

By: Representatives Lamar, Anthony

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1953

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT, INSURANCE PREMIUM
 2 TAX CREDIT AND AD VALOREM TAX CREDIT FOR VOLUNTARY CASH
 3 CONTRIBUTIONS BY CERTAIN TAXPAYERS TO CERTAIN ELIGIBLE HOSPITALS;
 4 TO PROVIDE THE CRITERIA THAT A HOSPITAL MUST MEET IN ORDER FOR A
 5 CONTRIBUTION TO THE HOSPITAL TO QUALIFY FOR THE TAX CREDIT
 6 AUTHORIZED BY THIS ACT; TO LIMIT THE AMOUNT OF THE CREDIT; TO
 7 PROVIDE THAT UNUSED PORTIONS OF A CREDIT MAY BE CARRIED FORWARD
 8 FOR FIVE CONSECUTIVE YEARS FROM THE CLOSE OF THE TAX YEAR IN WHICH
 9 THE CREDIT WAS EARNED; TO BRING FORWARD SECTION 27-7-17,
 10 MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES VARIOUS INCOME TAX
 11 DEDUCTIONS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING
 12 FORWARD SECTIONS 27-7-22, 27-7-22.3, 27-7-22.5, 27-7-22.7,
 13 27-7-22.13, 27-7-22.15, 27-7-22.16, 27-7-22.17, 27-7-22.18,
 14 27-7-22.19, 27-7-22.20, 27-7-22.21, 27-7-22.22, 27-7-22.23,
 15 27-7-22.25, 27-7-22.27, 27-7-22.28, 27-7-22.29, 27-7-22.30,
 16 27-7-22.31, 27-7-22.32, 27-7-22.33, 27-7-22.34, 27-7-22.35,
 17 27-7-22.36, 27-7-22.37, 27-7-22.39, 27-7-22.40, 27-7-22.42,
 18 27-7-22.43, 27-7-22.44, 27-7-22.45, 27-7-22.46, 27-7-22.47,
 19 27-7-22.48, 27-7-22.49, 27-7-205, 27-7-207, 27-7-209, 57-73-21,
 20 57-73-23, 57-87-5, 57-87-7, 57-105-1, 57-10-409, 57-114-3,
 21 57-114-7, 57-114-9, 57-115-3 AND 57-115-5, MISSISSIPPI CODE OF
 22 1972, WHICH AUTHORIZE VARIOUS TAX CREDITS, FOR THE PURPOSES OF
 23 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** (1) For the purposes of this section, the
 26 following words and phrases shall have the meanings ascribed in
 27 this section unless the context clearly indicates otherwise:

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



29 (b) "Eligible hospital" means licensed Mississippi
30 hospitals that provide short term acute care services, Critical
31 Access Hospitals and other hospitals that have forty-nine (49) or
32 fewer licensed inpatient beds and have an Emergency Department
33 that provides emergency services twenty-four (24) hours a day for
34 each day of a week. The term "eligible hospital" does not include
35 hospitals that are owned by the State of Mississippi or the
36 federal government.

37 In addition, in order to be an "eligible hospital", a
38 hospital must engage, or have already engaged, a healthcare
39 consulting firm with expertise and experience in operational and
40 financial optimization of hospitals in the State of Mississippi.
41 The consulting firm will advise and assist in developing an
42 initial strategic plan for the hospital and in updating the
43 strategic plan on at least an annual basis. As part of their
44 engagement, the consulting firm will work with hospital leadership
45 and provide input in helping to identify new service offering
46 opportunities, improve or optimize existing service offerings, and
47 to help identify opportunities for efficiency improvements and
48 cost savings. A hospital also must engage or have already engaged
49 a Certified Public Accountant (CPA) firm with expertise in
50 healthcare and hospital reimbursement and cost reporting. The CPA
51 firm will provide ongoing assistance in the form of reimbursement
52 and cost reporting advisory services and assistance with
53 preparation and filing of annual cost reports. A hospital must



54 have a qualified CPA firm engaged for these services prior to
55 qualifying as an eligible hospital.

56 (2) (a) The tax credit authorized in this section shall be
57 available only to a taxpayer who is a business enterprise engaged
58 in commercial, industrial or professional activities and operating
59 as a corporation, limited liability company, partnership or sole
60 proprietorship. Except as otherwise provided in this section, a
61 credit is allowed against the taxes imposed by Sections 27-7-5,
62 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
63 contributions made by a taxpayer during the taxable year to an
64 eligible hospital. A credit is also allowed against ad valorem
65 taxes assessed and levied on real property for voluntary cash
66 contributions made by the taxpayer during the taxable year to an
67 eligible hospital. The amount of credit that may be utilized by a
68 taxpayer in a taxable year shall be limited to (i) an amount not
69 to exceed fifty percent (50%) of the total tax liability of the
70 taxpayer for the taxes imposed by such sections of law and (ii) an
71 amount not to exceed fifty percent (50%) of the total tax
72 liability of the taxpayer for ad valorem taxes assessed and levied
73 on real property. Subject to such limitation on the amount of
74 credit that a taxpayer may utilize in a taxable year, a taxpayer
75 who is allocated a tax credit under this subsection during a
76 calendar year may utilize the credit against the taxes imposed by
77 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 for the
78 immediately preceding taxable year, provided that the taxpayer has



79 not already filed an annual return for such taxes. Any tax credit
80 claimed under this section but not used in any taxable year may be
81 carried forward for five (5) consecutive years from the close of
82 the tax year in which the credits were earned.

83 (b) A contribution for which a credit is claimed under
84 this section may not be used as a deduction by the taxpayer for
85 state income tax purposes.

86 (3) A taxpayer taking a credit authorized by this section
87 shall provide the name of the eligible hospital and the amount of
88 the contribution to the department on forms provided by the
89 department.

90 (4) To be considered an eligible hospital, a hospital shall
91 provide the department with a written certification that it meets
92 all criteria to be considered an eligible hospital. The hospital
93 shall also notify the department of any changes that may affect
94 eligibility under this section.

95 (5) The eligible hospital's written certification must be
96 signed by an officer of the hospital under penalty of perjury.
97 The written certification shall include the following:

98 (a) Verification of that the hospital meets the
99 definition of eligible hospital under subsection (1)(b) of this
100 section; and

101 (b) Any other information that the department requires
102 to administer this section.



103 (6) The department shall review each written certification
104 and determine whether the hospital meets all the criteria to be
105 considered an eligible hospital and notify the hospital of its
106 determination. The department may also periodically request
107 recertification from the hospital. The department shall compile
108 and make available to the public a list of eligible hospitals.

109 (7) Tax credits authorized by this section that are earned
110 by a partnership, limited liability company, S corporation or
111 other similar pass-through entity, shall be allocated among all
112 partners, members or shareholders, respectively, either in
113 proportion to their ownership interest in such entity or as the
114 partners, members or shareholders mutually agree as provided in an
115 executed document.

116 (8) (a) A taxpayer shall apply for credits with the
117 department on forms prescribed by the department. In the
118 application the taxpayer shall certify to the department the
119 dollar amount of the contributions made or to be made during the
120 calendar year. Within thirty (30) days after the receipt of an
121 application, the department shall allocate credits based on the
122 dollar amount of contributions as certified in the application.
123 However, if the department cannot allocate the full amount of
124 credits certified in the application due to the limit on the
125 aggregate amount of credits that may be awarded under this section
126 in a calendar year, the department shall so notify the applicant
127 within thirty (30) days with the amount of credits, if any, that



128 may be allocated to the applicant in the calendar year. Once the
129 department has allocated credits to a taxpayer, if the
130 contribution for which a credit is allocated has not been made as
131 of the date of the allocation, then the contribution must be made
132 not later than sixty (60) days from the date of the allocation.
133 If the contribution is not made within such time period, the
134 allocation shall be cancelled and returned to the department for
135 reallocation. Upon final documentation of the contributions, if
136 the actual dollar amount of the contributions is lower than the
137 amount estimated, the department shall adjust the tax credit
138 allowed under this section.

139 (b) For the purposes of using a tax credit against ad
140 valorem taxes assessed and levied on real property, a taxpayer
141 shall present to the appropriate tax collector the tax credit
142 documentation provided to the taxpayer by the Department of
143 Revenue, and the tax collector shall apply the tax credit against
144 such ad valorem taxes. The tax collector shall forward the tax
145 credit documentation to the Department of Revenue along with the
146 amount of the tax credit applied against ad valorem taxes, and the
147 department shall disburse funds to the tax collector for the
148 amount of the tax credit applied against ad valorem taxes. Such
149 payments by the Department of Revenue shall be made from current
150 tax collections.

151 (9) For calendar year 2024, the aggregate amount of tax
152 credits that may be allocated by the department under this section



153 during the calendar year shall not exceed Eighteen Million Dollars
154 (\$18,000,000.00); for calendar year 2025, the aggregate amount of
155 tax credits that may be allocated by the department under this
156 section during the calendar year shall not exceed Twenty-four
157 Million Dollars (\$24,000,000.00); and for calendar year 2026, and
158 for each calendar year thereafter, the aggregate amount of tax
159 credits that may be allocated by the department under this section
160 during a calendar year shall not exceed Thirty Million Dollars
161 (\$30,000,000.00). For calendar year 2024, for credits allocated
162 during the calendar year for contributions to eligible hospitals,
163 no more than Three Hundred Thousand Dollars (\$300,000.00) of such
164 credits may be allocated for contributions to a single eligible
165 hospital for the same calendar year. For calendar year 2025, for
166 credits allocated during the calendar year for contributions to
167 eligible hospitals, no more than Four Hundred Thousand Dollars
168 (\$400,000.00) of such credits may be allocated for contributions
169 to a single eligible hospital for the same calendar year. For
170 calendar year 2026, and for each calendar year thereafter, for
171 credits allocated during the calendar year for contributions to
172 eligible hospitals, no more than Five Hundred Thousand Dollars
173 (\$500,000.00) of such credits may be allocated for contributions
174 to a single eligible hospital for same calendar year.

