

By: Representative Oliver

To: Ways and Means

HOUSE BILL NO. 1855

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,  
2 TO EXEMPT FROM SALES TAXATION SALES, LEASES OR OTHER RETAIL  
3 TRANSFERS OF FIXED-WING AIRCRAFT, ENGINES, ACCESSORIES AND SPARE  
4 PARTS TO, OR TO BE USED BY, CERTIFIED COMMON CARRIERS IN THE  
5 TRANSPORT OF PERSONS OR PROPERTY IN INTERSTATE, INTRASTATE OR  
6 FOREIGN COMMERCE; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 27-65-101, Mississippi Code of 1972, is  
9 amended as follows:

10 27-65-101. (1) The exemptions from the provisions of this  
11 chapter which are of an industrial nature or which are more  
12 properly classified as industrial exemptions than any other  
13 exemption classification of this chapter shall be confined to  
14 those persons or property exempted by this section or by the  
15 provisions of the Constitution of the United States or the State  
16 of Mississippi. No industrial exemption as now provided by any  
17 other section except Section 57-3-33 shall be valid as against the  
18 tax herein levied. Any subsequent industrial exemption from the  
19 tax levied hereunder shall be provided by amendment to this



20 section. No exemption provided in this section shall apply to  
21 taxes levied by Section 27-65-15 or 27-65-21.

22 The tax levied by this chapter shall not apply to the  
23 following:

24 (a) Sales of boxes, crates, cartons, cans, bottles and  
25 other packaging materials to manufacturers and wholesalers for use  
26 as containers or shipping materials to accompany goods sold by  
27 said manufacturers or wholesalers where possession thereof will  
28 pass to the customer at the time of sale of the goods contained  
29 therein and sales to anyone of containers or shipping materials  
30 for use in ships engaged in international commerce.

31 (b) Sales of raw materials, catalysts, processing  
32 chemicals, welding gases or other industrial processing gases  
33 (except natural gas) to a manufacturer for use directly in  
34 manufacturing or processing a product for sale or rental or  
35 repairing or reconditioning vessels or barges of fifty (50) tons  
36 load displacement and over. For the purposes of this exemption,  
37 electricity used directly in the electrolysis process in the  
38 production of sodium chlorate shall be considered a raw material.  
39 This exemption shall not apply to any property used as fuel except  
40 to the extent that such fuel comprises by-products which have no  
41 market value.

42 (c) The gross proceeds of sales of dry docks, offshore  
43 drilling equipment for use in oil or natural gas exploration or  
44 production, vessels or barges of fifty (50) tons load displacement



45 and over, when the vessels or barges are sold by the manufacturer  
46 or builder thereof. In addition to other types of equipment,  
47 offshore drilling equipment for use in oil or natural gas  
48 exploration or production shall include aircraft used  
49 predominately to transport passengers or property to or from  
50 offshore oil or natural gas exploration or production platforms or  
51 vessels, and engines, accessories and spare parts for such  
52 aircraft.

53 (d) Sales to commercial fishermen of commercial fishing  
54 boats of over five (5) tons load displacement and not more than  
55 fifty (50) tons load displacement as registered with the United  
56 States Coast Guard and licensed by the Mississippi Commission on  
57 Marine Resources.

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

60 (f) Sales of petroleum products to vessels or barges  
61 for consumption in marine international commerce or interstate  
62 transportation businesses.

63 (g) Sales and rentals of rail rolling stock (and  
64 component parts thereof) for ultimate use in interstate commerce  
65 and gross income from services with respect to manufacturing,  
66 repairing, cleaning, altering, reconditioning or improving such  
67 rail rolling stock (and component parts thereof).

68 (h) Sales of raw materials, catalysts, processing  
69 chemicals, welding gases or other industrial processing gases



70 (except natural gas) used or consumed directly in manufacturing,  
71 repairing, cleaning, altering, reconditioning or improving such  
72 rail rolling stock (and component parts thereof). This exemption  
73 shall not apply to any property used as fuel.

