

By: Representative Tullos

To: Public Utilities; Ways  
and Means

HOUSE BILL NO. 1059

1 AN ACT TO AMEND SECTION 57-87-7, MISSISSIPPI CODE OF 1972, TO  
2 INCREASE THE SPEED OF EQUIPMENT USED IN THE DEPLOYMENT OF  
3 BROADBAND TECHNOLOGIES FROM 384 KILOBITS PER SECOND TO A DOWNLOAD  
4 SPEED OF TWENTY-FIVE MEGABITS PER SECOND AND AN UPLOAD SPEED OF  
5 THREE MEGABITS PER SECOND REGARDING AD VALOREM TAX EXEMPTION; TO  
6 BRING FORWARD SECTION 57-73-21, MISSISSIPPI CODE OF 1972, FOR  
7 PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 57-87-7, Mississippi Code of 1972, is  
10 amended as follows:

11 57-87-7. Equipment used in the deployment of broadband  
12 technologies by a telecommunications enterprise (as defined in  
13 Section 57-73-21(14)), that is placed in service after June 30,  
14 2003, and before July 1, 2025, shall be exempt from ad valorem  
15 taxation for a period of ten (10) years after the date such  
16 equipment is placed in service. For purposes of this section,  
17 "equipment used in the deployment of broadband technologies"  
18 means \* \* \* that which provides service defined by the Federal  
19 Communications Commission (FCC) as high speed broadband. The  
20 current standard is 25 megabits per second downlink and 3 megabits



21 per second uplink. The revision of such FCC standard will require  
22 only equipment meeting the standard to be listed on the business  
23 personal property return for the tax year following the change.

24 Such ad valorem tax exemption is for the purpose of expanding  
25 fixed home and business broadband service into rural areas, and is  
26 available for Tier 2 and Tier 3 counties, as defined by the  
27 Mississippi Department of Revenue.

28 Qualifying companies shall provide one or more of the  
29 following services to qualifying counties: fiber, cable, DSL or  
30 fixed wireless access (FWA). Where companies provide both  
31 cellular telephone and FWA, only the equipment used specifically  
32 for FWA qualifies. The company shall list on the business  
33 personal property return, the location of each site providing FWA  
34 by E911 address in the county and the exempted equipment. The  
35 exemption shall be filed for qualifying sites operational by  
36 December 31st on the business personal property form as required.  
37 The maximum allowable FWA exemption shall be capped at thirty  
38 percent (30%) of the total asset cost (cellular and FWA) for each  
39 FWA site.

40 Broadband providers shall make subscriber lists available to  
41 the county tax assessor, upon request, for audit purposes to  
42 confirm the coverage and minimum speeds to assure qualification.  
43 Such information provided to the county tax assessor shall be  
44 considered confidential.



45           **SECTION 2.** Section 57-73-21, Mississippi Code of 1972, is  
46 brought forward as follows:

47           **[In cases involving business enterprises that received or**  
48 **applied for the job tax credit authorized by this section prior to**  
49 **January 1, 2005, this section shall read as follows:]**

50           57-73-21. (1) Annually by December 31, using the most  
51 current data available from the University Research Center,  
52 Mississippi Department of Employment Security and the United  
53 States Department of Commerce, the State Tax Commission shall rank  
54 and designate the state's counties as provided in this section.  
55 The twenty-eight (28) counties in this state having a combination  
56 of the highest unemployment rate and lowest per capita income for  
57 the most recent thirty-six-month period, with equal weight being  
58 given to each category, are designated Tier Three areas. The  
59 twenty-seven (27) counties in the state with a combination of the  
60 next highest unemployment rate and next lowest per capita income  
61 for the most recent thirty-six-month period, with equal weight  
62 being given to each category, are designated Tier Two areas. The  
63 twenty-seven (27) counties in the state with a combination of the  
64 lowest unemployment rate and the highest per capita income for the  
65 most recent thirty-six-month period, with equal weight being given  
66 to each category, are designated Tier One areas. Counties  
67 designated by the Tax Commission qualify for the appropriate tax  
68 credit for jobs as provided in subsections (2), (3) and (4) of  
69 this section. The designation by the Tax Commission is effective



70 for the tax years of permanent business enterprises which begin  
71 after the date of designation. For companies which plan an  
72 expansion in their labor forces, the Tax Commission shall  
73 prescribe certification procedures to ensure that the companies  
74 can claim credits in future years without regard to whether or not  
75 a particular county is removed from the list of Tier Three or Tier  
76 Two areas.