175 **SECTION 2.** Section 27-7-17, Mississippi Code of 1972, is
176 brought forward as follows:



177 27-7-17. In computing taxable income, there shall be allowed
178 as deductions:

179 (1) **Business deductions.**

180 (a) **Business expenses.** All the ordinary and necessary
181 expenses paid or incurred during the taxable year in carrying on
182 any trade or business, including a reasonable allowance for
183 salaries or other compensation for personal services actually
184 rendered; nonreimbursable traveling expenses incident to current
185 employment, including a reasonable amount expended for meals and
186 lodging while away from home in the pursuit of a trade or
187 business; and rentals or other payments required to be made as a
188 condition of the continued use or possession, for purposes of the
189 trade or business of property to which the taxpayer has not taken
190 or is not taking title or in which he had no equity. Expense
191 incurred in connection with earning and distributing nontaxable
192 income is not an allowable deduction. Limitations on
193 entertainment expenses shall conform to the provisions of the
194 Internal Revenue Code of 1986. There shall also be allowed a
195 deduction for expenses as provided in Section 41-137-51.

196 (b) **Interest.** All interest paid or accrued during the
197 taxable year on business indebtedness, except interest upon the
198 indebtedness for the purchase of tax-free bonds, or any stocks,
199 the dividends from which are nontaxable under the provisions of
200 this article; provided, however, in the case of securities
201 dealers, interest payments or accruals on loans, the proceeds of



202 which are used to purchase tax-exempt securities, shall be
203 deductible if income from otherwise tax-free securities is
204 reported as income. Investment interest expense shall be limited
205 to investment income. Interest expense incurred for the purchase
206 of treasury stock, to pay dividends, or incurred as a result of an
207 undercapitalized affiliated corporation may not be deducted unless
208 an ordinary and necessary business purpose can be established to
209 the satisfaction of the commissioner. For the purposes of this
210 paragraph, the phrase "interest upon the indebtedness for the
211 purchase of tax-free bonds" applies only to the indebtedness
212 incurred for the purpose of directly purchasing tax-free bonds and
213 does not apply to any other indebtedness incurred in the regular
214 course of the taxpayer's business. Any corporation, association,
215 organization or other entity taxable under Section 27-7-23(c)
216 shall allocate interest expense as provided in Section
217 27-7-23(c) (3) (I).

218 (c) **Taxes.** Taxes paid or accrued within the taxable
219 year, except state and federal income taxes, excise taxes based on
220 or measured by net income, estate and inheritance taxes, gift
221 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
222 use taxes unless incurred as an item of expense in a trade or
223 business or in the production of taxable income. In the case of
224 an individual, taxes permitted as an itemized deduction under the
225 provisions of subsection (3) (a) of this section are to be claimed
226 thereunder.



227 (d) **Business losses.**

228 (i) Losses sustained during the taxable year not
229 compensated for by insurance or otherwise, if incurred in trade or
230 business, or nonbusiness transactions entered into for profit.

231 (ii) Limitations on losses from passive activities
232 and rental real estate shall conform to the provisions of the
233 Internal Revenue Code of 1986.

234 (e) **Bad debts.** Losses from debts ascertained to be
235 worthless and charged off during the taxable year, if sustained in
236 the conduct of the regular trade or business of the taxpayer;
237 provided, that such losses shall be allowed only when the taxpayer
238 has reported as income, on the accrual basis, the amount of such
239 debt or account.

240 (f) **Depreciation.** (i) A reasonable allowance for
241 exhaustion, wear and tear of property used in the trade or
242 business, or rental property, and depreciation upon buildings
243 based upon their reasonable value as of March 16, 1912, if
244 acquired prior thereto, and upon cost if acquired subsequent to
245 that date. In the case of new or used aircraft, equipment,
246 engines, or other parts and tools used for aviation, allowance for
247 bonus depreciation conforms with the federal bonus depreciation
248 rates and reasonable allowance for depreciation under this section
249 is no less than one hundred percent (100%).

250 (ii) 1. For the purposes of computing income tax
251 for tax years beginning after December 31, 2022, a taxpayer may



252 treat specified research or experimental expenditures that are
253 paid or incurred by the taxpayer during the tax year in connection
254 with the taxpayer's trade or business as expenses that are not
255 chargeable to the capital account. Such expenditures so treated
256 shall be allowed as an immediate deduction. Such expenditures
257 shall remain allowable as a full and immediate expense deduction
258 in the year in which the expenses are incurred notwithstanding any
259 changes to the federal Internal Revenue Code related to the
260 depreciation of such specified research or experimental
261 expenditures. A taxpayer may alternatively treat the depreciation
262 of such specified research or experimental expenditures in
263 accordance with the schedule provided in 26 USCS Section 174. A
264 taxpayer may make an election whether to take a full and immediate
265 deduction for such expenditures and/or to depreciate the
266 expenditures in accordance with 26 USCS Section 174. Such an
267 election may be made for any tax year if made not later than the
268 time prescribed by law for filing the return for such tax year,
269 including extensions thereof. The method so elected by the
270 taxpayer is irrevocable unless the commissioner specifically
271 allows a change in the method.

272 2. For the purpose of computing income tax
273 for tax years beginning after December 31, 2022, expenditures for
274 business assets that are qualified property or qualified
275 improvement property shall be eligible for one hundred percent
276 (100%) bonus depreciation and may be deducted as an expense



277 incurred by the taxpayer during the tax year during which the
278 property is placed in service, notwithstanding any changes to
279 federal law related to cost recovery beginning on January 1, 2023,
280 or on any other date. A taxpayer may alternatively treat the
281 depreciation of such business assets in accordance with the
282 schedule provided in 26 USCS Section 168. A taxpayer may make an
283 election whether to take a bonus depreciation deduction for such
284 expenditures and/or to depreciate the expenditures in accordance
285 with 26 USCS Section 168. Such an election may be made for any
286 tax year if made not later than the time prescribed by law for
287 filing the return for such tax year, including extensions thereof.
288 The method so elected by the taxpayer is irrevocable unless the
289 commissioner specifically allows a change in the method.

290 3. In any taxable year in which any 26 USCS
291 Section 179 property is placed in service, a taxpayer may elect to
292 treat the cost of such property as an expense which is not
293 chargeable to a capital account, and any cost so treated shall be
294 allowed as a deduction for that year. Mississippi's treatment of
295 the deduction shall conform to the provisions of 26 USCS Section
296 179 in effect for that year.

297 4. For the purposes of this subparagraph
298 (ii), unless the context requires otherwise, the following terms
299 shall have the meanings ascribed herein:

300 a. "Qualified improvement property"
301 means and has the same definition as such term has in 26 USCS



302 Section 168(e) (6) as it existed on January 1, 2021, and shall
303 apply to property placed in service after December 31, 2022.

304 b. "Qualified property" means and has
305 the same definition as such term has in 26 USCS Section 168(k) as
306 it existed on January 1, 2021, and shall apply to property placed
307 in service after December 31, 2022.

308 c. "Specified research or experimental
309 expenditures" means and has the same definition as such term has
310 in 26 USCS Section 174 as it existed on January 1, 2021.

311 5. Nothing in this subparagraph (ii) shall be
312 construed to nullify or otherwise alter the treatment of
313 depreciation expenses for any tax year prior to 2023.

314 6. The total of any method or combination of
315 methods of depreciation used under this subparagraph (ii) cannot
316 exceed one hundred percent (100%) of the cost of the subject
317 property.

318 (g) **Depletion.** In the case of mines, oil and gas
319 wells, other natural deposits and timber, a reasonable allowance
320 for depletion and for depreciation of improvements, based upon
321 cost, including cost of development, not otherwise deducted, or
322 fair market value as of March 16, 1912, if acquired prior to that
323 date, such allowance to be made upon regulations prescribed by the
324 commissioner, with the approval of the Governor.

325 (h) **Contributions or gifts.** Except as otherwise
326 provided in paragraph (p) of this subsection or subsection (3) (a)



327 of this section for individuals, contributions or gifts made by
328 corporations within the taxable year to corporations,
329 organizations, associations or institutions, including Community
330 Chest funds, foundations and trusts created solely and exclusively
331 for religious, charitable, scientific or educational purposes, or
332 for the prevention of cruelty to children or animals, no part of
333 the net earnings of which inure to the benefit of any private
334 stockholder or individual. This deduction shall be allowed in an
335 amount not to exceed twenty percent (20%) of the net income. Such
336 contributions or gifts shall be allowable as deductions only if
337 verified under rules and regulations prescribed by the
338 commissioner, with the approval of the Governor. Contributions
339 made in any form other than cash shall be allowed as a deduction,
340 subject to the limitations herein provided, in an amount equal to
341 the actual market value of the contributions at the time the
342 contribution is actually made and consummated.

343 (i) **Reserve funds - insurance companies.** In the case
344 of insurance companies the net additions required by law to be
345 made within the taxable year to reserve funds when such reserve
346 funds are maintained for the purpose of liquidating policies at
347 maturity.

348 (j) **Annuity income.** The sums, other than dividends,
349 paid within the taxpayer year on policy or annuity contracts when
350 such income has been included in gross income.



351 (k) **Contributions to employee pension plans.**

352 Contributions made by an employer to a plan or a trust forming
353 part of a pension plan, stock bonus plan, disability or
354 death-benefit plan, or profit-sharing plan of such employer for
355 the exclusive benefit of some or all of his, their, or its
356 employees, or their beneficiaries, shall be deductible from his,
357 their, or its income only to the extent that, and for the taxable
358 year in which, the contribution is deductible for federal income
359 tax purposes under the Internal Revenue Code of 1986 and any other
360 provisions of similar purport in the Internal Revenue Laws of the
361 United States, and the rules, regulations, rulings and
362 determinations promulgated thereunder, provided that:

363 (i) The plan or trust be irrevocable.

