be a qualified business or industry  
2931 unless it offers, or will offer within one hundred eighty (180)  
2932 days of the date it receives the first incentive payment pursuant  
2933 to the provisions of this chapter, a basic health benefits plan to  
2934 the individuals it employs in new direct jobs in this state which  
2935 is approved by the MDA. Qualified business or industry does not  
2936 include retail business or gaming business;

2937 (b) "New direct job" means full-time employment in this  
2938 state in a qualified business or industry that has qualified to  
2939 receive an incentive payment pursuant to this chapter, which  
2940 employment did not exist in this state before the date of approval  
2941 by the MDA of the application of the qualified business or  
2942 industry pursuant to the provisions of this chapter. "New direct  
2943 job" shall include full-time employment in this state of employees  
2944 who are employed by an entity other than the establishment that  
2945 has qualified to receive an incentive payment and who are leased  
2946 to the qualified business or industry, if such employment did not  
2947 exist in this state before the date of approval by the MDA of the  
2948 application of the establishment;



2949 (c) "Full-time job" means a job of at least thirty-five  
2950 (35) hours per week;

2951 (d) "Estimated direct state benefits" means the tax  
2952 revenues projected by the MDA to accrue to the state as a result  
2953 of the qualified business or industry;

2954 (e) "Estimated direct state costs" means the costs  
2955 projected by the MDA to accrue to the state as a result of the  
2956 qualified business or industry;

2957 (f) "Estimated net direct state benefits" means the  
2958 estimated direct state benefits less the estimated direct state  
2959 costs;

2960 (g) "Net benefit rate" means the estimated net direct  
2961 state benefits computed as a percentage of gross payroll, provided  
2962 that:

2963 (i) Except as otherwise provided in this paragraph  
2964 (g), the net benefit rate may be variable and shall not exceed  
2965 four percent (4%) of the gross payroll; and shall be set in the  
2966 sole discretion of the MDA;

2967 (ii) In no event shall incentive payments,  
2968 cumulatively, exceed the estimated net direct state benefits;

2969 (h) "Gross payroll" means wages for new direct jobs of  
2970 the qualified business or industry; and

2971 (i) "MDA" means the Mississippi Development Authority.



2972           **[For businesses or industries that received or applied for**  
2973 **incentive payments from and after July 1, 2005, but prior to July**  
2974 **1, 2010, this section shall read as follows:]**

2975           57-62-5. As used in this chapter, the following words and  
2976 phrases shall have the meanings ascribed in this section unless  
2977 the context clearly indicates otherwise:

2978           (a) "Qualified business or industry" means any  
2979 corporation, limited liability company, partnership, sole  
2980 proprietorship, business trust or other legal entity and subunits  
2981 or affiliates thereof, pursuant to rules and regulations of the  
2982 MDA, which:

2983           (i) Is a data/information processing enterprise  
2984 meeting minimum criteria established by the MDA that provides an  
2985 average annual salary, excluding benefits which are not subject to  
2986 Mississippi income taxes, of at least one hundred percent (100%)  
2987 of the most recently published state average annual wage or the  
2988 most recently published average annual wage of the county in which  
2989 the qualified business or industry is located as determined by the  
2990 Mississippi Department of Employment Security, whichever is the  
2991 lesser, and creates not less than two hundred (200) new direct  
2992 jobs if the enterprise is located in a Tier One or Tier Two area  
2993 (as such areas are designated in accordance with Section  
2994 57-73-21), or which creates not less than one hundred (100) new  
2995 jobs if the enterprise is located in a Tier Three area (as such  
2996 areas are designated in accordance with Section 57-73-21);



2997 (ii) Is a manufacturing or distribution enterprise  
2998 meeting minimum criteria established by the MDA that provides an  
2999 average annual salary, excluding benefits which are not subject to  
3000 Mississippi income taxes, of at least one hundred ten percent  
3001 (110%) of the most recently published state average annual wage or  
3002 the most recently published average annual wage of the county in  
3003 which the qualified business or industry is located as determined  
3004 by the Mississippi Department of Employment Security, whichever is  
3005 the lesser, invests not less than Twenty Million Dollars  
3006 (\$20,000,000.00) in land, buildings and equipment, and creates not  
3007 less than fifty (50) new direct jobs if the enterprise is located  
3008 in a Tier One or Tier Two area (as such areas are designated in  
3009 accordance with Section 57-73-21), or which creates not less than  
3010 twenty (20) new jobs if the enterprise is located in a Tier Three  
3011 area (as such areas are designated in accordance with Section  
3012 57-73-21);

3013 (iii) Is a corporation, limited liability company,  
3014 partnership, sole proprietorship, business trust or other legal  
3015 entity and subunits or affiliates thereof, pursuant to rules and  
3016 regulations of the MDA, which provides an average annual salary,  
3017 excluding benefits which are not subject to Mississippi income  
3018 taxes, of at least one hundred twenty-five percent (125%) of the  
3019 most recently published state average annual wage or the most  
3020 recently published average annual wage of the county in which the  
3021 qualified business or industry is located as determined by the





3022 Mississippi Department of Employment Security, whichever is the  
3023 lesser, and creates not less than twenty-five (25) new direct jobs  
3024 if the enterprise is located in a Tier One or Tier Two area (as  
3025 such areas are designated in accordance with Section 57-73-21), or  
3026 which creates not less than ten (10) new jobs if the enterprise is  
3027 located in a Tier Three area (as such areas are designated in  
3028 accordance with Section 57-73-21). An establishment shall not be  
3029 considered to be a qualified business or industry unless it  
3030 offers, or will offer within one hundred eighty (180) days of the  
3031 date it receives the first incentive payment pursuant to the  
3032 provisions of this chapter, a basic health benefits plan to the  
3033 individuals it employs in new direct jobs in this state which is  
3034 approved by the MDA. Qualified business or industry does not  
3035 include retail business or gaming business; or

3036                   (iv) Is a research and development or a technology  
3037 intensive enterprise meeting minimum criteria established by the  
3038 MDA that provides an average annual salary, excluding benefits  
3039 which are not subject to Mississippi income taxes, of at least one  
3040 hundred fifty percent (150%) of the most recently published state  
3041 average annual wage or the most recently published average annual  
3042 wage of the county in which the qualified business or industry is  
3043 located as determined by the Mississippi Department of Employment  
3044 Security, whichever is the lesser, and creates not less than ten  
3045 (10) new direct jobs.



3046           An establishment shall not be considered to be a qualified  
3047 business or industry unless it offers, or will offer within one  
3048 hundred eighty (180) days of the date it receives the first  
3049 incentive payment pursuant to the provisions of this chapter, a  
3050 basic health benefits plan to the individuals it employs in new  
3051 direct jobs in this state which is approved by the MDA. Qualified  
3052 business or industry does not include retail business or gaming  
3053 business.

3054           (b) "New direct job" means full-time employment in this  
3055 state in a qualified business or industry that has qualified to  
3056 receive an incentive payment pursuant to this chapter, which  
3057 employment did not exist in this state before the date of approval  
3058 by the MDA of the application of the qualified business or  
3059 industry pursuant to the provisions of this chapter. "New direct  
3060 job" shall include full-time employment in this state of employees  
3061 who are employed by an entity other than the establishment that  
3062 has qualified to receive an incentive payment and who are leased  
3063 to the qualified business or industry, if such employment did not  
3064 exist in this state before the date of approval by the MDA of the  
3065 application of the establishment.

3066           (c) "Full-time job" or "full-time employment" means a  
3067 job of at least thirty-five (35) hours per week.

3068           (d) "Estimated direct state benefits" means the tax  
3069 revenues projected by the MDA to accrue to the state as a result  
3070 of the qualified business or industry.



3071 (e) "Estimated direct state costs" means the costs  
3072 projected by the MDA to accrue to the state as a result of the  
3073 qualified business or industry.

3074 (f) "Estimated net direct state benefits" means the  
3075 estimated direct state benefits less the estimated direct state  
3076 costs.

3077 (g) "Net benefit rate" means the estimated net direct  
3078 state benefits computed as a percentage of gross payroll, provided  
3079 that:

3080 (i) Except as otherwise provided in this paragraph  
3081 (g), the net benefit rate may be variable and shall not exceed  
3082 four percent (4%) of the gross payroll; and shall be set in the  
3083 sole discretion of the MDA;

3084 (ii) In no event shall incentive payments,  
3085 cumulatively, exceed the estimated net direct state benefits.

3086 (h) "Gross payroll" means wages for new direct jobs of  
3087 the qualified business or industry.

3088 (i) "MDA" means the Mississippi Development Authority.

3089 **[For businesses or industries that apply for incentive**  
3090 **payments from and after July 1, 2010, this section shall read as**  
3091 **follows:]**

3092 57-62-5. As used in this chapter, the following words and  
3093 phrases shall have the meanings ascribed in this section unless  
3094 the context clearly indicates otherwise:



3095 (a) "Qualified business or industry" means any  
3096 corporation, limited liability company, partnership, sole  
3097 proprietorship, business trust or other legal entity and subunits  
3098 or affiliates thereof, pursuant to rules and regulations of the  
3099 MDA, which:

3100 (i) Is a data/information processing enterprise  
3101 meeting minimum criteria established by the MDA that provides an  
3102 average annual salary, excluding benefits which are not subject to  
3103 Mississippi income taxes, of at least one hundred percent (100%)  
3104 of the most recently published state average annual wage or the  
3105 most recently published average annual wage of the county in which  
3106 the qualified business or industry is located as determined by the  
3107 Mississippi Department of Employment Security, whichever is the  
3108 lesser, and creates not less than two hundred (200) new direct  
3109 jobs;

3110 (ii) Is a corporation, limited liability company,  
3111 partnership, sole proprietorship, business trust or other legal  
3112 entity and subunits or affiliates thereof, pursuant to rules and  
3113 regulations of the MDA, which provides an average annual salary,  
3114 excluding benefits which are not subject to Mississippi income  
3115 taxes, of at least one hundred ten percent (110%) of the most  
3116 recently published state average annual wage or the most recently  
3117 published average annual wage of the county in which the qualified  
3118 business or industry is located as determined by the Mississippi



3119 Department of Employment Security, whichever is the lesser, and  
3120 creates not less than twenty-five (25) new direct jobs; or

3121 (iii) Is a corporation, limited liability company,  
3122 partnership, sole proprietorship, business trust or other legal  
3123 entity and subunits or affiliates thereof, pursuant to rules and  
3124 regulations of the MDA, which is a manufacturer that:

3125 1. Provides an average annual salary,  
3126 excluding benefits which are not subject to Mississippi income  
3127 taxes, of at least one hundred ten percent (110%) of the most  
3128 recently published state average annual wage or the most recently  
3129 published average annual wage of the county in which the qualified  
3130 business or industry is located as determined by the Mississippi  
3131 Department of Employment Security, whichever is the lesser;

3132 2. Has a minimum of five thousand (5,000)  
3133 existing employees as of the last day of the previous calendar  
3134 year; and

3135 3. MDA determines will create not less than  
3136 three thousand (3,000) new direct jobs within forty-eight (48)  
3137 months of the date the MDA determines that the applicant is  
3138 qualified to receive incentive payments.

3139 An establishment shall not be considered to be a qualified  
3140 business or industry unless it offers, or will offer within one  
3141 hundred eighty (180) days of the date it receives the first  
3142 incentive payment pursuant to the provisions of this chapter, a  
3143 basic health benefits plan to the individuals it employs in new



3144 direct jobs in this state which is approved by the MDA. Qualified  
3145 business or industry does not include retail business or gaming  
3146 business.

3147 (b) "New direct job" means full-time employment in this  
3148 state in a qualified business or industry that has qualified to  
3149 receive an incentive payment pursuant to this chapter, which  
3150 employment did not exist in this state:

3151 (i) Before the date of approval by the MDA of the  
3152 application of the qualified business or industry pursuant to the  
3153 provisions of this chapter; or

3154 (ii) Solely with respect to any farm equipment  
3155 manufacturer that locates its North American headquarters to  
3156 Mississippi between January 1, 2018, and December 31, 2020, before  
3157 a specific date determined by the MDA that falls on or after the  
3158 date that the MDA first issues to such farm equipment manufacturer  
3159 one or more written commitments or offers of any incentives in  
3160 connection with the new headquarters project and related  
3161 facilities expected to result in the creation of such new job.

3162 "New direct job" shall include full-time employment in this  
3163 state of employees who are employed by an entity other than the  
3164 establishment that has qualified to receive an incentive payment  
3165 and who are leased to the qualified business or industry, if such  
3166 employment did not exist in this state before the date of approval  
3167 by the MDA of the application of the establishment.



3168 (c) "Full-time job" or "full-time employment" means a  
3169 job of at least thirty-five (35) hours per week.

3170 (d) "Gross payroll" means wages for new direct jobs of  
3171 the qualified business or industry.

3172 (e) "MDA" means the Mississippi Development Authority.

3173 **SECTION 23.** Section 57-62-9, Mississippi Code of 1972, is  
3174 amended as follows:

3175 **[For businesses or industries that received or applied for**  
3176 **incentive payments prior to July 1, 2005, this section shall read**  
3177 **as follows:]**

3178 57-62-9. (1) Except as otherwise provided in this section,  
3179 a qualified business or industry that meets the qualifications  
3180 specified in this chapter may receive quarterly incentive payments  
3181 for a period not to exceed ten (10) years from the Department of  
3182 Revenue pursuant to the provisions of this chapter in an amount  
3183 which shall be equal to the net benefit rate multiplied by the  
3184 actual gross payroll of new direct jobs for a calendar quarter as  
3185 verified by the Mississippi Department of Employment Security, but  
3186 not to exceed the amount of money previously paid into the fund by  
3187 the employer. A qualified business or industry that is a project  
3188 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
3189 which the ten-year period will begin. Such date may not be later  
3190 than sixty (60) months after the date the business or industry  
3191 applied for incentive payments.



3192           (2)   (a)   A qualified business or industry that is a project  
3193 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
3194 receive incentive payments for an additional period not to exceed  
3195 five (5) years beyond the expiration date of the initial ten-year  
3196 period if:

3197                       (i)   The qualified business or industry creates at  
3198 least three thousand (3,000) new direct jobs within five (5) years  
3199 after the date the business or industry commences commercial  
3200 production;

3201                       (ii)   Within five (5) years after the date the  
3202 business or industry commences commercial production, the average  
3203 annual wage of the jobs is at least one hundred fifty percent  
3204 (150%) of the most recently published state average annual wage or  
3205 the most recently published average annual wage of the county in  
3206 which the qualified business or industry is located as determined  
3207 by the Mississippi Department of Employment Security, whichever is  
3208 the lesser. The criteria for the average annual wage requirement  
3209 shall be based upon the state average annual wage or the average  
3210 annual wage of the county whichever is appropriate, at the time of  
3211 creation of the minimum number of jobs, and the threshold  
3212 established at that time will remain constant for the duration of  
3213 the additional period; and

3214                       (iii)   The qualified business or industry meets and  
3215 maintains the job and wage requirements of subparagraphs (i) and





3216 (ii) of this paragraph (a) for four (4) consecutive calendar  
3217 quarters.

3218 (b) A qualified business or industry that is a project  
3219 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
3220 incentive payments for the additional period provided in paragraph  
3221 (a) of this subsection (2) may apply to the MDA to receive  
3222 incentive payments for an additional period not to exceed ten (10)  
3223 years beyond the expiration date of the additional period provided  
3224 in paragraph (a) of this subsection (2) if:

3225 (i) The qualified business or industry creates at  
3226 least four thousand (4,000) new direct jobs after qualifying for  
3227 the additional incentive period provided in paragraph (a) of this  
3228 subsection (2) but before the expiration of the additional period.  
3229 For purposes of determining whether the business or industry meets  
3230 the minimum jobs requirement of this subparagraph (i), the number  
3231 of jobs the business or industry created in order to meet the  
3232 minimum jobs requirement of paragraph (a) of this subsection (2)  
3233 shall be subtracted from the minimum jobs requirement of this  
3234 subparagraph (i);

3235 (ii) The average annual wage of the jobs is at  
3236 least one hundred fifty percent (150%) of the most recently  
3237 published state average annual wage or the most recently published  
3238 average annual wage of the county in which the qualified business  
3239 or industry is located as determined by the Mississippi Department  
3240 of Employment Security, whichever is the lesser. The criteria for



3241 the average annual wage requirement shall be based upon the state  
3242 average annual wage or the average annual wage of the county  
3243 whichever is appropriate, at the time of creation of the minimum  
3244 number of jobs, and the threshold established at that time will  
3245 remain constant for the duration of the additional period; and

3246 (iii) The qualified business or industry meets and  
3247 maintains the job and wage requirements of subparagraphs (i) and  
3248 (ii) of this paragraph (b) for four (4) consecutive calendar  
3249 quarters.

3250 (3) In order to receive incentive payments, an establishment  
3251 shall apply to the MDA. The application shall be on a form  
3252 prescribed by the MDA and shall contain such information as may be  
3253 required by the MDA to determine if the applicant is qualified.

3254 (4) In order to qualify to receive such payments, the  
3255 establishment applying shall be required to:

3256 (a) Be engaged in a qualified business or industry;

3257 (b) Provide an average salary, excluding benefits which  
3258 are not subject to Mississippi income taxes, of at least one  
3259 hundred twenty-five percent (125%) of the most recently published  
3260 state average annual wage or the most recently published average  
3261 annual wage of the county in which the qualified business or  
3262 industry is located as determined by the Mississippi Department of  
3263 Employment Security, whichever is the lesser. The criteria for  
3264 this requirement shall be based upon the state average annual wage  
3265 or the average annual wage of the county whichever is appropriate,



3266 at the time of application, and the threshold established upon  
3267 application will remain constant for the duration of the project;

3268 (c) The business or industry must create and maintain a  
3269 minimum of ten (10) full-time jobs in counties that have an  
3270 average unemployment rate over the previous twelve-month period  
3271 which is at least one hundred fifty percent (150%) of the most  
3272 recently published state unemployment rate, as determined by the  
3273 Mississippi Department of Employment Security or in Tier Three  
3274 counties as determined under Section 57-73-21. In all other  
3275 counties, the business or industry must create and maintain a  
3276 minimum of twenty-five (25) full-time jobs. The criteria for this  
3277 requirement shall be based on the designation of the county at the  
3278 time of the application. The threshold established upon the  
3279 application will remain constant for the duration of the project.  
3280 The business or industry must meet its job creation commitment  
3281 within twenty-four (24) months of the application approval.  
3282 However, if the qualified business or industry is applying for  
3283 incentive payments for an additional period under subsection (2)  
3284 of this section, the business or industry must comply with the  
3285 applicable job and wage requirements of subsection (2) of this  
3286 section.

3287 (5) The MDA shall determine if the applicant is qualified to  
3288 receive incentive payments. If the applicant is determined to be  
3289 qualified by the MDA, the MDA shall conduct a cost/benefit  
3290 analysis to determine the estimated net direct state benefits and



3291 the net benefit rate applicable for a period not to exceed ten  
3292 (10) years and to estimate the amount of gross payroll for the  
3293 period. If the applicant is determined to be qualified to receive  
3294 incentive payments for an additional period under subsection (2)  
3295 of this section, the MDA shall conduct a cost/benefit analysis to  
3296 determine the estimated net direct state benefits and the net  
3297 benefit rate applicable for the appropriate additional period and  
3298 to estimate the amount of gross payroll for the additional period.  
3299 In conducting such cost/benefit analysis, the MDA shall consider  
3300 quantitative factors, such as the anticipated level of new tax  
3301 revenues to the state along with the cost to the state of the  
3302 qualified business or industry, and such other criteria as deemed  
3303 appropriate by the MDA, including the adequacy of retirement  
3304 benefits that the business or industry provides to individuals it  
3305 employs in new direct jobs in this state. In no event shall  
3306 incentive payments, cumulatively, exceed the estimated net direct  
3307 state benefits. Once the qualified business or industry is  
3308 approved by the MDA, an agreement shall be deemed to exist between  
3309 the qualified business or industry and the State of Mississippi,  
3310 requiring the continued incentive payment, together with any  
3311 amount due pursuant to subsection (8) of this section, if  
3312 applicable, to be made as long as the qualified business or  
3313 industry retains its eligibility.

3314 (6) Upon approval of such an application, the MDA shall  
3315 notify the Department of Revenue and shall provide it with a copy



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

3327 (7) If the qualified business or industry is located in an  
3328 area that has been declared by the Governor to be a disaster area  
3329 and as a result of the disaster the business or industry is unable  
3330 to create or maintain the full-time jobs required by this section:

3331 (a) The Commissioner of Revenue may extend the period  
3332 of time that the business or industry may receive incentive  
3333 payments for a period of time not to exceed two (2) years;

3334 (b) The Commissioner of Revenue may waive the  
3335 requirement that a certain number of jobs be maintained for a  
3336 period of time not to exceed twenty-four (24) months; and

3337 (c) The MDA may extend the period of time within which  
3338 the jobs must be created for a period of time not to exceed  
3339 twenty-four (24) months.



3340       (8) Notwithstanding any other provision of this section to  
3341 the contrary, from and after January 1, 2023, if the amount of the  
3342 incentive payment that a qualified business or industry is  
3343 eligible to receive under this chapter is less than the amount  
3344 that the incentive payment would have been if the payment had been  
3345 calculated using any applicable income tax personal exemptions in  
3346 Section 27-7-21(b), (c) and (d), as such exemptions existed before  
3347 January 1, 2023, then the qualified business or industry also  
3348 shall receive a grant equal to the difference between such two (2)  
3349 amounts. Further, the term "incentive payment," as such term is  
3350 used in this chapter shall be deemed to not refer to or otherwise  
3351 include any grant payment payable to a qualified business or  
3352 industry pursuant to this subsection.

3353       **[For businesses or industries that received or applied for**  
3354 **incentive payments from and after July 1, 2005, but prior to July**  
3355 **1, 2010, this section shall read as follows:]**

3356       57-62-9. (1) (a) Except as otherwise provided in this  
3357 section, a qualified business or industry that meets the  
3358 qualifications specified in this chapter may receive quarterly  
3359 incentive payments for a period not to exceed ten (10) years from  
3360 the Department of Revenue pursuant to the provisions of this  
3361 chapter in an amount which shall be equal to the net benefit rate  
3362 multiplied by the actual gross payroll of new direct jobs for a  
3363 calendar quarter as verified by the Mississippi Department of  
3364 Employment Security, but not to exceed:



3365 (i) Ninety percent (90%) of the amount of money  
3366 previously paid into the fund by the employer if the employer  
3367 provides an average annual salary, excluding benefits which are  
3368 not subject to Mississippi income taxes, of at least one hundred  
3369 seventy-five percent (175%) of the most recently published state  
3370 average annual wage or the most recently published average annual  
3371 wage of the county in which the qualified business or industry is  
3372 located as determined by the Mississippi Department of Employment  
3373 Security, whichever is the lesser;

3374 (ii) Eighty percent (80%) of the amount of money  
3375 previously paid into the fund by the employer if the employer  
3376 provides an average annual salary, excluding benefits which are  
3377 not subject to Mississippi income taxes, of at least one hundred  
3378 twenty-five percent (125%) but less than one hundred seventy-five  
3379 percent (175%) of the most recently published state average annual  
3380 wage or the most recently published average annual wage of the  
3381 county in which the qualified business or industry is located as  
3382 determined by the Mississippi Department of Employment Security,  
3383 whichever is the lesser; or

3384 (iii) Seventy percent (70%) of the amount of money  
3385 previously paid into the fund by the employer if the employer  
3386 provides an average annual salary, excluding benefits which are  
3387 not subject to Mississippi income taxes, of less than one hundred  
3388 twenty-five percent (125%) of the most recently published state  
3389 average annual wage or the most recently published average annual



3390 wage of the county in which the qualified business or industry is  
3391 located as determined by the Mississippi Department of Employment  
3392 Security, whichever is the lesser.

3393 (b) A qualified business or industry that is a project  
3394 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
3395 which the ten-year period will begin. Such date may not be later  
3396 than sixty (60) months after the date the business or industry  
3397 applied for incentive payments.

3398 (2) (a) A qualified business or industry that is a project  
3399 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
3400 receive incentive payments for an additional period not to exceed  
3401 five (5) years beyond the expiration date of the initial ten-year  
3402 period if:

3403 (i) The qualified business or industry creates at  
3404 least three thousand (3,000) new direct jobs within five (5) years  
3405 after the date the business or industry commences commercial  
3406 production;

3407 (ii) Within five (5) years after the date the  
3408 business or industry commences commercial production, the average  
3409 annual wage of the jobs is at least one hundred fifty percent  
3410 (150%) of the most recently published state average annual wage or  
3411 the most recently published average annual wage of the county in  
3412 which the qualified business or industry is located as determined  
3413 by the Mississippi Department of Employment Security, whichever is  
3414 the lesser. The criteria for the average annual wage requirement





3415 shall be based upon the state average annual wage or the average  
3416 annual wage of the county whichever is appropriate, at the time of  
3417 creation of the minimum number of jobs, and the threshold  
3418 established at that time will remain constant for the duration of  
3419 the additional period; and

3420 (iii) The qualified business or industry meets and  
3421 maintains the job and wage requirements of subparagraphs (i) and  
3422 (ii) of this paragraph (a) for four (4) consecutive calendar  
3423 quarters.

3424 (b) A qualified business or industry that is a project  
3425 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
3426 incentive payments for the additional period provided in paragraph  
3427 (a) of this subsection (2) may apply to the MDA to receive  
3428 incentive payments for an additional period not to exceed ten (10)  
3429 years beyond the expiration date of the additional period provided  
3430 in paragraph (a) of this subsection (2) if:

3431 (i) The qualified business or industry creates at  
3432 least four thousand (4,000) new direct jobs after qualifying for  
3433 the additional incentive period provided in paragraph (a) of this  
3434 subsection (2) but before the expiration of the additional period.  
3435 For purposes of determining whether the business or industry meets  
3436 the minimum jobs requirement of this subparagraph (i), the number  
3437 of jobs the business or industry created in order to meet the  
3438 minimum jobs requirement of paragraph (a) of this subsection (2)



3439 shall be subtracted from the minimum jobs requirement of this  
3440 subparagraph (i);

3441           (ii) The average annual wage of the jobs is at  
3442 least one hundred fifty percent (150%) of the most recently  
3443 published state average annual wage or the most recently published  
3444 average annual wage of the county in which the qualified business  
3445 or industry is located as determined by the Mississippi Department  
3446 of Employment Security, whichever is the lesser. The criteria for  
3447 the average annual wage requirement shall be based upon the state  
3448 average annual wage or the average annual wage of the county  
3449 whichever is appropriate, at the time of creation of the minimum  
3450 number of jobs, and the threshold established at that time will  
3451 remain constant for the duration of the additional period; and

3452           (iii) The qualified business or industry meets and  
3453 maintains the job and wage requirements of subparagraphs (i) and  
3454 (ii) of this paragraph (b) for four (4) consecutive calendar  
3455 quarters.

3456           (3) In order to receive incentive payments, an establishment  
3457 shall apply to the MDA. The application shall be on a form  
3458 prescribed by the MDA and shall contain such information as may be  
3459 required by the MDA to determine if the applicant is qualified.

3460           (4) (a) In order to qualify to receive such payments, the  
3461 establishment applying shall be required to meet the definition of  
3462 the term "qualified business or industry";



3463           (b) The criteria for the average annual salary  
3464 requirement shall be based upon the state average annual wage or  
3465 the average annual wage of the county whichever is appropriate, at  
3466 the time of application, and the threshold established upon  
3467 application will remain constant for the duration of the project;

3468           (c) The business or industry must meet its job creation  
3469 commitment within twenty-four (24) months of the application  
3470 approval. However, if the qualified business or industry is  
3471 applying for incentive payments for an additional period under  
3472 subsection (2) of this section, the business or industry must  
3473 comply with the applicable job and wage requirements of subsection  
3474 (2) of this section.

3475           (5) (a) The MDA shall determine if the applicant is  
3476 qualified to receive incentive payments.

3477           (b) If the applicant is determined to be qualified to  
3478 receive incentive payments for an additional period under  
3479 subsection (2) of this section, the MDA shall conduct a  
3480 cost/benefit analysis to determine the estimated net direct state  
3481 benefits and the net benefit rate applicable for the appropriate  
3482 additional period and to estimate the amount of gross payroll for  
3483 the additional period. In conducting such cost/benefit analysis,  
3484 the MDA shall consider quantitative factors, such as the  
3485 anticipated level of new tax revenues to the state along with the  
3486 cost to the state of the qualified business or industry, and such  
3487 other criteria as deemed appropriate by the MDA, including the



3488 adequacy of retirement benefits that the business or industry  
3489 provides to individuals it employs in new direct jobs in this  
3490 state. In no event shall incentive payments, cumulatively, exceed  
3491 the estimated net direct state benefits. Once the qualified  
3492 business or industry is approved by the MDA, an agreement shall be  
3493 deemed to exist between the qualified business or industry and the  
3494 State of Mississippi, requiring the continued incentive payment,  
3495 together with any amount due pursuant to subsection (8) of this  
3496 section, if applicable, to be made as long as the qualified  
3497 business or industry retains its eligibility.

3498 (6) Upon approval of such an application, the MDA shall  
3499 notify the Department of Revenue and shall provide it with a copy  
3500 of the approved application and the estimated net direct state  
3501 benefits. The Department of Revenue may require the qualified  
3502 business or industry to submit such additional information as may  
3503 be necessary to administer the provisions of this chapter. The  
3504 qualified business or industry shall report to the Department of  
3505 Revenue periodically to show its continued eligibility for  
3506 incentive payments. The qualified business or industry may be  
3507 audited by the Department of Revenue to verify such eligibility.  
3508 In addition, the State Auditor may conduct performance and  
3509 compliance audits under this chapter according to Section  
3510 7-7-211(o) and may bill the oversight agency.

3511 (7) If the qualified business or industry is located in an  
3512 area that has been declared by the Governor to be a disaster area



3513 and as a result of the disaster the business or industry is unable  
3514 to create or maintain the full-time jobs required by this section:

3515 (a) The Commissioner of Revenue may extend the period  
3516 of time that the business or industry may receive incentive  
3517 payments for a period of time not to exceed two (2) years;

3518 (b) The Commissioner of Revenue may waive the  
3519 requirement that a certain number of jobs be maintained for a  
3520 period of time not to exceed twenty-four (24) months; and

3521 (c) The MDA may extend the period of time within which  
3522 the jobs must be created for a period of time not to exceed  
3523 twenty-four (24) months.