74 (i) Sales of machinery or tools or repair parts  
75 therefor or replacements thereof, fuel or supplies used directly  
76 in manufacturing, converting or repairing ships, vessels or barges  
77 of three thousand (3,000) tons load displacement and over, but not  
78 to include office and plant supplies or other equipment not  
79 directly used on the ship, vessel or barge being built, converted  
80 or repaired. For purposes of this exemption, "ships, vessels or  
81 barges" shall not include floating structures described in Section  
82 27-65-18.

83 (j) Sales of tangible personal property to persons  
84 operating ships in international commerce for use or consumption  
85 on board such ships. This exemption shall be limited to cases in  
86 which procedures satisfactory to the commissioner, ensuring  
87 against use in this state other than on such ships, are  
88 established.

89 (k) Sales of materials used in the construction of a  
90 building, or any addition or improvement thereon, and sales of any  
91 machinery and equipment not later than three (3) months after the  
92 completion of construction of the building, or any addition  
93 thereon, to be used therein, to qualified businesses, as defined  
94 in Section 57-51-5, which are located in a county or portion



95 thereof designated as an enterprise zone pursuant to Sections  
96 57-51-1 through 57-51-15.

97           (1) Sales of materials used in the construction of a  
98 building, or any addition or improvement thereon, and sales of any  
99 machinery and equipment not later than three (3) months after the  
100 completion of construction of the building, or any addition  
101 thereon, to be used therein, to qualified businesses, as defined  
102 in Section 57-54-5.

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

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

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

112           (p) Sales of materials used in the construction of a  
113 building, or any addition or improvement thereon, and sales of any  
114 machinery and equipment not later than three (3) months after the  
115 completion of construction of the building, or any addition  
116 thereon, to be used therein, to qualified companies, certified as  
117 such by the Mississippi Development Authority under Section  
118 57-53-1.



119           (q) Sales of component materials used in the  
120 construction of a building, or any addition or improvement  
121 thereon, sales of machinery and equipment to be used therein, and  
122 sales of manufacturing or processing machinery and equipment which  
123 is permanently attached to the ground or to a permanent foundation  
124 and which is not by its nature intended to be housed within a  
125 building structure, not later than three (3) months after the  
126 initial start-up date, to permanent business enterprises engaging  
127 in manufacturing or processing in Tier Three areas (as such term  
128 is defined in Section 57-73-21), which businesses are certified by  
129 the Department of Revenue as being eligible for the exemption  
130 granted in this paragraph (q). The exemption provided in this  
131 paragraph (q) shall not apply to sales to any business enterprise  
132 that is a medical cannabis establishment as defined in the  
133 Mississippi Medical Cannabis Act.

134           (r) (i) Sales of component materials used in the  
135 construction of a building, or any addition or improvement  
136 thereon, and sales of any machinery and equipment not later than  
137 three (3) months after the completion of the building, addition or  
138 improvement thereon, to be used therein, for any company  
139 establishing or transferring its national or regional headquarters  
140 from within or outside the State of Mississippi and creating a  
141 minimum of twenty (20) jobs at the new headquarters in this state.  
142 The exemption provided in this subparagraph (i) shall not apply to  
143 sales for any company that is a medical cannabis establishment as



144 defined in the Mississippi Medical Cannabis Act. The Department  
145 of Revenue shall establish criteria and prescribe procedures to  
146 determine if a company qualifies as a national or regional  
147 headquarters for the purpose of receiving the exemption provided  
148 in this subparagraph (i).

149 (ii) Sales of component materials used in the  
150 construction of a building, or any addition or improvement  
151 thereon, and sales of any machinery and equipment not later than  
152 three (3) months after the completion of the building, addition or  
153 improvement thereon, to be used therein, for any company expanding  
154 or making additions after January 1, 2013, to its national or  
155 regional headquarters within the State of Mississippi and creating  
156 a minimum of twenty (20) new jobs at the headquarters as a result  
157 of the expansion or additions. The exemption provided in this  
158 subparagraph (ii) shall not apply to sales for any company that is  
159 a medical cannabis establishment as defined in the Mississippi  
160 Medical Cannabis Act. The Department of Revenue shall establish  
161 criteria and prescribe procedures to determine if a company  
162 qualifies as a national or regional headquarters for the purpose  
163 of receiving the exemption provided in this subparagraph (ii).