364 (ii) The plan or trust constitute a part of a
365 pension plan, stock bonus plan, disability or death-benefit plan,
366 or profit-sharing plan for the exclusive benefit of some or all of
367 the employer's employees and/or officers, or their beneficiaries,
368 for the purpose of distributing the corpus and income of the plan
369 or trust to such employees and/or officers, or their
370 beneficiaries.

371 (iii) No part of the corpus or income of the plan
372 or trust can be used for purposes other than for the exclusive
373 benefit of employees and/or officers, or their beneficiaries.

374 Contributions to all plans or to all trusts of real or
375 personal property (or real and personal property combined) or to



376 insured plans created under a retirement plan for which provision
377 has been made under the laws of the United States of America,
378 making such contributions deductible from income for federal
379 income tax purposes, shall be deductible only to the same extent
380 under the Income Tax Laws of the State of Mississippi.

381 (1) **Net operating loss carrybacks and carryovers.** A
382 net operating loss for any taxable year ending after December 31,
383 1993, and taxable years thereafter, shall be a net operating loss
384 carryback to each of the three (3) taxable years preceding the
385 taxable year of the loss. If the net operating loss for any
386 taxable year is not exhausted by carrybacks to the three (3)
387 taxable years preceding the taxable year of the loss, then there
388 shall be a net operating loss carryover to each of the fifteen
389 (15) taxable years following the taxable year of the loss
390 beginning with any taxable year after December 31, 1991.

391 For any taxable year ending after December 31, 1997, the
392 period for net operating loss carrybacks and net operating loss
393 carryovers shall be the same as those established by the Internal
394 Revenue Code and the rules, regulations, rulings and
395 determinations promulgated thereunder as in effect at the taxable
396 year end or on December 31, 2000, whichever is earlier.

397 A net operating loss for any taxable year ending after
398 December 31, 2001, and taxable years thereafter, shall be a net
399 operating loss carryback to each of the two (2) taxable years
400 preceding the taxable year of the loss. If the net operating loss



401 for any taxable year is not exhausted by carrybacks to the two (2)
402 taxable years preceding the taxable year of the loss, then there
403 shall be a net operating loss carryover to each of the twenty (20)
404 taxable years following the taxable year of the loss beginning
405 with any taxable year after the taxable year of the loss.

406 The term "net operating loss," for the purposes of this
407 paragraph, shall be the excess of the deductions allowed over the
408 gross income; provided, however, the following deductions shall
409 not be allowed in computing same:

410 (i) No net operating loss deduction shall be
411 allowed.

412 (ii) No personal exemption deduction shall be
413 allowed.

414 (iii) Allowable deductions which are not
415 attributable to taxpayer's trade or business shall be allowed only
416 to the extent of the amount of gross income not derived from such
417 trade or business.

418 Any taxpayer entitled to a carryback period as provided by
419 this paragraph may elect to relinquish the entire carryback period
420 with respect to a net operating loss for any taxable year ending
421 after December 31, 1991. The election shall be made in the manner
422 prescribed by the Department of Revenue and shall be made by the
423 due date, including extensions of time, for filing the taxpayer's
424 return for the taxable year of the net operating loss for which



425 the election is to be in effect. The election, once made for any
426 taxable year, shall be irrevocable for that taxable year.

427 (m) **Amortization of pollution or environmental control**
428 **facilities.** Allowance of deduction. Every taxpayer, at his
429 election, shall be entitled to a deduction for pollution or
430 environmental control facilities to the same extent as that
431 allowed under the Internal Revenue Code and the rules,
432 regulations, rulings and determinations promulgated thereunder.

433 (n) **Dividend distributions - real estate investment**
434 **trusts.** "Real estate investment trust" (hereinafter referred to
435 as REIT) shall have the meaning ascribed to such term in Section
436 856 of the federal Internal Revenue Code of 1986, as amended. A
437 REIT is allowed a dividend distributed deduction if the dividend
438 distributions meet the requirements of Section 857 or are
439 otherwise deductible under Section 858 or 860, federal Internal
440 Revenue Code of 1986, as amended. In addition:

441 (i) A dividend distributed deduction shall only be
442 allowed for dividends paid by a publicly traded REIT. A qualified
443 REIT subsidiary shall be allowed a dividend distributed deduction
444 if its owner is a publicly traded REIT.

445 (ii) Income generated from real estate contributed
446 or sold to a REIT by a shareholder or related party shall not give
447 rise to a dividend distributed deduction, unless the shareholder
448 or related party would have received the dividend distributed
449 deduction under this chapter.



450 (iii) A holding corporation receiving a dividend
451 from a REIT shall not be allowed the deduction in Section
452 27-7-15(4) (t) .

453 (iv) Any REIT not allowed the dividend distributed
454 deduction in the federal Internal Revenue Code of 1986, as
455 amended, shall not be allowed a dividend distributed deduction
456 under this chapter.

457 The commissioner is authorized to promulgate rules and
458 regulations consistent with the provisions in Section 269 of the
459 federal Internal Revenue Code of 1986, as amended, so as to
460 prevent the evasion or avoidance of state income tax.

461 (o) **Contributions to college savings trust fund**
462 **accounts.** Contributions or payments to a Mississippi Affordable
463 College Savings Program account are deductible as provided under
464 Section 37-155-113. Payments made under a prepaid tuition
465 contract entered into under the Mississippi Prepaid Affordable
466 College Tuition Program are deductible as provided under Section
467 37-155-17.

468 (p) **Contributions of human pharmaceutical products.** To
469 the extent that a "major supplier" as defined in Section
470 27-13-13(2) (d) contributes human pharmaceutical products in excess
471 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
472 determined under Section 170 of the Internal Revenue Code, the
473 charitable contribution limitation associated with those donations



474 shall follow the federal limitation but cannot result in the
475 Mississippi net income being reduced below zero.

476 (q) **Contributions to ABLE trust fund accounts.**

477 Contributions or payments to a Mississippi Achieving a Better Life
478 Experience (ABLE) Program account are deductible as provided under
479 Section 43-28-13.

480 (2) **Restrictions on the deductibility of certain intangible
481 expenses and interest expenses with a related member.**

482 (a) As used in this subsection (2):

483 (i) "Intangible expenses and costs" include:

- 484 1. Expenses, losses and costs for, related
485 to, or in connection directly or indirectly with the direct or
486 indirect acquisition, use, maintenance or management, ownership,
487 sale, exchange or any other disposition of intangible property to
488 the extent such amounts are allowed as deductions or costs in
489 determining taxable income under this chapter;
- 490 2. Expenses or losses related to or incurred
491 in connection directly or indirectly with factoring transactions
492 or discounting transactions;
- 493 3. Royalty, patent, technical and copyright
494 fees;
- 495 4. Licensing fees; and
- 496 5. Other similar expenses and costs.



497 (ii) "Intangible property" means patents, patent
498 applications, trade names, trademarks, service marks, copyrights
499 and similar types of intangible assets.

500 (iii) "Interest expenses and cost" means amounts
501 directly or indirectly allowed as deductions for purposes of
502 determining taxable income under this chapter to the extent such
503 interest expenses and costs are directly or indirectly for,
504 related to, or in connection with the direct or indirect
505 acquisition, maintenance, management, ownership, sale, exchange or
506 disposition of intangible property.

507 (iv) "Related member" means an entity or person
508 that, with respect to the taxpayer during all or any portion of
509 the taxable year, is a related entity, a component member as
510 defined in the Internal Revenue Code, or is an entity or a person
511 to or from whom there is attribution of stock ownership in
512 accordance with Section 1563(e) of the Internal Revenue Code.

513 (v) "Related entity" means:

514 1. A stockholder who is an individual or a
515 member of the stockholder's family, as defined in regulations
516 prescribed by the commissioner, if the stockholder and the members
517 of the stockholder's family own, directly, indirectly,
518 beneficially or constructively, in the aggregate, at least fifty
519 percent (50%) of the value of the taxpayer's outstanding stock;

520 2. A stockholder, or a stockholder's
521 partnership, limited liability company, estate, trust or



522 corporation, if the stockholder and the stockholder's
523 partnerships, limited liability companies, estates, trusts and
524 corporations own, directly, indirectly, beneficially or
525 constructively, in the aggregate, at least fifty percent (50%) of
526 the value of the taxpayer's outstanding stock;

527 3. A corporation, or a party related to the
528 corporation in a manner that would require an attribution of stock
529 from the corporation to the party or from the party to the
530 corporation, if the taxpayer owns, directly, indirectly,
531 beneficially or constructively, at least fifty percent (50%) of
532 the value of the corporation's outstanding stock under regulation
533 prescribed by the commissioner;

534 4. Any entity or person which would be a
535 related member under this section if the taxpayer were considered
536 a corporation for purposes of this section.

537 (b) In computing net income, a taxpayer shall add back
538 otherwise deductible interest expenses and costs and intangible
539 expenses and costs directly or indirectly paid, accrued to or
540 incurred, in connection directly or indirectly with one or more
541 direct or indirect transactions with one or more related members.

542 (c) The adjustments required by this subsection shall
543 not apply to such portion of interest expenses and costs and
544 intangible expenses and costs that the taxpayer can establish
545 meets one (1) of the following:



546 (i) The related member directly or indirectly
547 paid, accrued or incurred such portion to a person during the same
548 income year who is not a related member; or

549 (ii) The transaction giving rise to the interest
550 expenses and costs or intangible expenses and costs between the
551 taxpayer and related member was done primarily for a valid
552 business purpose other than the avoidance of taxes, and the
553 related member is not primarily engaged in the acquisition, use,
554 maintenance or management, ownership, sale, exchange or any other
555 disposition of intangible property.