77 (2) Permanent business enterprises primarily engaged in  
78 manufacturing, processing, warehousing, distribution, wholesaling  
79 and research and development, or permanent business enterprises  
80 designated by rule and regulation of the Mississippi Development  
81 Authority as air transportation and maintenance facilities, final  
82 destination or resort hotels having a minimum of one hundred fifty  
83 (150) guest rooms, recreational facilities that impact tourism,  
84 movie industry studios, telecommunications enterprises, data or  
85 information processing enterprises or computer software  
86 development enterprises or any technology intensive facility or  
87 enterprise, in counties designated by the Tax Commission as Tier  
88 Three areas are allowed a job tax credit for taxes imposed by  
89 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually  
90 for each net new full-time employee job for five (5) years  
91 beginning with years two (2) through six (6) after the creation of  
92 the job; however, if the permanent business enterprise is located  
93 in an area that has been declared by the Governor to be a disaster  
94 area and as a direct result of the disaster the permanent business



95 enterprise is unable to maintain the required number of jobs, the  
96 Chairman of the State Tax Commission may extend this time period  
97 for not more two (2) years. The number of new full-time jobs must  
98 be determined by comparing the monthly average number of full-time  
99 employees subject to the Mississippi income tax withholding for  
100 the taxable year with the corresponding period of the prior  
101 taxable year. Only those permanent businesses that increase  
102 employment by ten (10) or more in a Tier Three area are eligible  
103 for the credit. Credit is not allowed during any of the five (5)  
104 years if the net employment increase falls below ten (10). The  
105 Tax Commission shall adjust the credit allowed each year for the  
106 net new employment fluctuations above the minimum level of ten  
107 (10).

108 (3) Permanent business enterprises primarily engaged in  
109 manufacturing, processing, warehousing, distribution, wholesaling  
110 and research and development, or permanent business enterprises  
111 designated by rule and regulation of the Mississippi Development  
112 Authority as air transportation and maintenance facilities, final  
113 destination or resort hotels having a minimum of one hundred fifty  
114 (150) guest rooms, recreational facilities that impact tourism,  
115 movie industry studios, telecommunications enterprises, data or  
116 information processing enterprises or computer software  
117 development enterprises or any technology intensive facility or  
118 enterprise, in counties that have been designated by the Tax  
119 Commission as Tier Two areas are allowed a job tax credit for



120 taxes imposed by Section 27-7-5 equal to One Thousand Dollars  
121 (\$1,000.00) annually for each net new full-time employee job for  
122 five (5) years beginning with years two (2) through six (6) after  
123 the creation of the job; however, if the permanent business  
124 enterprise is located in an area that has been declared by the  
125 Governor to be a disaster area and as a direct result of the  
126 disaster the permanent business enterprise is unable to maintain  
127 the required number of jobs, the Chairman of the State Tax  
128 Commission may extend this time period for not more two (2) years.  
129 The number of new full-time jobs must be determined by comparing  
130 the monthly average number of full-time employees subject to  
131 Mississippi income tax withholding for the taxable year with the  
132 corresponding period of the prior taxable year. Only those  
133 permanent businesses that increase employment by fifteen (15) or  
134 more in Tier Two areas are eligible for the credit. The credit is  
135 not allowed during any of the five (5) years if the net employment  
136 increase falls below fifteen (15). The Tax Commission shall  
137 adjust the credit allowed each year for the net new employment  
138 fluctuations above the minimum level of fifteen (15).