164 (s) The gross proceeds from the sale of semitrailers,  
165 trailers, boats, travel trailers, motorcycles, all-terrain cycles  
166 and rotary-wing aircraft if exported from this state within  
167 forty-eight (48) hours and registered and first used in another  
168 state.



169 (t) Gross income from the storage and handling of  
170 natural gas in underground salt domes and in other underground  
171 reservoirs, caverns, structures and formations suitable for such  
172 storage.

173 (u) Sales of machinery and equipment to nonprofit  
174 organizations if the organization:

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

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

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

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

188 (v) Sales or leases of materials and equipment to  
189 approved business enterprises as provided under the Growth and  
190 Prosperity Act.

191 (w) From and after July 1, 2001, sales of pollution  
192 control equipment to manufacturers or custom processors for  
193 industrial use. For the purposes of this exemption, "pollution





194 control equipment" means equipment, devices, machinery or systems  
195 used or acquired to prevent, control, monitor or reduce air, water  
196 or groundwater pollution, or solid or hazardous waste as required  
197 by federal or state law or regulation.

198 (x) Sales or leases to a manufacturer of motor vehicles  
199 or powertrain components operating a project that has been  
200 certified by the Mississippi Major Economic Impact Authority as a  
201 project as defined in Section 57-75-5(f)(iv)1, Section  
202 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
203 equipment; special tooling such as dies, molds, jigs and similar  
204 items treated as special tooling for federal income tax purposes;  
205 or repair parts therefor or replacements thereof; repair services  
206 thereon; fuel, supplies, electricity, coal and natural gas used  
207 directly in the manufacture of motor vehicles or motor vehicle  
208 parts or used to provide climate control for manufacturing areas.

209 (y) Sales or leases of component materials, machinery  
210 and equipment used in the construction of a building, or any  
211 addition or improvement thereon to an enterprise operating a  
212 project that has been certified by the Mississippi Major Economic  
213 Impact Authority as a project as defined in Section  
214 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
215 or Section 57-75-5(f)(xxviii) and any other sales or leases  
216 required to establish or operate such project.

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



219 (aa) The gross income from the stripping and painting  
220 of commercial aircraft engaged in foreign or interstate  
221 transportation business.

222 (bb) [Repealed]

223 (cc) Sales or leases to an enterprise owning or  
224 operating a project that has been designated by the Mississippi  
225 Major Economic Impact Authority as a project as defined in Section  
226 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
227 as dies, molds, jigs and similar items treated as special tooling  
228 for federal income tax purposes; or repair parts therefor or  
229 replacements thereof; repair services thereon; fuel, supplies,  
230 electricity, coal and natural gas used directly in the  
231 manufacturing/production operations of the project or used to  
232 provide climate control for manufacturing/production areas.

233 (dd) Sales or leases of component materials, machinery  
234 and equipment used in the construction of a building, or any  
235 addition or improvement thereon to an enterprise owning or  
236 operating a project that has been designated by the Mississippi  
237 Major Economic Impact Authority as a project as defined in Section  
238 57-75-5(f) (xviii) and any other sales or leases required to  
239 establish or operate such project.

240 (ee) Sales of parts used in the repair and servicing of  
241 aircraft not registered in Mississippi engaged exclusively in the  
242 business of foreign or interstate transportation to businesses  
243 engaged in aircraft repair and maintenance.



244 (ff) Sales of component materials used in the  
245 construction of a facility, or any addition or improvement  
246 thereon, and sales or leases of machinery and equipment not later  
247 than three (3) months after the completion of construction of the  
248 facility, or any addition or improvement thereto, to be used in  
249 the building or any addition or improvement thereto, to a  
250 permanent business enterprise operating a data/information  
251 enterprise in Tier Three areas (as such areas are designated in  
252 accordance with Section 57-73-21), meeting minimum criteria  
253 established by the Mississippi Development Authority. The  
254 exemption provided in this paragraph (ff) shall not apply to sales  
255 to any business enterprise that is a medical cannabis  
256 establishment as defined in the Mississippi Medical Cannabis Act.