556 (d) Nothing in this subsection shall require a taxpayer
557 to add to its net income more than once any amount of interest
558 expenses and costs or intangible expenses and costs that the
559 taxpayer pays, accrues or incurs to a related member.

560 (e) The commissioner may prescribe such regulations as
561 necessary or appropriate to carry out the purposes of this
562 subsection, including, but not limited to, clarifying definitions
563 of terms, rules of stock attribution, factoring and discount
564 transactions.

565 (3) **Individual nonbusiness deductions.**

566 (a) The amount allowable for individual nonbusiness
567 itemized deductions for federal income tax purposes where the
568 individual is eligible to elect, for the taxable year, to itemize
569 deductions on his federal return except the following:



570 (i) The deduction for state income taxes paid or
571 other taxes allowed for federal purposes in lieu of state income
572 taxes paid;

573 (ii) The deduction for gaming losses from gaming
574 establishments;

575 (iii) The deduction for taxes collected by
576 licensed gaming establishments pursuant to Section 27-7-901;

577 (iv) The deduction for taxes collected by gaming
578 establishments pursuant to Section 27-7-903; and

579 (v) The deduction for medical expenses for the
580 provision of gender transition procedures as defined in Section
581 41-141-3.

582 (b) In lieu of the individual nonbusiness itemized
583 deductions authorized in paragraph (a), for all purposes other
584 than ordinary and necessary expenses paid or incurred during the
585 taxable year in carrying on any trade or business, an optional
586 standard deduction of:

587 (i) Three Thousand Four Hundred Dollars
588 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
589 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
590 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
591 in the case of married individuals filing a joint or combined
592 return;

593 (ii) One Thousand Seven Hundred Dollars
594 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred



595 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
596 Three Hundred Dollars (\$2,300.00) for each calendar year
597 thereafter in the case of married individuals filing separate
598 returns;

599 (iii) Three Thousand Four Hundred Dollars
600 (\$3,400.00) in the case of a head of family; or

601 (iv) Two Thousand Three Hundred Dollars
602 (\$2,300.00) in the case of an individual who is not married.

603 In the case of a husband and wife living together, having
604 separate incomes, and filing combined returns, the standard
605 deduction authorized may be divided in any manner they choose. In
606 the case of separate returns by a husband and wife, the standard
607 deduction shall not be allowed to either if the taxable income of
608 one of the spouses is determined without regard to the standard
609 deduction.

610 (c) A nonresident individual shall be allowed the same
611 individual nonbusiness deductions as are authorized for resident
612 individuals in paragraph (a) or (b) of this subsection; however,
613 the nonresident individual is entitled only to that proportion of
614 the individual nonbusiness deductions as his net income from
615 sources within the State of Mississippi bears to his total or
616 entire net income from all sources.

617 (4) Nothing in this section shall permit the same item to be
618 deducted more than once, either in fact or in effect.



619 (5) Notwithstanding any other provision in Title 27,
620 Mississippi Code of 1972, there shall be allowed an income tax
621 deduction for otherwise deductible expenses if:

622 (a) The payment(s) for such deductible expenses are
623 made with the grant or loan program of the Paycheck Protection
624 Program as authorized under (i) the Coronavirus Aid, Relief, and
625 Economic Security (CARES) Act and the Consolidated Appropriations
626 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
627 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance
628 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered
629 Venue Operators Grant Program and Restaurant Revitalization Fund
630 authorized by the Economic Aid to Hard-Hit Small Businesses,
631 Nonprofits, and Venues Act, and amended by the federal American
632 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
633 Stabilization Act; and

634 (b) Such deductible expenses shall be allowed as
635 deductions for federal income tax purposes.

636 **SECTION 3.** Section 27-7-22, Mississippi Code of 1972, is
637 brought forward as follows:

638 27-7-22. (1) For any qualified business, as defined in
639 Section 57-51-5, which is located in a county, or portion thereof,
640 designated as an enterprise zone pursuant to Title 57, Chapter 51,
641 Mississippi Code of 1972, there shall be allowed as a credit
642 against the tax imposed by this chapter, an amount equal to One
643 Thousand Dollars (\$1,000.00) per net full-time employee as



644 determined by the average annual employment of the business
645 reported to the Employment Security Commission. Such credit shall
646 be allowed annually to each qualified business for a period not to
647 exceed ten (10) years. If the amount allowable as a credit
648 exceeds the tax imposed by this chapter, the amount of such excess
649 shall not be refundable or carried forward to any other taxable
650 year.

651 For the purpose of determining the credit allowed to a
652 qualified business which is an existing trade or business having
653 expanded its buildings and facilities, the number of net full-time
654 employees shall be the difference between the average annual
655 employment of such business before and after such expansion.

656 If the Mississippi Enterprise Zone Act is repealed, any
657 qualified business which had been granted a tax credit under this
658 subsection prior to the date of such repeal shall be entitled to
659 such tax credit until the period for which it was granted expires.

660 (2) For any qualified business, as defined in Section
661 57-54-5, there shall be allowed as a credit against the tax
662 imposed by this chapter, an amount equal to One Thousand Dollars
663 (\$1,000.00) per net full-time employee as determined by the
664 average annual employment of the business reported to the
665 Employment Security Commission. Such credit shall be allowed
666 annually to each qualified business for a period not to exceed ten
667 (10) years. If the amount allowable as a credit exceeds the tax



668 imposed by this chapter, the amount of such excess shall not be
669 refundable or carried forward to any other taxable year.

670 For the purpose of determining the credit allowed to a
671 qualified business which is an existing trade or business having
672 expanded its buildings and facilities, the number of net full-time
673 employees shall be the difference between the average annual
674 employment of such business before and after such expansion.

675 If the Mississippi Advanced Technology Initiative Act is
676 repealed, any qualified business which had been granted a tax
677 credit under this subsection prior to the date of such repeal
678 shall be entitled to such tax credit until the period for which it
679 was granted expires.

680 (3) For any qualified company, certified as such by the
681 Mississippi Board of Economic Development under Section 57-53-1,
682 there shall be allowed as a credit against the tax imposed by this
683 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per
684 net full-time employee in this state, provided there is a minimum
685 of seventy-five (75) net full-time employees, as determined by the
686 average annual employment of the company in this state reported to
687 the Employment Security Commission. Such credit shall be allowed
688 annually to each qualified company for a period not to exceed ten
689 (10) years. If the amount allowable as a credit exceeds the tax
690 imposed by this chapter, the amount of such excess shall not be
691 refundable or carried forward to any other taxable year.



692 For the purpose of determining the credit allowed to a
693 qualified company which has expanded its existing buildings and
694 facilities, the number of net full-time employees shall be the
695 difference between the average annual employment of such company
696 before and after such expansion.

697 (4) For any qualified business or industry which is
698 certified as such by the Mississippi Board of Economic Development
699 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
700 any mFlex tax incentive amount for such qualified business's or
701 industry's qualified economic development project, there shall be
702 allowed as a credit against the tax imposed by this chapter, an
703 amount prescribed by, and subject to, the Mississippi Flexible Tax
704 Incentive Act.

705 **SECTION 4.** Section 27-7-22.3, Mississippi Code of 1972, is
706 brought forward as follows:

707 **[In cases involving an economic development project for which**
708 **the Mississippi Business Finance Corporation has issued bonds for**
709 **the purpose of financing the approved costs of such project prior**
710 **to July 1, 1994, this section shall read as follows:]**

711 27-7-22.3. (1) For taxpayers who are required to pay a job
712 assessment fee as provided in Section 57-10-413, there shall be
713 allowed as a credit against the taxes imposed by this chapter, an
714 amount equal to the amount of the job assessment fee imposed upon
715 such taxpayer pursuant to Section 57-10-413. If the amount
716 allowable as a credit exceeds the tax imposed by this article and



717 Section 27-7-22.3, the amount of such excess shall not be
718 refundable or carried forward to any other taxable year.

719 (2) For any approved company as defined in Section
720 57-10-401, there shall be allowed against the taxes imposed by
721 this chapter on the income of the approved company generated by or
722 arising out of the economic development project (as defined in
723 Section 57-10-401), a credit in an amount not to exceed the total
724 debt service paid under a financing agreement entered into under
725 Section 57-10-409. The tax credit allowed in this subsection
726 shall not exceed the amount of taxes due the State of Mississippi.

727 **[In cases involving an economic development project for which**
728 **the Mississippi Business Finance Corporation has not issued bonds**
729 **for the purpose of financing the approved costs of such project**
730 **prior to July 1, 1994, but has issued bonds for such project prior**
731 **to July 1, 1997, or in cases involving an economic development**
732 **project which has been induced by a resolution of the Board of**
733 **Directors of the Mississippi Business Finance Corporation that has**
734 **been filed with the State Tax Commission prior to July 1, 1997,**
735 **this section shall read as follows:]**

736 27-7-22.3. (1) For taxpayers who are required to pay a job
737 assessment fee as provided in Section 57-10-413, there shall be
738 allowed as a credit against the taxes imposed by this chapter, an
739 amount equal to the amount of the job assessment fee imposed upon
740 such taxpayer pursuant to Section 57-10-413. If the amount
741 allowable as a credit exceeds the tax imposed by this article and



742 Section 27-7-22.3, the amount of such excess shall not be
743 refundable or carried forward to any other taxable year.

744 (2) For any approved company as defined in Section
745 57-10-401, there shall be allowed against the taxes imposed by
746 this chapter on the income of the approved company generated by or
747 arising out of the economic development project (as defined in
748 Section 57-10-401), a credit in an amount not to exceed the total
749 debt service paid under a financing agreement entered into under
750 Section 57-10-409. The tax credit allowed in this subsection
751 shall not exceed the amount of taxes due the State of Mississippi.
752 The amount of income of the approved company generated by or
753 arising out of the economic development project shall be
754 determined by a formula adopted by the Mississippi Business
755 Finance Corporation.