139 (4) Permanent business enterprises primarily engaged in  
140 manufacturing, processing, warehousing, distribution, wholesaling  
141 and research and development, or permanent business enterprises  
142 designated by rule and regulation of the Mississippi Development  
143 Authority as air transportation and maintenance facilities, final  
144 destination or resort hotels having a minimum of one hundred fifty



145 (150) guest rooms, recreational facilities that impact tourism,  
146 movie industry studios, telecommunications enterprises, data or  
147 information processing enterprises or computer software  
148 development enterprises or any technology intensive facility or  
149 enterprise, in counties designated by the Tax Commission as Tier  
150 One areas are allowed a job tax credit for taxes imposed by  
151 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually  
152 for each net new full-time employee job for five (5) years  
153 beginning with years two (2) through six (6) after the creation of  
154 the job; however, if the permanent business enterprise is located  
155 in an area that has been declared by the Governor to be a disaster  
156 area and as a direct result of the disaster the permanent business  
157 enterprise is unable to maintain the required number of jobs, the  
158 Chairman of the State Tax Commission may extend this time period  
159 for not more than two (2) years. The number of new full-time jobs  
160 must be determined by comparing the monthly average number of  
161 full-time employees subject to Mississippi income tax withholding  
162 for the taxable year with the corresponding period of the prior  
163 taxable year. Only those permanent businesses that increase  
164 employment by twenty (20) or more in Tier One areas are eligible  
165 for the credit. The credit is not allowed during any of the five  
166 (5) years if the net employment increase falls below twenty (20).  
167 The Tax Commission shall adjust the credit allowed each year for  
168 the net new employment fluctuations above the minimum level of  
169 twenty (20).



170           (5) In addition to the credits authorized in subsections  
171       (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)  
172       credit for each net new full-time employee or an additional One  
173       Thousand Dollars (\$1,000.00) credit for each net new full-time  
174       employee who is paid a salary, excluding benefits which are not  
175       subject to Mississippi income taxation, of at least one hundred  
176       twenty-five percent (125%) of the average annual wage of the state  
177       or an additional Two Thousand Dollars (\$2,000.00) credit for each  
178       net new full-time employee who is paid a salary, excluding  
179       benefits which are not subject to Mississippi income taxation, of  
180       at least two hundred percent (200%) of the average annual wage of  
181       the state, shall be allowed for any company establishing or  
182       transferring its national or regional headquarters from within or  
183       outside the State of Mississippi. A minimum of thirty-five (35)  
184       jobs must be created to qualify for the additional credit. The  
185       State Tax Commission shall establish criteria and prescribe  
186       procedures to determine if a company qualifies as a national or  
187       regional headquarters for purposes of receiving the credit awarded  
188       in this subsection. As used in this subsection, the average  
189       annual wage of the state is the most recently published average  
190       annual wage as determined by the Mississippi Department of  
191       Employment Security.

192           (6) In addition to the credits authorized in subsections  
193       (2), (3), (4) and (5), any job requiring research and development  
194       skills (chemist, engineer, etc.) shall qualify for an additional





195 One Thousand Dollars (\$1,000.00) credit for each net new full-time  
196 employee.

197 (7) In lieu of the tax credits provided in subsections (2)  
198 through (6), any commercial or industrial property owner which  
199 remediates contaminated property in accordance with Sections  
200 49-35-1 through 49-35-25, is allowed a job tax credit for taxes  
201 imposed by Section 27-7-5 equal to the amounts provided in  
202 subsection (2), (3) or (4) for each net new full-time employee job  
203 for five (5) years beginning with years two (2) through six (6)  
204 after the creation of the job. The number of new full-time jobs  
205 must be determined by comparing the monthly average number of  
206 full-time employees subject to Mississippi income tax withholding  
207 for the taxable year with the corresponding period of the prior  
208 taxable year. This subsection shall be administered in the same  
209 manner as subsections (2), (3) and (4), except the landowner shall  
210 not be required to increase employment by the levels provided in  
211 subsections (2), (3) and (4) to be eligible for the tax credit.

212 (8) Tax credits for five (5) years for the taxes imposed by  
213 Section 27-7-5 shall be awarded for additional net new full-time  
214 jobs created by business enterprises qualified under subsections  
215 (2), (3), (4), (5), (6) and (7) of this section. Except as  
216 otherwise provided, the Tax Commission shall adjust the credit  
217 allowed in the event of employment fluctuations during the  
218 additional five (5) years of credit.