257 (gg) Sales of component materials used in the  
258 construction of a facility, or any addition or improvement  
259 thereto, and sales of machinery and equipment not later than three  
260 (3) months after the completion of construction of the facility,  
261 or any addition or improvement thereto, to be used in the facility  
262 or any addition or improvement thereto, to technology intensive  
263 enterprises for industrial purposes in Tier Three areas (as such  
264 areas are designated in accordance with Section 57-73-21), as  
265 certified by the Department of Revenue. For purposes of this  
266 paragraph, an enterprise must meet the criteria provided for in  
267 Section 27-65-17(1)(f) in order to be considered a technology  
268 intensive enterprise.



269           (hh) Sales of component materials used in the  
270 replacement, reconstruction or repair of a building or facility  
271 that has been destroyed or sustained extensive damage as a result  
272 of a disaster declared by the Governor, sales of machinery and  
273 equipment to be used therein to replace machinery or equipment  
274 damaged or destroyed as a result of such disaster, including, but  
275 not limited to, manufacturing or processing machinery and  
276 equipment which is permanently attached to the ground or to a  
277 permanent foundation and which is not by its nature intended to be  
278 housed within a building structure, to enterprises or companies  
279 that were eligible for the exemptions authorized in paragraph (q),  
280 (r), (ff) or (gg) of this subsection during initial construction  
281 of the building that was destroyed or damaged, which enterprises  
282 or companies are certified by the Department of Revenue as being  
283 eligible for the exemption granted in this paragraph.

284           (ii) Sales of software or software services transmitted  
285 by the Internet to a destination outside the State of Mississippi  
286 where the first use of such software or software services by the  
287 purchaser occurs outside the State of Mississippi.

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

291           (kk) Sales of component building materials and  
292 equipment for initial construction of facilities or expansion of



293 facilities as authorized under Sections 57-113-1 through 57-113-7  
294 and Sections 57-113-21 through 57-113-27.

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

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

301 (nn) Sales of component materials used in the  
302 construction of a building, or any addition or improvement  
303 thereon, and sales or leases of machinery and equipment not later  
304 than three (3) months after the completion of the construction of  
305 the facility, to be used in the facility, to permanent business  
306 enterprises operating a facility producing renewable crude oil  
307 from biomass harvested or produced, in whole or in part, in  
308 Mississippi, which businesses meet minimum criteria established by  
309 the Mississippi Development Authority. As used in this paragraph,  
310 the term "biomass" shall have the meaning ascribed to such term in  
311 Section 57-113-1.

312 (oo) Sales of supplies, equipment and other personal  
313 property to an organization that is exempt from taxation under  
314 Section 501(c)(3) of the Internal Revenue Code and is the host  
315 organization coordinating a professional golf tournament played or  
316 to be played in this state and the supplies, equipment or other



317 personal property will be used for purposes related to the golf  
318 tournament and related activities.

319 (pp) Sales of materials used in the construction of a  
320 health care industry facility, as defined in Section 57-117-3, or  
321 any addition or improvement thereon, and sales of any machinery  
322 and equipment not later than three (3) months after the completion  
323 of construction of the facility, or any addition thereon, to be  
324 used therein, to qualified businesses, as defined in Section  
325 57-117-3. This paragraph shall be repealed from and after July 1,  
326 2025.

327 (qq) Sales or leases to a manufacturer of automotive  
328 parts operating a project that has been certified by the  
329 Mississippi Major Economic Impact Authority as a project as  
330 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;  
331 or repair parts therefor or replacements thereof; repair services  
332 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
333 gas used directly in the manufacture of automotive parts or used  
334 to provide climate control for manufacturing areas.

335 (rr) Gross collections derived from guided tours on any  
336 navigable waters of this state, which include providing  
337 accommodations, guide services and/or related equipment operated  
338 by or under the direction of the person providing the tour, for  
339 the purposes of outdoor tourism. The exemption provided in this  
340 paragraph (rr) does not apply to the sale of tangible personal  
341 property by a person providing such tours.



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

347 (tt) Sales exempt under the Facilitating Business Rapid  
348 Response to State Declared Disasters Act of 2015 (Sections  
349 27-113-1 through 27-113-9).