3524 (8) Notwithstanding any other provision of this section to  
3525 the contrary, from and after January 1, 2023, if the amount of the  
3526 incentive payment that a qualified business or industry is  
3527 eligible to receive under this chapter is less than the amount  
3528 that the incentive payment would have been if the payment had been  
3529 calculated using any applicable income tax personal exemptions in  
3530 Section 27-7-21(b), (c) and (d), as such exemptions existed before  
3531 January 1, 2023, then the qualified business or industry also  
3532 shall receive a grant equal to the difference between such two (2)  
3533 amounts. Further, the term "incentive payment", as such term is  
3534 used in this chapter shall be deemed to not refer to or otherwise  
3535 include any grant payment payable to a qualified business or  
3536 industry pursuant to this subsection.



3537           **[For businesses or industries that apply for incentive**  
3538 **payments from and after July 1, 2010, this section shall read as**  
3539 **follows:]**

3540           57-62-9. (1) (a) Except as otherwise provided in this  
3541 section, a qualified business or industry that meets the  
3542 qualifications specified in this chapter may receive quarterly  
3543 incentive payments for a period not to exceed ten (10) years from  
3544 the Department of Revenue pursuant to the provisions of this  
3545 chapter in an amount which shall be equal to ninety percent (90%)  
3546 of the amount of actual income tax withheld for employees with new  
3547 direct jobs, but in no event more than four percent (4%) of the  
3548 total annual salary paid for new direct jobs during such period,  
3549 excluding benefits which are not subject to Mississippi income  
3550 taxes.

3551           (b) A qualified business or industry that is a project  
3552 as defined in Section 57-75-5(f)(iv)1 may elect the date upon  
3553 which the ten-year period will begin. Such date may not be later  
3554 than sixty (60) months after the date the business or industry  
3555 applied for incentive payments.

3556           (c) A qualified business or industry as defined in  
3557 Section 57-62-5(a)(iii) may elect the date upon which the ten-year  
3558 period will begin and may elect to begin receiving incentive  
3559 payments as early as the second quarter after that date.  
3560 Incentive payments will be calculated on all jobs above the  
3561 existing number of jobs as of the date the MDA determines that the



3562 applicant is qualified to receive incentive payments. In the  
3563 event that the qualified business or industry falls below the  
3564 number of existing jobs at the time of determination that the  
3565 applicant is qualified to receive the incentive payment, the  
3566 incentive payment shall cease until the qualified business or  
3567 industry once again exceeds that number. If after forty-eight  
3568 (48) months, the qualified business or industry has failed to  
3569 create at least three thousand (3,000) new direct jobs, incentive  
3570 payments shall cease and the qualified business or industry shall  
3571 not be qualified to receive further incentive payments.

3572 (2) (a) A qualified business or industry that is a project  
3573 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to  
3574 receive incentive payments for an additional period not to exceed  
3575 five (5) years beyond the expiration date of the initial ten-year  
3576 period if:

3577 (i) The qualified business or industry creates at  
3578 least three thousand (3,000) new direct jobs within five (5) years  
3579 after the date the business or industry commences commercial  
3580 production;

3581 (ii) Within five (5) years after the date the  
3582 business or industry commences commercial production, the average  
3583 annual wage of the jobs is at least one hundred fifty percent  
3584 (150%) of the most recently published state average annual wage or  
3585 the most recently published average annual wage of the county in  
3586 which the qualified business or industry is located as determined



3587 by the Mississippi Department of Employment Security, whichever is  
3588 the lesser. The criteria for the average annual wage requirement  
3589 shall be based upon the state average annual wage or the average  
3590 annual wage of the county whichever is appropriate, at the time of  
3591 creation of the minimum number of jobs, and the threshold  
3592 established at that time will remain constant for the duration of  
3593 the additional period; and

3594 (iii) The qualified business or industry meets and  
3595 maintains the job and wage requirements of subparagraphs (i) and  
3596 (ii) of this paragraph (a) for four (4) consecutive calendar  
3597 quarters.

3598 (b) A qualified business or industry that is a project  
3599 as defined in Section 57-75-5(f)(iv)1 and qualified to receive  
3600 incentive payments for the additional period provided in paragraph  
3601 (a) of this subsection (2) may apply to the MDA to receive  
3602 incentive payments for an additional period not to exceed ten (10)  
3603 years beyond the expiration date of the additional period provided  
3604 in paragraph (a) of this subsection (2) if:

3605 (i) The qualified business or industry creates at  
3606 least four thousand (4,000) new direct jobs after qualifying for  
3607 the additional incentive period provided in paragraph (a) of this  
3608 subsection (2) but before the expiration of the additional period.  
3609 For purposes of determining whether the business or industry meets  
3610 the minimum jobs requirement of this subparagraph (i), the number  
3611 of jobs the business or industry created in order to meet the





3612 minimum jobs requirement of paragraph (a) of this subsection (2)  
3613 shall be subtracted from the minimum jobs requirement of this  
3614 subparagraph (i);

3615           (ii) The average annual wage of the jobs is at  
3616 least one hundred fifty percent (150%) of the most recently  
3617 published state average annual wage or the most recently published  
3618 average annual wage of the county in which the qualified business  
3619 or industry is located as determined by the Mississippi Department  
3620 of Employment Security, whichever is the lesser. The criteria for  
3621 the average annual wage requirement shall be based upon the state  
3622 average annual wage or the average annual wage of the county  
3623 whichever is appropriate, at the time of creation of the minimum  
3624 number of jobs, and the threshold established at that time will  
3625 remain constant for the duration of the additional period; and

3626           (iii) The qualified business or industry meets and  
3627 maintains the job and wage requirements of subparagraphs (i) and  
3628 (ii) of this paragraph (b) for four (4) consecutive calendar  
3629 quarters.

3630           (3) In order to receive incentive payments, an establishment  
3631 shall apply to the MDA. The application shall be on a form  
3632 prescribed by the MDA and shall contain such information as may be  
3633 required by the MDA to determine if the applicant is qualified.

3634           (4) (a) In order to qualify to receive such payments, the  
3635 establishment applying shall be required to meet the definition of  
3636 the term "qualified business or industry";



3637           (b) The criteria for the average annual salary  
3638 requirement shall be based upon the state average annual wage or  
3639 the average annual wage of the county whichever is appropriate, at  
3640 the time of application, and the threshold established upon  
3641 application will remain constant for the duration of the project;

3642           (c) Except as otherwise provided for a qualified  
3643 business or industry as defined in Section 57-62-5(a)(iii), the  
3644 business or industry must meet its job creation commitment within  
3645 twenty-four (24) months of the application approval. However, if  
3646 the qualified business or industry is applying for incentive  
3647 payments for an additional period under subsection (2) of this  
3648 section, the business or industry must comply with the applicable  
3649 job and wage requirements of subsection (2) of this section.

3650           (5) (a) The MDA shall determine if the applicant is  
3651 qualified to receive incentive payments.

3652           (b) If the applicant is determined to be qualified to  
3653 receive incentive payments for an additional period under  
3654 subsection (2) of this section, the MDA shall conduct an analysis  
3655 to estimate the amount of gross payroll for the appropriate  
3656 additional period. Incentive payments, cumulatively, shall not  
3657 exceed ninety percent (90%) of the amount of actual income tax  
3658 withheld for employees with new direct jobs, but in no event more  
3659 than four percent (4%) of the total annual salary paid for new  
3660 direct jobs during the additional period, excluding benefits which  
3661 are not subject to Mississippi income taxes. Once the qualified



3662 business or industry is approved by the MDA, an agreement shall be  
3663 deemed to exist between the qualified business or industry and the  
3664 State of Mississippi, requiring the continued incentive payment,  
3665 together with any amount due pursuant to subsection (8) of this  
3666 section, if applicable, to be made as long as the qualified  
3667 business or industry retains its eligibility.

3668 (6) Upon approval of such an application, the MDA shall  
3669 notify the Department of Revenue and shall provide it with a copy  
3670 of the approved application and the minimum job and salary  
3671 requirements. The Department of Revenue may require the qualified  
3672 business or industry to submit such additional information as may  
3673 be necessary to administer the provisions of this chapter. The  
3674 qualified business or industry shall report to the Department of  
3675 Revenue periodically to show its continued eligibility for  
3676 incentive payments. The qualified business or industry may be  
3677 audited by the Department of Revenue to verify such eligibility.  
3678 In addition, the State Auditor may conduct performance and  
3679 compliance audits under this chapter according to Section  
3680 7-7-211(o) and may bill the oversight agency.

3681 (7) If the qualified business or industry is located in an  
3682 area that has been declared by the Governor to be a disaster area  
3683 and as a result of the disaster the business or industry is unable  
3684 to create or maintain the full-time jobs required by this section:



3685 (a) The Commissioner of Revenue may extend the period  
3686 of time that the business or industry may receive incentive  
3687 payments for a period of time not to exceed two (2) years;

3688 (b) The Commissioner of Revenue may waive the  
3689 requirement that a certain number of jobs be maintained for a  
3690 period of time not to exceed twenty-four (24) months; and

3691 (c) The MDA may extend the period of time within which  
3692 the jobs must be created for a period of time not to exceed  
3693 twenty-four (24) months.

3694 (8) Notwithstanding any other provision of this section to  
3695 the contrary, from and after January 1, 2023, if the amount of the  
3696 incentive payment that a qualified business or industry is  
3697 eligible to receive under this chapter is less than the amount  
3698 that the incentive payment would have been if the payment had been  
3699 calculated using any applicable income tax personal exemptions in  
3700 Section 27-7-21(b), (c) and (d), as such exemptions existed before  
3701 January 1, 2023, then the qualified business or industry also  
3702 shall receive a grant equal to the difference between such two (2)  
3703 amounts. Further, the term "incentive payment", as such term is  
3704 used in this chapter shall be deemed to not refer to or otherwise  
3705 include any grant payment payable to a qualified business or  
3706 industry pursuant to this subsection.

3707 **SECTION 24.** Section 57-62-11, Mississippi Code of 1972, is  
3708 amended as follows:



3709           57-62-11. (1) There is created in the State Treasury a  
3710 special fund to be known as the Mississippi Advantage Jobs  
3711 Incentive Payment Fund, into which shall be deposited withholding  
3712 tax revenue required to be deposited into such fund pursuant to  
3713 Section 27-7-312 and any other monies designated for deposit  
3714 therein. The money in the fund shall be used for the purpose of  
3715 making the incentive payments and grants authorized under this  
3716 chapter.

3717           (2) The Mississippi Advantage Jobs Incentive Payment Fund  
3718 shall be administered by the Department of Revenue, and monies in  
3719 the fund, less three percent (3%) to be retained by the Department  
3720 of Revenue to pay the reasonable and necessary expenses of the  
3721 Department of Revenue in administering its duties under this  
3722 chapter, shall be expended pursuant to the approved application.  
3723 Amounts in the fund at the end of any fiscal year that are not  
3724 necessary to make future incentive payments and grants shall be  
3725 paid into the General Fund.

3726           (3) The liability of the State of Mississippi to make the  
3727 incentive payments and grants authorized under this chapter shall  
3728 be limited to the balance contained in the fund.

3729           **SECTION 25.** Section 57-62-13, Mississippi Code of 1972, is  
3730 brought forward as follows:

3731           57-62-13. (1) As soon as practicable after the end of a  
3732 calendar quarter for which a qualified business or industry has  
3733 qualified to receive an incentive payment, the qualified business



3734 or industry shall file a claim for the payment with the Department  
3735 of Revenue and shall specify the actual number of new direct jobs  
3736 created and maintained by the business or industry for the  
3737 calendar quarter and the gross payroll thereof. The Department of  
3738 Revenue shall verify the actual number of new direct jobs created  
3739 and maintained by the business or industry and compliance with the  
3740 average annual wage requirements for such business or industry  
3741 under this chapter. If the qualified business or industry files a  
3742 claim for an incentive payment during an additional incentive  
3743 period provided under Section 57-62-9(2), the Department of  
3744 Revenue shall verify the actual number of new direct jobs created  
3745 and maintained by the business or industry and compliance with the  
3746 average annual wage requirements for such business or industry  
3747 under this chapter. If the Department of Revenue is not able to  
3748 provide such verification utilizing all available resources, the  
3749 Department of Revenue may request such additional information from  
3750 the business or industry as may be necessary.

3751 (2) (a) Except as otherwise provided in this chapter, the  
3752 business or industry must meet the salary and job requirements of  
3753 this chapter for four (4) consecutive calendar quarters prior to  
3754 payment of the first incentive payment. Except as otherwise  
3755 provided in Section 57-62-9, if the business or industry does not  
3756 maintain the salary or job requirements of this chapter at any  
3757 other time during the ten-year period after the date the first  
3758 payment was made, the incentive payments shall not be made and



3759 shall not be resumed until such time as the actual verified number  
3760 of new direct jobs created and maintained by the business or  
3761 industry equals or exceeds the requirements of this chapter for  
3762 one (1) calendar quarter.

3763 (b) If the business or industry is qualified to receive  
3764 incentive payments for an additional period provided under Section  
3765 57-62-9(2), the business or industry must meet the wage and job  
3766 requirements of Section 57-62-9(2), for four (4) consecutive  
3767 calendar quarters prior to payment of the first incentive payment.  
3768 If the business or industry does not maintain the wage or job  
3769 requirements of Section 57-62-9(2), at any other time during the  
3770 appropriate additional period after the date the first payment was  
3771 made, the incentive payments shall not be made and shall not be  
3772 resumed until such time as the actual verified number of new  
3773 direct jobs created and maintained by the business or industry  
3774 equals or exceeds the amounts specified in Section 57-62-9(2), for  
3775 one (1) calendar quarter.

3776 (3) An establishment that has qualified pursuant to this  
3777 chapter may receive payments only in accordance with the provision  
3778 under which it initially applied and was approved. If an  
3779 establishment that is receiving incentive payments expands, it may  
3780 apply for additional incentive payments based on the new gross  
3781 payroll for new direct jobs anticipated from the expansion only,  
3782 pursuant to this chapter.



3783 (4) As soon as practicable after verification of the  
3784 qualified business or industry meeting the requirements of this  
3785 chapter and all rules and regulations, the Department of Finance  
3786 and Administration, upon requisition of the Department of Revenue,  
3787 shall issue a warrant drawn on the Mississippi Advantage Jobs  
3788 Incentive Payment Fund to the establishment in the amount of the  
3789 incentive payment as determined pursuant to subsection (1) of this  
3790 section for the calendar quarter.

3791 **SECTION 26.** Section 57-89-3, Mississippi Code of 1972, is  
3792 brought forward as follows:

3793 57-89-3. As used in this chapter, the following terms shall  
3794 have the meanings ascribed in this section unless the context  
3795 clearly indicates otherwise:

3796 (a) "Base investment" means the actual investment made  
3797 and expended in Mississippi by a motion picture production company  
3798 in connection with the production of a state-certified production  
3799 in the state. The term "base investment" includes amounts  
3800 expended in Mississippi by a motion picture production company as  
3801 per diem and housing allowances in connection with the production  
3802 of a state-certified production in the state. The term "base  
3803 investment" shall not include payroll. However, in the case of a  
3804 motion picture production company, or its owner, principal,  
3805 member, production partner, independent contractor director or  
3806 producer, or subsidiary company that (i) is designated and  
3807 pre-qualified by the Mississippi Development Authority as





3808 Mississippi-based or a Mississippi resident; (ii) has filed income  
3809 taxes in the State of Mississippi during each of the previous  
3810 three (3) years; and (iii) has engaged in activities related to  
3811 the production of at least two (2) motion pictures in Mississippi  
3812 during the past ten (10) years, base investment may include  
3813 payroll and fringes paid for any employee who is not a resident  
3814 and whose wages are subject to the Mississippi Income Tax  
3815 Withholding Law of 1968, if so requested by the motion picture  
3816 production company. A motion picture production company must  
3817 submit such a request to the Mississippi Development Authority at  
3818 the time the company submits an application for approval as a  
3819 state-certified production. In addition, if base investment  
3820 includes payroll and fringes, and the payroll and fringes paid for  
3821 an employee exceeds Five Million Dollars (\$5,000,000.00), then  
3822 only the first Five Million Dollars (\$5,000,000.00) of such  
3823 payroll and fringes may be included in base investment.

3824 (b) "Employee" means an individual directly involved in  
3825 the physical production and/or post-production of a motion picture  
3826 produced in the state and who is employed by a:

3827 (i) Motion picture production company that is  
3828 directly involved in the physical production and/or  
3829 post-production of a motion picture in the state;

3830 (ii) Personal service corporation retained by a  
3831 motion picture production company to provide persons used directly



3832 in the physical production and/or post-production of a motion  
3833 picture in the state; or

3834 (iii) Payroll service or loan-out company that is  
3835 retained by a motion picture production company to provide  
3836 employees who work directly in the physical production and/or  
3837 post-production of a motion picture in the state.

3838 (c) "Fringes" means costs paid by a motion picture  
3839 production company on or after September 1, 2013, for employee  
3840 benefits that are not subject to state income tax. Fringes may  
3841 include, but are not limited to, payments by an employer for  
3842 unemployment insurance, Federal Insurance Contribution Act (FICA),  
3843 workers' compensation insurance, pension and welfare benefits and  
3844 health insurance premiums.

3845 (d) "Motion picture" means a nationally distributed  
3846 feature-length film, video, DVD, television program or series,  
3847 commercial, or computer or video game made in Mississippi, in  
3848 whole or in part, for theatrical or DVD release or television  
3849 viewing or as a television pilot or viewing through streaming  
3850 video or internet delivery, or for playing on a video game  
3851 console, personal computer or handheld device. The term "motion  
3852 picture" shall not include the production of television coverage  
3853 of news and athletic events, or a film, video, DVD, television  
3854 program, series, or commercial that contains any material or  
3855 performance defined in Section 97-29-103.



3856           (e) "Motion picture production company" means a company  
3857 engaged in the business of producing nationally distributed motion  
3858 pictures, videos, DVDs, television programs or series,  
3859 commercials, or computer or video games intended for a theatrical  
3860 release, for television viewing or for playing on a video game  
3861 console, personal computer or handheld device. The term "motion  
3862 picture production company" includes a company engaged in the  
3863 business of making such productions through the use of animation,  
3864 interactive media, preproduction and post-production 3D  
3865 applications, video game cinematics, virtual production, visual  
3866 effects, and motion capture within the fields of feature film,  
3867 television, commercials and games. The term "motion picture  
3868 production company" shall not mean or include any company owned,  
3869 affiliated, or controlled, in whole or in part, by any company or  
3870 person which is in default on a loan made by the state or a loan  
3871 guaranteed by the state, or any company or person who has ever  
3872 declared bankruptcy under which an obligation of the company or  
3873 person to pay or repay public funds or monies was discharged as a  
3874 part of such bankruptcy.

3875           (f) "Payroll" means salary, wages or other compensation  
3876 including related benefits paid to employees upon which  
3877 Mississippi income tax is due and has been withheld.

3878           (g) "Resident" or "resident of Mississippi" means a  
3879 natural person, and for the purpose of determining eligibility for  
3880 the rebate provided by Section 57-89-7, any person domiciled in



3881 the State of Mississippi and any other person who maintains a  
3882 permanent place of abode within the state and spends in the  
3883 aggregate more than six (6) months of each year within the state.

3884 (h) "State" means the State of Mississippi.

3885 (i) "State-certified production" means a motion picture  
3886 approved by the Mississippi Development Authority produced by a  
3887 motion picture production company in the state. An application  
3888 for approval as a state-certified production must be submitted to  
3889 the Mississippi Development Authority before production of the  
3890 project begins.

3891 **SECTION 27.** Section 57-89-7, Mississippi Code of 1972, is  
3892 brought forward as follows:

3893 57-89-7. (1) (a) A motion picture production company that  
3894 expends at least Fifty Thousand Dollars (\$50,000.00) in base  
3895 investment, payroll and/or fringes, in the state shall be entitled  
3896 to a rebate of a portion of the base investment made by the motion  
3897 picture production company. Subject to the provisions of this  
3898 section, the amount of the rebate shall be equal to twenty-five  
3899 percent (25%) of the base investment made by the motion picture  
3900 production company.

3901 (b) In addition to the rebates authorized under  
3902 paragraphs (a), (c) and (d) of this subsection, a motion picture  
3903 production company may receive a rebate equal to twenty-five  
3904 percent (25%) of payroll and fringes paid for any employee who is  
3905 not a resident and whose wages are subject to the Mississippi



3906 Income Tax Withholding Law of 1968. However, if the payroll and  
3907 fringes paid for an employee exceeds Five Million Dollars  
3908 (\$5,000,000.00), then the rebate is authorized only for the first  
3909 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

3910 (c) In addition to the rebates authorized under  
3911 paragraphs (a), (b) and (d) of this subsection, a motion picture  
3912 production company may receive a rebate equal to thirty percent  
3913 (30%) of payroll and fringes paid for any employee who is a  
3914 resident and whose wages are subject to the Mississippi Income Tax  
3915 Withholding Law of 1968. However, if the payroll and fringes paid  
3916 for an employee exceeds Five Million Dollars (\$5,000,000.00), then  
3917 the rebate is authorized only for the first Five Million Dollars  
3918 (\$5,000,000.00) of such payroll and fringes.

3919 (d) In addition to the rebates authorized in paragraphs  
3920 (a), (b) and (c) of this subsection, a motion picture production  
3921 company may receive an additional rebate equal to five percent  
3922 (5%) of the payroll and fringes paid for any employee who is an  
3923 honorably discharged veteran of the United States Armed Forces and  
3924 whose wages are subject to the Mississippi Income Tax Withholding  
3925 Law of 1968.

3926 (e) If a motion picture has physical production  
3927 activities and/or post-production activities both inside and  
3928 outside the state, then the motion picture production company  
3929 shall be required to provide an itemized accounting for each  
3930 employee regarding such activities inside and outside the state



3931 for the purposes of proration of eligible payroll based on the  
3932 percentage of activities performed in the state.

3933 (f) The total amount of rebates authorized for a motion  
3934 picture project shall not exceed Ten Million Dollars  
3935 (\$10,000,000.00) in the aggregate.

3936 (g) The total amount of rebates authorized in any  
3937 fiscal year shall not exceed Twenty Million Dollars  
3938 (\$20,000,000.00) in the aggregate.

3939 (2) A motion picture production company desiring a rebate  
3940 under this section must submit a rebate request to the Department  
3941 of Revenue upon completion of the project. The request must  
3942 include a detailed accounting of the base investment made by the  
3943 motion picture production company and any other information  
3944 required by the Department of Revenue. Rebates made by the  
3945 Department of Revenue under this section shall be made from  
3946 current income tax collections. The Department of Revenue shall  
3947 not approve any application for a rebate under subsection (1)(b)  
3948 of this section after July 1, 2017.

3949 (3) The Department of Revenue shall have all powers  
3950 necessary to implement and administer the provisions of this  
3951 section, and the Department of Revenue shall promulgate rules and  
3952 regulations, in accordance with the Mississippi Administrative  
3953 Procedures Law, necessary for the implementation of this section.



3954 (4) The State Auditor may conduct performance and compliance  
3955 audits under this chapter according to Section 7-7-211(o) and may  
3956 bill the oversight agency.

3957 **SECTION 28.** Section 57-99-1, Mississippi Code of 1972, is  
3958 amended as follows:

3959 57-99-1. As used in Sections 57-99-1 through 57-99-9, the  
3960 following words and phrases shall have the meanings ascribed in  
3961 this section unless the context clearly indicates otherwise:

3962 (a) "Qualified business or industry" means any company  
3963 and affiliates thereof, pursuant to rules and regulations of the  
3964 MDA, which is:

3965 (i) A project that has been certified by the MMEIA  
3966 as a project defined in Section 57-75-5(f)(xxi) and creates at  
3967 least one thousand five hundred (1,500) jobs within sixty (60)  
3968 months of the beginning of the project;

3969 (ii) A project that has been certified by the  
3970 MMEIA as a project defined in Section 57-75-5(f)(xxii) and creates  
3971 at least five hundred (500) jobs within seventy-two (72) months of  
3972 the beginning of the project;

3973 (iii) A project:

3974 1. That has been certified by the MMEIA as a  
3975 project defined in Section 57-75-5(f)(xxviii);

3976 2. Creates at least twenty-five (25) jobs  
3977 within sixty (60) months of the beginning of the project; and



3978                   3. In which the average annual wages and  
3979 taxable benefits of the jobs created by such project are at least  
3980 one hundred ten percent (110%) of the most recently published  
3981 average annual wage of the state or the most recently published  
3982 average annual wage of the county in which the project is located,  
3983 as determined by the Mississippi Department of Employment  
3984 Security, whichever is the lesser; or

3985                   (iv) A project:

3986                   1. That has been certified by the MMEIA as a  
3987 project defined in Section 57-75-5(f) (xxix);

3988                   2. That creates at least twenty-five (25)  
3989 jobs within sixty (60) months following the date required by the  
3990 MMEIA and prescribed by written agreement between the MMEIA and  
3991 the enterprise establishing the project described in item 1 of  
3992 this subparagraph (iv); and

3993                   3. In which the average annual wages of the  
3994 jobs created by such project are at least one hundred ten percent  
3995 (110%) of the most recently published average annual wage of the  
3996 state, as determined by the Mississippi Department of Employment  
3997 Security.

3998                   (b) "Qualified job" means full-time employment in this  
3999 state within the project site of a qualified business or industry  
4000 that has qualified to receive an incentive payment pursuant to  
4001 Sections 57-99-1 through 57-99-9, which employment did not exist  
4002 in this state before the date of approval by the MDA of the





4003 application of the qualified business or industry pursuant to the  
4004 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"  
4005 also shall include full-time employment in this state of employees  
4006 who are employed by an entity other than the establishment that  
4007 has qualified to receive an incentive payment such as employees  
4008 who are leased to and managed by the qualified business or  
4009 industry, if such employment did not exist in this state before  
4010 the date of approval by the MDA of the application of the  
4011 establishment; provided, however, that in order for a qualified  
4012 business or industry to receive incentive payments for such  
4013 employees, the actual employer of the employees must agree to such  
4014 payments being made to the qualified business or industry.

4015 (c) "Full-time employment" means a job of at least  
4016 thirty-five (35) hours per week.

4017 (d) "Rebate amount" means the amount of Mississippi  
4018 income taxes withheld from employees in qualified jobs that is  
4019 available for rebate to the qualified business or industry,  
4020 provided that:

4021 (i) Except as otherwise provided in this paragraph  
4022 (d), the rebate amount shall be three and one-half percent  
4023 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

4024 (ii) Except as otherwise provided in Section  
4025 57-99-3(5), in no event shall incentive payments exceed the actual  
4026 Mississippi income taxes withheld from employees in qualified jobs



4027 that are available for rebate to the qualified business or  
4028 industry.

4029 (e) "MDA" means the Mississippi Development Authority.

4030 (f) "MMEIA" means the Mississippi Major Economic Impact  
4031 Authority.

4032 **SECTION 29.** Section 57-99-3, Mississippi Code of 1972, is  
4033 amended as follows:

4034 57-99-3. (1) Except as otherwise provided in this section,  
4035 a qualified business or industry that meets the qualifications  
4036 specified in Sections 57-99-1 through 57-99-9 may receive  
4037 quarterly incentive payments for a period not to exceed  
4038 twenty-five (25) years from the Department of Revenue pursuant to  
4039 the provisions of Sections 57-99-1 through 57-99-9 in an amount  
4040 which shall be equal to the lesser of three and one-half percent  
4041 (3-1/2%) of the wages and taxable benefits for qualified jobs or  
4042 the actual amount of Mississippi income tax withheld by the  
4043 employer for the qualified jobs. A qualified business or industry  
4044 may elect the date upon which the incentive rebate period will  
4045 begin. Such date may not be later than sixty (60) months after  
4046 the date the business or industry applied for incentive payments;  
4047 however, in the case of a qualified business or industry described  
4048 in Section 57-99-1(a)(ii), such date may not be later than  
4049 seventy-two (72) months after the date the business or industry  
4050 applied for incentive payments, or for a qualified business or  
4051 industry described in Section 57-99-1(a)(iv), such date may not be



4052 later than the date that is sixty (60) months after the earlier  
4053 of:

4054 (a) The date the qualified business or industry applied  
4055 for incentive payments; or

4056 (b) The start of commercial production as defined in a  
4057 definitive agreement between such qualified business or industry  
4058 and the MDA.

4059 (2) In order to receive incentive payments, an establishment  
4060 shall apply to the MDA. The application shall be on a form  
4061 prescribed by the MDA and shall contain such information as may be  
4062 required by the MDA to determine if the applicant is qualified.

4063 (3) In order to qualify to receive such payments, the  
4064 establishment applying shall be required to:

4065 (a) Be engaged in a qualified business or industry; and

4066 (b) The business or industry must create and maintain  
4067 the minimum number of qualified jobs as set forth in Section  
4068 57-99-1. Establishments that are approved as a qualified business  
4069 or industry under Sections 57-99-1 through 57-99-9 may not receive  
4070 incentive payments under Section 57-62-1 et seq.

4071 (4) Upon approval of such an application, the MDA shall  
4072 notify the Department of Revenue and shall provide it with a copy  
4073 of the approved application. The Department of Revenue may  
4074 require the qualified business or industry to submit such  
4075 additional information as may be necessary to administer the  
4076 provisions of Sections 57-99-1 through 57-99-9. The qualified



4077 business or industry shall report to the Department of Revenue  
4078 periodically to show its continued eligibility for incentive  
4079 payments. The qualified business or industry may be audited by  
4080 the Department of Revenue to verify such eligibility.