219 (9) (a) The sale, merger, acquisition, reorganization,  
220 bankruptcy or relocation from one (1) county to another county  
221 within the state of any business enterprise may not create new  
222 eligibility in any succeeding business entity, but any unused job  
223 tax credit may be transferred and continued by any transferee of  
224 the business enterprise. The Tax Commission shall determine  
225 whether or not qualifying net increases or decreases have occurred  
226 or proper transfers of credit have been made and may require  
227 reports, promulgate regulations, and hold hearings as needed for  
228 substantiation and qualification.

229 (b) This subsection shall not apply in cases in which a  
230 business enterprise has ceased operation, laid off all its  
231 employees and is subsequently acquired by another unrelated  
232 business entity that continues operation of the enterprise in the  
233 same or a similar type of business. In such a case the succeeding  
234 business entity shall be eligible for the credit authorized by  
235 this section unless the cessation of operation of the business  
236 enterprise was for the purpose of obtaining new eligibility for  
237 the credit.

238 (10) Any tax credit claimed under this section but not used  
239 in any taxable year may be carried forward for five (5) years from  
240 the close of the tax year in which the qualified jobs were  
241 established but the credit established by this section taken in  
242 any one (1) tax year must be limited to an amount not greater than  
243 fifty percent (50%) of the taxpayer's state income tax liability



244 which is attributable to income derived from operations in the  
245 state for that year. If the permanent business enterprise is  
246 located in an area that has been declared by the Governor to be a  
247 disaster area and as a direct result of the disaster the business  
248 enterprise is unable to use the existing carryforward, the  
249 Chairman of the State Tax Commission may extend the period that  
250 the credit may be carried forward for a period of time not to  
251 exceed two (2) years.

252 (11) No business enterprise for the transportation,  
253 handling, storage, processing or disposal of hazardous waste is  
254 eligible to receive the tax credits provided in this section.

255 (12) The credits allowed under this section shall not be  
256 used by any business enterprise or corporation other than the  
257 business enterprise actually qualifying for the credits.

258 (13) The tax credits provided for in this section shall be  
259 in addition to any tax credits described in Sections 57-51-13(b),  
260 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official  
261 action by the Mississippi Development Authority prior to July 1,  
262 1989, to any business enterprise determined prior to July 1, 1989,  
263 by the Mississippi Development Authority to be a qualified  
264 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
265 a qualified company as described in Section 57-53-1, as the case  
266 may be; however, from and after July 1, 1989, tax credits shall be  
267 allowed only under either this section or Sections 57-51-13(b),



268 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time  
269 employee.

270 (14) As used in this section, the term "telecommunications  
271 enterprises" means entities engaged in the creation, display,  
272 management, storage, processing, transmission or distribution for  
273 compensation of images, text, voice, video or data by wire or by  
274 wireless means, or entities engaged in the construction, design,  
275 development, manufacture, maintenance or distribution for  
276 compensation of devices, products, software or structures used in  
277 the above activities. Companies organized to do business as  
278 commercial broadcast radio stations, television stations or news  
279 organizations primarily serving in-state markets shall not be  
280 included within the definition of the term "telecommunications  
281 enterprises."

282 **[In cases involving business enterprises that apply for the**  
283 **job tax credit authorized by this section from and after January**  
284 **1, 2005, this section shall read as follows:]**

285 57-73-21. (1) Annually by December 31, using the most  
286 current data available from the University Research Center,  
287 Mississippi Department of Employment Security and the United  
288 States Department of Commerce, the Department of Revenue shall  
289 rank and designate the state's counties as provided in this  
290 section. The twenty-eight (28) counties in this state having a  
291 combination of the highest unemployment rate and lowest per capita  
292 income for the most recent thirty-six-month period, with equal



293 weight being given to each category, are designated Tier Three  
294 areas. The twenty-seven (27) counties in the state with a  
295 combination of the next highest unemployment rate and next lowest  
296 per capita income for the most recent thirty-six-month period,  
297 with equal weight being given to each category, are designated  
298 Tier Two areas. The twenty-seven (27) counties in the state with  
299 a combination of the lowest unemployment rate and the highest per  
300 capita income for the most recent thirty-six-month period, with  
301 equal weight being given to each category, are designated Tier One  
302 areas. Counties designated by the Department of Revenue qualify  
303 for the appropriate tax credit for jobs as provided in this  
304 section. The designation by the Department of Revenue is  
305 effective for the tax years of permanent business enterprises  
306 which begin after the date of designation. For companies which  
307 plan an expansion in their labor forces, the Department of Revenue  
308 shall prescribe certification procedures to ensure that the  
309 companies can claim credits in future years without regard to  
310 whether or not a particular county is removed from the list of  
311 Tier Three or Tier Two areas.