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

354 (i) All personal property and fixtures, including  
355 without limitation, sales or leases to the enterprise and its  
356 affiliates of:

357 1. Manufacturing machinery and equipment;

358 2. Special tooling such as dies, molds, jigs  
359 and similar items treated as special tooling for federal income  
360 tax purposes;

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

364 4. Nonmanufacturing furniture, fixtures and  
365 equipment (inclusive of all communications, computer, server,  
366 software and other hardware equipment); and



367                   5. Fuel, supplies (other than  
368 nonmanufacturing consumable supplies and water), electricity,  
369 nitrogen gas and natural gas used directly in the  
370 manufacturing/production operations of such project or used to  
371 provide climate control for manufacturing/production areas of such  
372 project;

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

376                   (iii) All services taxable pursuant to Section  
377 27-65-23 required to establish, support, operate, repair and/or  
378 maintain such project.

379                   (vv) Sales or leases to an enterprise operating a  
380 project that has been certified by the Mississippi Major Economic  
381 Impact Authority as a project as defined in Section  
382 57-75-5(f) (xxx) of:

383                   (i) Purchases required to establish and operate  
384 the project, including, but not limited to, sales of component  
385 building materials, machinery and equipment required to establish  
386 the project facility and any additions or improvements thereon;  
387 and

388                   (ii) Machinery, special tools (such as dies,  
389 molds, and jigs) or repair parts thereof, or replacements and  
390 lease thereof, repair services thereon, fuel, supplies and  
391 electricity, coal and natural gas used in the manufacturing





392 process and purchased by the enterprise owning or operating the  
393 project for the benefit of the project.

394 (ww) Sales of component materials used in the  
395 construction of a building, or any expansion or improvement  
396 thereon, sales of machinery and/or equipment to be used therein,  
397 and sales of processing machinery and equipment which is  
398 permanently attached to the ground or to a permanent foundation  
399 which is not by its nature intended to be housed in a building  
400 structure, no later than three (3) months after initial startup,  
401 expansion or improvement of a permanent enterprise solely engaged  
402 in the conversion of natural sand into proppants used in oil and  
403 gas exploration and development with at least ninety-five percent  
404 (95%) of such proppants used in the production of oil and/or gas  
405 from horizontally drilled wells and/or horizontally drilled  
406 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

407 (xx) (i) Sales or leases to an enterprise operating a  
408 project that has been certified by the Mississippi Major Economic  
409 Impact Authority as a project as defined in Section  
410 57-75-5(f)(xxxi), for a period ending no later than one (1) year  
411 following completion of the construction of the facility or  
412 facilities comprising such project of all personal property and  
413 fixtures, including without limitation, sales or leases to the  
414 enterprise and its affiliates of:

415 1. Manufacturing machinery and equipment;



416                   2. Special tooling such as dies, molds, jigs  
417 and similar items treated as special tooling for federal income  
418 tax purposes;

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

422                   4. Nonmanufacturing furniture, fixtures and  
423 equipment (inclusive of all communications, computer, server,  
424 software and other hardware equipment);

425                   5. Replacements of, repair parts for or  
426 services to repair items described in this subparagraph (i)1, 2  
427 and 3; and

428                   6. All services taxable pursuant to Section  
429 27-65-23 required to establish, support, operate, repair and/or  
430 maintain such project; and

431                   (ii) Sales or leases to an enterprise operating a  
432 project that has been certified by the Mississippi Major Economic  
433 Impact Authority as a project as defined in Section  
434 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,  
435 natural gas, liquefied petroleum gas or other fuel, biomass,  
436 nitrogen or other atmospheric or other industrial gases used  
437 directly by the enterprise in the manufacturing/production  
438 operations of its project or used to provide climate control for  
439 manufacturing/production areas (which manufacturing/production  
440 areas shall be apportioned based on square footage). As used in



441 this paragraph, the term "biomass" shall have the meaning ascribed  
442 to such term in Section 57-113-1.

443 (yy) The gross proceeds from the sale of any item of  
444 tangible personal property by the manufacturer or custom processor  
445 thereof if such item is shipped, transported or exported from this  
446 state and first used in another state, whether such shipment,  
447 transportation or exportation is made by the seller, purchaser, or  
448 any third party acting on behalf of such party. For the purposes  
449 of this paragraph (yy), any instruction to, training of or  
450 inspection by the purchaser with respect to the item prior to  
451 shipment, transportation or exportation of the item shall not  
452 constitute a first use of such item within this state.