756 **[In cases involving an economic development project for which**
757 **the Mississippi Business Finance Corporation has not issued bonds**
758 **for the purpose of financing the approved costs of such project**
759 **prior to July 1, 1997, or in cases involving an economic**
760 **development project which has not been induced by a resolution of**
761 **the Board of Directors of the Mississippi Business Finance**
762 **Corporation that has been filed with the State Tax Commission**
763 **prior to July 1, 1997, this section shall read as follows:]**

764 27-7-22.3. For any approved company as defined in Section
765 57-10-401, there shall be allowed against the taxes imposed by
766 this chapter on the income of the approved company generated by or



767 arising out of the economic development project (as defined in
768 Section 57-10-401), a credit in an amount not to exceed the total
769 debt service paid under a financing agreement entered into under
770 Section 57-10-409; provided, however, that the tax credit allowed
771 in this subsection shall not exceed eighty percent (80%) of the
772 amount of taxes due the State of Mississippi prior to the
773 application of the credit. To the extent that financing agreement
774 annual payments exceed the amount of the credit authorized
775 pursuant to this section in any taxable year, such excess payment
776 may be recouped from excess credits in succeeding years not to
777 exceed three (3) years following the date upon which the credit
778 was earned. The amount of income of the approved company
779 generated by or arising out of the economic development project
780 shall be determined by a formula adopted by the Mississippi
781 Business Finance Corporation.

782 **SECTION 5.** Section 27-7-22.5, Mississippi Code of 1972, is
783 brought forward as follows:

784 27-7-22.5. (1) (a) For any manufacturer, distributor,
785 wholesale or retail merchant who pays to a county, municipality,
786 school district, levee district or any other taxing authority of
787 the state or a political subdivision thereof, ad valorem taxes
788 imposed on commodities, raw materials, works-in-process, products,
789 goods, wares and merchandise held for resale, a credit against the
790 income taxes imposed under this chapter shall be allowed for the



791 portion of the ad valorem taxes so paid in the amounts prescribed
792 in subsection (2).

793 (b) (i) For any person, firm or corporation who pays
794 to a county, municipality, school district, levee district or any
795 other taxing authority of the state or a political subdivision
796 thereof, ad valorem taxes imposed on rental equipment, a credit
797 against the income taxes imposed under this chapter shall be
798 allowed for the portion of the ad valorem taxes so paid in the
799 amounts prescribed in subsection (2).

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

- 803 1. Under rental agreements with no specific
804 term;
- 805 2. Under at-will or open-ended agreements; or
- 806 3. Under rental agreements with terms
807 ordinarily of less than three hundred sixty-five (365) days; and
- 808 4. Is not subject to privilege taxes imposed
809 in Chapter 19, Title 27, Mississippi Code of 1972.

810 (c) The tax credit allowed by this section may not be
811 claimed by a taxpayer that is a medical cannabis establishment as
812 defined in the Mississippi Medical Cannabis Act.

813 (2) The tax credit allowed by this section shall not exceed
814 the amounts set forth in paragraphs (a) through (g) of this
815 subsection; and may be claimed for each location where such



816 commodities, raw material, works-in-process, products, goods,
817 wares, merchandise and/or rental equipment are found and upon
818 which the ad valorem taxes have been paid. Any tax credit claimed
819 under this section but not used in any taxable year may be carried
820 forward for five (5) consecutive years from the close of the tax
821 year in which the credit was earned.

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

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

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

834 (d) For the 1997 taxable year and each taxable year
835 thereafter through taxable year 2013, the tax credit for each
836 location of the taxpayer shall not exceed the lesser of Five
837 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
838 State of Mississippi that are attributable to such location.

839 (e) For the 2014 taxable year, the tax credit for each
840 location of the taxpayer shall not exceed the lesser of Ten



841 Thousand Dollars (\$10,000.00) or the amount of income taxes due
842 the State of Mississippi that are attributable to such location.

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

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

852 (3) Any amount of ad valorem taxes paid by a taxpayer that
853 is applied toward the tax credit allowed in this section may not
854 be used as a deduction by the taxpayer for state income tax
855 purposes. In the case of a taxpayer that is a partnership,
856 limited liability company or S corporation, the credit may be
857 applied only to the tax attributable to partnership, limited
858 liability company or S corporation income derived from the
859 taxpayer.

860 **SECTION 6.** Section 27-7-22.7, Mississippi Code of 1972, is
861 brought forward as follows:

862 27-7-22.7. (1) As used in this section, the term "port"
863 means a state, county or municipal port or harbor established
864 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1



865 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
866 59-11-1 through 59-11-7.

867 (2) For any income taxpayer utilizing the port facilities at
868 any port for the export of cargo that is loaded on a carrier
869 calling at any such port, a credit against the taxes imposed
870 pursuant to this chapter shall be allowed in the amounts provided
871 in this section.

872 (3) Except as otherwise provided by subsection (5) of this
873 section, the amount of the credit allowed pursuant to this section
874 shall be the total of the following charges on export cargo paid
875 by the corporation:

- 876 (a) Receiving into the port;
- 877 (b) Handling to a vessel; and
- 878 (c) Wharfage.

879 (4) The credit provided for in this section shall not exceed
880 fifty percent (50%) of the amount of tax imposed upon the taxpayer
881 for the taxable year reduced by the sum of all other credits
882 allowable to such taxpayer under this chapter, except credit for
883 tax payments made by or on behalf of the taxpayer. Any unused
884 portion of the credit may be carried forward for the succeeding
885 five (5) years. The maximum cumulative credit that may be claimed
886 by a taxpayer pursuant to this section and for the period of time
887 beginning on January 1, 1994, and ending on December 31, 2005, is
888 limited to One Million Two Hundred Thousand Dollars
889 (\$1,200,000.00).



890 (5) To obtain the credit provided for in this section, a
891 taxpayer must provide to the Department of Revenue a statement
892 from the governing authority of the port certifying the amount of
893 charges paid by the taxpayer for which a credit is claimed and any
894 other information required by the Department of Revenue.

895 (6) The purpose of the tax credit provided for in this
896 section is to promote the increased use of ports and related
897 facilities in this state, particularly by those taxpayers which
898 would not otherwise use such ports and related facilities without
899 the benefit of such tax credit, and increase the number of port
900 related jobs and other economic development benefits associated
901 with the increased use of such ports and related facilities. It
902 is the intent of the Legislature that in determining whether or
903 not such tax credit will be continued in future years, the
904 attainment of the purposes set forth in this subsection must be
905 demonstrated by the material contained in the reports prepared by
906 the Mississippi Development Authority under Section 27-7-22.9.

907 **SECTION 7.** Section 27-7-22.13, Mississippi Code of 1972, is
908 brought forward as follows:

909 27-7-22.13. (1) For the purposes of this section, the term
910 "financial institution" shall have the meaning set forth in
911 Section 27-7-24.1(h)(i), (ii), (iii), (iv), or (viii).

912 (2) There shall be allowed to a Mississippi employer which
913 is a financial institution a credit against the income taxes
914 imposed under this chapter based upon the net gain, if any, in the



915 number of employees of the financial institution in connection
916 with one of the following transactions:

917 (a) The merger or consolidation of a Mississippi
918 financial institution with an out-of-state financial institution;

919 (b) The purchase by a Mississippi domiciled financial
920 institution of all or substantially all of the assets (including
921 all or substantially all of the branches) of an out-of-state
922 financial institution;

923 (c) The purchase by an out-of-state financial
924 institution of all or substantially all of the assets (including
925 all or substantially all of the branches) of a Mississippi
926 domiciled financial institution;

927 (d) The purchase by a Mississippi domiciled financial
928 institution of all or substantially all of the assets (including
929 all or substantially all of the branches) of an out-of-state
930 financial institution in a state other than the State of
931 Mississippi even though:

932 (i) Two (2) or more financial institutions are not
933 merged or consolidated; or

934 (ii) All or substantially all of the assets of the
935 financial institution are not purchased; or

936 (e) The purchase by an out-of-state financial
937 institution of all or substantially all of the assets (including
938 all or substantially all of the branches) in the State of
939 Mississippi of a financial institution even though:



940 (i) Two (2) or more financial institutions are not
941 merged or consolidated; or

942 (ii) All or substantially all of the assets of the
943 financial institution are not purchased.

944 (3) The net gain, if any, in the number of employees shall
945 be determined by a comparison of:

946 (a) The number of employees listed on the Employer's
947 Quarterly Contribution Report filed with the Mississippi
948 Employment Security Commission by the financial institution for
949 the month the transaction was completed; and

950 (b) The number of employees listed on the Employer's
951 Quarterly Contribution Report filed with the Mississippi
952 Employment Security Commission by the financial institution for
953 the same month one (1) year following completion of the
954 transaction, exclusive of the number of employees gained in
955 connection with intervening transactions.

956 (4) The base amount of the credit provided in this section
957 shall be equal to the net gain in the number of employees
958 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The
959 financial institution may claim as a credit against income tax an
960 amount equal to one hundred percent (100%) of the base amount in
961 the tax year the determination is made, eighty percent (80%) in
962 the next year, sixty percent (60%) in the third year, forty
963 percent (40%) in the fourth year and twenty percent (20%) in the
964 fifth year. The credit allowed by this section shall not exceed



965 the amount of the taxes due to the State of Mississippi by the
966 financial institution. Any amount allowable as a credit pursuant
967 to this section that exceeds the financial institution's tax
968 liability shall not be refunded or carried forward to any other
969 taxable year.

970 (5) The credit authorized by this section shall apply only
971 to transactions described in this section which are completed
972 after March 29, 1996.