4081 (5) Notwithstanding any other provision of Sections 57-99-1  
4082 through 57-99-9 to the contrary, from and after January 1, 2023,  
4083 if the amount of the incentive payments that a qualified business  
4084 or industry is eligible to receive under Sections 57-99-1 through  
4085 57-99-9 is less than the amount that the incentive payments would  
4086 have been if the payments had been calculated using any applicable  
4087 income tax personal exemptions in Section 27-7-21(b), (c) and (d),  
4088 as such exemptions existed before January 1, 2023, then the  
4089 qualified business or industry also shall receive a grant equal to  
4090 the difference between such two (2) amounts. Further, the term  
4091 "incentive payment", as such term is used in Sections 57-99-1  
4092 through 57-99-9 shall be deemed to not refer to or otherwise  
4093 include any grant payment payable to a qualified business or  
4094 industry pursuant to this subsection.

4095 **SECTION 30.** Section 57-99-5, Mississippi Code of 1972, is  
4096 amended as follows:

4097 57-99-5. (1) There is created in the State Treasury a  
4098 special fund to be known as the "MMEIA Withholding Rebate Fund,"  
4099 into which shall be deposited withholding tax revenue required to  
4100 be deposited into such fund pursuant to Section 27-7-312 and any  
4101 other monies designated for deposit therein. The money in the



4102 fund shall be used for the purpose of making the incentive  
4103 payments and grants authorized under Sections 57-99-1 through  
4104 57-99-9.

4105 (2) The liability of the State of Mississippi to make the  
4106 incentive payments and grants authorized under Sections 57-99-1  
4107 through 57-99-9 shall be limited to the balance contained in the  
4108 fund.

4109 **SECTION 31.** Section 57-99-7, Mississippi Code of 1972, is  
4110 brought forward as follows:

4111 57-99-7. (1) As soon as practicable after the end of a  
4112 calendar quarter for which a qualified business or industry has  
4113 qualified to receive an incentive payment, the qualified business  
4114 or industry shall file a claim for the payment with the State Tax  
4115 Commission and shall specify the actual number of qualified jobs  
4116 created and maintained by the business or industry for the  
4117 calendar quarter and the wages and taxable benefits thereof. The  
4118 State Tax Commission shall verify the actual number of qualified  
4119 jobs created and maintained by the business or industry. If the  
4120 State Tax Commission is not able to provide such verification  
4121 utilizing all available resources, the State Tax Commission may  
4122 request such additional information from the business or industry  
4123 as may be necessary.

4124 (2) The business or industry must meet the job requirements  
4125 of Sections 57-99-1 through 57-99-9 for four (4) consecutive  
4126 calendar quarters prior to payment of the first incentive payment.



4127 If the business or industry does not maintain the job requirements  
4128 of Sections 57-99-1 through 57-99-9 at any other time during the  
4129 twenty-five-year period after the date the first payment was made,  
4130 the incentive payments shall not be made and shall not be resumed  
4131 until such time as the actual verified number of qualified jobs  
4132 created and maintained by the business or industry equals or  
4133 exceeds the requirements of Sections 57-99-1 through 57-99-9 for  
4134 one (1) calendar quarter.

4135 (3) An establishment that has qualified pursuant to Sections  
4136 57-99-1 through 57-99-9 may receive payments only in accordance  
4137 with the provision under which it initially applied and was  
4138 approved. If an establishment that is receiving incentive  
4139 payments expands, it may apply for additional incentive payments  
4140 based on the wages and taxable benefits for qualified jobs  
4141 anticipated from the expansion only, pursuant to Sections 57-99-1  
4142 through 57-99-9.

4143 (4) As soon as practicable after verification of the  
4144 qualified business or industry meeting the requirements of  
4145 Sections 57-99-1 through 57-99-9 and all rules and regulations,  
4146 the Department of Finance and Administration, upon requisition of  
4147 the State Tax Commission, shall issue a warrant drawn on the MMEIA  
4148 Withholding Rebate Fund to the establishment in the amount of the  
4149 rebate as determined pursuant to subsection (1) of this section  
4150 for the calendar quarter.



4151           **SECTION 32.** Section 57-99-21, Mississippi Code of 1972, is  
4152 brought forward as follows:

4153           57-99-21. As used in Sections 57-99-21 through 57-99-29, the  
4154 following words and phrases shall have the meanings ascribed in  
4155 this section unless the context clearly indicates otherwise:

4156           (a) "Qualified business or industry" means any  
4157 enterprise which is a project that has been certified by the  
4158 Mississippi Major Economic Impact Authority (MMEIA) as a project  
4159 defined in Section 57-75-5(f) (xxiv).

4160           (b) "Qualified job" means full-time employment at the  
4161 location of the manufacturing plant in this state of a qualified  
4162 business or industry that has qualified to receive an incentive  
4163 payment pursuant to Sections 57-99-21 through 57-99-29, which  
4164 employment existed in this state at the location of the  
4165 manufacturing plant on July 1, 2009.

4166           (c) "Full-time employment" means a job of at least  
4167 thirty-five (35) hours per week.

4168           (d) "Rebate amount" means the amount of Mississippi  
4169 income taxes withheld from employees in qualified jobs that is  
4170 available for rebate to the qualified business or industry,  
4171 provided that:

4172           (i) Except as otherwise provided in this paragraph  
4173 (d), the rebate amount shall be one percent (1%) of the wages and  
4174 taxable benefits for qualified jobs;



4175 (ii) In no event shall incentive payments exceed  
4176 the actual Mississippi income taxes withheld from employees in  
4177 qualified jobs that are available for rebate to the qualified  
4178 business or industry; and

4179 (iii) In no event shall the aggregate amount of  
4180 incentive payments authorized under Sections 57-99-21 through  
4181 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

4182 (e) "MDA" means the Mississippi Development Authority.

4183 **SECTION 33.** Section 57-99-23, Mississippi Code of 1972, is  
4184 brought forward as follows:

4185 57-99-23. (1) Except as otherwise provided in this section,  
4186 a qualified business or industry that meets the qualifications  
4187 specified in Sections 57-99-21 through 57-99-29 may receive  
4188 quarterly incentive payments for a period not to exceed ten (10)  
4189 years from the State Tax Commission pursuant to the provisions of  
4190 Sections 57-99-21 through 57-99-29 in an amount which shall be  
4191 equal to the lesser of one percent (1%) of the wages and taxable  
4192 benefits for qualified jobs or the actual amount of Mississippi  
4193 income tax withheld by the employer for the qualified jobs.

4194 (2) In order to receive incentive payments, an establishment  
4195 shall apply to the MDA by not later than July 1, 2010. The  
4196 application shall be on a form prescribed by the MDA and shall  
4197 contain such information as may be required by the MDA to  
4198 determine if the applicant is qualified.





4199 (3) In order to qualify to receive such payments, the  
4200 establishment applying shall be required to:

4201 (a) Be engaged in a qualified business or industry; and

4202 (b) The business or industry must maintain a minimum of  
4203 one thousand two hundred (1,200) qualified jobs.

4204 (4) Upon approval of such an application, the MDA shall  
4205 notify the State Tax Commission and shall provide it with a copy  
4206 of the approved application. The State Tax Commission may require  
4207 the qualified business or industry to submit such additional  
4208 information as may be necessary to administer the provisions of  
4209 Sections 57-99-21 through 57-99-29. The qualified business or  
4210 industry shall report to the State Tax Commission periodically to  
4211 show its continued eligibility for incentive payments. The  
4212 qualified business or industry may be audited by the State Tax  
4213 Commission to verify such eligibility.

4214 **SECTION 34.** Section 57-99-25, Mississippi Code of 1972, is  
4215 brought forward as follows:

4216 57-99-25. (1) There is created in the State Treasury a  
4217 special fund to be known as the "MMEIA Rebate Fund" into which  
4218 shall be deposited withholding tax revenue required to be  
4219 deposited into such fund pursuant to Section 27-7-312. The money  
4220 in the fund shall be used for the purpose of making the incentive  
4221 payments authorized under Sections 57-99-21 through 57-99-29.



4222           (2) The liability of the State of Mississippi to make the  
4223 incentive payments authorized under Sections 57-99-21 through  
4224 57-99-29 shall be limited to the balance contained in the fund.

4225           **SECTION 35.** Section 57-99-27, Mississippi Code of 1972, is  
4226 brought forward as follows:

4227           57-99-27. (1) As soon as practicable after the end of a  
4228 calendar quarter for which a qualified business or industry has  
4229 qualified to receive an incentive payment, the qualified business  
4230 or industry shall file a claim for the payment with the State Tax  
4231 Commission and shall specify the actual number of qualified jobs  
4232 created and maintained by the business or industry for the  
4233 calendar quarter and the wages and taxable benefits thereof. The  
4234 State Tax Commission shall verify the actual number of qualified  
4235 jobs maintained by the business or industry. If the State Tax  
4236 Commission is not able to provide such verification utilizing all  
4237 available resources, the State Tax Commission may request such  
4238 additional information from the business or industry as may be  
4239 necessary.

4240           (2) If the business or industry does not maintain the job  
4241 requirements of Sections 57-99-21 through 57-99-29 at any other  
4242 time during the ten-year period after the date the first payment  
4243 was made, the incentive payments shall not be made and shall not  
4244 be resumed until such time as the actual verified number of  
4245 qualified jobs created and maintained by the business or industry



4246 equals or exceeds the requirements of Sections 57-99-21 through  
4247 57-99-29 for one (1) calendar quarter.

4248 (3) An establishment that has qualified pursuant to Sections  
4249 57-99-21 through 57-99-29 may receive payments only in accordance  
4250 with the provision under which it initially applied and was  
4251 approved.

4252 (4) As soon as practicable after verification of the  
4253 qualified business or industry meeting the requirements of  
4254 Sections 57-99-21 through 57-99-29 and all rules and regulations,  
4255 the Department of Finance and Administration, upon requisition of  
4256 the State Tax Commission, shall issue a warrant drawn on the MMEIA  
4257 Withholding Rebate Fund to the establishment in the amount of the  
4258 rebate as determined pursuant to subsection (1) of this section  
4259 for the calendar quarter.

4260 **SECTION 36.** Section 37-148-3, Mississippi Code of 1972, is  
4261 brought forward as follows:

4262 37-148-3. As used in this chapter, the following words and  
4263 phrases have the meanings ascribed in this section unless the  
4264 context clearly indicates otherwise:

4265 (a) "College" means the state institutions of higher  
4266 learning in Mississippi which are accredited by the Southern  
4267 Association of Colleges and Schools.

4268 (b) "Investor" means a natural person, partnership,  
4269 limited liability company, association, corporation, business  
4270 trust or other business entity, not formed for the specific



4271 purpose of acquiring the rebate offered, which is subject to  
4272 Mississippi income tax.

4273 (c) "Qualified research" means the systematic  
4274 investigative process that is undertaken for the purpose of  
4275 discovering information. The term "qualified research" does not  
4276 include research conducted outside the State of Mississippi or  
4277 research expenses that are already being funded by any grant,  
4278 contract or otherwise by another person or governmental entity.

4279 (d) "Research agreement" means a written contract,  
4280 grant or cooperative agreement entered into between a person and a  
4281 college or research corporation for the performance of qualified  
4282 research. All qualified research costs generating a SMART  
4283 Business Rebate must be spent by the college or research  
4284 corporation on qualified research undertaken according to a  
4285 research agreement.

4286 (e) "Research corporation" means any research  
4287 corporation formed under Section 37-147-15 if the corporation is  
4288 wholly owned by or affiliated with a college and all income and  
4289 profits of the corporation inure to the benefit of the college.

4290 (f) "Qualified research costs" means costs paid or  
4291 incurred by an investor to a college or research corporation for  
4292 qualified research undertaken according to a research agreement.

4293 (g) "State" means the State of Mississippi or a  
4294 governmental entity of the State of Mississippi.



4295 (h) "IHL" means the Board of Trustees of State  
4296 Institutions of Higher Learning in Mississippi.

4297 (i) "SMART Business" means Strengthening Mississippi  
4298 Academic Research Through Business.

4299 (j) "Applicant" means a college or research corporation  
4300 applying for SMART Business Accelerate Initiative funds to develop  
4301 state-owned intellectual property into products and services.

4302 (k) "Qualified validation expense" includes, but is not  
4303 limited to, services that accelerate the development of early  
4304 product concepts, conducting proof-of-concept studies, and  
4305 manufacturing prototypes to perform research validation.  
4306 Qualified validation expense does not include salaries or wages  
4307 associated with a licensee of state-owned intellectual property,  
4308 legal fees or any payment in conflict with state law.

4309 (l) "Research validation" means research intended to  
4310 validate the commercial viability of state-owned intellectual  
4311 property.

4312 (m) "Disbursement" means a grant of funds to support  
4313 research validation.

4314 **SECTION 37.** Section 37-148-5, Mississippi Code of 1972, is  
4315 brought forward as follows:

4316 37-148-5. (1) The SMART Business Act shall include the  
4317 SMART Business Rebate to promote research partnerships between  
4318 colleges and investors and the SMART Business Accelerate



4319 Initiative to promote the development of state-owned intellectual  
4320 property.

4321 (2) The SMART Business Rebate shall be implemented as  
4322 follows:

4323 (a) Subject to the provisions of this chapter, an  
4324 investor incurring qualified research costs subject to a research  
4325 agreement is eligible for a rebate equal to twenty-five percent  
4326 (25%) of the investor's qualified research costs.

4327 (b) An investor incurring research costs may not claim  
4328 a rebate pursuant to this chapter greater than One Million Dollars  
4329 (\$1,000,000.00) in any fiscal year.

4330 (c) The total amount of rebates issued under the SMART  
4331 Business Rebate by the state in any fiscal year may not exceed  
4332 Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

4333 (d) Investors desiring to apply for the SMART Business  
4334 rebate authorized by this chapter shall submit an application to  
4335 IHL which must contain, at a minimum, the following:

4336 (i) A description of the qualified research to be  
4337 conducted by the college or research corporation;

4338 (ii) A proposed budget;

4339 (iii) An estimated date for completion of the  
4340 qualified research; and

4341 (iv) Such additional information as may be  
4342 requested by IHL.



4343           (e) IHL shall review each application to determine if  
4344 the investor has satisfied all of the requirements of this  
4345 section.

4346           (f) Within sixty (60) days of receiving an application,  
4347 IHL shall issue or refuse to issue a SMART Business Rebate  
4348 certificate. The SMART Business Rebate certificate must include  
4349 the amount of the rebate the investor is eligible to claim,  
4350 subject to subsection (1) of this section. IHL must notify the  
4351 Department of Revenue when a SMART Business Rebate certificate is  
4352 issued.

4353           (g) To claim a rebate, the investor must submit a  
4354 rebate allocation claim to the Department of Revenue. The rebate  
4355 allocation claim must include, at a minimum, the SMART Business  
4356 Rebate certificate issued by IHL and proof of payment to the  
4357 college or research corporation for qualified research conducted  
4358 according to the research agreement.

4359           (h) The Department of Revenue may request an audit from  
4360 the investor submitting a rebate allocation claim, at the  
4361 investor's expense, to verify the investor has satisfied the  
4362 requirements of this chapter.

4363           (i) The Department of Revenue shall issue rebates  
4364 available under this subsection from current income tax  
4365 collections.



4366 (j) Rebates must be allocated to investors by the  
4367 Department of Revenue in the order that SMART Business Rebate  
4368 certificates are issued by IHL.

4369 (3) The SMART Business Accelerate Initiative shall be  
4370 implemented as follows:

4371 (a) Subject to the provisions of this chapter, an  
4372 applicant performing research validation pursuant to a research  
4373 agreement is eligible for a disbursement of up to One Hundred  
4374 Fifty Thousand Dollars (\$150,000.00) for the applicant's qualified  
4375 validation expenses.

4376 (b) The total amount of disbursements issued by the  
4377 state under the SMART Business Accelerate Initiative in any fiscal  
4378 year may not exceed One Million Five Hundred Thousand Dollars  
4379 (\$1,500,000.00).

4380 (c) Applicants desiring to apply for a SMART Business  
4381 Accelerate Initiative disbursement authorized by this chapter  
4382 shall submit an application to IHL which must contain, at a  
4383 minimum, the following:

4384 (i) A description of the research validation to be  
4385 conducted by the college or research corporation using funds from  
4386 the disbursement;

4387 (ii) A proposed budget of qualified validation  
4388 expenses;





4389 (iii) A certified determination from the applicant  
4390 that the proposed research validation is necessary to develop  
4391 state-owned intellectual property into products and services; and

4392 (iv) Such additional information as may be  
4393 requested by IHL.

4394 (d) IHL shall review each application to determine if  
4395 the applicant has satisfied all of the requirements of this  
4396 section.

4397 (e) Within sixty (60) days of receiving an application,  
4398 IHL shall issue or refuse to issue a SMART Business Accelerate  
4399 Initiative disbursement certificate. The SMART Business  
4400 Accelerate Initiative disbursement certificate must include the  
4401 amount of the disbursement the applicant is eligible to receive,  
4402 subject to paragraphs (a) and (b) of this subsection. IHL must  
4403 notify the Department of Revenue when a SMART Business Accelerate  
4404 Initiative disbursement certificate is issued.

4405 (f) IHL shall develop a process for accepting,  
4406 reviewing and selecting proposals for SMART Business Accelerate  
4407 Initiative disbursements and notifying the Department of Revenue  
4408 when applicants have been selected to receive disbursements.

4409 (g) The Department of Revenue shall issue disbursements  
4410 available under this subsection from current income tax  
4411 collections.

4412 **SECTION 38.** Section 57-105-1, Mississippi Code of 1972, is  
4413 brought forward as follows:



4414 57-105-1. (1) As used in this section:

4415 (a) "Adjusted purchase price" means the investment in  
4416 the qualified community development entity for the qualified  
4417 equity investment, substantially all of the proceeds of which are  
4418 used to make qualified low-income community investments in  
4419 Mississippi.

4420 For the purposes of calculating the amount of qualified  
4421 low-income community investments held by a qualified community  
4422 development entity, an investment will be considered held by a  
4423 qualified community development entity even if the investment has  
4424 been sold or repaid; provided that the qualified community  
4425 development entity reinvests an amount equal to the capital  
4426 returned to or recovered by the qualified community development  
4427 entity from the original investment, exclusive of any profits  
4428 realized, in another qualified low-income community investment in  
4429 Mississippi, including any federal Indian reservation located  
4430 within the geographical boundary of Mississippi within twelve (12)  
4431 months of the receipt of such capital. A qualified community  
4432 development entity will not be required to reinvest capital  
4433 returned from the qualified low-income community investments after  
4434 the sixth anniversary of the issuance of the qualified equity  
4435 investment, the proceeds of which were used to make the qualified  
4436 low-income community investment, and the qualified low-income  
4437 community investment will be considered held by the qualified



4438 community development entity through the seventh anniversary of  
4439 the qualified equity investment's issuance.

4440 (b) "Applicable percentage" means:

4441 (i) For any equity investment issued prior to July  
4442 1, 2008, four percent (4%) for each of the second through seventh  
4443 credit allowance dates for purposes of the taxes imposed by  
4444 Section 27-7-5 and one and one-third percent (1-1/3%) for each of  
4445 the second through seventh credit allowance dates for purposes of  
4446 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

4447 (ii) For any equity investment issued from and  
4448 after July 1, 2008, eight percent (8%) for each of the first  
4449 through third credit allowance dates for purposes of the taxes  
4450 imposed by Section 27-7-5 or the taxes imposed by Sections  
4451 27-15-103, 27-15-109 and 27-15-123.

4452 (c) "Credit allowance date" means, with respect to any  
4453 qualified equity investment:

4454 (i) The later of:

4455 1. The date upon which the qualified equity  
4456 investment is initially made; or

4457 2. The date upon which the Mississippi  
4458 Development Authority issues a certificate under subsection (4) of  
4459 this section; and

4460 (ii) 1. For equity investments issued prior to  
4461 July 1, 2008, each of the subsequent six (6) anniversary dates of  
4462 the date upon which the investment is initially made; or



4463                   2. For equity investments issued from and  
4464 after July 1, 2008, each of the subsequent two (2) anniversary  
4465 dates of the date determined as provided for in subparagraph (i)  
4466 of this paragraph.

4467                   (d) "Qualified community development entity" shall have  
4468 the meaning ascribed to such term in Section 45D of the Internal  
4469 Revenue Code of 1986, as amended, if the entity has entered into  
4470 an Allocation Agreement with the Community Development Financial  
4471 Institutions Fund of the United States Department of the Treasury  
4472 with respect to credits authorized by Section 45D of the Internal  
4473 Revenue Code of 1986, as amended.

4474                   (e) "Qualified active low-income community business"  
4475 shall have the meaning ascribed to such term in Section 45D of the  
4476 Internal Revenue Code of 1986, as amended.

4477                   (f) "Qualified equity investment" shall have the  
4478 meaning ascribed to such term in Section 45D of the Internal  
4479 Revenue Code of 1986, as amended. The investment does not have to  
4480 be designated as a qualified equity investment by the Community  
4481 Development Financial Institutions Fund of the United States  
4482 Treasury to be considered a qualified equity investment under this  
4483 section but otherwise must meet the definition under the Internal  
4484 Revenue Code. In addition to meeting the definition in Section  
4485 45D of the Internal Revenue Code such investment must also:

4486                   (i) Have been acquired after January 1, 2007, at  
4487 its original issuance solely in exchange for cash; and



4488                   (ii) Have been allocated by the Mississippi  
4489 Development Authority.

4490           For the purposes of this section, such investment shall be  
4491 deemed a qualified equity investment on the later of the date such  
4492 qualified equity investment is made or the date on which the  
4493 Mississippi Development Authority issues a certificate under  
4494 subsection (4) of this section allocating credits based on such  
4495 investment.

4496           (g) "Qualified low-income community investment" shall  
4497 have the meaning ascribed to such term in Section 45D of the  
4498 Internal Revenue Code of 1986, as amended; provided, however, that  
4499 the maximum amount of qualified low-income community investments  
4500 issued for a single qualified active low-income community  
4501 business, on an aggregate basis with all of its affiliates, that  
4502 may be included for purposes of allocating any credits under this  
4503 section shall not exceed Ten Million Dollars (\$10,000,000.00), in  
4504 the aggregate, whether issued by one (1) or several qualified  
4505 community development entities.

4506           (2) A taxpayer that holds a qualified equity investment on  
4507 the credit allowance date shall be entitled to a credit applicable  
4508 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109  
4509 and 27-15-123 during the taxable year that includes the credit  
4510 allowance date. The amount of the credit shall be equal to the  
4511 applicable percentage of the adjusted purchase price paid to the  
4512 qualified community development entity for the qualified equity



4513 investment. The amount of the credit that may be utilized in any  
4514 one (1) tax year shall be limited to an amount not greater than  
4515 the total tax liability of the taxpayer for the taxes imposed by  
4516 the above-referenced sections. The credit shall not be refundable  
4517 or transferable. Any unused portion of the credit may be carried  
4518 forward for seven (7) taxable years beyond the credit allowance  
4519 date on which the credit was earned. The maximum aggregate amount  
4520 of qualified equity investments that may be allocated by the  
4521 Mississippi Development Authority may not exceed an amount that  
4522 would result in taxpayers claiming in any one (1) state fiscal  
4523 year credits in excess of Fifteen Million Dollars  
4524 (\$15,000,000.00), exclusive of credits that might be carried  
4525 forward from previous taxable years; however, a maximum of  
4526 one-third (1/3) of this amount may be allocated as credits for  
4527 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any  
4528 taxpayer claiming a credit under this section against the taxes  
4529 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123  
4530 shall not be required to pay any additional tax under Section  
4531 27-15-123 as a result of claiming such credit. The Mississippi  
4532 Development Authority shall allocate credits within this limit as  
4533 provided for in subsection (4) of this section.

4534 (3) Tax credits authorized by this section that are earned  
4535 by a partnership, limited liability company, S corporation or  
4536 other similar pass-through entity, shall be allocated among all  
4537 partners, members or shareholders, respectively, either in



4538 proportion to their ownership interest in such entity or as the  
4539 partners, members or shareholders mutually agree as provided in an  
4540 executed document. Such allocation shall be made each taxable  
4541 year of such pass-through entity which contains a credit allowance  
4542 date.

4543 (4) The qualified community development entity shall apply  
4544 for credits with the Mississippi Development Authority on forms  
4545 prescribed by the Mississippi Development Authority. The  
4546 qualified community development entity must pay an application fee  
4547 of One Thousand Dollars (\$1,000.00) to the Mississippi Development  
4548 Authority at the time the application is submitted. In the  
4549 application the qualified community development entity shall  
4550 certify to the Mississippi Development Authority the dollar amount  
4551 of the qualified equity investments made or to be made in this  
4552 state, including in any federal Indian reservation located within  
4553 the state's geographical boundary, during the first twelve-month  
4554 period following the initial credit allowance date. The  
4555 Mississippi Development Authority shall allocate credits based on  
4556 the dollar amount of qualified equity investments as certified in  
4557 the application. Once the Mississippi Development Authority has  
4558 allocated credits to a qualified community development entity, if  
4559 the corresponding qualified equity investment has not been issued  
4560 as of the date of such allocation, then the corresponding  
4561 qualified equity investment must be issued not later than one  
4562 hundred twenty (120) days from the date of such allocation. If



4563 the qualified equity investment is not issued within such time  
4564 period, the allocation shall be cancelled and returned to the  
4565 Mississippi Development Authority for reallocation. Upon final  
4566 documentation of the qualified low-income community investments,  
4567 if the actual dollar amount of the investments is lower than the  
4568 amount estimated, the Mississippi Development Authority shall  
4569 adjust the tax credit allowed under this section. The Department  
4570 of Revenue may recapture all of the credit allowed under this  
4571 section if:

4572 (a) Any amount of federal tax credits available with  
4573 respect to a qualified equity investment that is eligible for a  
4574 tax credit under this section is recaptured under Section 45D of  
4575 the Internal Revenue Code of 1986, as amended; or

4576 (b) The qualified community development entity redeems  
4577 or makes any principal repayment with respect to a qualified  
4578 equity investment prior to the seventh anniversary of the issuance  
4579 of the qualified equity investment; or

4580 (c) The qualified community development entity fails to  
4581 maintain at least eighty-five percent (85%) of the proceeds of the  
4582 qualified equity investment in qualified low-income community  
4583 investments in Mississippi at any time prior to the seventh  
4584 anniversary of the issuance of the qualified equity investment.

4585 Any credits that are subject to recapture under this  
4586 subsection shall be recaptured from the taxpayer that actually  
4587 claimed the credit.





4588           The Mississippi Development Authority shall not allocate any  
4589 credits under this section after July 1, 2024.

4590           (5) Each qualified community development entity that  
4591 receives qualified equity investments to make qualified low-income  
4592 community investments in Mississippi must annually report to the  
4593 Mississippi Development Authority the North American Industry  
4594 Classification System Code, the county, the dollars invested, the  
4595 number of jobs assisted and the number of jobs assisted with wages  
4596 over one hundred percent (100%) of the federal poverty level for a  
4597 family of four (4) of each qualified low-income community  
4598 investment.

4599           (6) The Mississippi Development Authority shall file an  
4600 annual report on all qualified low-income community investments  
4601 with the Governor, the Clerk of the House of Representatives, the  
4602 Secretary of the Senate and the Secretary of State describing the  
4603 North American Industry Classification System Code, the county,  
4604 the dollars invested, the number of jobs assisted and the number  
4605 of jobs assisted with wages over one hundred percent (100%) of the  
4606 federal poverty level for a family of four (4) of each qualified  
4607 low-income community investment. The annual report will be posted  
4608 on the Mississippi Development Authority's Internet website.

4609           (7) (a) The purpose of this subsection is to authorize the  
4610 creation and establishment of public benefit corporations for  
4611 financing arrangements regarding public property and facilities.

4612           (b) As used in this subsection:



4613 (i) "New Markets Tax Credit transaction" means any  
4614 financing transaction which utilizes either this section or  
4615 Section 45D of the Internal Revenue Code of 1986, as amended.

4616 (ii) "Public benefit corporation" means a  
4617 nonprofit corporation formed or designated by a public entity to  
4618 carry out the purposes of this subsection.

4619 (iii) "Public entity or public entities" includes  
4620 utility districts, regional solid waste authorities, regional  
4621 utility authorities, community hospitals, regional airport  
4622 authorities, municipal airport authorities, community and junior  
4623 colleges, educational building corporations established by or on  
4624 behalf of the state institutions of higher learning, school  
4625 districts, planning and development districts, county economic  
4626 development districts, urban renewal agencies, any other regional  
4627 or local economic development authority, agency or governmental  
4628 entity, and any other regional or local industrial development  
4629 authority, agency or governmental entity.

4630 (iv) "Public property or facilities" means any  
4631 property or facilities owned or leased by a public entity or  
4632 public benefit corporation.

4633 (c) Notwithstanding any other provision of law to the  
4634 contrary, public entities are authorized pursuant to this  
4635 subsection to create one or more public benefit corporations or  
4636 designate an existing corporation as a public benefit corporation  
4637 for the purpose of entering into financing agreements and engaging



4638 in New Markets Tax Credit transactions, which shall include,  
4639 without limitation, arrangements to plan, acquire, renovate,  
4640 construct, lease, sublease, manage, operate and/or improve new or  
4641 existing public property or facilities located within the  
4642 boundaries or service area of the public entity. Any financing  
4643 arrangement authorized under this subsection shall further any  
4644 purpose of the public entity and may include a term of up to fifty  
4645 (50) years.

4646 (d) Notwithstanding any other provision of law to the  
4647 contrary and in order to facilitate the acquisition, renovation,  
4648 construction, leasing, subleasing, management, operating and/or  
4649 improvement of new or existing public property or facilities to  
4650 further any purpose of a public entity, public entities are  
4651 authorized to enter into financing arrangements in order to  
4652 transfer public property or facilities to and/or from public  
4653 benefit corporations, including, without limitation, sales,  
4654 sale-leasebacks, leases and lease-leasebacks, provided such  
4655 transfer is related to any New Markets Tax Credit transaction  
4656 furthering any purpose of the public entity. Any such transfer  
4657 under this paragraph (d) and the public property or facilities  
4658 transferred in connection therewith shall be exempted from any  
4659 limitation or requirements with respect to leasing, acquiring,  
4660 and/or constructing public property or facilities.