453 (zz) (i) Sales or leases to an enterprise operating a  
454 project that has been certified by the Mississippi Major Economic  
455 Impact Authority as a project as defined in Section  
456 57-75-5(f)(xxxii), for a period ending no later than one (1) year  
457 following completion of the construction of the facility or  
458 facilities comprising such project of all personal property and  
459 fixtures, including, without limitation, sales or leases to the  
460 enterprise and its affiliates of:

- 461 1. Manufacturing machinery and equipment;  
462 2. Special tooling such as dies, molds, jigs  
463 and similar items treated as special tooling for federal income  
464 tax purposes;



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

468                   4. Nonmanufacturing furniture, fixtures and  
469 equipment (inclusive of all communications, computer, server,  
470 software and other hardware equipment);

471                   5. Replacements of, repair parts for or  
472 services to repair items described in this subparagraph (i)1, 2  
473 and 3; and

474                   6. All services taxable pursuant to Section  
475 27-65-23 required to establish, support, operate, repair and/or  
476 maintain such project; and

477                   (ii) Sales or leases to an enterprise operating a  
478 project that has been certified by the Mississippi Major Economic  
479 Impact Authority as a project as defined in Section  
480 57-75-5(f)(xxxii) of electricity, current, power, steam, coal,  
481 natural gas, liquefied petroleum gas or other fuel, biomass,  
482 nitrogen or other atmospheric or other industrial gases used  
483 directly by the enterprise in the manufacturing/production  
484 operations of its project or used to provide climate control for  
485 manufacturing/production areas (which manufacturing/production  
486 areas shall be apportioned based on square footage). As used in  
487 this paragraph, the term "biomass" shall have the meaning ascribed  
488 to such term in Section 57-113-1.



489           (aaa) Sales or leases to an enterprise and/or any  
490 affiliates thereof operating a project that has been certified by  
491 the Mississippi Major Economic Impact Authority as a project as  
492 defined in Section 57-75-5(f) (xxxiii) of:

493                   (i) Component building materials, fixtures,  
494 machinery and equipment used in the construction of a data  
495 processing facility or other buildings comprising all or part of a  
496 project, for a period ending no later than one (1) year following  
497 completion of the construction of the data processing facility or  
498 such other building; and

499                   (ii) All equipment and other personal property  
500 needed to establish and operate the project and any expansions  
501 thereof or additions thereto, including, but not limited to:

502                           1. Communications, computer, server,  
503 software, connectivity materials and equipment, emergency power  
504 generation equipment, other hardware equipment and any other  
505 technology;

506                           2. All replacements of, and repair parts for,  
507 such equipment or other personal property; and

508                           3. All services taxable pursuant to Section  
509 27-65-23 required to install, support, operate, repair and/or  
510 maintain the foregoing equipment and other personal property  
511 described in this subparagraph (ii).

512                   (bbb) Sales, leases or other retail transfers of  
513 fixed-wing aircraft, engines, accessories and spare parts to, or



514 to be used by, certified common carriers in the transport of  
515 persons or property in interstate, intrastate or foreign commerce.

516 (2) Sales of component materials used in the construction of  
517 a building, or any addition or improvement thereon, sales of  
518 machinery and equipment to be used therein, and sales of  
519 manufacturing or processing machinery and equipment which is  
520 permanently attached to the ground or to a permanent foundation  
521 and which is not by its nature intended to be housed within a  
522 building structure, not later than three (3) months after the  
523 initial start-up date, to permanent business enterprises engaging  
524 in manufacturing or processing in Tier Two areas and Tier One  
525 areas (as such areas are designated in accordance with Section  
526 57-73-21), which businesses are certified by the Department of  
527 Revenue as being eligible for the exemption granted in this  
528 subsection, shall be exempt from one-half (1/2) of the taxes  
529 imposed on such transactions under this chapter. The exemption  
530 provided in this subsection (2) shall not apply to sales to any  
531 business enterprise that is a medical cannabis establishment as  
532 defined in the Mississippi Medical Cannabis Act.