973 (6) The commission may promulgate regulations to implement
974 this section.

975 **SECTION 8.** Section 27-7-22.15, Mississippi Code of 1972, is
976 brought forward as follows:

977 27-7-22.15. (1) As used in this section, the following
978 words and phrases shall have the meanings ascribed to herein
979 unless the context clearly indicates otherwise:

980 (a) "Approved reforestation practices" means the
981 following practices for establishing a crop of trees suitable for
982 manufacturing into forest products:

983 (i) "Pine and hardwood tree planting practices"
984 including the cost of seedlings, planting by hand or machine, and
985 site preparation.

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



990 (iii) "Direct seeding practices" to establish a
991 crop of pine or oak trees by directly applying seed/acorns to the
992 site including the cost of seed/acorns, seeding and site
993 preparation.

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

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

999 (b) "Eligible tree species" means pine and hardwood
1000 commercial tree species suitable for manufacturing into forest
1001 products.

1002 (c) "Cost-share assistance" means partial financial
1003 payment for approved reforestation practices from the state
1004 government as authorized under Sections 49-19-201 through
1005 49-19-227, or the federal government.

1006 (d) "Eligible owner" means a private individual, group
1007 or association, but the term shall not mean private corporations
1008 which manufacture products or provide public utility services of
1009 any type or any subsidiary of such corporations.

1010 (e) "Eligible lands" means nonindustrial private lands
1011 owned by a private individual, group or association, but shall not
1012 mean lands owned by private corporations which manufacture
1013 products or provide public utility services of any type or any
1014 subsidiary of such corporations.



1015 (f) "Reforestation prescription or plan" means a
1016 written description of the approved reforestation practices that
1017 the eligible owner plans to use and includes a legal description
1018 and map of the area to be reforested, a list of the tree seedling
1019 or seed species to be used in the reforestation and the site
1020 preparation practices that will be utilized.

1021 (2) Subject to the limitations provided in subsection (3) of
1022 this section, upon submission to the State Tax Commission of the
1023 written verification provided for in subsection (5) of this
1024 section and such other documentation as the State Tax Commission
1025 may require, any eligible owner who incurs costs for approved
1026 reforestation practices for eligible tree species on eligible
1027 lands shall be allowed a credit, in an amount equal to the lesser
1028 of fifty percent (50%) of the actual costs of the approved
1029 reforestation practices or fifty percent (50%) of the average cost
1030 of approved practices as established by the Mississippi Forestry
1031 Commission under Section 49-19-219, against the taxes imposed
1032 pursuant to this chapter for the tax year in which the costs are
1033 incurred.

1034 (3) The maximum amount of the credit provided for in
1035 subsection (2) of this section that may be utilized in any one (1)
1036 taxable year shall not exceed the lesser of Ten Thousand Dollars
1037 (\$10,000.00) or the amount of income tax imposed upon the eligible
1038 owner for the taxable year reduced by the sum of all other credits
1039 allowable to the eligible owner under this chapter, except credit



1040 for tax payments made by or on behalf of the eligible owner. Any
1041 unused portion of the credit may be carried forward for succeeding
1042 tax years. The maximum dollar amount of the credit provided for
1043 in subsection (2) of this section that an eligible owner may
1044 utilize during his lifetime shall be Seventy-five Thousand Dollars
1045 (\$75,000.00) in the aggregate.

1046 (4) If an eligible owner receives any state or federal cost
1047 share assistance funds to defray the cost of an approved
1048 reforestation practice, the cost of that practice on the same acre
1049 or acres within the same tax year is not eligible for the credit
1050 provided in this section unless the eligible owner's adjusted
1051 gross income is less than the federal earned income credit level.

1052 (5) To be eligible for the tax credit, an eligible owner
1053 must have a reforestation prescription or plan prepared for the
1054 eligible lands by a graduate forester of a college, school or
1055 university accredited by the Society of American Foresters or by a
1056 registered forester under the Foresters Registration Law of 1977.
1057 The forester must verify in writing that the reforestation
1058 practices were completed and that the reforestation prescription
1059 or plan was followed.

1060 **SECTION 9.** Section 27-7-22.16, Mississippi Code of 1972, is
1061 brought forward as follows:

1062 27-7-22.16. (1) (a) Except as otherwise provided under
1063 this subsection, the words and phrases used in this section shall



1064 have the meanings ascribed to them in Section 49-35-5, Mississippi
1065 Code of 1972.

1066 (b) "Remediation costs" means reasonable costs paid for
1067 the assessment, investigation, remediation, monitoring and related
1068 activities at a brownfield agreement site which are consistent
1069 with the remedy selected for the site, and costs paid to the
1070 Department of Environmental Quality for the processing of the
1071 brownfield agreement application and administration of a
1072 brownfield agreement. Remediation costs shall not include (i)
1073 costs incurred before June 24, 1999; (ii) costs incurred after the
1074 issuance of a No Further Action letter under Section 49-35-15,
1075 Mississippi Code of 1972; (iii) costs incurred before the
1076 acceptance of a brownfield agreement site into the Mississippi
1077 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
1078 costs incurred for any legal services or litigation costs; and (v)
1079 any funds provided by any federal, state or local governmental
1080 agency or political subdivision.

1081 (2) Subject to the limitations provided in subsection (4) of
1082 this section, upon submission to the State Tax Commission of
1083 information provided for in subsection (5) of this section and any
1084 other documentation as the State Tax Commission may require, any
1085 brownfield party who (a) has conducted remediation at a brownfield
1086 agreement site in accordance with Sections 49-35-1 through
1087 49-35-25 and (b) has incurred remediation costs for activities
1088 under Sections 49-35-1 through 49-35-25, as approved by the



1089 Commission on Environmental Quality, shall be allowed a credit in
1090 an amount equal to twenty-five percent (25%) of the remediation
1091 costs at the brownfield agreement site as approved by the
1092 commission, against the taxes imposed under this chapter for the
1093 tax year in which the costs are incurred.

1094 (3) (a) Before applying for the tax credit authorized in
1095 this section, a brownfield party shall submit an application to
1096 the Department of Environmental Quality for certification that the
1097 brownfield party has conducted remediation at a brownfield
1098 agreement site in accordance with Sections 49-35-1 through
1099 49-35-25 during the tax year(s) for which the credit is sought.
1100 The application shall be on forms prescribed by the Commission on
1101 Environmental Quality and provided by the Department. The
1102 application shall include the following:

1103 (i) A section identifying the brownfield party,
1104 the brownfield agreement site, the date the brownfield agreement
1105 was executed and the tax year for which the credit is sought;

1106 (ii) A certification that the costs to be
1107 submitted to the State Tax Commission are remediation costs
1108 incurred by the brownfield party during the tax year(s) for which
1109 the credit is sought. The certification shall include a listing
1110 of all remediation conducted and the associated costs; and

1111 (iii) Any other information which the Commission
1112 on Environmental Quality or the State Tax Commission deems
1113 appropriate.



1114 (b) Within sixty (60) days after receipt by the
1115 Department of a completed application, the department shall
1116 approve or disapprove the application. The Department shall
1117 notify the brownfield party in writing of its decision. If the
1118 department approves the application, the department shall provide
1119 the brownfield party with certification that the brownfield party
1120 has conducted remediation at a brownfield agreement site in
1121 accordance with Sections 49-35-1 through 49-35-25 during the tax
1122 year(s) for which the credit is sought. If the Department
1123 disapproves the application, the Department shall notify the
1124 brownfield party in writing and state the reasons for the
1125 disapproval.

1126 (c) Within thirty (30) days after receipt of the
1127 Department's decision, the brownfield party may request a hearing
1128 before the Commission regarding the Department's decision to
1129 disapprove the application. An appeal of the Commission's
1130 decision may be taken as provided under Section 49-17-41.

1131 (d) The Department's review of the application under
1132 this section shall be considered a part of the administration of
1133 the brownfield agreement.

1134 (e) The department's review of the application for
1135 review of remediation costs under this section shall be considered
1136 a part of the administration of the brownfield agreement.

1137 (4) (a) The annual credit provided for in this section
1138 shall not exceed the lesser of Forty Thousand Dollars (\$40,000.00)



1139 or the amount of the income tax imposed upon the brownfield party
1140 at the brownfield agreement site for the taxable year as reduced
1141 by the sum of all other credits allowable to the brownfield party
1142 under this chapter, except for credit for tax payments made by or
1143 on behalf of the brownfield party. Any unused portion of the
1144 credit may be carried forward for succeeding tax years.

1145 (b) The maximum total credit under this section for a
1146 brownfield agreement site is One Hundred Fifty Thousand Dollars
1147 (\$150,000.00).

1148 (5) To be eligible for the tax credit, the brownfield party
1149 must submit a copy of the letter from the commission stating the
1150 amount of remediation costs approved by the commission for the
1151 given tax year.