312 (2) Permanent business enterprises in counties designated by  
313 the Department of Revenue as Tier Three areas are allowed a job  
314 tax credit for taxes imposed by Section 27-7-5 equal to ten  
315 percent (10%) of the payroll of the enterprise for net new  
316 full-time employee jobs for five (5) years beginning with years  
317 two (2) through six (6) after the creation of the minimum number



318 of jobs required by this subsection; however, if the permanent  
319 business enterprise is located in an area that has been declared  
320 by the Governor to be a disaster area and as a direct result of  
321 the disaster the permanent business enterprise is unable to  
322 maintain the required number of jobs, the Commissioner of Revenue  
323 may extend this time period for not more than two (2) years. The  
324 number of new full-time jobs must be determined by comparing the  
325 monthly average number of full-time employees subject to the  
326 Mississippi income tax withholding for the taxable year with the  
327 corresponding period of the prior taxable year. Only those  
328 permanent business enterprises that increase employment by ten  
329 (10) or more in a Tier Three area are eligible for the credit.  
330 Credit is not allowed during any of the five (5) years if the net  
331 employment increase falls below ten (10). The Department of  
332 Revenue shall adjust the credit allowed each year for the net new  
333 employment fluctuations above the minimum level of ten (10).  
334 Medical cannabis establishments as defined in the Mississippi  
335 Medical Cannabis Act shall not be eligible for the tax credit  
336 authorized in this subsection (2).

337 (3) Permanent business enterprises in counties that have  
338 been designated by the Department of Revenue as Tier Two areas are  
339 allowed a job tax credit for taxes imposed by Section 27-7-5 equal  
340 to five percent (5%) of the payroll of the enterprise for net new  
341 full-time employee jobs for five (5) years beginning with years  
342 two (2) through six (6) after the creation of the minimum number



343 of jobs required by this subsection; however, if the permanent  
344 business enterprise is located in an area that has been declared  
345 by the Governor to be a disaster area and as a direct result of  
346 the disaster the permanent business enterprise is unable to  
347 maintain the required number of jobs, the Commissioner of Revenue  
348 may extend this time period for not more than two (2) years. The  
349 number of new full-time jobs must be determined by comparing the  
350 monthly average number of full-time employees subject to  
351 Mississippi income tax withholding for the taxable year with the  
352 corresponding period of the prior taxable year. Only those  
353 permanent business enterprises that increase employment by fifteen  
354 (15) or more in Tier Two areas are eligible for the credit. The  
355 credit is not allowed during any of the five (5) years if the net  
356 employment increase falls below fifteen (15). The Department of  
357 Revenue shall adjust the credit allowed each year for the net new  
358 employment fluctuations above the minimum level of fifteen (15).  
359 Medical cannabis establishments as defined in the Mississippi  
360 Medical Cannabis Act shall not be eligible for the tax credit  
361 authorized in this subsection (3).

362 (4) Permanent business enterprises in counties designated by  
363 the Department of Revenue as Tier One areas are allowed a job tax  
364 credit for taxes imposed by Section 27-7-5 equal to two and  
365 one-half percent (2.5%) of the payroll of the enterprise for net  
366 new full-time employee jobs for five (5) years beginning with  
367 years two (2) through six (6) after the creation of the minimum