533 (3) Sales of component materials used in the construction of  
534 a facility, or any addition or improvement thereon, and sales or  
535 leases of machinery and equipment not later than three (3) months  
536 after the completion of construction of the facility, or any  
537 addition or improvement thereto, to be used in the building or any  
538 addition or improvement thereto, to a permanent business



539 enterprise operating a data/information enterprise in Tier Two  
540 areas and Tier One areas (as such areas are designated in  
541 accordance with Section 57-73-21), which businesses meet minimum  
542 criteria established by the Mississippi Development Authority,  
543 shall be exempt from one-half (1/2) of the taxes imposed on such  
544 transaction under this chapter. The exemption provided in this  
545 subsection (3) shall not apply to sales to any business enterprise  
546 that is a medical cannabis establishment as defined in the  
547 Mississippi Medical Cannabis Act.

548 (4) Sales of component materials used in the construction of  
549 a facility, or any addition or improvement thereto, and sales of  
550 machinery and equipment not later than three (3) months after the  
551 completion of construction of the facility, or any addition or  
552 improvement thereto, to be used in the building or any addition or  
553 improvement thereto, to technology intensive enterprises for  
554 industrial purposes in Tier Two areas and Tier One areas (as such  
555 areas are designated in accordance with Section 57-73-21), which  
556 businesses are certified by the Department of Revenue as being  
557 eligible for the exemption granted in this subsection, shall be  
558 exempt from one-half (1/2) of the taxes imposed on such  
559 transactions under this chapter. For purposes of this subsection,  
560 an enterprise must meet the criteria provided for in Section  
561 27-65-17(1)(f) in order to be considered a technology intensive  
562 enterprise.

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



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

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

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

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

572 (v) "Equipment used in the deployment of broadband  
573 technologies" means any equipment capable of being used for or in  
574 connection with the transmission of information at a rate, prior  
575 to taking into account the effects of any signal degradation, that  
576 is not less than three hundred eighty-four (384) kilobits per  
577 second in at least one (1) direction, including, but not limited  
578 to, asynchronous transfer mode switches, digital subscriber line  
579 access multiplexers, routers, servers, multiplexers, fiber optics  
580 and related equipment.

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

586 (c) Sales of equipment to telecommunications  
587 enterprises after June 30, 2003, and before July 1, 2025, that is  
588 installed in Tier Two and Tier Three areas and used in the





589 deployment of broadband technologies shall be exempt from the  
590 taxes imposed on such transactions under this chapter.

591 (6) Sales of component materials used in the replacement,  
592 reconstruction or repair of a building that has been destroyed or  
593 sustained extensive damage as a result of a disaster declared by  
594 the Governor, sales of machinery and equipment to be used therein  
595 to replace machinery or equipment damaged or destroyed as a result  
596 of such disaster, including, but not limited to, manufacturing or  
597 processing machinery and equipment which is permanently attached  
598 to the ground or to a permanent foundation and which is not by its  
599 nature intended to be housed within a building structure, to  
600 enterprises that were eligible for the partial exemptions provided  
601 for in subsections (2), (3) and (4) of this section during initial  
602 construction of the building that was destroyed or damaged, which  
603 enterprises are certified by the Department of Revenue as being  
604 eligible for the partial exemption granted in this subsection,  
605 shall be exempt from one-half (1/2) of the taxes imposed on such  
606 transactions under this chapter.

607 **SECTION 2.** Nothing in this act shall affect or defeat any  
608 claim, assessment, appeal, suit, right or cause of action for  
609 taxes due or accrued under the sales tax laws before the date on  
610 which this act becomes effective, whether such claims,  
611 assessments, appeals, suits or actions have been begun before the  
612 date on which this act becomes effective or are begun thereafter;  
613 and the provisions of the sales tax laws are expressly continued



614 in full force, effect and operation for the purpose of the  
615 assessment, collection and enrollment of liens for any taxes due  
616 or accrued and the execution of any warrant under such laws before  
617 the date on which this act becomes effective, and for the  
618 imposition of any penalties, forfeitures or claims for failure to  
619 comply with such laws.

620         **SECTION 3.** This act shall take effect and be in force from  
621 and after its passage.