4661 (e) With respect to a New Markets Tax Credit  
4662 transaction, public entities and public benefit corporations are



4663 authorized to enter into financing arrangements with any  
4664 governmental, nonprofit or for-profit entity in order to leverage  
4665 funds not otherwise available to public entities for the  
4666 acquisition, construction and/or renovation of properties  
4667 transferred to such public benefit corporations. The use of any  
4668 funds loaned by or contributed by a public benefit corporation or  
4669 borrowed by or otherwise made available to a public benefit  
4670 corporation in such financing arrangement shall be dedicated  
4671 solely to (i) the development of new properties or facilities  
4672 and/or the renovation of existing properties or facilities or  
4673 operation of properties or facilities, and/or (ii) the payment of  
4674 costs and expenditures related to any such financing arrangements,  
4675 including, but not limited to, funding any reserves required in  
4676 connection therewith, the repayment of any indebtedness incurred  
4677 in connection therewith, and the payment of fees and expenses  
4678 incurred in connection with the closing, administration,  
4679 accounting and/or compliance with respect to the New Markets Tax  
4680 Credit transaction.

4681 (f) A public benefit corporation created pursuant to  
4682 this subsection shall not be a political subdivision of the state  
4683 but shall be a nonprofit corporation organized and governed under  
4684 the provisions of the laws of this state and shall be a special  
4685 purpose corporation established to facilitate New Markets Tax  
4686 Credit transactions consistent with the requirements of this  
4687 section.



4688 (g) Neither this subsection nor anything herein  
4689 contained is or shall be construed as a restriction or limitation  
4690 upon any powers which the public entity or public benefit  
4691 corporation might otherwise have under any laws of this state, and  
4692 this subsection is cumulative to any such powers. This subsection  
4693 does and shall be construed to provide a complete additional and  
4694 alternative method for the doing of the things authorized thereby  
4695 and shall be regarded as supplemental and additional to powers  
4696 conferred by other laws.

4697 (8) The Mississippi Development Authority shall promulgate  
4698 rules and regulations to implement the provisions of this section.

4699 **SECTION 39.** Section 27-25-503, Mississippi Code of 1972, is  
4700 brought forward as follows:

4701 27-25-503. (1) (a) Except as otherwise provided in this  
4702 section, there is levied, to be collected as provided in this  
4703 article, annual privilege taxes upon every person engaging or  
4704 continuing within this state in the business of producing, or  
4705 severing oil from the soil or water for sale, transport, storage,  
4706 profit or for commercial use. The amount of the tax shall be  
4707 measured by the value of the oil produced, and shall be levied and  
4708 assessed at the rate of six percent (6%) of the value of the oil  
4709 at the point of production.

4710 (b) The tax shall be levied and assessed at the rate of  
4711 three percent (3%) of the value of the oil at the point of  
4712 production on oil produced by an enhanced oil recovery method in



4713 which carbon dioxide is used; provided, that such carbon dioxide  
4714 is transported by pipeline to the oil well site and on oil  
4715 produced by any other enhanced oil recovery method approved and  
4716 permitted by the State Oil and Gas Board on or after April 1,  
4717 1994, pursuant to Section 53-3-101 et seq.

4718           (c) (i) The tax shall be levied and assessed at the  
4719 rate of one and three-tenths percent (1.3%) of the value of the  
4720 oil at the point of production on oil produced from a horizontally  
4721 drilled well or from any horizontally drilled recompletion well  
4722 from which production commences from and after July 1, 2013, for a  
4723 period of thirty (30) months beginning on the date of first sale  
4724 of production or until payout of the well cost is achieved,  
4725 whichever first occurs. Thereafter, the tax shall be levied and  
4726 assessed as provided for in paragraph (a) of this subsection.

4727           (ii) Payout of a horizontally drilled well or  
4728 horizontally drilled recompletion well shall be deemed to have  
4729 occurred the first day of the next month after gross revenues,  
4730 less royalties and severance taxes, equal to the cost to drill and  
4731 complete the well.

4732           (iii) Each operator must apply by letter to the  
4733 State Oil and Gas Board for the reduced rate provided in this  
4734 paragraph (c), and shall provide the board with the status of  
4735 payout on a semiannual basis of any horizontally drilled well or  
4736 horizontally drilled recompletion well by signed affidavit  
4737 executed by a company representative.



4738 (iv) This paragraph (c) shall be repealed from and  
4739 after July 1, 2023; however, any horizontally drilled well or  
4740 horizontally drilled recompletion well from which production  
4741 commences before July 1, 2023, shall be taxed as provided for in  
4742 this paragraph (c) notwithstanding that the repeal of this  
4743 paragraph (c) has become effective.

4744 (2) The tax is levied upon the entire production in this  
4745 state regardless of the place of sale or to whom sold, or by whom  
4746 used, or the fact that the delivery may be made to points outside  
4747 the state, and the tax shall accrue at the time the oil is severed  
4748 from the soil, or water, and in its natural, unrefined or  
4749 unmanufactured state.

4750 (3) (a) Oil produced from a discovery well for which  
4751 drilling or re-entry commenced on or after April 1, 1994, but  
4752 before July 1, 1999, shall be exempt from the taxes levied under  
4753 this section for a period of five (5) years beginning on the date  
4754 of first sale of production from such well, provided that the  
4755 average monthly sales price of such oil does not exceed  
4756 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil  
4757 produced from a discovery well as described in this paragraph (a)  
4758 shall be repealed from and after July 1, 2003, provided that any  
4759 such production for which a permit was granted by the board before  
4760 July 1, 2003, shall be exempt for an entire period of five (5)  
4761 years, notwithstanding that the repeal of this provision has  
4762 become effective. Oil produced from development wells or



4763 replacement wells drilled in connection with discovery wells for  
4764 which drilling commenced on or after January 1, 1994, but before  
4765 July 1, 1999, shall be assessed at the rate of three percent (3%)  
4766 of the value of the oil at the point of production for a period of  
4767 three (3) years. The reduced rate of assessment of oil produced  
4768 from development wells or replacement wells as described in this  
4769 paragraph (a) shall be repealed from and after January 1, 2003,  
4770 provided that any such production for which drilling commenced  
4771 before January 1, 2003, shall be assessed at the reduced rate for  
4772 an entire period of three (3) years, notwithstanding that the  
4773 repeal of this provision has become effective.

4774 (b) Oil produced from a discovery well for which  
4775 drilling or re-entry commenced on or after July 1, 1999, shall be  
4776 assessed at the rate of three percent (3%) of the value of the oil  
4777 at the point of production for a period of five (5) years  
4778 beginning on the date of first sale of production from such well,  
4779 provided that the average monthly sales price of such oil does not  
4780 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of  
4781 assessment of oil produced from a discovery well as described in  
4782 this paragraph (b) shall be repealed from and after July 1, 2003,  
4783 provided that any such production for which a permit was granted  
4784 by the board before July 1, 2003, shall be assessed at the reduced  
4785 rate for an entire period of five (5) years, notwithstanding that  
4786 the repeal of this provision has become effective. Oil produced  
4787 from development wells or replacement wells drilled in connection





4788 with discovery wells for which drilling commenced on or after July  
4789 1, 1999, shall be assessed at the rate of three percent (3%) of  
4790 the value of the oil at the point of production for a period of  
4791 three (3) years. The reduced rate of assessment of oil produced  
4792 from development wells or replacement wells as described in this  
4793 paragraph (b) shall be repealed from and after January 1, 2003,  
4794 provided that any such production for which drilling commenced  
4795 before July 1, 2003, shall be assessed at the reduced rate for an  
4796 entire period of three (3) years, notwithstanding that the repeal  
4797 of this provision has become effective.

4798 (4) (a) Oil produced from a development well for which  
4799 drilling commenced on or after April 1, 1994, but before July 1,  
4800 1999, and for which three-dimensional seismic was utilized in  
4801 connection with the drilling of such well shall be assessed at the  
4802 rate of three percent (3%) of the value of the oil at the point of  
4803 production for a period of five (5) years, provided that the  
4804 average monthly sales price of such oil does not exceed  
4805 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of  
4806 assessment of oil produced from a development well as described in  
4807 this paragraph (a) and for which three-dimensional seismic was  
4808 utilized shall be repealed from and after July 1, 2003, provided  
4809 that any such production for which a permit was granted by the  
4810 board before July 1, 2003, shall be assessed at the reduced rate  
4811 for an entire period of five (5) years, notwithstanding that the  
4812 repeal of this provision has become effective.



4813           (b) Oil produced from a development well for which  
4814 drilling commenced on or after July 1, 1999, and for which  
4815 three-dimensional seismic was utilized in connection with the  
4816 drilling of such well shall be assessed at the rate of three  
4817 percent (3%) of the value of the oil at the point of production  
4818 for a period of five (5) years, provided that the average monthly  
4819 sales price of such oil does not exceed Twenty Dollars (\$20.00)  
4820 per barrel. The reduced rate of assessment of oil produced from a  
4821 development well as described in this paragraph (b) and for which  
4822 three-dimensional seismic was utilized shall be repealed from and  
4823 after July 1, 2003, provided that any such production for which a  
4824 permit was granted by the board before July 1, 2003, shall be  
4825 assessed at the reduced rate for an entire period of five (5)  
4826 years, notwithstanding that the repeal of this provision has  
4827 become effective.

4828           (5) (a) Oil produced before July 1, 1999, from a two-year  
4829 inactive well as defined in Section 27-25-501 shall be exempt from  
4830 the taxes levied under this section for a period of three (3)  
4831 years beginning on the date of first sale of production from such  
4832 well, provided that the average monthly sales price of such oil  
4833 does not exceed Twenty-five Dollars (\$25.00) per barrel. The  
4834 exemption for oil produced from an inactive well shall be repealed  
4835 from and after July 1, 2003, provided that any such production  
4836 which began before July 1, 2003, shall be exempt for an entire



4837 period of three (3) years, notwithstanding that the repeal of this  
4838 provision has become effective.

4839 (b) Oil produced on or after July 1, 1999, from a  
4840 two-year inactive well as defined in Section 27-25-501 shall be  
4841 exempt from the taxes levied under this section for a period of  
4842 three (3) years beginning on the date of first sale of production  
4843 from such well, provided that the average monthly sales price of  
4844 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The  
4845 exemption for oil produced from an inactive well shall be repealed  
4846 from and after July 1, 2003, provided that any such production  
4847 which began before July 1, 2003, shall be exempt for an entire  
4848 period of three (3) years, notwithstanding that the repeal of this  
4849 provision has become effective.

4850 (6) [Repealed]

4851 (7) The State Oil and Gas Board shall have the exclusive  
4852 authority to determine the qualification of wells defined in  
4853 paragraphs (n) through (t) of Section 27-25-501.

4854 **SECTION 40.** Section 27-25-505, Mississippi Code of 1972, is  
4855 brought forward as follows:

4856 **[With regard to any county which is exempt from the**  
4857 **provisions of Section 19-2-3, this section shall read as follows:]**

4858 27-25-505. (1) All taxes levied in this article and  
4859 collected by the Department of Revenue shall be paid into the  
4860 State Treasury on the same day collected.



4861           (2) Except as otherwise provided in this section, the  
4862 commissioner shall apportion all the tax collections made pursuant  
4863 to this article to the state and to the county in which the oil  
4864 was produced, in accordance with the following schedule and so  
4865 certify such apportionment to the State Treasurer at the end of  
4866 each month:

4867           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
4868 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
4869 the state and thirty-three and one-third percent (33-1/3%) to the  
4870 county.

4871           Above and exceeding Six Hundred Thousand Dollars  
4872 (\$600,000.00), or any part thereof, ninety percent (90%) to the  
4873 state and ten percent (10%) to the county through June 30, 1989;  
4874 eighty-five percent (85%) to the state and fifteen percent (15%)  
4875 to the county from July 1, 1989, through June 30, 1990; eighty  
4876 percent (80%) to the state and twenty percent (20%) to the county  
4877 from July 1, 1990, through June 30, 2015; seventy-nine percent  
4878 (79%) to the state and twenty-one percent (21%) to the county from  
4879 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)  
4880 to the state and twenty-two percent (22%) to the county from July  
4881 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the  
4882 state and twenty-three percent (23%) to the county from July 1,  
4883 2017, through June 30, 2018; seventy-six percent (76%) to the  
4884 state and twenty-four percent (24%) to the county from July 1,  
4885 2018, through June 30, 2019; and seventy-four percent (74%) to the



4886 state and twenty-six percent (26%) to the county for each fiscal  
4887 year thereafter.

4888 (3) The state's share of all oil severance taxes collected  
4889 pursuant to this article shall be deposited as provided for in  
4890 Section 27-25-506.

4891 (4) The commissioner shall apportion all the tax collections  
4892 made pursuant to Section 27-25-503(1)(c) to the county in which  
4893 the oil was produced.

4894 (5) The State Treasurer shall remit the county's share of  
4895 taxes collected pursuant to this article on or before the  
4896 twentieth day of the month next succeeding the month in which the  
4897 collections were made, for division among the municipalities and  
4898 taxing districts of the county. He shall accompany his remittance  
4899 with a report to the county receiving the funds prepared by the  
4900 commissioner showing from whom the tax was collected. Upon  
4901 receipt of the funds, the board of supervisors of the county shall  
4902 allocate the funds to the municipalities and to the various  
4903 maintenance and bond and interest funds of the county, school  
4904 districts, supervisors districts and road districts, as provided  
4905 in this subsection.

4906 (6) Except as provided in subsection (8) of this section,  
4907 when there are any oil producing properties within the corporate  
4908 limits of any municipality, then the municipality shall  
4909 participate in the division of the tax returned to the county in  
4910 which the municipality is located, in the proportion which the tax



4911 on production of oil from any properties located within the  
4912 municipal corporate limits bears to the tax on the total  
4913 production of oil in the county. In no event, however, shall the  
4914 amount allocated to municipalities exceed one-third (1/3) of the  
4915 tax produced in the municipality and returned to the county. Any  
4916 amount received by any municipality as a result of the allocation  
4917 provided for in this subsection shall be used only for such  
4918 purposes as are authorized by law.

4919 (7) Except as provided in subsection (8) of this section,  
4920 the balance remaining of any amount of tax returned to the county  
4921 after the allocation to municipalities shall be divided among the  
4922 various maintenance and bond interest funds of the county, school  
4923 districts, supervisors districts and road districts, in the  
4924 discretion of the board of supervisors, and the board shall make  
4925 the division in consideration of the needs of the various taxing  
4926 districts. The funds so allocated shall be used only for purposes  
4927 as are authorized by law.

4928 (8) Any amount above and exceeding Six Hundred Thousand  
4929 Dollars (\$600,000.00) that is remitted to the county that is more  
4930 than twenty percent (20%) of the taxes above and exceeding Six  
4931 Hundred Thousand Dollars (\$600,000.00) collected on oil produced  
4932 in the county, shall be utilized by the county for infrastructure  
4933 repairs.



4934           **[With regard to any county which is required to operate on a**  
4935 **countywide system of road administration as described in Section**  
4936 **19-2-3, this section shall read as follows:]**

4937           27-25-505. (1) All taxes levied in this article and  
4938 collected by the Department of Revenue shall be paid into the  
4939 State Treasury on the same day collected.

4940           (2) Except as otherwise provided in this section, the  
4941 commissioner shall apportion all the tax collections made pursuant  
4942 to this article to the state and to the county in which the oil  
4943 was produced, in accordance with the following schedule and so  
4944 certify such apportionment to the State Treasurer at the end of  
4945 each month:

4946           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
4947 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
4948 the state and thirty-three and one-third percent (33-1/3%) to the  
4949 county.

4950           Above and exceeding Six Hundred Thousand Dollars  
4951 (\$600,000.00), or any part thereof, ninety percent (90%) to the  
4952 state and ten percent (10%) to the county through June 30, 1989;  
4953 eighty-five percent (85%) to the state and fifteen percent (15%)  
4954 to the county from July 1, 1989, through June 30, 1990; eighty  
4955 percent (80%) to the state and twenty percent (20%) to the county  
4956 from July 1, 1990, through June 30, 2015; seventy-nine percent  
4957 (79%) to the state and twenty-one percent (21%) to the county from  
4958 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)



4959 to the state and twenty-two percent (22%) to the county from July  
4960 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the  
4961 state and twenty-three percent (23%) to the county from July 1,  
4962 2017, through June 30, 2018; seventy-six percent (76%) to the  
4963 state and twenty-four percent (24%) to the county from July 1,  
4964 2018, through June 30, 2019; and seventy-four percent (74%) to the  
4965 state and twenty-six percent (26%) to the county for each fiscal  
4966 year thereafter.

4967 (3) The state's share of all oil severance taxes collected  
4968 pursuant to this article shall be deposited as provided for in  
4969 Section 27-25-506.

4970 (4) The commissioner shall apportion all the tax collections  
4971 made pursuant to the tax levied in Section 27-25-503(1)(c) to the  
4972 county in which the oil was produced.

4973 (5) The State Treasurer shall remit the county's share of  
4974 the taxes collected pursuant to this article on or before the  
4975 twentieth day of the month next succeeding the month in which the  
4976 collections were made, for division among the municipalities and  
4977 taxing districts of the county. He shall accompany his remittance  
4978 with a report to the county receiving the funds prepared by the  
4979 commissioner showing from whom the tax was collected. Upon  
4980 receipt of the funds, the board of supervisors of the county shall  
4981 allocate the funds to the municipalities and to the various  
4982 maintenance and bond and interest funds of the county and school  
4983 districts, as provided in this subsection.





4984           (6) Except as provided in subsection (8) of this section,  
4985 when there are any oil producing properties within the corporate  
4986 limits of any municipality, then the municipality shall  
4987 participate in the division of the tax returned to the county in  
4988 which the municipality is located, in the proportion which the tax  
4989 on production of oil from any properties located within the  
4990 municipal corporate limits bears to the tax on the total  
4991 production of oil in the county. In no event, however, shall the  
4992 amount allocated to municipalities exceed one-third (1/3) of the  
4993 tax produced in the municipality and returned to the county. Any  
4994 amount received by any municipality as a result of the allocation  
4995 provided in this subsection shall be used only for such purposes  
4996 as are authorized by law.

4997           (7) Except as provided in subsection (8) of this section,  
4998 the balance remaining of any amount of tax returned to the county  
4999 after the allocation to municipalities shall be divided among the  
5000 various maintenance and bond interest funds of the county and  
5001 school districts, in the discretion of the board of supervisors,  
5002 and the board shall make the division in consideration of the  
5003 needs of the various taxing districts. The funds so allocated  
5004 shall be used only for purposes as are authorized by law.

5005           (8) Any amount above and exceeding Six Hundred Thousand  
5006 Dollars (\$600,000.00) that is remitted to the county that is more  
5007 than twenty percent (20%) of the taxes above and exceeding Six  
5008 Hundred Thousand Dollars (\$600,000.00) collected on oil produced



5009 in the county, shall be utilized by the county for infrastructure  
5010 repairs.

5011 **SECTION 41.** Section 27-25-703, Mississippi Code of 1972, is  
5012 brought forward as follows:

5013 27-25-703. (1) (a) Except as otherwise provided in this  
5014 section, there is hereby levied, to be collected as provided in  
5015 this article, annual privilege taxes upon every person engaging or  
5016 continuing within this state in the business of producing, or  
5017 severing gas from below the soil or water for sale, transport,  
5018 storage, profit or for commercial use. The amount of the tax  
5019 shall be measured by the value of the gas produced and shall be  
5020 levied and assessed at a rate of six percent (6%) of the value of  
5021 the gas at the point of production, except as otherwise provided  
5022 in subsection (4) of this section.

5023 (b) (i) The tax shall be levied and assessed at the  
5024 rate of one and three-tenths percent (1.3%) of the value of the  
5025 gas at the point of production on gas produced from a horizontally  
5026 drilled well or from any horizontally drilled recompletion well  
5027 from which production commences from and after July 1, 2013, for a  
5028 period of thirty (30) months beginning on the date of first sale  
5029 of production or until payout of the well cost is achieved,  
5030 whichever first occurs. Thereafter, the tax shall be levied and  
5031 assessed as provided for in paragraph (a) of this subsection.

5032 (ii) Payout of a horizontally drilled well or  
5033 horizontally drilled recompletion well shall be deemed to have



5034 occurred the first day of the next month after gross revenues,  
5035 less royalties and severance taxes, equal to the cost to drill and  
5036 complete the well.

5037 (iii) Each operator must apply by letter to the  
5038 State Oil and Gas Board for the reduced rate provided in this  
5039 paragraph (b), and shall provide the board with the status of  
5040 payout on a semiannual basis of any horizontally drilled well or  
5041 horizontally drilled recompletion well by signed affidavit  
5042 executed by a company representative.

5043 (iv) This paragraph (b) shall be repealed from and  
5044 after July 1, 2023; however, any horizontally drilled well or  
5045 horizontally drilled recompletion well from which production  
5046 commences before July 1, 2023, shall be taxed as provided for in  
5047 this paragraph (b) notwithstanding that the repeal of this  
5048 paragraph (b) has become effective.

5049 (2) The tax is levied upon the entire production in this  
5050 state, regardless of the place of sale or to whom sold or by whom  
5051 used, or the fact that the delivery may be made to points outside  
5052 the state, but not levied upon that gas, lawfully injected into  
5053 the earth for cycling, repressuring, lifting or enhancing the  
5054 recovery of oil, nor upon gas lawfully vented or flared in  
5055 connection with the production of oil, nor upon gas condensed into  
5056 liquids on which the oil severance tax of six percent (6%) is  
5057 paid; however, if any gas so injected into the earth is sold for  
5058 such purposes, then the gas so sold shall not be excluded in



5059 computing the tax. The tax shall accrue at the time the gas is  
5060 produced or severed from the soil or water, and in its natural,  
5061 unrefined or unmanufactured state.

5062 (3) Natural gas and condensate produced from any wells for  
5063 which drilling is commenced after March 15, 1987, and before July  
5064 1, 1990, shall be exempt from the tax levied under this section  
5065 for a period of two (2) years beginning on the date of first sale  
5066 of production from such wells.

5067 (4) (a) Any well which begins commercial production of  
5068 occluded natural gas from coal seams on or after March 20, 1990,  
5069 and before July 1, 1993, shall be taxed at the rate of three and  
5070 one-half percent (3-1/2%) of the gross value of the occluded  
5071 natural gas from coal seams at the point of production for a  
5072 period of five (5) years after such well begins production.

5073 (b) Any well which begins commercial production of  
5074 occluded natural gas from coal seams on or after July 1, 2004, and  
5075 before July 1, 2007, shall be taxed at the rate of three percent  
5076 (3%) of the gross value of the occluded natural gas from coal  
5077 seams at the point of production for a period of five (5) years  
5078 beginning on the date of the first sale of production from such  
5079 well.

5080 (5) (a) Natural gas produced from discovery wells for which  
5081 drilling or re-entry commenced on or after April 1, 1994, but  
5082 before July 1, 1999, shall be exempt from the tax levied under  
5083 this section for a period of five (5) years beginning on the



5084 earlier of one (1) year from completion of the well or the date of  
5085 first sale from such well, provided that the average monthly sales  
5086 price of such gas does not exceed Three Dollars and Fifty Cents  
5087 (\$3.50) per one thousand (1,000) cubic feet. The exemption for  
5088 natural gas produced from discovery wells as described in this  
5089 paragraph (a) shall be repealed from and after July 1, 2003,  
5090 provided that any such production for which a permit was granted  
5091 by the board before July 1, 2003, shall be exempt for an entire  
5092 period of five (5) years, notwithstanding that the repeal of this  
5093 provision has become effective. Natural gas produced from  
5094 development wells or replacement wells drilled in connection with  
5095 discovery wells for which drilling commenced on or after January  
5096 1, 1994, shall be assessed at a rate of three percent (3%) of the  
5097 value thereof at the point of production for a period of three (3)  
5098 years. The reduced rate of assessment of natural gas produced  
5099 from development wells or replacement wells as described in this  
5100 paragraph (a) shall be repealed from and after January 1, 2003,  
5101 provided that any such production for which drilling commenced  
5102 before January 1, 2003, shall be assessed at the reduced rate for  
5103 an entire period of three (3) years, notwithstanding that the  
5104 repeal of this provision has become effective.

5105 (b) Natural gas produced from discovery wells for which  
5106 drilling or re-entry commenced on or after July 1, 1999, shall be  
5107 assessed at a rate of three percent (3%) of the value thereof at  
5108 the point of production for a period of five (5) years beginning



5109 on the earlier of one (1) year from completion of the well or the  
5110 date of first sale from such well, provided that the average  
5111 monthly sales price of such gas does not exceed Two Dollars and  
5112 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The  
5113 reduced rate of assessment of natural gas produced from discovery  
5114 wells as described in this paragraph (b) shall be repealed from  
5115 and after July 1, 2003, provided that any such production for  
5116 which a permit was granted by the board before July 1, 2003, shall  
5117 be assessed at the reduced rate for an entire period of five (5)  
5118 years, notwithstanding that the repeal of this provision has  
5119 become effective. Natural gas produced from development wells or  
5120 replacement wells drilled in connection with discovery wells for  
5121 which drilling commenced on or after July 1, 1999, shall be  
5122 assessed at a rate of three percent (3%) of the value thereof at  
5123 the point of production for a period of three (3) years. The  
5124 reduced rate of assessment of natural gas produced from  
5125 development wells or replacement wells as described in this  
5126 paragraph (b) shall be repealed from and after January 1, 2003,  
5127 provided that any such production for which drilling commenced  
5128 before January 1, 2003, shall be assessed at the reduced rate for  
5129 an entire period of three (3) years, notwithstanding that the  
5130 repeal of this provision has become effective.

5131 (6) (a) Gas produced from a development well for which  
5132 drilling commenced on or after April 1, 1994, but before July 1,  
5133 1999, and for which three-dimensional seismic was utilized in



5134 connection with the drilling of such well, shall be assessed at a  
5135 rate of three percent (3%) of the value of the gas at the point of  
5136 production for a period of five (5) years, provided that the  
5137 average monthly sales price of such gas does not exceed Three  
5138 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic  
5139 feet. The reduced rate of assessment of gas produced from a  
5140 development well as described in this subsection and for which  
5141 three-dimensional seismic was utilized shall be repealed from and  
5142 after July 1, 2003, provided that any such production for which a  
5143 permit was granted by the board before July 1, 2003, shall be  
5144 assessed at the reduced rate for an entire period of five (5)  
5145 years, notwithstanding that the repeal of this provision has  
5146 become effective.

5147 (b) Gas produced from a development well for which  
5148 drilling commenced on or after July 1, 1999, and for which  
5149 three-dimensional seismic was utilized in connection with the  
5150 drilling of such well, shall be assessed at a rate of three  
5151 percent (3%) of the value of the gas at the point of production  
5152 for a period of five (5) years, provided that the average monthly  
5153 sales price of such gas does not exceed Two Dollars and Fifty  
5154 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced  
5155 rate of assessment of gas produced from a development well as  
5156 described in this paragraph (b) and for which three-dimensional  
5157 seismic was utilized shall be repealed from and after July 1,  
5158 2003, provided that any such production for which a permit was



5159 granted by the board before July 1, 2003, shall be assessed at the  
5160 reduced rate for an entire period of five (5) years,  
5161 notwithstanding that the repeal of this provision has become  
5162 effective.

5163 (7) (a) Natural gas produced before July 1, 1999, from a  
5164 two-year inactive well as defined in Section 27-25-701 shall be  
5165 exempt from the taxes levied under this section for a period of  
5166 three (3) years beginning on the date of first sale of production  
5167 from such well, provided that the average monthly sales price of  
5168 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per  
5169 one thousand (1,000) cubic feet. The exemption for natural gas  
5170 produced from an inactive well as described in this subsection  
5171 shall be repealed from and after July 1, 2003, provided that any  
5172 such production which began before July 1, 2003, shall be exempt  
5173 for an entire period of three (3) years, notwithstanding that the  
5174 repeal of this provision has become effective.

5175 (b) Natural gas produced on or after July 1, 1999, from  
5176 a two-year inactive well as defined in Section 27-25-701 shall be  
5177 exempt from the taxes levied under this section for a period of  
5178 three (3) years beginning on the date of first sale of production  
5179 from such well, provided that the average monthly sales price of  
5180 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per  
5181 one thousand (1,000) cubic feet. The exemption for natural gas  
5182 produced from an inactive well as described in this paragraph (b)  
5183 shall be repealed from and after July 1, 2003, provided that any





5184 such production which began before July 1, 2003, shall be exempt  
5185 for an entire period of three (3) years, notwithstanding that the  
5186 repeal of this provision has become effective.

5187 (8) The State Oil and Gas Board shall have the exclusive  
5188 authority to determine the qualification of wells defined in  
5189 paragraphs (n) through (t) of Section 27-25-701.

5190 **SECTION 42.** Section 27-25-705, Mississippi Code of 1972, is  
5191 brought forward as follows:

5192 **[With regard to any county which is exempt from the**  
5193 **provisions of Section 19-2-3, this section shall read as follows:]**

5194 27-25-705. (1) All taxes levied in this article and  
5195 collected by the department shall be paid into the State Treasury  
5196 on the same day in which the taxes are collected.

5197 (2) Except as otherwise provided in this section, the  
5198 commissioner shall apportion all the tax collections made pursuant  
5199 to this article to the state and to the county in which the gas  
5200 was produced, in the proportion of sixty-six and two-thirds  
5201 percent (66-2/3%) to the state and thirty-three and one-third  
5202 percent (33-1/3%) to the county.

5203 (3) The commissioner shall apportion all the tax collections  
5204 made pursuant to Section 27-25-703(1)(b) to the county in which  
5205 the gas is produced.

5206 (4) When the producer of gas subject to the tax levied in  
5207 this article increases the price of the gas sold and such increase  
5208 is subject to approval by a federal regulatory board or



5209 commission, and when the producer of the gas so requests, the  
5210 State Treasurer is hereby authorized to hold the severance tax  
5211 collected on the price increase in escrow until such time as the  
5212 price increase or a portion thereof is finally granted or  
5213 approved. The severance tax thus held in escrow shall be  
5214 deposited by the State Treasurer to an account in a state  
5215 depository to be invested in an interest-bearing account in the  
5216 manner provided by law. When the price increase in question or a  
5217 portion thereof is granted or approved, the commissioner shall  
5218 compute the correct severance tax due on the increase and certify  
5219 the amount of tax thus computed. This amount and interest earned  
5220 from the depository shall be distributed to the General Fund and  
5221 to the county or counties proportionately as provided in this  
5222 subsection. The balance, if any, of the tax and interest held in  
5223 escrow on the price increase shall be returned to the taxpayer.