368 number of jobs required by this subsection; however, if the  
369 permanent business enterprise is located in an area that has been  
370 declared by the Governor to be a disaster area and as a direct  
371 result of the disaster the permanent business enterprise is unable  
372 to maintain the required number of jobs, the Commissioner of  
373 Revenue may extend this time period for not more than two (2)  
374 years. The number of new full-time jobs must be determined by  
375 comparing the monthly average number of full-time employees  
376 subject to Mississippi income tax withholding for the taxable year  
377 with the corresponding period of the prior taxable year. Only  
378 those permanent business enterprises that increase employment by  
379 twenty (20) or more in Tier One areas are eligible for the credit.  
380 The credit is not allowed during any of the five (5) years if the  
381 net employment increase falls below twenty (20). The Department  
382 of Revenue shall adjust the credit allowed each year for the net  
383 new employment fluctuations above the minimum level of twenty  
384 (20). Medical cannabis establishments as defined in the  
385 Mississippi Medical Cannabis Act shall not be eligible for the tax  
386 credit authorized in this subsection (4).

387 (5) (a) In addition to the other credits authorized in this  
388 section, an additional Five Hundred Dollars (\$500.00) credit for  
389 each net new full-time employee or an additional One Thousand  
390 Dollars (\$1,000.00) credit for each net new full-time employee who  
391 is paid a salary, excluding benefits which are not subject to  
392 Mississippi income taxation, of at least one hundred twenty-five





393 percent (125%) of the average annual wage of the state or an  
394 additional Two Thousand Dollars (\$2,000.00) credit for each net  
395 new full-time employee who is paid a salary, excluding benefits  
396 which are not subject to Mississippi income taxation, of at least  
397 two hundred percent (200%) of the average annual wage of the  
398 state, shall be allowed for any company establishing or  
399 transferring its national or regional headquarters from within or  
400 outside the State of Mississippi. A minimum of twenty (20) jobs  
401 must be created to qualify for the additional credit. The  
402 Department of Revenue shall establish criteria and prescribe  
403 procedures to determine if a company qualifies as a national or  
404 regional headquarters for purposes of receiving the credit awarded  
405 in this paragraph (a). As used in this paragraph (a), the average  
406 annual wage of the state is the most recently published average  
407 annual wage as determined by the Mississippi Department of  
408 Employment Security. Medical cannabis establishments as defined  
409 in the Mississippi Medical Cannabis Act shall not be eligible for  
410 the tax credit authorized in this paragraph (a).

411 (b) In addition to the other credits authorized in this  
412 section, an additional Five Hundred Dollars (\$500.00) credit for  
413 each net new full-time employee or an additional One Thousand  
414 Dollars (\$1,000.00) credit for each net new full-time employee who  
415 is paid a salary, excluding benefits which are not subject to  
416 Mississippi income taxation, of at least one hundred twenty-five  
417 percent (125%) of the average annual wage of the state or an



418 additional Two Thousand Dollars (\$2,000.00) credit for each net  
419 new full-time employee who is paid a salary, excluding benefits  
420 which are not subject to Mississippi income taxation, of at least  
421 two hundred percent (200%) of the average annual wage of the  
422 state, shall be allowed for any company expanding or making  
423 additions after January 1, 2013, to its national or regional  
424 headquarters within the State of Mississippi. A minimum of twenty  
425 (20) new jobs must be created to qualify for the additional  
426 credit. The Department of Revenue shall establish criteria and  
427 prescribe procedures to determine if a company qualifies as a  
428 national or regional headquarters for purposes of receiving the  
429 credit awarded in this paragraph (b). As used in this paragraph  
430 (b), the average annual wage of the state is the most recently  
431 published average annual wage as determined by the Mississippi  
432 Department of Employment Security. Medical cannabis  
433 establishments as defined in the Mississippi Medical Cannabis Act  
434 shall not be eligible for the tax credit authorized in this  
435 paragraph (b).

436 (6) In addition to the other credits authorized in this  
437 section, any job requiring research and development skills  
438 (chemist, engineer, etc.) shall qualify for an additional One  
439 Thousand Dollars (\$1,000.00) credit for each net new full-time  
440 employee. Medical cannabis establishments as defined in the  
441 Mississippi Medical Cannabis Act shall not be eligible for the tax  
442 credit authorized in this subsection (6).



