

By: Representatives Tullos, Byrd

To: Ways and Means

HOUSE BILL NO. 1091

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 twenty-five (25) megabits per second downlink



21 and three (3) megabits per second uplink. The revision of such
22 FCC standard will require only equipment meeting the standard to
23 be listed on the business personal property return for the tax
24 year following the change.

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

29 Qualifying companies shall provide one or more of the
30 following services to qualifying counties: fiber, cable, DSL or
31 fixed wireless access (FWA). Where companies provide both
32 cellular telephone and FWA, only the equipment used specifically
33 for FWA qualifies. Upon request of the county tax assessor, the
34 company must produce a notarized, sworn list of the total number
35 of paying subscribers in such county as of the final lien date for
36 personal property filed for the latest tax year. The exemption
37 shall be filed for qualifying sites operational by December 31 on
38 the business personal property form as required. The maximum
39 allowable FWA exemption shall be capped at thirty percent (30%) of
40 the total asset cost (cellular and FWA) for each FWA site.

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



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

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

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



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

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



96 enterprise is unable to maintain the required number of jobs, the
97 Chairman of the State Tax Commission may extend this time period
98 for not more two (2) years. The number of new full-time jobs must
99 be determined by comparing the monthly average number of full-time
100 employees subject to the Mississippi income tax withholding for
101 the taxable year with the corresponding period of the prior
102 taxable year. Only those permanent businesses that increase
103 employment by ten (10) or more in a Tier Three area are eligible
104 for the credit. Credit is not allowed during any of the five (5)
105 years if the net employment increase falls below ten (10). The
106 Tax Commission shall adjust the credit allowed each year for the
107 net new employment fluctuations above the minimum level of ten
108 (10).

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



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

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



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



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

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



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

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

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



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

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

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



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

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

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

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



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

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

283 **[In cases involving business enterprises that apply for the**
284 **job tax credit authorized by this section from and after January**
285 **1, 2005, this section shall read as follows:]**

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



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

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



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

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



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

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



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

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



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

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



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

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



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

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



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

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

478 (d) In order to participate in the provisions of this
479 section, a company must certify to the Mississippi Department of
480 Revenue that it complies with the equal pay provisions of the
481 federal Equal Pay Act of 1963, the Americans with Disabilities Act
482 of 1990 and the fair pay provisions of the Civil Rights Act of
483 1964.

484 (e) This subsection shall stand repealed on July 1,
485 2025.

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



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

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

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

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



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

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

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



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

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

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

556 (14) As used in this section:

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

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

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



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

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

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

590 (15) The tax credits provided for in this section shall be
591 in addition to any tax credits described in Sections 57-51-13(b),
592 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official



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

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

605 **SECTION 3.** This act shall take effect and be in force from
606 and after July 1, 2024.