5224 (5) The state's share of all gas severance taxes collected  
5225 pursuant to this section shall be deposited as provided for in  
5226 Section 27-25-506.

5227 (6) The commissioner shall certify at the end of each month  
5228 the apportionment to each county to the State Treasurer, who shall  
5229 remit the county's share of the funds on or before the twentieth  
5230 day of the month next succeeding the month in which the  
5231 collections were made for division among the municipalities and  
5232 taxing districts of the county. The commissioner shall submit a  
5233 report to the State Treasurer for distribution to each county



5234 receiving the funds showing from whom the tax and interest, if  
5235 any, were collected. Upon receipt of the funds, the board of  
5236 supervisors of the county shall allocate the funds to the  
5237 municipalities and to the various maintenance and bond and  
5238 interest funds of the county, school districts, supervisors  
5239 districts and road districts, as provided in this subsection.

5240         When there are any gas producing properties within the  
5241 corporate limits of any municipality, then the municipality shall  
5242 participate in the division of the tax and interest, if any,  
5243 returned to the county in which the municipality is located in the  
5244 proportion which the tax on production of gas from properties  
5245 located within the municipal corporate limits bears to the tax on  
5246 total production of gas in the county. In no event, however,  
5247 shall the amount allocated to the municipalities exceed one-third  
5248 (1/3) of the tax and interest produced in the municipality and  
5249 returned to the county. Any amount received by any municipality  
5250 as a result of the allocation provided for in this subsection  
5251 shall be used for such purposes as are authorized by law.

5252         The balance remaining of any funds returned to the county  
5253 after the allocation to municipalities shall be divided among the  
5254 various maintenance and bond and interest funds of the county,  
5255 school districts, supervisors districts and road districts, in the  
5256 discretion of the board of supervisors, and the board shall make  
5257 the division in consideration of the needs of the various taxing



5258 districts. The funds so allocated shall be used only for such  
5259 purposes as are authorized by law.

5260 **[With regard to any county which is required to operate on a**  
5261 **countywide system of road administration as described in Section**  
5262 **19-2-3, this section shall read as follows:]**

5263 27-25-705. (1) All taxes herein levied in this article and  
5264 collected by the department shall be paid into the State Treasury  
5265 on the same day in which the taxes are collected.

5266 (2) Except as otherwise provided in this section, the  
5267 commissioner shall apportion all the tax collections made pursuant  
5268 to this article to the state and to the county in which the gas  
5269 was produced, in the proportion of sixty-six and two-thirds  
5270 percent (66-2/3%) to the state and thirty-three and one-third  
5271 percent (33-1/3%) to the county.

5272 (3) The commissioner shall apportion all the tax collections  
5273 made pursuant to Section 27-25-703(1)(b) to the county in which  
5274 the gas is produced.

5275 (4) When the producer of gas subject to the tax levied in  
5276 this article increases the price of the gas sold and the increase  
5277 is subject to approval by a federal regulatory board or  
5278 commission, and when the producer of the gas so requests, the  
5279 State Treasurer is hereby authorized to hold the severance tax  
5280 collected on the price increase in escrow until such time as the  
5281 price increase or a portion thereof is finally granted or  
5282 approved. The severance tax thus held in escrow shall be



5283 deposited by the State Treasurer to an account in a state  
5284 depository to be invested in an interest-bearing account in the  
5285 manner provided by law. When the price increase in question or a  
5286 portion thereof is granted or approved, the commissioner shall  
5287 compute the correct severance tax due on the increase and certify  
5288 the amount of tax thus computed. This amount and interest earned  
5289 from the depository shall be distributed to the General Fund and  
5290 to the county or counties proportionately as provided in this  
5291 subsection. The balance, if any, of the tax and interest held in  
5292 escrow on the price increase shall be returned to the taxpayer.

5293 (5) The state's share of all gas severance taxes collected  
5294 pursuant to this section shall be deposited as provided for in  
5295 Section 27-25-506.

5296 (6) The commissioner shall certify at the end of each month  
5297 the apportionment to each county to the State Treasurer, who shall  
5298 remit the county's share of the funds on or before the twentieth  
5299 day of the month next succeeding the month in which the  
5300 collections were made for division among the municipalities and  
5301 taxing districts of the county. The commissioner shall submit a  
5302 report to the State Treasurer for distribution to each county  
5303 receiving the funds showing from whom the tax and interest, if  
5304 any, were collected. Upon receipt of the funds, the board of  
5305 supervisors of the county shall allocate the funds to the  
5306 municipalities and to the various maintenance and bond and



5307 interest funds of the county and school districts, as provided in  
5308 this subsection.

5309         When there are any gas producing properties within the  
5310 corporate limits of any municipality, then the municipality shall  
5311 participate in the division of the tax and interest, if any,  
5312 returned to the county in which the municipality is located in the  
5313 proportion which the tax on production of gas from properties  
5314 located within the municipal corporate limits bears to the tax on  
5315 total production of gas in the county. In no event, however,  
5316 shall the amount allocated to the municipalities exceed one-third  
5317 (1/3) of the tax and interest produced in the municipality and  
5318 returned to the county. Any amount received by any municipality  
5319 as a result of the allocation provided for in this subsection  
5320 shall be used for such purposes as are authorized by law.

5321         The balance remaining of any funds returned to the county  
5322 after the allocation to municipalities shall be divided among the  
5323 various maintenance and bond and interest funds of the county and  
5324 school districts, in the discretion of the board of supervisors,  
5325 and the board shall make the division in consideration of the  
5326 needs of the various taxing districts. The funds so allocated  
5327 shall be used only for such purposes as are authorized by law.

5328         **SECTION 43.** Section 27-65-19, Mississippi Code of 1972, is  
5329 brought forward as follows:

5330         27-65-19. (1) (a) (i) Except as otherwise provided in  
5331 this subsection, upon every person selling to consumers,



5332 electricity, current, power, potable water, steam, coal, natural  
5333 gas, liquefied petroleum gas or other fuel, there is hereby  
5334 levied, assessed and shall be collected a tax equal to seven  
5335 percent (7%) of the gross income of the business. Provided, gross  
5336 income from sales to consumers of electricity, current, power,  
5337 natural gas, liquefied petroleum gas or other fuel for residential  
5338 heating, lighting or other residential noncommercial or  
5339 nonagricultural use, and sales of potable water for residential,  
5340 noncommercial or nonagricultural use shall be excluded from  
5341 taxable gross income of the business. Provided further, upon  
5342 every such seller using electricity, current, power, potable  
5343 water, steam, coal, natural gas, liquefied petroleum gas or other  
5344 fuel for nonindustrial purposes, there is hereby levied, assessed  
5345 and shall be collected a tax equal to seven percent (7%) of the  
5346 cost or value of the product or service used.

5347           (ii) Gross income from sales to a church that is  
5348 exempt from federal income taxation under 26 USCS Section  
5349 501(c)(3) of electricity, current, power, natural gas, liquefied  
5350 petroleum gas or other fuel for heating, lighting or other use,  
5351 and sales of potable water to such a church shall be excluded from  
5352 taxable gross income of the business if the electricity, current,  
5353 power, natural gas, liquefied petroleum gas or potable water is  
5354 utilized on property that is primarily used for religious or  
5355 educational purposes.



5356           (b) (i) There is hereby levied, assessed and shall be  
5357 collected a tax equal to one and one-half percent (1-1/2%) of the  
5358 gross income of the business from the sale of naturally occurring  
5359 carbon dioxide and anthropogenic carbon dioxide lawfully injected  
5360 into the earth for:

5361                   1. Use in an enhanced oil recovery project,  
5362 including, but not limited to, use for cycling, repressuring or  
5363 lifting of oil; or

5364                   2. Permanent sequestration in a geological  
5365 formation.

5366           (ii) The one and one-half percent (1-1/2%) rate  
5367 provided for in this subsection shall apply to electricity,  
5368 current, power, steam, coal, natural gas, liquefied petroleum gas  
5369 or other fuel that is sold to a producer of oil and gas for use  
5370 directly in enhanced oil recovery using carbon dioxide and/or the  
5371 permanent sequestration of carbon dioxide in a geological  
5372 formation.

5373           (c) The one and one-half percent (1-1/2%) rate provided  
5374 for in this subsection shall not apply to sales of fuel for  
5375 automobiles, trucks, truck-tractors, buses, farm tractors or  
5376 airplanes.

5377           (d) (i) Upon every person providing services in this  
5378 state, there is hereby levied, assessed and shall be collected:





5379                   1. A tax equal to seven percent (7%) of the  
5380 gross income received from all charges for intrastate  
5381 telecommunications services.

5382                   2. A tax equal to seven percent (7%) of the  
5383 gross income received from all charges for interstate  
5384 telecommunications services.

5385                   3. A tax equal to seven percent (7%) of the  
5386 gross income received from all charges for international  
5387 telecommunications services.

5388                   4. A tax equal to seven percent (7%) of the  
5389 gross income received from all charges for ancillary services.

5390                   5. A tax equal to seven percent (7%) of the  
5391 gross income received from all charges for products delivered  
5392 electronically, including, but not limited to, software, music,  
5393 games, reading materials or ring tones.

5394                   (ii) A person, upon proof that he has paid a tax  
5395 in another state on an event described in subparagraph (i) of this  
5396 paragraph (d), shall be allowed a credit against the tax imposed  
5397 in this paragraph (d) on interstate telecommunications service  
5398 charges to the extent that the amount of such tax is properly due  
5399 and actually paid in such other state and to the extent that the  
5400 rate of sales tax imposed by and paid in such other state does not  
5401 exceed the rate of sales tax imposed by this paragraph (d).

5402                   (iii) Charges by one (1) telecommunications  
5403 provider to another telecommunications provider holding a permit



5404 issued under Section 27-65-27 for services that are resold by such  
5405 other telecommunications provider, including, but not limited to,  
5406 access charges, shall not be subject to the tax levied pursuant to  
5407 this paragraph (d).

5408 (iv) For purposes of this paragraph (d):

5409 1. "Telecommunications service" means the  
5410 electronic transmission, conveyance or routing of voice, data,  
5411 audio, video or any other information or signals to a point, or  
5412 between points. The term "telecommunications service" includes  
5413 such transmission, conveyance or routing in which computer  
5414 processing applications are used to act on the form, code or  
5415 protocol of the content for purposes of transmission, conveyance  
5416 or routing without regard to whether such service is referred to  
5417 as voice over Internet protocol services or is classified by the  
5418 Federal Communications Commission as enhanced or value added. The  
5419 term "telecommunications service" shall not include:

5420 a. Data processing and information  
5421 services that allow data to be generated, acquired, stored,  
5422 processed or retrieved and delivered by an electronic transmission  
5423 to a purchaser where such purchaser's primary purpose for the  
5424 underlying transaction is the processed data or information;

5425 b. Installation or maintenance of wiring  
5426 or equipment on a customer's premises;

5427 c. Tangible personal property;



5428                                   d. Advertising, including, but not  
5429 limited to, directory advertising;  
5430                                   e. Billing and collection services  
5431 provided to third parties;  
5432                                   f. Internet access service;  
5433                                   g. Radio and television audio and video  
5434 programming services regardless of the medium, including the  
5435 furnishing of transmission, conveyance and routing of such  
5436 services by the programming service provider. Radio and  
5437 television audio and video programming services shall include, but  
5438 not be limited to, cable service as defined in 47 USCS 522(6) and  
5439 audio and video programming services delivered by commercial  
5440 mobile radio service providers, as defined in 47 CFR 20.3;  
5441                                   h. Ancillary services; or  
5442                                   i. Digital products delivered  
5443 electronically, including, but not limited to, software, music,  
5444 video, reading materials or ring tones.

5445                                   2. "Ancillary services" means services that  
5446 are associated with or incidental to the provision of  
5447 telecommunications services, including, but not limited to,  
5448 detailed telecommunications billing, directory assistance,  
5449 vertical service and voice mail service.

5450                                   a. "Conference bridging" means an  
5451 ancillary service that links two (2) or more participants of an  
5452 audio or video conference call and may include the provision of a



5453 telephone number. Conference bridging does not include the  
5454 telecommunications services used to reach the conference bridge.

5455                   b. "Detailed telecommunications billing  
5456 service" means an ancillary service of separately stating  
5457 information pertaining to individual calls on a customer's billing  
5458 statement.

5459                   c. "Directory assistance" means an  
5460 ancillary service of providing telephone number information and/or  
5461 address information.

5462                   d. "Vertical service" means an ancillary  
5463 service that is offered in connection with one or more  
5464 telecommunications services, which offers advanced calling  
5465 features that allow customers to identify callers and to manage  
5466 multiple calls and call connections, including conference bridging  
5467 services.

5468                   e. "Voice mail service" means an  
5469 ancillary service that enables the customer to store, send or  
5470 receive recorded messages. Voice mail service does not include  
5471 any vertical services that the customer may be required to have in  
5472 order to utilize the voice mail service.

5473                   3. "Intrastate" means telecommunications  
5474 service that originates in one (1) United States state or United  
5475 States territory or possession, and terminates in the same United  
5476 States state or United States territory or possession.



5477                   4. "Interstate" means a telecommunications  
5478 service that originates in one (1) United States state or United  
5479 States territory or possession, and terminates in a different  
5480 United States state or United States territory or possession.

5481                   5. "International" means a telecommunications  
5482 service that originates or terminates in the United States and  
5483 terminates or originates outside the United States, respectively.

5484                   (v) For purposes of paragraph (d), the following  
5485 sourcing rules shall apply:

5486                   1. Except for the defined telecommunications  
5487 services in item 3 of this subparagraph, the sales of  
5488 telecommunications services sold on a call-by-call basis shall be  
5489 sourced to:

5490                   a. Each level of taxing jurisdiction  
5491 where the call originates and terminates in that jurisdiction, or

5492                   b. Each level of taxing jurisdiction  
5493 where the call either originates or terminates and in which the  
5494 service address is also located.

5495                   2. Except for the defined telecommunications  
5496 services in item 3 of this subparagraph, a sale of  
5497 telecommunications services sold on a basis other than a  
5498 call-by-call basis, is sourced to the customer's place of primary  
5499 use.



5500                           3. The sale of the following  
5501 telecommunications services shall be sourced to each level of  
5502 taxing jurisdiction as follows:

5503                           a. A sale of mobile telecommunications  
5504 services other than air-to-ground radiotelephone service and  
5505 prepaid calling service is sourced to the customer's place of  
5506 primary use as required by the Mobile Telecommunication Sourcing  
5507 Act.

5508                           A. A home service provider shall be  
5509 responsible for obtaining and maintaining the customer's place of  
5510 primary use. The home service provider shall be entitled to rely  
5511 on the applicable residential or business street address supplied  
5512 by such customer, if the home service provider's reliance is in  
5513 good faith; and the home service provider shall be held harmless  
5514 from liability for any additional taxes based on a different  
5515 determination of the place of primary use for taxes that are  
5516 customarily passed on to the customer as a separate itemized  
5517 charge. A home service provider shall be allowed to treat the  
5518 address used for purposes of the tax levied by this chapter for  
5519 any customer under a service contract in effect on August 1, 2002,  
5520 as that customer's place of primary use for the remaining term of  
5521 such service contract or agreement, excluding any extension or  
5522 renewal of such service contract or agreement. Month-to-month  
5523 services provided after the expiration of a contract shall be  
5524 treated as an extension or renewal of such contract or agreement.



5525                   B. If the commissioner determines  
5526 that the address used by a home service provider as a customer's  
5527 place of primary use does not meet the definition of the term  
5528 "place of primary use" as defined in subitem a.A. of this item 3,  
5529 the commissioner shall give binding notice to the home service  
5530 provider to change the place of primary use on a prospective basis  
5531 from the date of notice of determination; however, the customer  
5532 shall have the opportunity, prior to such notice of determination,  
5533 to demonstrate that such address satisfies the definition.

5534                   C. The department has the right to  
5535 collect any taxes due directly from the home service provider's  
5536 customer that has failed to provide an address that meets the  
5537 definition of the term "place of primary use" which resulted in a  
5538 failure of tax otherwise due being remitted.

5539                   b. A sale of postpaid calling service is  
5540 sourced to the origination point of the telecommunications signal  
5541 as first identified by either:

5542                   A. The seller's telecommunications  
5543 system; or

5544                   B. Information received by the  
5545 seller from its service provider, where the system used to  
5546 transport such signals is not that of the seller.

5547                   c. A sale of a prepaid calling service  
5548 or prepaid wireless calling service shall be subject to the tax  
5549 imposed by this paragraph if the sale takes place in this state.



5550 If the customer physically purchases a prepaid calling service or  
5551 prepaid wireless calling service at the vendor's place of  
5552 business, the sale is deemed to take place at the vendor's place  
5553 of business. If the customer does not physically purchase the  
5554 service at the vendor's place of business, the sale of a prepaid  
5555 calling card or prepaid wireless calling card is deemed to take  
5556 place at the first of the following locations that applies to the  
5557 sale:

5558                                   A. The customer's shipping address,  
5559 if the sale involves a shipment;

5560                                   B. The customer's billing address;

5561                                   C. Any other address of the  
5562 customer that is known by the vendor; or

5563                                   D. The address of the vendor, or  
5564 alternatively, in the case of a prepaid wireless calling service,  
5565 the location associated with the mobile telephone number.

5566                                   4. A sale of a private communication service  
5567 is sourced as follows:

5568                                   a. Service for a separate charge related  
5569 to a customer channel termination point is sourced to each level  
5570 of jurisdiction in which such customer channel termination point  
5571 is located.

5572                                   b. Service where all customer  
5573 termination points are located entirely within one (1)  
5574 jurisdiction or levels of jurisdiction is sourced in such





5575 jurisdiction in which the customer channel termination points are  
5576 located.

5577                                   c. Service for segments of a channel  
5578 between two (2) customer channel termination points located in  
5579 different jurisdictions and which segments of a channel are  
5580 separately charged is sourced fifty percent (50%) in each level of  
5581 jurisdiction in which the customer channel termination points are  
5582 located.

5583                                   d. Service for segments of a channel  
5584 located in more than one (1) jurisdiction or levels of  
5585 jurisdiction and which segments are not separately billed is  
5586 sourced in each jurisdiction based on the percentage determined by  
5587 dividing the number of customer channel termination points in such  
5588 jurisdiction by the total number of customer channel termination  
5589 points.

5590                                   5. A sale of ancillary services is sourced to  
5591 the customer's place of primary use.

5592                                   (vi) For purposes of subparagraph (v) of this  
5593 paragraph (d):

5594                                   1. "Air-to-ground radiotelephone service"  
5595 means a radio service, as that term is defined in 47 CFR 22.99, in  
5596 which common carriers are authorized to offer and provide radio  
5597 telecommunications service for hire to subscribers in aircraft.



5598                   2. "Call-by-call basis" means any method of  
5599 charging for telecommunications services where the price is  
5600 measured by individual calls.

5601                   3. "Communications channel" means a physical  
5602 or virtual path of communications over which signals are  
5603 transmitted between or among customer channel termination points.

5604                   4. "Customer" means the person or entity that  
5605 contracts with the seller of telecommunications services. If the  
5606 end user of telecommunications services is not the contracting  
5607 party, the end user of the telecommunications service is the  
5608 customer of the telecommunications service. Customer does not  
5609 include a reseller of telecommunications service or for mobile  
5610 telecommunications service of a serving carrier under an agreement  
5611 to serve the customer outside the home service provider's licensed  
5612 service area.

5613                   5. "Customer channel termination point" means  
5614 the location where the customer either inputs or receives the  
5615 communications.

5616                   6. "End user" means the person who utilizes  
5617 the telecommunications service. In the case of an entity, "end  
5618 user" means the individual who utilizes the service on behalf of  
5619 the entity.

5620                   7. "Home service provider" has the meaning  
5621 ascribed to such term in Section 124(5) of Public Law 106-252  
5622 (Mobile Telecommunications Sourcing Act).



5623                   8. "Mobile telecommunications service" has  
5624 the meaning ascribed to such term in Section 124(7) of Public Law  
5625 106-252 (Mobile Telecommunications Sourcing Act).

5626                   9. "Place of primary use" means the street  
5627 address representative of where the customer's use of the  
5628 telecommunications service primarily occurs, which must be the  
5629 residential street address or the primary business street address  
5630 of the customer. In the case of mobile telecommunications  
5631 services, the place of primary use must be within the licensed  
5632 service area of the home service provider.

5633                   10. "Post-paid calling service" means the  
5634 telecommunications service obtained by making a payment on a  
5635 call-by-call basis either through the use of a credit card or  
5636 payment mechanism such as a bank card, travel card, credit card or  
5637 debit card, or by charge made to a telephone number which is not  
5638 associated with the origination or termination of the  
5639 telecommunications service. A post-paid calling service includes  
5640 a telecommunications service, except a prepaid wireless calling  
5641 service that would be a prepaid calling service except it is not  
5642 exclusively a telecommunications service.

5643                   11. "Prepaid calling service" means the right  
5644 to access exclusively telecommunications services, which must be  
5645 paid for in advance and which enables the origination of calls  
5646 using an access number or authorization code, whether manually or



5647 electronically dialed, and that is sold in predetermined units or  
5648 dollars of which the number declines with use in a known amount.

5649           12. "Prepaid wireless calling service" means  
5650 a telecommunications service that provides the right to utilize  
5651 mobile wireless service as well as other nontelecommunications  
5652 services, including the download of digital products delivered  
5653 electronically, content and ancillary service, which must be paid  
5654 for in advance that is sold in predetermined units or dollars of  
5655 which the number declines with use in a known amount.

5656           13. "Private communication service" means a  
5657 telecommunications service that entitles the customer to exclusive  
5658 or priority use of a communications channel or group of channels  
5659 between or among termination points, regardless of the manner in  
5660 which such channel or channels are connected, and includes  
5661 switching capacity, extension lines, stations and any other  
5662 associated services that are provided in connection with the use  
5663 of such channel or channels.

5664           14. "Service address" means:

5665                   a. The location of the  
5666 telecommunications equipment to which a customer's call is charged  
5667 and from which the call originates or terminates, regardless of  
5668 where the call is billed or paid.

5669                   b. If the location in subitem a of this  
5670 item 14 is not known, the origination point of the signal of the  
5671 telecommunications services first identified by either the



5672 seller's telecommunications system or in information received by  
5673 the seller from its service provider, where the system used to  
5674 transport such signals is not that of the seller.

5675 c. If the location in subitems a and b  
5676 of this item 14 are not known, the location of the customer's  
5677 place of primary use.

5678 (vii) 1. For purposes of this subparagraph (vii),  
5679 "bundled transaction" means a transaction that consists of  
5680 distinct and identifiable properties or services which are sold  
5681 for a single nonitemized price but which are treated differently  
5682 for tax purposes.

5683 2. In the case of a bundled transaction that  
5684 includes telecommunications services, ancillary services, Internet  
5685 access, or audio or video programming services taxed under this  
5686 chapter in which the price of the bundled transaction is  
5687 attributable to properties or services that are taxable and  
5688 nontaxable, the portion of the price that is attributable to any  
5689 nontaxable property or service shall be subject to the tax unless  
5690 the provider can reasonably identify that portion from its books  
5691 and records kept in the regular course of business.

5692 3. In the case of a bundled transaction that  
5693 includes telecommunications services, ancillary services, Internet  
5694 access, audio or video programming services subject to tax under  
5695 this chapter in which the price is attributable to properties or  
5696 services that are subject to the tax but the tax revenue from the



5697 different properties or services are dedicated to different funds  
5698 or purposes, the provider shall allocate the price among the  
5699 properties or services:

5700                   a. By reasonably identifying the portion  
5701 of the price attributable to each of the properties and services  
5702 from its books and records kept in the regular course of business;  
5703 or

5704                   b. Based on a reasonable allocation  
5705 methodology approved by the department.

5706                   4. This subparagraph (vii) shall not create a  
5707 right of action for a customer to require that the provider or the  
5708 department, for purposes of determining the amount of tax  
5709 applicable to a bundled transaction, allocate the price to the  
5710 different portions of the transaction in order to minimize the  
5711 amount of tax charged to the customer. A customer shall not be  
5712 entitled to rely on the fact that a portion of the price is  
5713 attributable to properties or services not subject to tax unless  
5714 the provider elects, after receiving a written request from the  
5715 customer in the form required by the provider, to provide  
5716 verifiable data based upon the provider's books and records that  
5717 are kept in the regular course of business that reasonably  
5718 identifies the portion of the price attributable to the properties  
5719 or services not subject to the tax.

5720                   (2) Persons making sales to consumers of electricity,  
5721 current, power, natural gas, liquefied petroleum gas or other fuel



5722 for residential heating, lighting or other residential  
5723 noncommercial or nonagricultural use or sales of potable water for  
5724 residential, noncommercial or nonagricultural use shall indicate  
5725 on each statement rendered to customers that such charges are  
5726 exempt from sales taxes.

5727 (3) There is hereby levied, assessed and shall be paid on  
5728 transportation charges on shipments moving between points within  
5729 this state when paid directly by the consumer, a tax equal to the  
5730 rate applicable to the sale of the property being transported.  
5731 Such tax shall be reported and paid directly to the Department of  
5732 Revenue by the consumer.

5733 **SECTION 44.** Section 27-65-22, Mississippi Code of 1972, is  
5734 brought forward as follows:

5735 27-65-22. (1) Upon every person engaging or continuing in  
5736 any amusement business or activity, which shall include all manner  
5737 and forms of entertainment and amusement, all forms of diversion,  
5738 sport, recreation or pastime, shows, exhibitions, contests,  
5739 displays, games or any other and all methods of obtaining  
5740 admission charges, donations, contributions or monetary charges of  
5741 any character, from the general public or a limited or selected  
5742 number thereof, directly or indirectly in return for other than  
5743 tangible property or specific personal or professional services,  
5744 whether such amusement is held or conducted in a public or private  
5745 building, hotel, tent, pavilion, lot or resort, enclosed or in the  
5746 open, there is hereby levied, assessed and shall be collected a



5747 tax equal to seven percent (7%) of the gross income received as  
5748 admission, except as otherwise provided herein. In lieu of the  
5749 rate set forth above, there is hereby imposed, levied and  
5750 assessed, to be collected as hereinafter provided, a tax of three  
5751 percent (3%) of gross revenue derived from sales of admission to  
5752 publicly owned enclosed coliseums and auditoriums (except  
5753 admissions to athletic contests between colleges and  
5754 universities). There is hereby imposed, levied and assessed a tax  
5755 of seven percent (7%) of gross revenue derived from sales of  
5756 admission to events conducted on property managed by the  
5757 Mississippi Veterans Memorial Stadium, which tax shall be  
5758 administered in the manner prescribed in this chapter, subject,  
5759 however, to the provisions of Sections 55-23-3 through 55-23-11.

5760 (2) The operator of any place of amusement in this state  
5761 shall collect the tax imposed by this section, in addition to the  
5762 price charged for admission to any place of amusement, and under  
5763 all circumstances the person conducting the amusement shall be  
5764 liable for, and pay the tax imposed based upon the actual charge  
5765 for such admission. Where permits are obtained for conducting  
5766 temporary amusements by persons who are not the owners, lessees or  
5767 custodians of the buildings, lots or places where the amusements  
5768 are to be conducted, or where such temporary amusement is  
5769 permitted by the owner, lessee or custodian of any place to be  
5770 conducted without the procurement of a permit as required by this  
5771 chapter, the tax imposed by this chapter shall be paid by the





5772 owner, lessee or custodian of such place where such temporary  
5773 amusement is held or conducted, unless paid by the person  
5774 conducting the amusement, and the applicant for such temporary  
5775 permit shall furnish with the application therefor, the name and  
5776 address of the owner, lessee or custodian of the premises upon  
5777 which such amusement is to be conducted, and such owner, lessee or  
5778 custodian shall be notified by the commission of the issuance of  
5779 such permit, and of the joint liability for such tax.