443           (7)   (a)   In addition to the other credits authorized in this  
444 section, any company that transfers or relocates its national or  
445 regional headquarters to the State of Mississippi from outside the  
446 State of Mississippi may receive a tax credit in an amount equal  
447 to the actual relocation costs paid by the company. A minimum of  
448 twenty (20) jobs must be created in order to qualify for the  
449 additional credit authorized under this subsection. Relocation  
450 costs for which a credit may be awarded shall be determined by the  
451 Department of Revenue and shall include those nondepreciable  
452 expenses that are necessary to relocate headquarters employees to  
453 the national or regional headquarters, including, but not limited  
454 to, costs such as travel expenses for employees and members of  
455 their households to and from Mississippi in search of homes and  
456 moving expenses to relocate furnishings, household goods and  
457 personal property of the employees and members of their  
458 households. Medical cannabis establishments as defined in the  
459 Mississippi Medical Cannabis Act shall not be eligible for the tax  
460 credit authorized in this subsection (7).

461           (b)   The tax credit authorized under this subsection  
462 shall be applied for the taxable year in which the relocation  
463 costs are paid. The maximum cumulative amount of tax credits that  
464 may be claimed by all taxpayers claiming a credit under this  
465 subsection in any one (1) state fiscal year shall not exceed One  
466 Million Dollars (\$1,000,000.00), exclusive of credits that might  
467 be carried forward from previous taxable years. A company may not



468 receive a credit for the relocation of an employee more than one  
469 (1) time in a twelve-month period for that employee.

470 (c) The Department of Revenue shall establish criteria  
471 and prescribe procedures to determine if a company creates the  
472 required number of jobs and qualifies as a national or regional  
473 headquarters for purposes of receiving the credit awarded in this  
474 subsection. A company desiring to claim a credit under this  
475 subsection must submit an application for such credit with the  
476 Department of Revenue in a manner prescribed by the department.

477 (d) In order to participate in the provisions of this  
478 section, a company must certify to the Mississippi Department of  
479 Revenue that it complies with the equal pay provisions of the  
480 federal Equal Pay Act of 1963, the Americans with Disabilities Act  
481 of 1990 and the fair pay provisions of the Civil Rights Act of  
482 1964.

483 (e) This subsection shall stand repealed on July 1,  
484 2025.

485 (8) In lieu of the other tax credits provided in this  
486 section, any commercial or industrial property owner which  
487 remediates contaminated property in accordance with Sections  
488 49-35-1 through 49-35-25, is allowed a job tax credit for taxes  
489 imposed by Section 27-7-5 equal to the percentage of payroll  
490 provided in subsection (2), (3) or (4) of this section for net new  
491 full-time employee jobs for five (5) years beginning with years  
492 two (2) through six (6) after the creation of the jobs. The



493 number of new full-time jobs must be determined by comparing the  
494 monthly average number of full-time employees subject to  
495 Mississippi income tax withholding for the taxable year with the  
496 corresponding period of the prior taxable year. This subsection  
497 shall be administered in the same manner as subsections (2), (3)  
498 and (4), except the landowner shall not be required to increase  
499 employment by the levels provided in subsections (2), (3) and (4)  
500 to be eligible for the tax credit.

501 (9) (a) Tax credits for five (5) years for the taxes  
502 imposed by Section 27-7-5 shall be awarded for increases in the  
503 annual payroll for net new full-time jobs created by business  
504 enterprises qualified under this section. The Department of  
505 Revenue shall adjust the credit allowed in the event of payroll  
506 fluctuations during the additional five (5) years of credit.

507 (b) Tax credits for five (5) years for the taxes  
508 imposed by Section 27-7-5 shall be awarded for additional net new  
509 full-time jobs created by business enterprises qualified under  
510 subsections (5) and (6) of this section and for additional  
511 relocation costs paid by companies qualified under subsection (7)  
512 of this section. The Department of Revenue shall adjust the  
513 credit allowed in the event of employment fluctuations during the  
514 additional five (5) years of credit.

515 (10) (a) The sale, merger, acquisition, reorganization,  
516 bankruptcy or relocation from one (1) county to another county  
517 within the state of any business enterprise may not create new



518 eligibility in any succeeding business entity, but any unused job  
519 tax credit may be transferred and continued by any transferee of  
520 the business enterprise. The Department of Revenue shall  
521 determine whether or not qualifying net increases or decreases  
522 have occurred or proper transfers of credit have been made and may  
523 require reports, promulgate regulations, and hold hearings as  
524 needed for substantiation and qualification.