1152 **SECTION 10.** Section 27-7-22.17, Mississippi Code of 1972, is
1153 brought forward as follows:

1154 27-7-22.17. (1) Permanent business enterprises engaged in
1155 operating a project and companies that are members of an
1156 affiliated group that includes such permanent business enterprises
1157 are allowed a job tax credit for taxes imposed by Section 27-7-5
1158 equal to Five Thousand Dollars (\$5,000.00) annually for each net
1159 new full-time employee job for a period of twenty (20) years from
1160 the date the credit commences; however, if the permanent business
1161 enterprise is located in an area that has been declared by the
1162 Governor to be a disaster area and as a direct result of the
1163 disaster the business enterprise is unable to maintain the



1164 required number of employees, the commissioner may extend this
1165 time period for not more than two (2) years. The credit shall
1166 commence on the date selected by the permanent business
1167 enterprise; however, the commencement date shall not be more than
1168 five (5) years from the date the business enterprise commences
1169 commercial production. For the year in which the commencement
1170 date occurs, the number of new full-time jobs shall be determined
1171 by using the monthly average number of full-time employees subject
1172 to the Mississippi income tax withholding. Thereafter, the number
1173 of new full-time jobs shall be determined by comparing the monthly
1174 average number of full-time employees subject to the Mississippi
1175 income tax withholding for the taxable year with the corresponding
1176 period of the prior taxable year. Once a permanent business
1177 enterprise creates or increases employment three thousand (3,000)
1178 or more, such enterprise and the members of the affiliated group
1179 that include such enterprise, shall be eligible for the credit.
1180 The credit is not allowed for any year of the twenty-year period
1181 in which the overall monthly average number of full-time employees
1182 subject to the Mississippi income tax withholding falls below
1183 three thousand (3,000); however, if the permanent business
1184 enterprise is located in an area that has been declared by the
1185 Governor to be a disaster area and as a direct result of the
1186 disaster the business enterprise is unable to maintain the
1187 required number of employees, the commissioner may waive the
1188 employment requirement for a period of time not to exceed two (2)



1189 years. The State Tax Commission shall adjust the credit allowed
1190 each year for the net new employment fluctuations above three
1191 thousand (3,000).

1192 (2) Any tax credit claimed under this section but not used
1193 in any taxable year may be carried forward for five (5)
1194 consecutive years from the close of the tax year in which the
1195 credits were earned; however, if the permanent business enterprise
1196 is located in an area that has been declared by the Governor to be
1197 a disaster area and as a direct result of the disaster the
1198 business enterprise is unable to use the existing carryforward,
1199 the commissioner may extend the period that the credit may be
1200 carried forward for a period of time not to exceed two (2) years.
1201 The credit that may be utilized each year shall be limited to an
1202 amount not greater than the total state income tax liability of
1203 the permanent business enterprise and the state income tax
1204 liability of any member of the affiliated group that includes such
1205 enterprise that is generated by, or arises out of, the project.

1206 (3) The tax credits provided for in this section shall be in
1207 lieu of the tax credits provided for in Section 57-73-21 and any
1208 permanent business enterprise or any member of the affiliated
1209 group that includes such enterprise utilizing the tax credit
1210 authorized in this section shall not utilize the tax credit
1211 authorized in Section 57-73-21.

1212 (4) As used in this section:



1213 (a) "Project" means a project as defined in Section
1214 57-75-5(f) (iv) .

1215 (b) "Affiliated group" means one or more corporations
1216 connected through stock ownership with a common parent corporation
1217 where at least eighty percent (80%) of the voting power of all
1218 classes of stock and at least eighty percent (80%) of each class
1219 of the nonvoting stock of each of the member corporations, except
1220 the common parent corporation, is directly owned by one or more of
1221 the other member corporations; and the common parent corporation
1222 directly owns stock possessing at least eighty percent (80%) of
1223 the voting power of all classes of stock and at least eighty
1224 percent (80%) of each class of the nonvoting stock of at least one
1225 (1) of the other member corporations. As used in this subsection,
1226 the term "stock" does not include nonvoting stock that is limited
1227 and preferred as to dividends.

1228 **SECTION 11.** Section 27-7-22.18, Mississippi Code of 1972, is
1229 brought forward as follows:

1230 27-7-22.18. (1) Any enterprise owning or operating a
1231 project as defined in Section 57-75-5(f) (xviii) is allowed a job
1232 tax credit for taxes imposed by Section 27-7-5 equal to Five
1233 Thousand Dollars (\$5,000.00) annually for each net new full-time
1234 employee job for a period of ten (10) years from the date the
1235 credit commences. The credit shall commence on the date selected
1236 by the enterprise; provided, however, that the commencement date
1237 shall not be more than two (2) years from the date the project



1238 becomes fully operational. For the year in which the commencement
1239 date occurs, the enterprise must select a date on which it has at
1240 least four hundred fifty (450) full-time employees subject to the
1241 Mississippi income tax withholding. From that date to the end of
1242 the year, the credit will be determined based on the remaining
1243 monthly average of full-time employees subject to the Mississippi
1244 income tax withholding. For each year thereafter, the number of
1245 new full-time jobs created shall be determined by calculating the
1246 monthly average number of full-time employees subject to the
1247 Mississippi income tax withholding for the year. For every year
1248 subsequent to the year the commencement date occurs, the credit is
1249 not allowed for any year in which the overall monthly average
1250 number of full-time employees subject to the Mississippi income
1251 tax withholding falls below the minimum jobs requirement provided
1252 in Section 57-75-5(f)(xviii). The State Tax Commission shall
1253 adjust the credit allowed each year for the net new employment
1254 fluctuations.

1255 (2) For the first five (5) years in which a tax credit is
1256 claimed under this section, any tax credit claimed but not used in
1257 any taxable year may be carried forward for five (5) consecutive
1258 years from the close of the tax year in which the credits were
1259 earned. For the remainder of the ten-year period, any tax credit
1260 claimed under this section but not used in any taxable year may be
1261 carried forward for three (3) consecutive years from the close of
1262 the tax year in which the credits were earned. The credit that



1263 may be utilized each year shall be limited to an amount not
1264 greater than the total state income tax liability of the
1265 enterprise that is generated by, or arises out of, the project.

1266 (3) The tax credits provided for in this section shall be in
1267 lieu of the tax credits provided for in Section 57-73-21 and any
1268 enterprise utilizing the tax credit authorized in this section
1269 shall not utilize the tax credit authorized in Section 57-73-21.

1270 **SECTION 12.** Section 27-7-22.19, Mississippi Code of 1972, is
1271 brought forward as follows:

1272 27-7-22.19. (1) Integrated suppliers are allowed a job tax
1273 credit for taxes imposed by Section 27-7-5 equal to One Thousand
1274 Dollars (\$1,000.00) annually for each net new full-time employee
1275 for five (5) years from the date the credit commences; however, if
1276 the integrated supplier is located in an area that has been
1277 declared by the Governor to be a disaster area and as a direct
1278 result of the disaster the integrated supplier is unable to
1279 maintain the required number of employees, the commissioner may
1280 extend this time period for not more than two (2) years. The
1281 credit shall commence on the date selected by the integrated
1282 supplier; provided, however, that the commencement date shall not
1283 be more than five (5) years from the date the integrated supplier
1284 commences commercial production. For the year in which the
1285 commencement date occurs, the number of new full-time jobs shall
1286 be determined by using the monthly average number of full-time
1287 employees subject to Mississippi income tax withholding.



1288 Thereafter, the number of new full-time jobs shall be determined
1289 by comparing the monthly average number of full-time employees
1290 subject to Mississippi income tax withholding for the taxable year
1291 with the corresponding period of the prior taxable year. Only
1292 those integrated suppliers that increase employment by twenty (20)
1293 or more are eligible for the credit. The credit is not allowed
1294 during any of the five (5) years if the net employment increase
1295 falls below twenty (20); however, if the integrated supplier is
1296 located in an area that has been declared by the Governor to be a
1297 disaster area and as a direct result of the disaster the
1298 integrated supplier is unable to maintain the required number of
1299 employees, the commissioner may waive the employment requirement
1300 for a period of time not to exceed two (2) years. The State Tax
1301 Commission shall adjust the credit allowed each year for the net
1302 new employment fluctuations above the minimum level of twenty
1303 (20).

1304 (2) Any tax credit claimed under this section but not used
1305 in any taxable year may be carried forward for five (5)
1306 consecutive years from the close of the tax year in which the
1307 credits were earned; however, if the integrated supplier is
1308 located in an area that has been declared by the Governor to be a
1309 disaster area and as a direct result of the disaster the
1310 integrated supplier is unable to use the existing carryforward,
1311 the commissioner may extend the period that the credit may be
1312 carried forward for a period of time not to exceed two (2) years.



1313 The credit that may be utilized each year shall be limited to an
1314 amount not greater than fifty percent (50%) of the taxpayer's
1315 state income tax liability which is attributable to income derived
1316 from operation in the state for that year.

1317 (3) The tax credits provided for in this section shall be in
1318 lieu of the tax credits provided for in Section 57-73-21, and any
1319 integrated supplier utilizing the tax credit authorized in this
1320 section shall not utilize the tax credit authorized in Section
1321 57-73-21.

1322 (4) As used in this section the term "integrated supplier"
1323 means a supplier located on the project site which provides goods
1324 or services on the project site solely for a project as defined in
1325 Section 57-75-5(f)(iv)1.

1326 **SECTION 13.** Section 27-7-22.20, Mississippi Code of 1972, is
1327 brought forward as follows:

1328 27-7-22.20. (1) An enterprise owning or operating a project
1329 as defined in Section 57-75-5(f)(xviii) is allowed an annual
1330 investment tax credit for taxes imposed by Section 27-7-5 equal to
1331 seven and one-half percent (7-1/2%) of the eligible investments
1332 made by the enterprise. The credit shall commence on the date
1333 selected by the enterprise; provided, however, that the
1334 commencement date shall not be more than two (2) years from the
1335 date the project becomes fully operational. For the purposes of
1336 this section, the term "eligible investment" means the amount of
1337 investment in a project as defined in Section 57-75-5(f)(xviii)



1338 that is greater than Four Hundred Million Dollars
1339 (\$400,000,000.00) and used in the initial establishment of the
1340 project.

1341 (2) Any tax credit claimed under this section but not used
1342 in any taxable year may be carried forward for ten (10)
1343 consecutive years from the close of the tax year in which the
1344 credits were earned. The credit that may be utilized in any one
1345 tax year shall be limited to an amount not greater than the total
1346 state income tax liability of the enterprise for that year that is
1347 generated by, or arises out of, the project.