5780 (3) The tax imposed by this section shall not be levied or  
5781 collected upon:

5782 (a) Any admissions charged at any place of amusement  
5783 operated by a religious, charitable or educational organization,  
5784 or by a nonprofit civic club or fraternal organization (i) when  
5785 the net proceeds of such admissions do not inure to any one or  
5786 more individuals within such organization and are to be used  
5787 solely for religious, charitable, educational or civic purposes;  
5788 or (ii) when the entire net proceeds are used to defray the normal  
5789 operating expenses of such organization, such as loan payments,  
5790 maintenance costs, repairs and other operating expenses;

5791 (b) Any admissions charged to hear gospel singing when  
5792 promoted by a duly constituted local, bona fide nonprofit  
5793 charitable or religious organization, irrespective of the fact  
5794 that the performers and promoters are paid out of the proceeds of  
5795 admissions collected, provided the program is composed entirely of



5796 gospel singing and not generally mixed with hillbilly or popular  
5797 singing;

5798 (c) Any admissions charged at any athletic games or  
5799 contests between high schools or between grammar schools;

5800 (d) Any admissions or tickets to or for baseball games  
5801 between teams operated under a professional league franchise;

5802 (e) Any admissions to county, state or community fairs,  
5803 or any admissions to entertainments presented in community homes  
5804 or houses which are publicly owned and controlled, and the  
5805 proceeds of which do not inure to any individual or individuals;

5806 (f) Any admissions or tickets to organized garden  
5807 pilgrimages and to antebellum and historic houses when sponsored  
5808 by an organized civic or garden club;

5809 (g) Any admissions to any golf tournament held under  
5810 the auspices of the Professional Golf Association or United States  
5811 Golf Association wherein touring professionals compete, if such  
5812 tournament is sponsored by a nonprofit association incorporated  
5813 under the laws of the State of Mississippi where no dividends are  
5814 declared and the proceeds do not inure to any individual or group;

5815 (h) Any admissions to university or community college  
5816 conference, state, regional or national playoffs or championships;

5817 (i) Any admissions or fees charged by any county or  
5818 municipally owned and operated swimming pools, golf courses and  
5819 tennis courts other than sales or rental of tangible personal  
5820 property;



5821           (j) Any admissions charged for the performance of  
5822 symphony orchestras, operas, vocal or instrumental artists in  
5823 which professional or amateur performers are compensated out of  
5824 the proceeds of such admissions, when sponsored by local music or  
5825 charity associations, or amateur dramatic performances or  
5826 professional dramatic productions when sponsored by a children's  
5827 dramatic association, where no dividends are declared, profits  
5828 received, nor any salary or compensation paid to any of the  
5829 members of such associations, or to any person for procuring or  
5830 producing such performance;

5831           (k) Any admissions or tickets to or for hockey games  
5832 between teams operated under a professional league franchise;

5833           (l) Any admissions or tickets to or for events  
5834 sanctioned by the Mississippi Athletic Commission that are held  
5835 within publicly owned enclosed coliseums and auditoriums;

5836           (m) Guided tours on any navigable waters of this state,  
5837 which include providing accommodations, guide services and/or  
5838 related equipment operated by or under the direction of the person  
5839 providing the tour, for the purposes of outdoor tourism;

5840           (n) Any admissions to events held solely for religious  
5841 or charitable purposes at livestock facilities, agriculture  
5842 facilities or other facilities constructed, renovated or expanded  
5843 with funds from the grant program authorized under Section 18 of  
5844 Chapter 530, Laws of 1995; and



5845                   (o)   (i)   Any admissions charged at events, activities  
5846 or entertainments:

5847                               1.   Which are open to the public and held in  
5848 or on parks, lands or buildings which are publicly owned, leased,  
5849 used and/or controlled by a municipality, or any agency thereof;

5850                               2.   Which are created and sponsored by the  
5851 municipality, or an agency thereof; and

5852                               3.   The proceeds of which do not inure to the  
5853 benefit of any individual or individuals; however,

5854                               (ii)   The governing authorities of a municipality  
5855 may require the tax imposed by this section to be levied and  
5856 collected at events, activities or entertainments described in  
5857 subparagraph (i) of this paragraph by:

5858                                       1.   Adopting an ordinance requiring the levy  
5859 and collection of the tax;

5860                                       2.   Providing the Department of Revenue with a  
5861 certified copy of the ordinance requiring the tax to be levied and  
5862 assessed at least thirty (30) days prior to the effective date of  
5863 the ordinance;

5864                                       (iii)   If the ordinance described in subparagraph  
5865 (ii) of this paragraph is repealed, the municipality shall provide  
5866 the Department of Revenue with a certified copy of the repeal of  
5867 the ordinance at least thirty (30) days prior to the effective  
5868 date of the repeal.



5869           **SECTION 45.** Section 27-65-23, Mississippi Code of 1972, is  
5870 brought forward as follows:

5871           27-65-23. Upon every person engaging or continuing in any of  
5872 the following businesses or activities there is hereby levied,  
5873 assessed and shall be collected a tax equal to seven percent (7%)  
5874 of the gross income of the business, except as otherwise provided:

5875           Air conditioning installation or repairs;

5876           Automobile, motorcycle, boat or any other vehicle  
5877 repairing or servicing;

5878           Billiards, pool or domino parlors;

5879           Bowling or tenpin alleys;

5880           Burglar and fire alarm systems or services;

5881           Car washing – automatic, self-service, or manual;

5882           Computer software sales and services;

5883           Cotton compresses or cotton warehouses;

5884           Custom creosoting or treating, custom planing, custom  
5885 sawing;

5886           Custom meat processing;

5887           Electricians, electrical work, wiring, all repairs or  
5888 installation of electrical equipment;

5889           Elevator or escalator installing, repairing or  
5890 servicing;

5891           Film developing or photo finishing;

5892           Foundries, machine or general repairing;

5893           Furniture repairing or upholstering;



5894           Grading, excavating, ditching, dredging or landscaping;  
5895           Hotels (as defined in Section 41-49-3), motels, tourist  
5896 courts or camps, trailer parks;  
5897           Insulating services or repairs;  
5898           Jewelry or watch repairing;  
5899           Laundering, cleaning, pressing or dyeing;  
5900           Marina services;  
5901           Mattress renovating;  
5902           Office and business machine repairing;  
5903           Parking garages and lots;  
5904           Plumbing or pipe fitting;  
5905           Public storage warehouses (There shall be no tax levied  
5906 on gross income of a public storage warehouse derived from the  
5907 temporary storage of tangible personal property in this state  
5908 pending shipping or mailing of the property to another state.);  
5909           Refrigerating equipment repairs;  
5910           Radio or television installing, repairing, or servicing;  
5911           Renting or leasing personal property used within this  
5912 state;  
5913           Services performed in connection with geophysical  
5914 surveying, exploring, developing, drilling, producing,  
5915 distributing, or testing of oil, gas, water and other mineral  
5916 resources;  
5917           Shoe repairing;  
5918           Storage lockers;



5919 Telephone answering or paging services;  
5920 Termite or pest control services;  
5921 Tin and sheet metal shops;  
5922 TV cable systems, subscription TV services, and other  
5923 similar activities;  
5924 Vulcanizing, repairing or recapping of tires or tubes;  
5925 Welding; and  
5926 Woodworking or wood turning shops.

5927 Income from services taxed herein performed for electric  
5928 power associations in the ordinary and necessary operation of  
5929 their generating or distribution systems shall be taxed at the  
5930 rate of one percent (1%).

5931 Income from services taxed herein performed on materials for  
5932 use in track or track structures to a railroad whose rates are  
5933 fixed by the Interstate Commerce Commission or the Mississippi  
5934 Public Service Commission shall be taxed at the rate of three  
5935 percent (3%).

5936 Income from renting or leasing tangible personal property  
5937 used within this state shall be taxed at the same rates as sales  
5938 of the same property.

5939 Persons doing business in this state who rent transportation  
5940 equipment with a situs within or without the state to common,  
5941 contract or private commercial carriers are taxed on that part of  
5942 the income derived from use within this state. If specific



5943 accounting is impracticable, a formula may be used with approval  
5944 of the commissioner.

5945 A lessor may deduct from the tax computed on the rental  
5946 income from tangible personal property a credit for sales or use  
5947 tax paid to this state at the time of purchase of the specific  
5948 personal property being leased or rented until such credit has  
5949 been exhausted.

5950 Charges for custom processing and repairing services may be  
5951 excluded from gross taxable income when the property on which the  
5952 service was performed is delivered to the customer in another  
5953 state either by common carrier or in the seller's equipment.

5954 When a taxpayer performs unitary services covered by this  
5955 section, which are performed both in intrastate and interstate  
5956 commerce, the commissioner is hereby invested with authority to  
5957 formulate in each particular case and to fix for such taxpayer in  
5958 each instance formulae of apportionment which will apportion to  
5959 this state, for taxation, that portion of the services which are  
5960 performed within the State of Mississippi.

5961 **SECTION 46.** Section 27-65-25, Mississippi Code of 1972, is  
5962 brought forward as follows:

5963 27-65-25. Upon every person engaging or continuing within  
5964 this state in the business of selling alcoholic beverages, the  
5965 sales of which are legal under the provisions of Chapter 1 of  
5966 Title 67, Mississippi Code of 1972, there is hereby levied,  
5967 assessed and shall be collected a tax equal to seven percent (7%)





5968 of the gross proceeds of the retail sales of the business. All  
5969 sales at wholesale to retailers shall be taxed at the same rate as  
5970 provided in this section for retail sales. A retailer in  
5971 computing the tax on sales may take credit for the amount of the  
5972 tax paid to the wholesaler at the rates provided herein and remit  
5973 the difference to the commissioner, provided adequate records and  
5974 all invoices are maintained to substantiate the credit claimed.

5975 **SECTION 47.** Section 27-65-26, Mississippi Code of 1972, is  
5976 brought forward as follows:

5977 27-65-26. (1) Upon every person engaging or continuing  
5978 within this state in the business of selling, renting or leasing  
5979 specified digital products, there shall be levied, assessed and  
5980 shall be collected a tax equal to seven percent (7%) of the gross  
5981 income of the business. The sale of a digital code that allows  
5982 the purchaser to obtain a specified digital product shall be taxed  
5983 in the same manner as the sale of a specified digital product.

5984 The tax is imposed when:

- 5985 (a) The sale is to an end user;
- 5986 (b) The seller grants the right of permanent or less  
5987 than permanent use of the products transferred electronically; or
- 5988 (c) The sale is conditioned or not conditioned upon  
5989 continued payment.

5990 (2) Charges by one (1) specified digital products provider  
5991 to another specified digital products provider holding a permit  
5992 issued under Section 27-65-27 for services that are resold by such



5993 other specified digital products provider shall not be subject to  
5994 the tax levied pursuant to this section.

5995 (3) For purposes of this section:

5996 (a) "Specified digital products" means electronically  
5997 transferred digital audio-visual works, digital audio works and  
5998 digital books.

5999 (b) "Digital audio-visual works" means a series of  
6000 related images which, when shown in succession, impart an  
6001 impression of motion, together with accompanying sounds, if any.

6002 (c) "Digital audio works" means works that result from  
6003 the fixation of a series of musical, spoken or other sounds,  
6004 including ringtones. "Ringtones" means digitized sound files that  
6005 are downloaded onto a device and that may be used to alert the  
6006 customer with respect to a communication.

6007 (d) "Digital books" means works that are generally  
6008 recognized in the ordinary and usual sense as "books."

6009 (e) "Electronically transferred" means obtained by the  
6010 purchaser by means other than tangible storage media.

6011 (f) "End user" means any person other than a person who  
6012 receives by contract a product transferred electronically for  
6013 further commercial broadcast, rebroadcast, transmission,  
6014 retransmission, licensing, relicensing, distribution,  
6015 redistribution or exhibition of the product, in whole or in part,  
6016 to another person or persons.



6017 (g) "Permanent use" means for purposes of this section  
6018 for perpetual or for an indefinite or unspecified length of time.

6019 (h) "Digital code" means a code that permits a  
6020 purchaser to obtain a specified digital product at a later date.

6021 **SECTION 48.** Section 27-65-101, Mississippi Code of 1972, is  
6022 brought forward as follows:

6023 27-65-101. (1) The exemptions from the provisions of this  
6024 chapter which are of an industrial nature or which are more  
6025 properly classified as industrial exemptions than any other  
6026 exemption classification of this chapter shall be confined to  
6027 those persons or property exempted by this section or by the  
6028 provisions of the Constitution of the United States or the State  
6029 of Mississippi. No industrial exemption as now provided by any  
6030 other section except Section 57-3-33 shall be valid as against the  
6031 tax herein levied. Any subsequent industrial exemption from the  
6032 tax levied hereunder shall be provided by amendment to this  
6033 section. No exemption provided in this section shall apply to  
6034 taxes levied by Section 27-65-15 or 27-65-21.

6035 The tax levied by this chapter shall not apply to the  
6036 following:

6037 (a) Sales of boxes, crates, cartons, cans, bottles and  
6038 other packaging materials to manufacturers and wholesalers for use  
6039 as containers or shipping materials to accompany goods sold by  
6040 said manufacturers or wholesalers where possession thereof will  
6041 pass to the customer at the time of sale of the goods contained



6042 therein and sales to anyone of containers or shipping materials  
6043 for use in ships engaged in international commerce.

6044 (b) Sales of raw materials, catalysts, processing  
6045 chemicals, welding gases or other industrial processing gases  
6046 (except natural gas) to a manufacturer for use directly in  
6047 manufacturing or processing a product for sale or rental or  
6048 repairing or reconditioning vessels or barges of fifty (50) tons  
6049 load displacement and over. For the purposes of this exemption,  
6050 electricity used directly in the electrolysis process in the  
6051 production of sodium chlorate shall be considered a raw material.  
6052 This exemption shall not apply to any property used as fuel except  
6053 to the extent that such fuel comprises by-products which have no  
6054 market value.

6055 (c) The gross proceeds of sales of dry docks, offshore  
6056 drilling equipment for use in oil or natural gas exploration or  
6057 production, vessels or barges of fifty (50) tons load displacement  
6058 and over, when the vessels or barges are sold by the manufacturer  
6059 or builder thereof. In addition to other types of equipment,  
6060 offshore drilling equipment for use in oil or natural gas  
6061 exploration or production shall include aircraft used  
6062 predominately to transport passengers or property to or from  
6063 offshore oil or natural gas exploration or production platforms or  
6064 vessels, and engines, accessories and spare parts for such  
6065 aircraft.



6066           (d) Sales to commercial fishermen of commercial fishing  
6067 boats of over five (5) tons load displacement and not more than  
6068 fifty (50) tons load displacement as registered with the United  
6069 States Coast Guard and licensed by the Mississippi Commission on  
6070 Marine Resources.

6071           (e) The gross income from repairs to vessels and barges  
6072 engaged in foreign trade or interstate transportation.

6073           (f) Sales of petroleum products to vessels or barges  
6074 for consumption in marine international commerce or interstate  
6075 transportation businesses.

6076           (g) Sales and rentals of rail rolling stock (and  
6077 component parts thereof) for ultimate use in interstate commerce  
6078 and gross income from services with respect to manufacturing,  
6079 repairing, cleaning, altering, reconditioning or improving such  
6080 rail rolling stock (and component parts thereof).

6081           (h) Sales of raw materials, catalysts, processing  
6082 chemicals, welding gases or other industrial processing gases  
6083 (except natural gas) used or consumed directly in manufacturing,  
6084 repairing, cleaning, altering, reconditioning or improving such  
6085 rail rolling stock (and component parts thereof). This exemption  
6086 shall not apply to any property used as fuel.

6087           (i) Sales of machinery or tools or repair parts  
6088 therefor or replacements thereof, fuel or supplies used directly  
6089 in manufacturing, converting or repairing ships, vessels or barges  
6090 of three thousand (3,000) tons load displacement and over, but not



6091 to include office and plant supplies or other equipment not  
6092 directly used on the ship, vessel or barge being built, converted  
6093 or repaired. For purposes of this exemption, "ships, vessels or  
6094 barges" shall not include floating structures described in Section  
6095 27-65-18.

6096 (j) Sales of tangible personal property to persons  
6097 operating ships in international commerce for use or consumption  
6098 on board such ships. This exemption shall be limited to cases in  
6099 which procedures satisfactory to the commissioner, ensuring  
6100 against use in this state other than on such ships, are  
6101 established.

6102 (k) Sales of materials used in the construction of a  
6103 building, or any addition or improvement thereon, and sales of any  
6104 machinery and equipment not later than three (3) months after the  
6105 completion of construction of the building, or any addition  
6106 thereon, to be used therein, to qualified businesses, as defined  
6107 in Section 57-51-5, which are located in a county or portion  
6108 thereof designated as an enterprise zone pursuant to Sections  
6109 57-51-1 through 57-51-15.

6110 (l) Sales of materials used in the construction of a  
6111 building, or any addition or improvement thereon, and sales of any  
6112 machinery and equipment not later than three (3) months after the  
6113 completion of construction of the building, or any addition  
6114 thereon, to be used therein, to qualified businesses, as defined  
6115 in Section 57-54-5.



6116 (m) Income from storage and handling of perishable  
6117 goods by a public storage warehouse.

6118 (n) The value of natural gas lawfully injected into the  
6119 earth for cycling, repressuring or lifting of oil, or lawfully  
6120 vented or flared in connection with the production of oil;  
6121 however, if any gas so injected into the earth is sold for such  
6122 purposes, then the gas so sold shall not be exempt.

6123 (o) The gross collections from self-service commercial  
6124 laundering, drying, cleaning and pressing equipment.

6125 (p) Sales of materials used in the construction of a  
6126 building, or any addition or improvement thereon, and sales of any  
6127 machinery and equipment not later than three (3) months after the  
6128 completion of construction of the building, or any addition  
6129 thereon, to be used therein, to qualified companies, certified as  
6130 such by the Mississippi Development Authority under Section  
6131 57-53-1.

6132 (q) Sales of component materials used in the  
6133 construction of a building, or any addition or improvement  
6134 thereon, sales of machinery and equipment to be used therein, and  
6135 sales of manufacturing or processing machinery and equipment which  
6136 is permanently attached to the ground or to a permanent foundation  
6137 and which is not by its nature intended to be housed within a  
6138 building structure, not later than three (3) months after the  
6139 initial start-up date, to permanent business enterprises engaging  
6140 in manufacturing or processing in Tier Three areas (as such term



6141 is defined in Section 57-73-21), which businesses are certified by  
6142 the Department of Revenue as being eligible for the exemption  
6143 granted in this paragraph (q).

6144 (r) (i) Sales of component materials used in the  
6145 construction of a building, or any addition or improvement  
6146 thereon, and sales of any machinery and equipment not later than  
6147 three (3) months after the completion of the building, addition or  
6148 improvement thereon, to be used therein, for any company  
6149 establishing or transferring its national or regional headquarters  
6150 from within or outside the State of Mississippi and creating a  
6151 minimum of twenty (20) jobs at the new headquarters in this state.  
6152 The Department of Revenue shall establish criteria and prescribe  
6153 procedures to determine if a company qualifies as a national or  
6154 regional headquarters for the purpose of receiving the exemption  
6155 provided in this subparagraph (i).

6156 (ii) Sales of component materials used in the  
6157 construction of a building, or any addition or improvement  
6158 thereon, and sales of any machinery and equipment not later than  
6159 three (3) months after the completion of the building, addition or  
6160 improvement thereon, to be used therein, for any company expanding  
6161 or making additions after January 1, 2013, to its national or  
6162 regional headquarters within the State of Mississippi and creating  
6163 a minimum of twenty (20) new jobs at the headquarters as a result  
6164 of the expansion or additions. The Department of Revenue shall  
6165 establish criteria and prescribe procedures to determine if a





6166 company qualifies as a national or regional headquarters for the  
6167 purpose of receiving the exemption provided in this subparagraph  
6168 (ii).

6169 (s) The gross proceeds from the sale of semitrailers,  
6170 trailers, boats, travel trailers, motorcycles, all-terrain cycles  
6171 and rotary-wing aircraft if exported from this state within  
6172 forty-eight (48) hours and registered and first used in another  
6173 state.

6174 (t) Gross income from the storage and handling of  
6175 natural gas in underground salt domes and in other underground  
6176 reservoirs, caverns, structures and formations suitable for such  
6177 storage.

6178 (u) Sales of machinery and equipment to nonprofit  
6179 organizations if the organization:

6180 (i) Is tax exempt pursuant to Section 501(c)(4) of  
6181 the Internal Revenue Code of 1986, as amended;

6182 (ii) Assists in the implementation of the  
6183 contingency plan or area contingency plan, and which is created in  
6184 response to the requirements of Title IV, Subtitle B of the Oil  
6185 Pollution Act of 1990, Public Law 101-380; and

6186 (iii) Engages primarily in programs to contain,  
6187 clean up and otherwise mitigate spills of oil or other substances  
6188 occurring in the United States coastal and tidal waters.

6189 For purposes of this exemption, "machinery and equipment"  
6190 means any ocean-going vessels, barges, booms, skimmers and other



6191 capital equipment used primarily in the operations of nonprofit  
6192 organizations referred to herein.

6193 (v) Sales or leases of materials and equipment to  
6194 approved business enterprises as provided under the Growth and  
6195 Prosperity Act.

6196 (w) From and after July 1, 2001, sales of pollution  
6197 control equipment to manufacturers or custom processors for  
6198 industrial use. For the purposes of this exemption, "pollution  
6199 control equipment" means equipment, devices, machinery or systems  
6200 used or acquired to prevent, control, monitor or reduce air, water  
6201 or groundwater pollution, or solid or hazardous waste as required  
6202 by federal or state law or regulation.

6203 (x) Sales or leases to a manufacturer of motor vehicles  
6204 or powertrain components operating a project that has been  
6205 certified by the Mississippi Major Economic Impact Authority as a  
6206 project as defined in Section 57-75-5(f)(iv)1, Section  
6207 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
6208 equipment; special tooling such as dies, molds, jigs and similar  
6209 items treated as special tooling for federal income tax purposes;  
6210 or repair parts therefor or replacements thereof; repair services  
6211 thereon; fuel, supplies, electricity, coal and natural gas used  
6212 directly in the manufacture of motor vehicles or motor vehicle  
6213 parts or used to provide climate control for manufacturing areas.

6214 (y) Sales or leases of component materials, machinery  
6215 and equipment used in the construction of a building, or any



6216 addition or improvement thereon to an enterprise operating a  
6217 project that has been certified by the Mississippi Major Economic  
6218 Impact Authority as a project as defined in Section  
6219 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
6220 or Section 57-75-5(f)(xxviii) and any other sales or leases  
6221 required to establish or operate such project.

6222 (z) Sales of component materials and equipment to a  
6223 business enterprise as provided under Section 57-64-33.

6224 (aa) The gross income from the stripping and painting  
6225 of commercial aircraft engaged in foreign or interstate  
6226 transportation business.

6227 (bb) [Repealed]

6228 (cc) Sales or leases to an enterprise owning or  
6229 operating a project that has been designated by the Mississippi  
6230 Major Economic Impact Authority as a project as defined in Section  
6231 57-75-5(f)(xviii) of machinery and equipment; special tooling such  
6232 as dies, molds, jigs and similar items treated as special tooling  
6233 for federal income tax purposes; or repair parts therefor or  
6234 replacements thereof; repair services thereon; fuel, supplies,  
6235 electricity, coal and natural gas used directly in the  
6236 manufacturing/production operations of the project or used to  
6237 provide climate control for manufacturing/production areas.

6238 (dd) Sales or leases of component materials, machinery  
6239 and equipment used in the construction of a building, or any  
6240 addition or improvement thereon to an enterprise owning or



6241 operating a project that has been designated by the Mississippi  
6242 Major Economic Impact Authority as a project as defined in Section  
6243 57-75-5(f) (xviii) and any other sales or leases required to  
6244 establish or operate such project.

6245 (ee) Sales of parts used in the repair and servicing of  
6246 aircraft not registered in Mississippi engaged exclusively in the  
6247 business of foreign or interstate transportation to businesses  
6248 engaged in aircraft repair and maintenance.

6249 (ff) Sales of component materials used in the  
6250 construction of a facility, or any addition or improvement  
6251 thereon, and sales or leases of machinery and equipment not later  
6252 than three (3) months after the completion of construction of the  
6253 facility, or any addition or improvement thereto, to be used in  
6254 the building or any addition or improvement thereto, to a  
6255 permanent business enterprise operating a data/information  
6256 enterprise in Tier Three areas (as such areas are designated in  
6257 accordance with Section 57-73-21), meeting minimum criteria  
6258 established by the Mississippi Development Authority.

6259 (gg) Sales of component materials used in the  
6260 construction of a facility, or any addition or improvement  
6261 thereto, and sales of machinery and equipment not later than three  
6262 (3) months after the completion of construction of the facility,  
6263 or any addition or improvement thereto, to be used in the facility  
6264 or any addition or improvement thereto, to technology intensive  
6265 enterprises for industrial purposes in Tier Three areas (as such



6266 areas are designated in accordance with Section 57-73-21), as  
6267 certified by the Department of Revenue. For purposes of this  
6268 paragraph, an enterprise must meet the criteria provided for in  
6269 Section 27-65-17(1)(f) in order to be considered a technology  
6270 intensive enterprise.

6271 (hh) Sales of component materials used in the  
6272 replacement, reconstruction or repair of a building or facility  
6273 that has been destroyed or sustained extensive damage as a result  
6274 of a disaster declared by the Governor, sales of machinery and  
6275 equipment to be used therein to replace machinery or equipment  
6276 damaged or destroyed as a result of such disaster, including, but  
6277 not limited to, manufacturing or processing machinery and  
6278 equipment which is permanently attached to the ground or to a  
6279 permanent foundation and which is not by its nature intended to be  
6280 housed within a building structure, to enterprises or companies  
6281 that were eligible for the exemptions authorized in paragraph (q),  
6282 (r), (ff) or (gg) of this subsection during initial construction  
6283 of the building that was destroyed or damaged, which enterprises  
6284 or companies are certified by the Department of Revenue as being  
6285 eligible for the exemption granted in this paragraph.

6286 (ii) Sales of software or software services transmitted  
6287 by the Internet to a destination outside the State of Mississippi  
6288 where the first use of such software or software services by the  
6289 purchaser occurs outside the State of Mississippi.



6290 (jj) Gross income of public storage warehouses derived  
6291 from the temporary storage of raw materials that are to be used in  
6292 an eligible facility as defined in Section 27-7-22.35.

6293 (kk) Sales of component building materials and  
6294 equipment for initial construction of facilities or expansion of  
6295 facilities as authorized under Sections 57-113-1 through 57-113-7  
6296 and Sections 57-113-21 through 57-113-27.

6297 (ll) Sales and leases of machinery and equipment  
6298 acquired in the initial construction to establish facilities as  
6299 authorized in Sections 57-113-1 through 57-113-7.

6300 (mm) Sales and leases of replacement hardware, software  
6301 or other necessary technology to operate a data center as  
6302 authorized under Sections 57-113-21 through 57-113-27.

6303 (nn) Sales of component materials used in the  
6304 construction of a building, or any addition or improvement  
6305 thereon, and sales or leases of machinery and equipment not later  
6306 than three (3) months after the completion of the construction of  
6307 the facility, to be used in the facility, to permanent business  
6308 enterprises operating a facility producing renewable crude oil  
6309 from biomass harvested or produced, in whole or in part, in  
6310 Mississippi, which businesses meet minimum criteria established by  
6311 the Mississippi Development Authority. As used in this paragraph,  
6312 the term "biomass" shall have the meaning ascribed to such term in  
6313 Section 57-113-1.



6314           (oo) Sales of supplies, equipment and other personal  
6315 property to an organization that is exempt from taxation under  
6316 Section 501(c)(3) of the Internal Revenue Code and is the host  
6317 organization coordinating a professional golf tournament played or  
6318 to be played in this state and the supplies, equipment or other  
6319 personal property will be used for purposes related to the golf  
6320 tournament and related activities.

6321           (pp) Sales of materials used in the construction of a  
6322 health care industry facility, as defined in Section 57-117-3, or  
6323 any addition or improvement thereon, and sales of any machinery  
6324 and equipment not later than three (3) months after the completion  
6325 of construction of the facility, or any addition thereon, to be  
6326 used therein, to qualified businesses, as defined in Section  
6327 57-117-3. This paragraph shall be repealed from and after July 1,  
6328 2022.

6329           (qq) Sales or leases to a manufacturer of automotive  
6330 parts operating a project that has been certified by the  
6331 Mississippi Major Economic Impact Authority as a project as  
6332 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;  
6333 or repair parts therefor or replacements thereof; repair services  
6334 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
6335 gas used directly in the manufacture of automotive parts or used  
6336 to provide climate control for manufacturing areas.

6337           (rr) Gross collections derived from guided tours on any  
6338 navigable waters of this state, which include providing



6339 accommodations, guide services and/or related equipment operated  
6340 by or under the direction of the person providing the tour, for  
6341 the purposes of outdoor tourism. The exemption provided in this  
6342 paragraph (rr) does not apply to the sale of tangible personal  
6343 property by a person providing such tours.

6344 (ss) Retail sales of truck-tractors and semitrailers  
6345 used in interstate commerce and registered under the International  
6346 Registration Plan (IRP) or any similar reciprocity agreement or  
6347 compact relating to the proportional registration of commercial  
6348 vehicles entered into as provided for in Section 27-19-143.

6349 (tt) Sales exempt under the Facilitating Business Rapid  
6350 Response to State Declared Disasters Act of 2015 (Sections  
6351 27-113-1 through 27-113-9).

6352 (uu) Sales or leases to an enterprise and its  
6353 affiliates operating a project that has been certified by the  
6354 Mississippi Major Economic Impact Authority as a project as  
6355 defined in Section 57-75-5(f)(xxix) of:

6356 (i) All personal property and fixtures, including  
6357 without limitation, sales or leases to the enterprise and its  
6358 affiliates of:

- 6359 1. Manufacturing machinery and equipment;  
6360 2. Special tooling such as dies, molds, jigs  
6361 and similar items treated as special tooling for federal income  
6362 tax purposes;





6363                   3. Component building materials, machinery  
6364 and equipment used in the construction of buildings, and any other  
6365 additions or improvements to the project site for the project;

6366                   4. Nonmanufacturing furniture, fixtures and  
6367 equipment (inclusive of all communications, computer, server,  
6368 software and other hardware equipment); and

6369                   5. Fuel, supplies (other than  
6370 nonmanufacturing consumable supplies and water), electricity,  
6371 nitrogen gas and natural gas used directly in the  
6372 manufacturing/production operations of such project or used to  
6373 provide climate control for manufacturing/production areas of such  
6374 project;

6375                   (ii) All replacements of, repair parts for or  
6376 services to repair items described in subparagraph (i)1, 2 and 3  
6377 of this paragraph; and

6378                   (iii) All services taxable pursuant to Section  
6379 27-65-23 required to establish, support, operate, repair and/or  
6380 maintain such project.

6381                   (vv) Sales or leases to an enterprise operating a  
6382 project that has been certified by the Mississippi Major Economic  
6383 Impact Authority as a project as defined in Section  
6384 57-75-5(f) (xxx) of:

6385                   (i) Purchases required to establish and operate  
6386 the project, including, but not limited to, sales of component  
6387 building materials, machinery and equipment required to establish



6388 the project facility and any additions or improvements thereon;  
6389 and

6390 (ii) Machinery, special tools (such as dies,  
6391 molds, and jigs) or repair parts thereof, or replacements and  
6392 lease thereof, repair services thereon, fuel, supplies and  
6393 electricity, coal and natural gas used in the manufacturing  
6394 process and purchased by the enterprise owning or operating the  
6395 project for the benefit of the project.