525 (b) This subsection shall not apply in cases in which a  
526 business enterprise has ceased operation, laid off all its  
527 employees and is subsequently acquired by another unrelated  
528 business entity that continues operation of the enterprise in the  
529 same or a similar type of business. In such a case the succeeding  
530 business entity shall be eligible for the credit authorized by  
531 this section unless the cessation of operation of the business  
532 enterprise was for the purpose of obtaining new eligibility for  
533 the credit.

534 (11) Any tax credit claimed under this section but not used  
535 in any taxable year may be carried forward for five (5) years from  
536 the close of the tax year in which the qualified jobs were  
537 established and/or headquarters relocation costs paid, as  
538 applicable, but the credit established by this section taken in  
539 any one (1) tax year must be limited to an amount not greater than  
540 fifty percent (50%) of the taxpayer's state income tax liability  
541 which is attributable to income derived from operations in the  
542 state for that year. If the permanent business enterprise is



543 located in an area that has been declared by the Governor to be a  
544 disaster area and as a direct result of the disaster the business  
545 enterprise is unable to use the existing carryforward, the  
546 Commissioner of Revenue may extend the period that the credit may  
547 be carried forward for a period of time not to exceed two (2)  
548 years.

549 (12) No business enterprise for the transportation,  
550 handling, storage, processing or disposal of hazardous waste is  
551 eligible to receive the tax credits provided in this section.

552 (13) The credits allowed under this section shall not be  
553 used by any business enterprise or corporation other than the  
554 business enterprise actually qualifying for the credits.

555 (14) As used in this section:

556 (a) "Business enterprises" means entities primarily  
557 engaged in:

558 (i) Manufacturing, processing, warehousing,  
559 warehousing activities, distribution, wholesaling and research and  
560 development, or

561 (ii) Permanent business enterprises designated by  
562 rule and regulation of the Mississippi Development Authority as  
563 air transportation and maintenance facilities, final destination  
564 or resort hotels having a minimum of one hundred fifty (150) guest  
565 rooms, recreational facilities that impact tourism, movie industry  
566 studios, telecommunications enterprises, data or information



567 processing enterprises or computer software development  
568 enterprises or any technology intensive facility or enterprise.

569 (b) "Telecommunications enterprises" means entities  
570 engaged in the creation, display, management, storage, processing,  
571 transmission or distribution for compensation of images, text,  
572 voice, video or data by wire or by wireless means, or entities  
573 engaged in the construction, design, development, manufacture,  
574 maintenance or distribution for compensation of devices, products,  
575 software or structures used in the above activities. Companies  
576 organized to do business as commercial broadcast radio stations,  
577 television stations or news organizations primarily serving  
578 in-state markets shall not be included within the definition of  
579 the term "telecommunications enterprises."

580 (c) "Warehousing activities" means entities that  
581 establish or expand facilities that service and support multiple  
582 retail or wholesale locations within and outside the state.  
583 Warehousing activities may be performed solely to support the  
584 primary activities of the entity, and credits generated shall  
585 offset the income of the entity based on an apportioned ratio of  
586 payroll for warehouse employees of the entity to total Mississippi  
587 payroll of the entity that includes the payroll of retail  
588 employees of the entity.

589 (15) The tax credits provided for in this section shall be  
590 in addition to any tax credits described in Sections 57-51-13(b),  
591 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official





592 action by the Mississippi Development Authority prior to July 1,  
593 1989, to any business enterprise determined prior to July 1, 1989,  
594 by the Mississippi Development Authority to be a qualified  
595 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
596 a qualified company as described in Section 57-53-1, as the case  
597 may be; however, from and after July 1, 1989, tax credits shall be  
598 allowed only under either this section or Sections 57-51-13(b),  
599 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time  
600 employee.

601 (16) A business enterprise that chooses to receive job  
602 training assistance pursuant to Section 57-1-451 shall not be  
603 eligible for the tax credits provided for in this section.

604 **SECTION 3.** This act shall take effect and be in force from  
605 and after July 1, 2023.