6396 (ww) Sales of component materials used in the  
6397 construction of a building, or any expansion or improvement  
6398 thereon, sales of machinery and/or equipment to be used therein,  
6399 and sales of processing machinery and equipment which is  
6400 permanently attached to the ground or to a permanent foundation  
6401 which is not by its nature intended to be housed in a building  
6402 structure, no later than three (3) months after initial startup,  
6403 expansion or improvement of a permanent enterprise solely engaged  
6404 in the conversion of natural sand into proppants used in oil and  
6405 gas exploration and development with at least ninety-five percent  
6406 (95%) of such proppants used in the production of oil and/or gas  
6407 from horizontally drilled wells and/or horizontally drilled  
6408 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6409 (2) Sales of component materials used in the construction of  
6410 a building, or any addition or improvement thereon, sales of  
6411 machinery and equipment to be used therein, and sales of  
6412 manufacturing or processing machinery and equipment which is



6413 permanently attached to the ground or to a permanent foundation  
6414 and which is not by its nature intended to be housed within a  
6415 building structure, not later than three (3) months after the  
6416 initial start-up date, to permanent business enterprises engaging  
6417 in manufacturing or processing in Tier Two areas and Tier One  
6418 areas (as such areas are designated in accordance with Section  
6419 57-73-21), which businesses are certified by the Department of  
6420 Revenue as being eligible for the exemption granted in this  
6421 subsection, shall be exempt from one-half (1/2) of the taxes  
6422 imposed on such transactions under this chapter.

6423         (3) Sales of component materials used in the construction of  
6424 a facility, or any addition or improvement thereon, and sales or  
6425 leases of machinery and equipment not later than three (3) months  
6426 after the completion of construction of the facility, or any  
6427 addition or improvement thereto, to be used in the building or any  
6428 addition or improvement thereto, to a permanent business  
6429 enterprise operating a data/information enterprise in Tier Two  
6430 areas and Tier One areas (as such areas are designated in  
6431 accordance with Section 57-73-21), which businesses meet minimum  
6432 criteria established by the Mississippi Development Authority,  
6433 shall be exempt from one-half (1/2) of the taxes imposed on such  
6434 transaction under this chapter.

6435         (4) Sales of component materials used in the construction of  
6436 a facility, or any addition or improvement thereto, and sales of  
6437 machinery and equipment not later than three (3) months after the



6438 completion of construction of the facility, or any addition or  
6439 improvement thereto, to be used in the building or any addition or  
6440 improvement thereto, to technology intensive enterprises for  
6441 industrial purposes in Tier Two areas and Tier One areas (as such  
6442 areas are designated in accordance with Section 57-73-21), which  
6443 businesses are certified by the Department of Revenue as being  
6444 eligible for the exemption granted in this subsection, shall be  
6445 exempt from one-half (1/2) of the taxes imposed on such  
6446 transactions under this chapter. For purposes of this subsection,  
6447 an enterprise must meet the criteria provided for in Section  
6448 27-65-17(1)(f) in order to be considered a technology intensive  
6449 enterprise.

6450 (5) (a) For purposes of this subsection:

6451 (i) "Telecommunications enterprises" shall have  
6452 the meaning ascribed to such term in Section 57-73-21;

6453 (ii) "Tier One areas" mean counties designated as  
6454 Tier One areas pursuant to Section 57-73-21;

6455 (iii) "Tier Two areas" mean counties designated as  
6456 Tier Two areas pursuant to Section 57-73-21;

6457 (iv) "Tier Three areas" mean counties designated  
6458 as Tier Three areas pursuant to Section 57-73-21; and

6459 (v) "Equipment used in the deployment of broadband  
6460 technologies" means any equipment capable of being used for or in  
6461 connection with the transmission of information at a rate, prior  
6462 to taking into account the effects of any signal degradation, that



6463 is not less than three hundred eighty-four (384) kilobits per  
6464 second in at least one (1) direction, including, but not limited  
6465 to, asynchronous transfer mode switches, digital subscriber line  
6466 access multiplexers, routers, servers, multiplexers, fiber optics  
6467 and related equipment.

6468 (b) Sales of equipment to telecommunications  
6469 enterprises after June 30, 2003, and before July 1, 2025, that is  
6470 installed in Tier One areas and used in the deployment of  
6471 broadband technologies shall be exempt from one-half (1/2) of the  
6472 taxes imposed on such transactions under this chapter.

6473 (c) Sales of equipment to telecommunications  
6474 enterprises after June 30, 2003, and before July 1, 2025, that is  
6475 installed in Tier Two and Tier Three areas and used in the  
6476 deployment of broadband technologies shall be exempt from the  
6477 taxes imposed on such transactions under this chapter.

6478 (6) Sales of component materials used in the replacement,  
6479 reconstruction or repair of a building that has been destroyed or  
6480 sustained extensive damage as a result of a disaster declared by  
6481 the Governor, sales of machinery and equipment to be used therein  
6482 to replace machinery or equipment damaged or destroyed as a result  
6483 of such disaster, including, but not limited to, manufacturing or  
6484 processing machinery and equipment which is permanently attached  
6485 to the ground or to a permanent foundation and which is not by its  
6486 nature intended to be housed within a building structure, to  
6487 enterprises that were eligible for the partial exemptions provided



6488 for in subsections (2), (3) and (4) of this section during initial  
6489 construction of the building that was destroyed or damaged, which  
6490 enterprises are certified by the Department of Revenue as being  
6491 eligible for the partial exemption granted in this subsection,  
6492 shall be exempt from one-half (1/2) of the taxes imposed on such  
6493 transactions under this chapter.

6494         **SECTION 49.** Section 27-65-103, Mississippi Code of 1972, is  
6495 brought forward as follows:

6496         27-65-103. The exemptions from the provisions of this  
6497 chapter which are of an agricultural nature or which are more  
6498 properly classified as agricultural exemptions than any other  
6499 exemption classification of this chapter shall be confined to  
6500 those persons or property exempted by this section or by  
6501 provisions of the Constitution of the United States or the State  
6502 of Mississippi. No agricultural exemption as now provided by any  
6503 other section shall be valid as against the tax herein levied.  
6504 Any subsequent agricultural exemption from the tax levied  
6505 hereunder shall be provided by amendment to this section.

6506         No exemption provided in this section shall apply to taxes  
6507 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6508         The tax levied by this chapter shall not apply to the  
6509 following:

6510                 (a) The gross proceeds of sales of lint cotton, seed  
6511 cotton, baled cotton, whether compressed or not, and cottonseed  
6512 and soybeans in their original condition. Retail sales of seeds,



6513 livestock feed, poultry feed, fish feed and fertilizers. Sales of  
6514 defoliants, insecticides, fungicides, herbicides and baby chicks  
6515 used in growing agricultural products for market. Bagging and  
6516 ties for baling cotton, hay-baling wire and twine, boxes, bags and  
6517 cans used in growing or preparing agricultural products for market  
6518 when possession thereof will pass to the customer at the time of  
6519 sale of the product contained therein. Sales of ice to commercial  
6520 fishermen purchased for use in the preservation of seafood or to  
6521 producers for use in the refrigeration of vegetables for market.

6522 (b) The sales by producers of livestock, poultry, fish,  
6523 honey bees or other products of farm, grove, apiary or garden when  
6524 such products are sold in the original state or condition of  
6525 preparation for sale before such products are subjected to any  
6526 other process within a class of business or sold by a producer  
6527 through an established store, as defined in the Privilege Tax Law.  
6528 However, except as otherwise provided in this paragraph (b), this  
6529 exemption shall not apply to ornamental plants which bear no fruit  
6530 of commercial value. The exemption provided in this paragraph (b)  
6531 shall apply to Christmas trees, hay, straw, fresh cut flowers and  
6532 similar products when (i) grown in Mississippi and (ii) cut,  
6533 severed or otherwise removed from the farm, grove, garden or other  
6534 place of production and first sold from such place of production  
6535 in the original state or condition of preparation for sale. All  
6536 sales by agricultural cooperative associations organized under  
6537 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title



6538 79, Mississippi Code of 1972, of agricultural products produced by  
6539 members for market before such products are subjected to any  
6540 manufacturing process.

6541 (c) The gross proceeds of retail sales of mules,  
6542 horses, honey bees and other livestock.

6543 (d) Income from grading, excavating, ditching, dredging  
6544 or landscaping activities performed for a farmer on a farm for  
6545 agricultural or soil erosion purposes.

6546 (e) The gross proceeds of sales of all antibiotics,  
6547 hormones and hormone preparations, drugs, medicines and other  
6548 medications including serums and vaccines, vitamins, minerals or  
6549 other nutrients for use in the production and growing of fish,  
6550 livestock, honey bees and poultry by whomever sold. Such  
6551 exemption shall be in addition to the exemption provided in this  
6552 section for feed for fish, livestock, honey bees and poultry.

6553 (f) Sales of food products and honey that are grown,  
6554 made or processed in Mississippi and sold from farmers' markets  
6555 that have been certified by the Mississippi Department of  
6556 Agriculture and Commerce.

6557 **SECTION 50.** Section 27-65-105, Mississippi Code of 1972, is  
6558 brought forward as follows:

6559 27-65-105. The exemption from the provisions of this chapter  
6560 which are of a governmental nature or which are more properly  
6561 classified as governmental exemptions than any other exemption  
6562 classification of this chapter shall be confined to those persons





6563 or property exempted by this section or by provisions of the  
6564 Constitutions of the United States or the State of Mississippi.  
6565 No governmental exemption as now provided by any other section  
6566 shall be valid as against the tax herein levied. Any subsequent  
6567 governmental exemption from the tax levied hereunder shall be  
6568 provided by amendment to this section.

6569 No exemption provided in this section shall apply to taxes  
6570 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,  
6571 except as provided by paragraph (f) of this section.

6572 The tax levied by this chapter shall not apply to the  
6573 following:

6574 (a) Sales of property, labor, services or products  
6575 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,  
6576 when sold to and billed directly to and payment therefor is made  
6577 directly by the United States government, the State of Mississippi  
6578 and its departments, institutions, counties and municipalities or  
6579 departments or school districts of said counties and  
6580 municipalities.

6581 The exemption from the tax imposed under this chapter shall  
6582 not apply to sales of tangible personal property or specified  
6583 digital products, labor or services to contractors purchasing in  
6584 the performance of contracts with the United States, the State of  
6585 Mississippi, counties and municipalities.

6586 (b) Sales to schools, when such schools are supported  
6587 wholly or in part by funds provided by the State of Mississippi,



6588 provided that this exemption does not apply to sales of property  
6589 which is not to be used in the ordinary operation of the school,  
6590 or which is to be resold to the students or the public.

6591 (c) Amounts received from the sale of school textbooks  
6592 to students.

6593 (d) Sales to the Mississippi Band of Choctaw Indians,  
6594 but not to Indians individually.

6595 (e) Sales of firefighting equipment to governmental  
6596 fire departments or volunteer fire departments for their use.

6597 (f) Sales of any gas from any project, as defined in  
6598 the Municipal Gas Authority of Mississippi Law, to any  
6599 municipality shall not be subject to sales, use or other tax.

6600 (g) Sales of home medical equipment and home medical  
6601 supplies listed as eligible for payment under Title XVIII of the  
6602 Social Security Act or under the state plan for medical assistance  
6603 under Title XIX of the Social Security Act, prosthetics,  
6604 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
6605 oxygen and oxygen equipment, when ordered or prescribed by a  
6606 licensed physician for medical purposes of a patient, and when  
6607 payment for such equipment or supplies, or both, is made, in part  
6608 or in whole, under the provisions of the Medicare or Medicaid  
6609 program, then the entire sale shall be exempt from the taxes  
6610 imposed by this chapter. Payment does not have to be made, in  
6611 whole or in part by any particular person to be eligible for this  
6612 exemption. Purchases of home medical equipment and supplies by a



6613 provider of home health services or a provider of hospice services  
6614 are eligible for this exemption if the purchases otherwise meet  
6615 the requirements of this paragraph.

6616 (h) Sales to regional educational service agencies  
6617 established under Section 37-7-345.

6618 (i) Sales of buses and other motor vehicles, and parts  
6619 and labor used to maintain and/or repair such buses and motor  
6620 vehicles, to an entity that (a) has entered into a contract with a  
6621 school board under Section 37-41-31 for the purpose of  
6622 transporting students to and from schools and (b) uses or will use  
6623 the buses and other motor vehicles for such transportation  
6624 purposes. This paragraph (i) shall apply to contracts entered  
6625 into or renewed on or after July 1, 2010.

6626 (j) Parking at events held solely for religious or  
6627 charitable purposes at livestock facilities, agriculture  
6628 facilities or other facilities constructed, renovated or expanded  
6629 with funds for the grant program authorized under Section 18,  
6630 Chapter 530, Laws of 1995.

6631 (k) Sales of tangible personal property, labor,  
6632 services or products to schools and school districts under a  
6633 program that is administered by or coordinated with an agency,  
6634 commission, department or other instrumentality of the United  
6635 States government when payment for the tangible personal property,  
6636 labor, services or products is made by or through a nonprofit  
6637 organization or other entity established by or for the benefit of



6638 the agency, commission, department or other instrumentality of the  
6639 United States government administering or coordinating such  
6640 program.

6641         **SECTION 51.** Section 27-65-107, Mississippi Code of 1972, is  
6642 brought forward as follows:

6643         27-65-107. The exemptions from the provisions of this  
6644 chapter which relate to utilities or which are more properly  
6645 classified as utility exemptions than any other exemption  
6646 classification of this chapter shall be confined to those persons  
6647 or property exempted by this section or by provisions of the  
6648 Constitutions of the United States or the State of Mississippi.  
6649 No utility exemption as now provided by any other section shall be  
6650 valid as against the tax herein levied. Any subsequent utility  
6651 exemption from the tax levied hereunder shall be provided by  
6652 amendment to this section.

6653         No exemption provided in this section shall apply to taxes  
6654 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6655         The tax levied by this chapter shall not apply to the  
6656 following:

6657                 (a) Sales and rentals of locomotives, rail rolling  
6658 stock and materials for their repair, locomotive water, when made  
6659 to a railroad whose rates are fixed by the Interstate Commerce  
6660 Commission or the Mississippi Public Service Commission.

6661                 (b) Rentals of manufacturing machinery to a  
6662 manufacturer or custom processor where such manufacturer or custom



6663 processor is engaged in, and such machinery is used in, the  
6664 manufacture of containers made from timber or wood for sale. The  
6665 tax, likewise, shall not apply to replacement or repair parts of  
6666 such machinery used in such manufacture.

6667 (c) Sales of tangible personal property and services to  
6668 nonprofit water associations or corporations in which no part of  
6669 the net earnings inures to the benefit of any private shareholder,  
6670 group or individual. Only sales of property or services which are  
6671 ordinary and necessary to the operation of such organizations are  
6672 exempt from tax.

6673 (d) Wholesale sales of tangible personal property for  
6674 resale under Section 27-65-19.

6675 (e) From and after July 1, 2003, sales of fuel used to  
6676 produce electric power by a company primarily engaged in the  
6677 business of producing, generating or distributing electric power  
6678 for sale.

6679 (f) Sales of electricity, current, power, steam, coal,  
6680 natural gas, liquefied petroleum gas or other fuel to a  
6681 manufacturer, custom processor, data center meeting the criteria  
6682 provided for in Section 57-113-21, technology intensive enterprise  
6683 meeting the criteria provided for in Section 27-65-17(1)(f), or  
6684 public service company for industrial purposes, which shall  
6685 include that used to generate electricity, to operate an  
6686 electrical distribution or transmission system, to operate



6687 pipeline compressor or pumping stations, or to operate railroad  
6688 locomotives.

6689 (g) Sales of electricity, current, power, steam, coal,  
6690 natural gas, liquefied petroleum gas or other fuel to a producer  
6691 or processor for use directly in the production of poultry or  
6692 poultry products, the production of livestock and livestock  
6693 products, the production of domesticated fish and domesticated  
6694 fish products, the production of marine aquaculture products, the  
6695 production of plants or food by commercial horticulturists, the  
6696 processing of milk and milk products, the processing of poultry  
6697 and livestock feed, and the irrigation of farm crops.

6698 (h) Sales of electricity, current, power, steam, coal,  
6699 natural gas, liquefied petroleum gas or other fuel to a commercial  
6700 fisherman, shrimper or oysterman.

6701 (i) Sales exempt under the Facilitating Business Rapid  
6702 Response to State Declared Disasters Act of 2015 (Sections  
6703 27-113-1 through 27-113-9).

6704 (j) Sales of electricity, current, power, steam, coal,  
6705 natural gas, liquefied petroleum gas or other fuel to a permanent  
6706 enterprise that is eligible for the exemption authorized in  
6707 Section 27-65-101(1)(ww) upon completion of the expansion upon  
6708 which such exemption is based; however, in order to be eligible  
6709 for the exemption authorized by this paragraph, the expansion  
6710 must:



6711 (i) Create at least eighty-five (85) full-time  
6712 jobs in this state with an average annual wage of at least Sixty  
6713 Thousand Dollars (\$60,000.00); and

6714 (ii) Have at least Eighty Million Dollars  
6715 (\$80,000,000.00) in new investment at the existing facility.

6716 **SECTION 52.** Section 27-65-111, Mississippi Code of 1972, is  
6717 brought forward as follows:

6718 27-65-111. The exemptions from the provisions of this  
6719 chapter which are not industrial, agricultural or governmental, or  
6720 which do not relate to utilities or taxes, or which are not  
6721 properly classified as one (1) of the exemption classifications of  
6722 this chapter, shall be confined to persons or property exempted by  
6723 this section or by the Constitution of the United States or the  
6724 State of Mississippi. No exemptions as now provided by any other  
6725 section, except the classified exemption sections of this chapter  
6726 set forth herein, shall be valid as against the tax herein levied.  
6727 Any subsequent exemption from the tax levied hereunder, except as  
6728 indicated above, shall be provided by amendments to this section.

6729 No exemption provided in this section shall apply to taxes  
6730 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6731 The tax levied by this chapter shall not apply to the  
6732 following:

6733 (a) Sales of tangible personal property and services to  
6734 hospitals or infirmaries owned and operated by a corporation or  
6735 association in which no part of the net earnings inures to the



6736 benefit of any private shareholder, group or individual, and which  
6737 are subject to and governed by Sections 41-7-123 through 41-7-127.

6738         Only sales of tangible personal property or services which  
6739 are ordinary and necessary to the operation of such hospitals and  
6740 infirmaries are exempted from tax.

6741             (b) Sales of daily or weekly newspapers, and  
6742 periodicals or publications of scientific, literary or educational  
6743 organizations exempt from federal income taxation under Section  
6744 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
6745 March 31, 1975, and subscription sales of all magazines.

6746             (c) Sales of coffins, caskets and other materials used  
6747 in the preparation of human bodies for burial.

6748             (d) Sales of tangible personal property for immediate  
6749 export to a foreign country.

6750             (e) Sales of tangible personal property to an  
6751 orphanage, old men's or ladies' home, supported wholly or in part  
6752 by a religious denomination, fraternal nonprofit organization or  
6753 other nonprofit organization.

6754             (f) Sales of tangible personal property, labor or  
6755 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
6756 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
6757 corporation or association in which no part of the net earnings  
6758 inures to the benefit of any private shareholder, group or  
6759 individual.





6760                   (g) Sales to elementary and secondary grade schools,  
6761 junior and senior colleges owned and operated by a corporation or  
6762 association in which no part of the net earnings inures to the  
6763 benefit of any private shareholder, group or individual, and which  
6764 are exempt from state income taxation, provided that this  
6765 exemption does not apply to sales of property or services which  
6766 are not to be used in the ordinary operation of the school, or  
6767 which are to be resold to the students or the public.

6768                   (h) The gross proceeds of retail sales and the use or  
6769 consumption in this state of drugs and medicines:

6770                               (i) Prescribed for the treatment of a human being  
6771 by a person authorized to prescribe the medicines, and dispensed  
6772 or prescription filled by a registered pharmacist in accordance  
6773 with law; or

6774                               (ii) Furnished by a licensed physician, surgeon,  
6775 dentist or podiatrist to his own patient for treatment of the  
6776 patient; or

6777                               (iii) Furnished by a hospital for treatment of any  
6778 person pursuant to the order of a licensed physician, surgeon,  
6779 dentist or podiatrist; or

6780                               (iv) Sold to a licensed physician, surgeon,  
6781 podiatrist, dentist or hospital for the treatment of a human  
6782 being; or

6783                               (v) Sold to this state or any political  
6784 subdivision or municipal corporation thereof, for use in the



6785 treatment of a human being or furnished for the treatment of a  
6786 human being by a medical facility or clinic maintained by this  
6787 state or any political subdivision or municipal corporation  
6788 thereof.

6789 "Medicines," as used in this paragraph (h), shall mean and  
6790 include any substance or preparation intended for use by external  
6791 or internal application to the human body in the diagnosis, cure,  
6792 mitigation, treatment or prevention of disease and which is  
6793 commonly recognized as a substance or preparation intended for  
6794 such use; provided that "medicines" do not include any auditory,  
6795 prosthetic, ophthalmic or ocular device or appliance, any dentures  
6796 or parts thereof or any artificial limbs or their replacement  
6797 parts, articles which are in the nature of splints, bandages,  
6798 pads, compresses, supports, dressings, instruments, apparatus,  
6799 contrivances, appliances, devices or other mechanical, electronic,  
6800 optical or physical equipment or article or the component parts  
6801 and accessories thereof, or any alcoholic beverage or any other  
6802 drug or medicine not commonly referred to as a prescription drug.

6803 Notwithstanding the preceding sentence of this paragraph (h),  
6804 "medicines" as used in this paragraph (h), shall mean and include  
6805 sutures, whether or not permanently implanted, bone screws, bone  
6806 pins, pacemakers and other articles permanently implanted in the  
6807 human body to assist the functioning of any natural organ, artery,  
6808 vein or limb and which remain or dissolve in the body.



6809 "Hospital," as used in this paragraph (h), shall have the  
6810 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
6811 1972.

6812 Insulin furnished by a registered pharmacist to a person for  
6813 treatment of diabetes as directed by a physician shall be deemed  
6814 to be dispensed on prescription within the meaning of this  
6815 paragraph (h).

6816 (i) Retail sales of automobiles, trucks and  
6817 truck-tractors if exported from this state within forty-eight (48)  
6818 hours and registered and first used in another state.

6819 (j) Sales of tangible personal property or services to  
6820 the Salvation Army and the Muscular Dystrophy Association, Inc.

6821 (k) From July 1, 1985, through December 31, 1992,  
6822 retail sales of "alcohol blended fuel" as such term is defined in  
6823 Section 75-55-5. The gasoline-alcohol blend or the straight  
6824 alcohol eligible for this exemption shall not contain alcohol  
6825 distilled outside the State of Mississippi.

6826 (l) Sales of tangible personal property or services to  
6827 the Institute for Technology Development.

6828 (m) The gross proceeds of retail sales of food and  
6829 drink for human consumption made through vending machines serviced  
6830 by full line vendors from and not connected with other taxable  
6831 businesses.

6832 (n) The gross proceeds of sales of motor fuel.



6833                   (o) Retail sales of food for human consumption  
6834 purchased with food stamps issued by the United States Department  
6835 of Agriculture, or other federal agency, from and after October 1,  
6836 1987, or from and after the expiration of any waiver granted  
6837 pursuant to federal law, the effect of which waiver is to permit  
6838 the collection by the state of tax on such retail sales of food  
6839 for human consumption purchased with food stamps.

6840                   (p) Sales of cookies for human consumption by the Girl  
6841 Scouts of America no part of the net earnings from which sales  
6842 inures to the benefit of any private group or individual.

6843                   (q) Gifts or sales of tangible personal property or  
6844 services to public or private nonprofit museums of art.

6845                   (r) Sales of tangible personal property or services to  
6846 alumni associations of state-supported colleges or universities.

6847                   (s) Sales of tangible personal property or services to  
6848 National Association of Junior Auxiliaries, Inc., and chapters of  
6849 the National Association of Junior Auxiliaries, Inc.

6850                   (t) Sales of tangible personal property or services to  
6851 domestic violence shelters which qualify for state funding under  
6852 Sections 93-21-101 through 93-21-113.

6853                   (u) Sales of tangible personal property or services to  
6854 the National Multiple Sclerosis Society, Mississippi Chapter.

6855                   (v) Retail sales of food for human consumption  
6856 purchased with food instruments issued the Mississippi Band of



6857 Choctaw Indians under the Women, Infants and Children Program  
6858 (WIC) funded by the United States Department of Agriculture.

6859 (w) Sales of tangible personal property or services to  
6860 a private company, as defined in Section 57-61-5, which is making  
6861 such purchases with proceeds of bonds issued under Section 57-61-1  
6862 et seq., the Mississippi Business Investment Act.

6863 (x) The gross collections from the operation of  
6864 self-service, coin-operated car washing equipment and sales of the  
6865 service of washing motor vehicles with portable high-pressure  
6866 washing equipment on the premises of the customer.

6867 (y) Sales of tangible personal property or services to  
6868 the Mississippi Technology Alliance.

6869 (z) Sales of tangible personal property to nonprofit  
6870 organizations that provide foster care, adoption services and  
6871 temporary housing for unwed mothers and their children if the  
6872 organization is exempt from federal income taxation under Section  
6873 501(c)(3) of the Internal Revenue Code.

6874 (aa) Sales of tangible personal property to nonprofit  
6875 organizations that provide residential rehabilitation for persons  
6876 with alcohol and drug dependencies if the organization is exempt  
6877 from federal income taxation under Section 501(c)(3) of the  
6878 Internal Revenue Code.

6879 (bb) (i) Retail sales of an article of clothing or  
6880 footwear designed to be worn on or about the human body and retail  
6881 sales of school supplies if the sales price of the article of



6882 clothing or footwear or school supply is less than One Hundred  
6883 Dollars (\$100.00) and the sale takes place during a period  
6884 beginning at 12:01 a.m. on the last Friday in July and ending at  
6885 12:00 midnight the following Saturday. This paragraph (bb) shall  
6886 not apply to:

6887                   1. Accessories including jewelry, handbags,  
6888 luggage, umbrellas, wallets, watches, briefcases, garment bags and  
6889 similar items carried on or about the human body, without regard  
6890 to whether worn on the body in a manner characteristic of  
6891 clothing;

6892                   2. The rental of clothing or footwear; and

6893                   3. Skis, swim fins, roller blades, skates and  
6894 similar items worn on the foot.

6895                   (ii) For purposes of this paragraph (bb), "school  
6896 supplies" means items that are commonly used by a student in a  
6897 course of study. The following is an all-inclusive list:

6898                   1. Backpacks;

6899                   2. Binder pockets;

6900                   3. Binders;

6901                   4. Blackboard chalk;

6902                   5. Book bags;

6903                   6. Calculators;

6904                   7. Cellophane tape;

6905                   8. Clays and glazes;

6906                   9. Compasses;



- 6907 10. Composition books;
- 6908 11. Crayons;
- 6909 12. Dictionaries and thesauruses;
- 6910 13. Dividers;
- 6911 14. Erasers;
- 6912 15. Folders: expandable, pocket, plastic and  
6913 manila;
- 6914 16. Glue, paste and paste sticks;
- 6915 17. Highlighters;
- 6916 18. Index card boxes;
- 6917 19. Index cards;
- 6918 20. Legal pads;
- 6919 21. Lunch boxes;
- 6920 22. Markers;
- 6921 23. Notebooks;
- 6922 24. Paintbrushes for artwork;
- 6923 25. Paints: acrylic, tempera and oil;
- 6924 26. Paper: loose-leaf ruled notebook paper,  
6925 copy paper, graph paper, tracing paper, manila paper, colored  
6926 paper, poster board and construction paper;
- 6927 27. Pencil boxes and other school supply  
6928 boxes;
- 6929 28. Pencil sharpeners;
- 6930 29. Pencils;
- 6931 30. Pens;



- 6932 31. Protractors;
- 6933 32. Reference books;
- 6934 33. Reference maps and globes;
- 6935 34. Rulers;
- 6936 35. Scissors;
- 6937 36. Sheet music;
- 6938 37. Sketch and drawing pads;
- 6939 38. Textbooks;
- 6940 39. Watercolors;
- 6941 40. Workbooks; and
- 6942 41. Writing tablets.

6943 (iii) From and after January 1, 2010, the  
6944 governing authorities of a municipality, for retail sales  
6945 occurring within the corporate limits of the municipality, may  
6946 suspend the application of the exemption provided for in this  
6947 paragraph (bb) by adoption of a resolution to that effect stating  
6948 the date upon which the suspension shall take effect. A certified  
6949 copy of the resolution shall be furnished to the Department of  
6950 Revenue at least ninety (90) days prior to the date upon which the  
6951 municipality desires such suspension to take effect.

6952 (cc) The gross proceeds of sales of tangible personal  
6953 property made for the sole purpose of raising funds for a school  
6954 or an organization affiliated with a school.





6955           As used in this paragraph (cc), "school" means any public or  
6956 private school that teaches courses of instruction to students in  
6957 any grade from kindergarten through Grade 12.

6958           (dd) Sales of durable medical equipment and home  
6959 medical supplies when ordered or prescribed by a licensed  
6960 physician for medical purposes of a patient. As used in this  
6961 paragraph (dd), "durable medical equipment" and "home medical  
6962 supplies" mean equipment, including repair and replacement parts  
6963 for the equipment or supplies listed under Title XVIII of the  
6964 Social Security Act or under the state plan for medical assistance  
6965 under Title XIX of the Social Security Act, prosthetics,  
6966 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
6967 oxygen and oxygen equipment. Payment does not have to be made, in  
6968 whole or in part, by any particular person to be eligible for this  
6969 exemption. Purchases of home medical equipment and supplies by a  
6970 provider of home health services or a provider of hospice services  
6971 are eligible for this exemption if the purchases otherwise meet  
6972 the requirements of this paragraph.

6973           (ee) Sales of tangible personal property or services to  
6974 Mississippi Blood Services.

6975           (ff) (i) Subject to the provisions of this paragraph  
6976 (ff), retail sales of firearms, ammunition and hunting supplies if  
6977 sold during the annual Mississippi Second Amendment Weekend  
6978 holiday beginning at 12:01 a.m. on the last Friday in August and  
6979 ending at 12:00 midnight the following Sunday. For the purposes



6980 of this paragraph (ff), "hunting supplies" means tangible personal  
6981 property used for hunting, including, and limited to, archery  
6982 equipment, firearm and archery cases, firearm and archery  
6983 accessories, hearing protection, holsters, belts and slings.  
6984 Hunting supplies does not include animals used for hunting.

6985 (ii) This paragraph (ff) shall apply only if one  
6986 or more of the following occur:

6987 1. Title to and/or possession of an eligible  
6988 item is transferred from a seller to a purchaser; and/or

6989 2. A purchaser orders and pays for an  
6990 eligible item and the seller accepts the order for immediate  
6991 shipment, even if delivery is made after the time period provided  
6992 in subparagraph (i) of this paragraph (ff), provided that the  
6993 purchaser has not requested or caused the delay in shipment.

6994 (gg) Sales of nonperishable food items to charitable  
6995 organizations that are exempt from federal income taxation under  
6996 Section 501(c)(3) of the Internal Revenue Code and operate a food  
6997 bank or food pantry or food lines.

6998 (hh) Sales of tangible personal property or services to  
6999 the United Way of the Pine Belt Region, Inc.

7000 (ii) Sales of tangible personal property or services to  
7001 the Mississippi Children's Museum or any subsidiary or affiliate  
7002 thereof operating a satellite or branch museum within this state.

7003 (jj) Sales of tangible personal property or services to  
7004 the Jackson Zoological Park.



7005                   (kk) Sales of tangible personal property or services to  
7006 the Hattiesburg Zoo.

7007                   (ll) Gross proceeds from sales of food, merchandise or  
7008 other concessions at an event held solely for religious or  
7009 charitable purposes at livestock facilities, agriculture  
7010 facilities or other facilities constructed, renovated or expanded  
7011 with funds for the grant program authorized under Section 18,  
7012 Chapter 530, Laws of 1995.

7013                   (mm) Sales of tangible personal property and services  
7014 to the Diabetes Foundation of Mississippi and the Mississippi  
7015 Chapter of the Juvenile Diabetes Research Foundation.

7016                   (nn) Sales of potting soil, mulch, or other soil  
7017 amendments used in growing ornamental plants which bear no fruit  
7018 of commercial value when sold to commercial plant nurseries that  
7019 operate exclusively at wholesale and where no retail sales can be  
7020 made.

7021                   (oo) Sales of tangible personal property or services to  
7022 the University of Mississippi Medical Center Research Development  
7023 Foundation.

7024                   (pp) Sales of tangible personal property or services to  
7025 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
7026 Mississippi Beautiful, Inc.

7027                   (qq) Sales of tangible personal property or services to  
7028 the Friends of Children's Hospital.



7029                   (rr) Sales of tangible personal property or services to  
7030 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
7031 Mississippi.

7032                   (ss) Sales of hearing aids when ordered or prescribed  
7033 by a licensed physician, audiologist or hearing aid specialist for  
7034 the medical purposes of a patient.

7035                   (tt) Sales exempt under the Facilitating Business Rapid  
7036 Response to State Declared Disasters Act of 2015 (Sections  
7037 27-113-1 through 27-113-9).

7038                   (uu) Sales of tangible personal property or services to  
7039 the Junior League of Jackson.

7040                   (vv) Sales of tangible personal property or services to  
7041 the Mississippi's Toughest Kids Foundation for use in the  
7042 construction, furnishing and equipping of buildings and related  
7043 facilities and infrastructure at Camp Kamassa in Copiah County,  
7044 Mississippi. This paragraph (vv) shall stand repealed on July 1,  
7045 2022.

7046                   (wv) Sales of tangible personal property or services to  
7047 MS Gulf Coast Buddy Sports, Inc.

7048                   (xx) Sales of tangible personal property or services to  
7049 Biloxi Lions, Inc.

7050                   (yy) Sales of tangible personal property or services to  
7051 Lions Sight Foundation of Mississippi, Inc.



7052 (zz) Sales of tangible personal property and services  
7053 to the Goldring/Woldenberg Institute of Southern Jewish Life  
7054 (ISJL).

7055 **SECTION 53.** Section 27-65-241, Mississippi Code of 1972, is  
7056 brought forward as follows:

7057 27-65-241. (1) As used in this section, the following terms  
7058 shall have the meanings ascribed to them in this section unless  
7059 otherwise clearly indicated by the context in which they are used:

7060 (a) "Hotel" or "motel" means and includes a place of  
7061 lodging that at any one time will accommodate transient guests on  
7062 a daily or weekly basis and that is known to the trade as such.  
7063 Such terms shall not include a place of lodging with ten (10) or  
7064 less rental units.

7065 (b) "Municipality" means any municipality in the State  
7066 of Mississippi with a population of one hundred fifty thousand  
7067 (150,000) or more according to the most recent federal decennial  
7068 census.

7069 (c) "Restaurant" means and includes all places where  
7070 prepared food is sold and whose annual gross proceeds of sales or  
7071 gross income for the preceding calendar year equals or exceeds One  
7072 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"  
7073 shall not include any nonprofit organization that is exempt from  
7074 federal income taxation under Section 501(c)(3) of the Internal  
7075 Revenue Code. For the purpose of calculating gross proceeds of  
7076 sales or gross income, the sales or income of all establishments



7077 owned, operated or controlled by the same person, persons or  
7078 corporation shall be aggregated.

7079 (2) (a) Subject to the provisions of this section, the  
7080 governing authorities of a municipality may impose upon all  
7081 persons as a privilege for engaging or continuing in business or  
7082 doing business within such municipality, a special sales tax at  
7083 the rate of not more than one percent (1%) of the gross proceeds  
7084 of sales or gross income of the business, as the case may be,  
7085 derived from any of the activities taxed at the rate of seven  
7086 percent (7%) or more under the Mississippi Sales Tax Law, Section  
7087 27-65-1 et seq.

7088 (b) The tax levied under this section shall apply to  
7089 every person making sales of tangible personal property or  
7090 services within the municipality but shall not apply to:

7091 (i) Sales exempted by Sections 27-65-19,  
7092 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and  
7093 27-65-111 of the Mississippi Sales Tax Law;

7094 (ii) Gross proceeds of sales or gross income of  
7095 restaurants derived from the sale of food and beverages;

7096 (iii) Gross proceeds of sales or gross income of  
7097 hotels and motels derived from the sale of hotel rooms and motel  
7098 rooms for lodging purposes;

7099 (iv) Retail sales of food for human consumption  
7100 not purchased with food stamps issued by the United States  
7101 Department of Agriculture, or other federal agency, but which



7102 would be exempt under Section 27-65-111(o) from the taxes imposed  
7103 by this chapter if the food items were purchased with food stamps;

7104 (v) Gross income of businesses engaging or  
7105 continuing in the business of TV cable systems, subscription TV  
7106 services, and other similar activities, including, but not limited  
7107 to, cable Internet services;

7108 (vi) Wholesale sales of food and drink for human  
7109 consumption sold to full service vending machine operators; and

7110 (vii) Wholesale sales of light wine, light spirit  
7111 product, beer and alcoholic beverages.

7112 (3) (a) Before any tax authorized under this section may be  
7113 imposed, the governing authorities of the municipality shall adopt  
7114 a resolution declaring its intention to levy the tax, setting  
7115 forth the amount of the tax to be imposed, the purposes for which  
7116 the revenue collected pursuant to the tax levy may be used and  
7117 expended, the date upon which the tax shall become effective, the  
7118 date upon which the tax shall be repealed, and calling for an  
7119 election to be held on the question. The date of the election  
7120 shall be set in the resolution. Notice of the election shall be  
7121 published once each week for at least three (3) consecutive weeks  
7122 in a newspaper published or having a general circulation in the  
7123 municipality, with the first publication of the notice to be made  
7124 not less than twenty-one (21) days before the date fixed in the  
7125 resolution for the election and the last publication to be made  
7126 not more than seven (7) days before the election. At the



7127 election, all qualified electors of the municipality may vote.  
7128 The ballots used at the election shall have printed thereon a  
7129 brief description of the sales tax, the amount of the sales tax  
7130 levy, a description of the purposes for which the tax revenue may  
7131 be used and expended and the words "FOR THE LOCAL SALES TAX" and  
7132 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing  
7133 a cross (X) or check mark (✓) opposite his choice on the  
7134 proposition. When the results of the election have been canvassed  
7135 by the election commissioners of the municipality and certified by  
7136 them to the governing authorities, it shall be the duty of such  
7137 governing authorities to determine and adjudicate whether at least  
7138 three-fifths (3/5) of the qualified electors who voted in the  
7139 election voted in favor of the tax. If at least three-fifths  
7140 (3/5) of the qualified electors who voted in the election voted in  
7141 favor of the tax, the governing authorities shall adopt a  
7142 resolution declaring the levy and collection of the tax provided  
7143 in this section and shall set the first day of the second month  
7144 following the date of such adoption as the effective date of the  
7145 tax levy. A certified copy of this resolution, together with the  
7146 result of the election, shall be furnished to the Department of  
7147 Revenue not less than thirty (30) days before the effective date  
7148 of the levy.

7149 (b) A municipality shall not hold more than two (2)  
7150 elections under this subsection.





7151           (4) The revenue collected pursuant to the tax levy imposed  
7152 under this section may be expended to pay the cost of road and  
7153 street repair, reconstruction and resurfacing projects based on  
7154 traffic patterns, need and usage, and to pay the costs of water,  
7155 sewer and drainage projects in accordance with a master plan  
7156 adopted by the department established pursuant to subsection (7).

7157           (5) (a) The special sales tax authorized by this section  
7158 shall be collected by the Department of Revenue, shall be  
7159 accounted for separately from the amount of sales tax collected  
7160 for the state in the municipality and shall be paid to the  
7161 municipality. The Department of Revenue may retain one percent  
7162 (1%) of the proceeds of such tax for the purpose of defraying the  
7163 costs incurred by the department in the collection of the tax.  
7164 Payments to the municipality shall be made by the Department of  
7165 Revenue on or before the fifteenth day of the month following the  
7166 month in which the tax was collected.

7167           (b) The proceeds of the special sales tax shall be  
7168 placed into a special municipal fund apart from the municipal  
7169 general fund and any other funds of the municipality, and shall be  
7170 expended by the municipality solely for the purposes authorized in  
7171 subsection (4) of this section. The records reflecting the  
7172 receipts and expenditures of the revenue from the special sales  
7173 tax shall be audited annually by an independent certified public  
7174 accountant. The accountant shall make a report of his findings to  
7175 the governing authorities of the municipality and file a copy of



7176 his report with the Secretary of the Senate and the Clerk of the  
7177 House of Representatives. The audit shall be made and completed  
7178 as soon as practical after the close of the fiscal year of the  
7179 municipality, and expenses of the audit shall be paid from the  
7180 funds derived by the municipality pursuant to this section.

7181 (c) All provisions of the Mississippi Sales Tax Law  
7182 applicable to filing of returns, discounts to the taxpayer,  
7183 remittances to the Department of Revenue, enforced collection,  
7184 rights of taxpayers, recovery of improper taxes, refunds of  
7185 overpaid taxes or other provisions of law providing for imposition  
7186 and collection of the state sales tax shall apply to the special  
7187 sales tax authorized by this section, except where there is a  
7188 conflict, in which case the provisions of this section shall  
7189 control. Any damages, penalties or interest collected for the  
7190 nonpayment of taxes imposed under this section, or for  
7191 noncompliance with the provisions of this section, shall be paid  
7192 to the municipality on the same basis and in the same manner as  
7193 the tax proceeds. Any overpayment of tax for any reason that has  
7194 been disbursed to a municipality or any payment of the tax to a  
7195 municipality in error may be adjusted by the Department of Revenue  
7196 on any subsequent payment to the municipality pursuant to the  
7197 provisions of the Mississippi Sales Tax Law. The Department of  
7198 Revenue may, from time to time, make such rules and regulations  
7199 not inconsistent with this section as may be deemed necessary to



7200 carry out the provisions of this section, and such rules and  
7201 regulations shall have the full force and effect of law.

7202 (6) If a municipality expands its corporate boundaries, the  
7203 governing authorities of the municipality may not impose the  
7204 special sales tax in the annexed area unless the tax is approved  
7205 at an election conducted, as far as is practicable, in the manner  
7206 provided in subsection (3) of this section, except that only  
7207 qualified electors in the annexed area may vote in the election.

7208 (7) (a) Any municipality that levies the special sales tax  
7209 authorized under this section shall establish a commission as  
7210 provided for in this section. Expenditures of revenue from the  
7211 special sales tax authorized by this section shall be in  
7212 accordance with a master plan adopted by the commission pursuant  
7213 to this subsection.

7214 (b) The commission shall be composed of ten (10) voting  
7215 members who shall be known as commissioners appointed as follows:

7216 (i) Four (4) members representing the business  
7217 community in the municipality appointed by the local chamber of  
7218 commerce for initial terms of one (1), two (2), four (4) and five  
7219 (5) years respectively. The members appointed pursuant to this  
7220 paragraph shall be persons who represent businesses located within  
7221 the city limits of the municipality.

7222 (ii) Three (3) members shall be appointed at large  
7223 by the mayor of the municipality, with the advice and consent of  
7224 the legislative body of the municipality, for initial terms of two



7225 (2), three (3) and four (4) years respectively. All appointments  
7226 made by the mayor pursuant to this paragraph shall be residents of  
7227 the municipality.

7228 (iii) One (1) member shall be appointed at large  
7229 by the Governor for an initial term of four (4) years. All  
7230 appointments made by the Governor pursuant to this paragraph shall  
7231 be residents of the municipality.

7232 (iv) One (1) member shall be appointed at large by  
7233 the Lieutenant Governor for an initial term of four (4) years.  
7234 All appointments made by the Lieutenant Governor pursuant to this  
7235 paragraph shall be residents of the municipality.

7236 (v) One (1) member shall be appointed at large by  
7237 the Speaker of the House of Representatives for a term of four (4)  
7238 years. All appointments made by the Speaker of the House of  
7239 Representatives pursuant to this paragraph shall be residents of  
7240 the municipality.

7241 (c) The terms of all appointments made subsequent to  
7242 the initial appointment shall be made for five (5) years. Any  
7243 vacancy which may occur shall be filled in the same manner as the  
7244 original appointment and shall be made for the unexpired term.  
7245 Each member of the commission shall serve until his successor is  
7246 appointed and qualified.

7247 (d) The mayor of the municipality shall designate a  
7248 chairman of the commission from among the membership of the  
7249 commission. The vice chairman and secretary shall be elected by



7250 the commission from among the membership of the commission for a  
7251 term of two (2) years. The vice chairman and secretary may be  
7252 reelected, and the chairman may be reappointed.

7253 (e) The commissioners shall serve without compensation.

7254 (f) Any commissioner shall be disqualified and shall be  
7255 removed from office for either of the following reasons:

7256 (i) Conviction of a felony in any state court or  
7257 in federal court; or

7258 (ii) Failure to attend three (3) consecutive  
7259 meetings without just cause.

7260 If a commissioner is removed for any of the above reasons,  
7261 the vacancy shall be filled in the manner prescribed in this  
7262 section and shall be made for the unexpired term.

7263 (g) A quorum shall consist of six (6) voting members of  
7264 the commission. The commission shall adopt such rules and  
7265 regulations as may govern the time and place for holding meetings,  
7266 regular and special.

7267 (h) The commission shall, with input from the  
7268 municipality, establish a master plan for road and street repair,  
7269 reconstruction and resurfacing projects based on traffic patterns,  
7270 need and usage, and for water, sewer and drainage projects.

7271 Expenditures of the revenue from the tax authorized to be imposed  
7272 pursuant to this section shall be made at the discretion of the  
7273 governing authorities of the municipality if the expenditures



7274 comply with the master plan. The commission shall monitor the  
7275 compliance of the municipality with the master plan.

7276 (8) The governing authorities of any municipality that  
7277 levies the special sales tax authorized under this section are  
7278 authorized to incur debt, including bonds, notes or other  
7279 evidences of indebtedness, for the purpose of paying the costs of  
7280 road and street repair, reconstruction and resurfacing projects  
7281 based on traffic patterns, need and usage, and to pay the costs of  
7282 water, sewer and drainage projects in accordance with a master  
7283 plan adopted by the commission established pursuant to subsection  
7284 (7) of this section. Any bonds or notes issued to pay such costs  
7285 may be secured by the proceeds of the special sales tax levied  
7286 pursuant to this section or may be general obligations of the  
7287 municipality and shall satisfy the requirements for the issuance  
7288 of debt provided by Sections 21-33-313 through 21-33-323.

7289 (9) This section shall stand repealed from and after July 1,  
7290 2035.

7291 **SECTION 54.** Section 27-67-31, Mississippi Code of 1972, is  
7292 brought forward as follows:

7293 27-67-31. All administrative provisions of the sales tax  
7294 law, and amendments thereto, including those which fix damages,  
7295 penalties and interest for failure to comply with the provisions  
7296 of said sales tax law, and all other requirements and duties  
7297 imposed upon taxpayer, shall apply to all persons liable for use  
7298 taxes under the provisions of this article. The commissioner



7299 shall exercise all power and authority and perform all duties with  
7300 respect to taxpayers under this article as are provided in said  
7301 sales tax law, except where there is conflict, then the provisions  
7302 of this article shall control.

7303         The commissioner may require transportation companies to  
7304 permit the examination of waybills, freight bills, or other  
7305 documents covering shipments of tangible personal property into  
7306 this state.

7307         On or before the fifteenth day of each month, the amount  
7308 received from taxes, damages and interest under the provisions of  
7309 this article during the preceding month shall be paid and  
7310 distributed as follows:

7311                 (a) On or before July 15, 1994, through July 15, 2000,  
7312 and each succeeding month thereafter, two and two hundred  
7313 sixty-six one-thousandths percent (2.266%) of the total use tax  
7314 revenue collected during the preceding month under the provisions  
7315 of this article shall be deposited in the School Ad Valorem Tax  
7316 Reduction Fund created pursuant to Section 37-61-35. On or before  
7317 August 15, 2000, and each succeeding month thereafter, two and two  
7318 hundred sixty-six one-thousandths percent (2.266%) of the total  
7319 use tax revenue collected during the preceding month under the  
7320 provisions of this chapter shall be deposited into the School Ad  
7321 Valorem Tax Reduction Fund created under Section 37-61-35 until  
7322 such time that the total amount deposited into the fund during a  
7323 fiscal year equals Four Million Dollars (\$4,000,000.00).



7324 Thereafter, the amounts diverted under this paragraph (a) during  
7325 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)  
7326 shall be deposited into the Education Enhancement Fund created  
7327 under Section 37-61-33 for appropriation by the Legislature as  
7328 other education needs and shall not be subject to the percentage  
7329 appropriation requirements set forth in Section 37-61-33.

7330 (b) On or before July 15, 1994, and each succeeding  
7331 month thereafter, nine and seventy-three one-thousandths percent  
7332 (9.073%) of the total use tax revenue collected during the  
7333 preceding month under the provisions of this article shall be  
7334 deposited into the Education Enhancement Fund created pursuant to  
7335 Section 37-61-33.

7336 (c) On or before July 15, 1997, and on or before the  
7337 fifteenth day of each succeeding month thereafter, the revenue  
7338 collected under the provisions of this article imposed and levied  
7339 as a result of Section 27-65-17(2) and the corresponding levy in  
7340 Section 27-65-23 on the rental or lease of private carriers of  
7341 passengers and light carriers of property as defined in Section  
7342 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax  
7343 Reduction Fund created pursuant to Section 27-51-105.

7344 (d) On or before July 15, 1997, and on or before the  
7345 fifteenth day of each succeeding month thereafter and after the  
7346 deposits required by paragraphs (a) and (b) of this section are  
7347 made, the remaining revenue collected under the provisions of this  
7348 article imposed and levied as a result of Section 27-65-17(1) and





7349 the corresponding levy in Section 27-65-23 on the rental or lease  
7350 of private carriers of passengers and light carriers of property  
7351 as defined in Section 27-51-101 shall be deposited into the Motor  
7352 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section  
7353 27-51-105.

7354 (e) On or before August 15, 2019, and each succeeding  
7355 month thereafter through July 15, 2020, three and three-fourths  
7356 percent (3-3/4%) of the total use tax revenue collected during the  
7357 preceding month under the provisions of this article shall be  
7358 deposited into the special fund created in Section 27-67-35(1).  
7359 On or before August 15, 2020, and each succeeding month thereafter  
7360 through July 15, 2021, seven and one-half percent (7-1/2%) of the  
7361 total use tax revenue collected during the preceding month under  
7362 the provisions of this article shall be deposited into the special  
7363 fund created in Section 27-67-35(1). On or before August 15,  
7364 2021, and each succeeding month thereafter through July 15, 2022,  
7365 eleven and one-fourth percent (11-1/4%) of the total use tax  
7366 revenue collected during the preceding month under the provisions  
7367 of this article shall be deposited into the special fund created  
7368 in Section 27-67-35(1). On or before August 15, 2022, and each  
7369 succeeding month thereafter, fifteen percent (15%) of the total  
7370 use tax revenue collected during the preceding month under the  
7371 provisions of this article shall be deposited into the special  
7372 fund created in Section 27-67-35(1).



7373 (f) On or before August 15, 2019, and each succeeding  
7374 month thereafter through July 15, 2020, three and three-fourths  
7375 percent (3-3/4%) of the total use tax revenue collected during the  
7376 preceding month under the provisions of this article shall be  
7377 deposited into the special fund created in Section 27-67-35(2).  
7378 On or before August 15, 2020, and each succeeding month thereafter  
7379 through July 15, 2021, seven and one-half percent (7-1/2%) of the  
7380 total use tax revenue collected during the preceding month under  
7381 the provisions of this article shall be deposited into the special  
7382 fund created in Section 27-67-35(2). On or before August 15,  
7383 2021, and each succeeding month thereafter through July 15, 2022,  
7384 eleven and one-fourth percent (11-1/4%) of the total use tax  
7385 revenue collected during the preceding month under the provisions  
7386 of this article shall be deposited into the special fund created  
7387 in Section 27-67-35(2). On or before August 15, 2022, and each  
7388 succeeding month thereafter, fifteen percent (15%) of the total  
7389 use tax revenue collected during the preceding month under the  
7390 provisions of this article shall be deposited into the special  
7391 fund created in Section 27-67-35(2).

7392 (g) On or before August 15, 2019, and each succeeding  
7393 month thereafter through July 15, 2020, Four Hundred Sixteen  
7394 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents  
7395 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total  
7396 use tax revenue collected during the preceding month under the  
7397 provisions of this article, whichever is the greater amount, shall



7398 be deposited into the Local System Bridge Replacement and  
7399 Rehabilitation Fund created in Section 65-37-13. On or before  
7400 August 15, 2020, and each succeeding month thereafter through July  
7401 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred  
7402 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two  
7403 and one-half percent (2-1/2%) of the total use tax revenue  
7404 collected during the preceding month under the provisions of this  
7405 article, whichever is the greater amount, shall be deposited into  
7406 the Local System Bridge Replacement and Rehabilitation Fund  
7407 created in Section 65-37-13. On or before August 15, 2021, and  
7408 each succeeding month thereafter through July 15, 2022, One  
7409 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or  
7410 three and three-fourths percent (3-3/4%) of the total use tax  
7411 revenue collected during the preceding month under the provisions  
7412 of this article, whichever is the greater amount, shall be  
7413 deposited into the Local System Bridge Replacement and  
7414 Rehabilitation Fund created in Section 65-37-13. On or before  
7415 August 15, 2022, and each succeeding month thereafter, One Million  
7416 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and  
7417 Sixty-seven Cents (\$1,666,666.67) or five percent (5%) of the  
7418 total use tax revenue collected during the preceding month under  
7419 the provisions of this article, whichever is the greater amount,  
7420 shall be deposited into the Local System Bridge Replacement and  
7421 Rehabilitation Fund created in Section 65-37-13.



7422 (h) On or before August 15, 2020, and each succeeding  
7423 month thereafter through July 15, 2022, One Million Dollars  
7424 (\$1,000,000.00) of the total use tax revenue collected during the  
7425 preceding month under the provisions of this article shall be  
7426 deposited into the Local System Bridge Replacement and  
7427 Rehabilitation Fund created in Section 65-37-13. Amounts  
7428 deposited into the Local System Bridge Replacement and  
7429 Rehabilitation Fund under this paragraph (h) shall be in addition  
7430 to amounts deposited into the fund under paragraph (g) of this  
7431 section.

7432 (i) The remainder of the amount received from taxes,  
7433 damages and interest under the provisions of this article shall be  
7434 paid into the General Fund of the State Treasury by the  
7435 commissioner.

7436 **SECTION 55.** Sections 6 and 7 of this act shall take effect  
7437 and be in force from and after its passage and the remaining  
7438 sections of this act shall take effect and be in force from and  
7439 after July 1, 2022.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2022; TO  
2 AMEND SECTION 27-7-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
3 AMOUNT OF THE PERSONAL EXEMPTIONS UNDER THE STATE INCOME TAX LAW  
4 FOR SINGLE INDIVIDUALS, MARRIED INDIVIDUALS AND HEAD OF FAMILY  
5 INDIVIDUALS AND TO PROVIDE FOR THE ANNUAL ADJUSTMENT OF THE  
6 AMOUNTS OF SUCH PERSONAL EXEMPTIONS; TO AMEND SECTION 27-65-17,  
7 MISSISSIPPI CODE OF 1972, TO REDUCE THE SALES TAX RATE ON RETAIL  
8 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS



9 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD  
10 STAMPS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO  
11 REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM  
12 RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD  
13 STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH  
14 FOOD STAMPS; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO  
15 PROVIDE THAT FROM AND AFTER JANUARY 1 OF THE NEXT SUCCEEDING YEAR  
16 AFTER THE DATE THAT THE COMMISSIONER OF REVENUE CERTIFIES THAT THE  
17 REDUCTION IN REVENUE MANDATED BY SECTION 27-7-21, MISSISSIPPI CODE  
18 OF 1972, EQUALS OR EXCEEDS THE REMAINING REVENUE PRODUCED BY THE  
19 INDIVIDUAL INCOME TAX, THE INDIVIDUAL INCOME TAX SHALL BE  
20 REPEALED; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER FUNDS OUT  
21 OF THE CAPITAL EXPENSE FUND TO THE BUDGET STABILIZATION FUND  
22 CREATED BY THIS ACT; TO CREATE THE "BUDGET STABILIZATION FUND" AS  
23 A SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT MONIES IN  
24 THE FUND SHALL ONLY BE APPROPRIATED BY THE LEGISLATURE FOR  
25 BUDGETARY PURPOSES RELATED TO LOSSES OF GENERAL FUND REVENUE; TO  
26 PROVIDE THAT ANY UNENCUMBERED MONIES REMAINING IN THE FUND ON JULY  
27 1, 2026, SHALL BE TRANSFERRED TO THE CAPITAL EXPENSE FUND; TO  
28 BRING FORWARD SECTION 27-7-3, MISSISSIPPI CODE OF 1972, WHICH  
29 DEFINES CERTAIN TERMS UNDER THE STATE INCOME TAX LAW, FOR THE  
30 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-7-27,  
31 MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE INCOME TAXATION OF  
32 ESTATES AND TRUSTS FOR PURPOSES OF POSSIBLE AMENDMENT; TO AMEND  
33 SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE  
34 PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS 27-7-22.5,  
35 27-7-22.15, 27-7-22.21, 27-7-22.22, 27-7-22.32, 27-7-22.33,  
36 27-7-22.37, 27-7-22.39, 27-7-22.41 AND 27-7-207, MISSISSIPPI CODE  
37 OF 1972, WHICH PROVIDE FOR VARIOUS INCOME TAX CREDITS, FOR THE  
38 PURPOSES OF POSSIBLE AMENDMENT; TO AMEND SECTIONS 57-62-9 AND  
39 57-62-11, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS  
40 OF THE MISSISSIPPI ADVANTAGE JOBS ACT; TO BRING FORWARD SECTIONS  
41 27-7-312, 57-62-5 AND 57-62-13, MISSISSIPPI CODE OF 1972, WHICH  
42 RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE PURPOSES OF  
43 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 57-89-3 AND 57-89-7,  
44 MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI  
45 MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF POSSIBLE  
46 AMENDMENT; TO AMEND SECTIONS 57-99-1, 57-99-3 AND 57-99-5,  
47 MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF THE  
48 MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE  
49 PROGRAM; TO BRING FORWARD SECTIONS 57-99-7, 57-99-21, 57-99-23,  
50 57-99-25 AND 57-99-27, MISSISSIPPI CODE OF 1972, WHICH RELATE TO  
51 THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE  
52 PROGRAM, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD  
53 SECTIONS 37-148-3 AND 37-148-5, MISSISSIPPI CODE OF 1972, WHICH  
54 ARE SECTIONS OF THE STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH  
55 THROUGH BUSINESS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO  
56 BRING FORWARD SECTION 57-105-1, MISSISSIPPI CODE OF 1972, WHICH  
57 AUTHORIZES INCOME TAX AND INSURANCE PREMIUM TAX CREDITS FOR  
58 TAXPAYERS HOLDING CERTAIN QUALIFIED EQUITY INVESTMENTS, FOR THE



59 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS  
60 27-25-503 AND 27-25-505, MISSISSIPPI CODE OF 1972, WHICH ARE  
61 SECTIONS OF THE STATE OIL SEVERANCE TAX LAW, FOR THE PURPOSES OF  
62 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 27-25-703 AND  
63 27-25-705, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE  
64 STATE GAS SEVERANCE TAX LAW, FOR THE PURPOSES OF POSSIBLE  
65 AMENDMENT; TO BRING FORWARD SECTIONS 27-65-19, 27-65-22, 27-65-25  
66 AND 27-65-26, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS  
67 SALES TAXES, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING  
68 FORWARD SECTION 27-65-241, MISSISSIPPI CODE OF 1972, WHICH  
69 AUTHORIZES CERTAIN MUNICIPALITIES TO LEVY A MUNICIPAL SPECIAL  
70 SALES TAX, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING  
71 FORWARD SECTIONS 27-65-101, 27-65-103, 27-65-105, 27-65-107 AND  
72 27-65-111, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS SALES  
73 TAX EXEMPTIONS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING  
74 FORWARD SECTION 27-67-31, MISSISSIPPI CODE OF 1972, WHICH PROVIDES  
75 FOR THE DISTRIBUTION OF STATE USE TAX REVENUE, FOR THE PURPOSES OF  
76 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