1348 (3) The credit received under this section is subject to
1349 recapture if the property for which the tax credit was received is
1350 disposed of, or converted to, other than business use. The amount
1351 of the credit subject to recapture is one hundred percent (100%)
1352 of the credit in the first year and fifty percent (50%) of the
1353 credit in the second year. This subsection shall not apply in
1354 cases in which an entire facility is sold.

1355 **SECTION 14.** Section 27-7-22.21, Mississippi Code of 1972, is
1356 brought forward as follows:

1357 27-7-22.21. (1) As used in this section, the following
1358 words and phrases shall have the following meanings, unless the
1359 context clearly indicates otherwise:

1360 (a) "Eligible land" means nonindustrial private lands
1361 in the state that are adjacent to and along a stream which is
1362 fully nominated to the Mississippi Scenic Streams Stewardship



1363 Program, or nonindustrial private lands in the state which are
1364 considered to be priority sites for conservation under the
1365 Mississippi Natural Heritage Program.

1366 (b) "Eligible owner" means a private individual, group
1367 or association other than a private corporation, or any subsidiary
1368 thereof, which manufactures products or provides public utility
1369 services of any type.

1370 (c) "Interest in land" means any right in real
1371 property, including access thereto or improvements thereon, or
1372 water, including, but not limited to, a fee simple easement, a
1373 conservation easement, provided such interest complies with the
1374 requirements of the United States Internal Revenue Code Section
1375 170(h), partial interest, mineral right, remainder or future
1376 interest, or other interest or right in real property.

1377 (d) "Land" or "lands" means real property, with or
1378 without improvements thereon, rights-of-way, water and riparian
1379 rights, easements, privileges and all other rights or interests of
1380 any land or description in, relating to, or connected with real
1381 property.

1382 (e) "Allowable transaction costs" mean the costs of the
1383 appraisal of the lands or interests in lands, including
1384 conservation easements, that are being donated, of the baseline
1385 survey of the natural features, animals and plants present on the
1386 site, of engineering and surveying fees, of maintenance fees, of



1387 monitoring fees and of legal fees, including the costs of document
1388 preparation, title review and title insurance.

1389 (f) "Specified conservation purposes" mean the
1390 preservation of stream bank habitats and the stability of stream
1391 banks, or the protection of land necessary because of high
1392 biodiversity significance or high protection urgency due to the
1393 presence of exemplary natural communities or species of special
1394 concern, including threatened or endangered species.

1395 (2) For the taxable years beginning on or after January 1,
1396 2003, for any income taxpayer who is an eligible owner, a credit
1397 against the taxes imposed by this chapter shall be allowed in the
1398 amounts provided in this section upon the donation of land or an
1399 interest in land for specified conservation purposes.

1400 (3) The credit provided for in this section shall be fifty
1401 percent (50%) of the allowable transaction costs involved in the
1402 donation for the tax year in which the allowable transaction costs
1403 occur. The aggregate amount of the credit provided in this
1404 section for allowable transaction costs shall not exceed the
1405 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
1406 imposed upon the taxpayer for the taxable year reduced by the sum
1407 of all other credits allowable to such taxpayer under this
1408 chapter, except credit for tax payments made by or on behalf of
1409 the taxpayer. Any unused portion of the credit may be carried
1410 forward for ten (10) succeeding tax years. The maximum dollar
1411 amount of the credit provided for in this section that an eligible



1412 owner may utilize during his lifetime shall be Ten Thousand
1413 Dollars (\$10,000.00) in the aggregate.

1414 (4) To be eligible for the credit provided for in this
1415 section, an eligible owner must demonstrate that the donation
1416 qualifies as a conservation contribution under Section 170(h) of
1417 the United States Internal Revenue Code of 1986, by means of being
1418 a donation in perpetuity, for conservation purposes and made to a
1419 qualified holder or donee. A letter from the donee indicating
1420 acceptance and a completed copy of the appropriate United States
1421 Internal Revenue Service form shall constitute proof of
1422 acceptance. The eligible owner also must submit any other
1423 documentation that the State Tax Commission may require.

1424 **SECTION 15.** Section 27-7-22.22, Mississippi Code of 1972, is
1425 brought forward as follows:

1426 27-7-22.22. (1) A credit is allowed against the taxes
1427 imposed by this chapter to a taxpayer for allowing land owned by
1428 the taxpayer to be used as a natural area preserve, a wildlife
1429 refuge or habitat area, a wildlife management area, or for the
1430 purpose of providing public outdoor recreational opportunities, as
1431 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
1432 the following conditions and limitations:

1433 (a) The land may not be under lease to the Mississippi
1434 Commission on Wildlife, Fisheries and Parks, and the commission
1435 must approve the land as being suitable for the uses described in
1436 this section.



1437 (b) The amount of the tax credit allowed by this
1438 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
1439 land in each taxable year.

1440 (c) In no event shall the amount of the tax credits
1441 allowed by this section for a taxable year exceed the taxpayer's
1442 liability for those taxes. Any unused credit amount shall be
1443 allowed to be carried forward for five (5) years from the close of
1444 the taxable year in which the land was approved for such a use.
1445 No such credit shall be allowed the taxpayer against prior years'
1446 tax liability.

1447 (2) To claim a credit allowed by this section, the taxpayer
1448 shall provide any information required by the Mississippi
1449 Commission on Wildlife, Fisheries and Parks or the Mississippi
1450 Commissioner of Revenue. Every taxpayer claiming a credit under
1451 this section shall maintain and make available for inspection by
1452 the Mississippi Commission on Wildlife, Fisheries and Parks or the
1453 Mississippi Commissioner of Revenue any records that either entity
1454 considers necessary to determine and verify the amount of the
1455 credit to which the taxpayer is entitled. The burden of proving
1456 eligibility for a credit and the amount of the credit rests upon
1457 the taxpayer, and no credit may be allowed to a taxpayer that
1458 fails to maintain adequate records or to make them available for
1459 inspection.

1460 (3) Upon approval of the Commission on Wildlife, Fisheries
1461 and Parks under subsection (1) (a), a taxpayer seeking to claim any



1462 tax credit provided for under this section must submit an
1463 application to the Mississippi Commissioner of Revenue for
1464 approval of the tax credit. The Mississippi Commissioner of
1465 Revenue shall promulgate the rules and forms on which the
1466 application is to be submitted. The Mississippi Commissioner of
1467 Revenue shall review the application and may approve such
1468 application upon determining that it meets the requirements of
1469 this section within sixty (60) days after receiving the
1470 application.

1471 **SECTION 16.** Section 27-7-22.23, Mississippi Code of 1972, is
1472 brought forward as follows:

1473 27-7-22.23. (1) As used in this section, the term "port"
1474 means a state, county or municipal port or harbor established
1475 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
1476 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
1477 59-11-1 through 59-11-7.

1478 (2) Subject to the provisions of this section, for any
1479 income taxpayer utilizing the port facilities at any port for the
1480 import of cargo that is unloaded from a carrier calling at any
1481 such port, a credit against the taxes imposed pursuant to this
1482 chapter shall be allowed in the amounts provided in this section.
1483 In order to be eligible for the credit authorized under this
1484 section, a taxpayer must locate its United States headquarters in
1485 Mississippi on or after July 1, 2004, employ at least five (5)
1486 permanent full-time employees who actually work at such



1487 headquarters and have a minimum capital investment of Two Million
1488 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this
1489 section, "full-time employee" shall mean an employee who works at
1490 least thirty-five (35) hours per week.

1491 (3) (a) Except as otherwise provided by subsection (4) of
1492 this section, the amount of the credit allowed pursuant to this
1493 section shall be the total of the following charges on import of
1494 cargo paid by the corporation:

- 1495 (i) Receiving into the port;
- 1496 (ii) Handling from a vessel; and
- 1497 (iii) Wharfage.

1498 (b) The credit allowed pursuant to this section shall
1499 not include charges paid by a corporation on the import of forest
1500 products.

1501 (4) The credit provided for in this section shall not exceed
1502 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1503 for the taxable year reduced by the sum of all other credits
1504 allowable to such taxpayer under this chapter, except credit for
1505 tax payments made by or on behalf of the taxpayer. Any unused
1506 portion of the credit may be carried forward for the succeeding
1507 five (5) years. The maximum cumulative credit that may be claimed
1508 by a taxpayer under this section is limited to One Million Dollars
1509 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1510 more than twenty-five (25) permanent full-time employees at its
1511 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)



1512 if the taxpayer employs more than twenty-five (25), but not more
1513 than one hundred (100) permanent full-time employees at its
1514 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1515 if the taxpayer employs more than one hundred (100), but not more
1516 than two hundred (200) permanent full-time employees at its
1517 headquarters in Mississippi; and Four Million Dollars
1518 (\$4,000,000.00) if the taxpayer employs more than two hundred
1519 (200) permanent full-time employees at its headquarters in
1520 Mississippi.

1521 (5) To obtain the credit provided for in this section, a
1522 taxpayer must provide to the Department of Revenue a statement
1523 from the governing authority of the port certifying the amount of
1524 charges paid by the taxpayer for which a credit is claimed and any
1525 other information required by the Department of Revenue.

1526 **SECTION 17.** Section 27-7-22.25, Mississippi Code of 1972, is
1527 brought forward as follows:

1528 27-7-22.25. (1) As used in this section, the term "airport"
1529 means an airport established pursuant to Chapters 3 and 5, Title
1530 61, Mississippi Code of 1972.

1531 (2) Subject to the provisions of this section, for any
1532 income taxpayer utilizing the facilities at any airport for the
1533 export or import of cargo that is unloaded from a carrier at any
1534 such airport, a credit against the taxes imposed pursuant to this
1535 chapter shall be allowed in the amounts provided in this section.
1536 In order to be eligible for the credit authorized under this



1537 section, a taxpayer must locate its United States headquarters in
1538 Mississippi on or after July 1, 2005, employ at least five (5) new
1539 permanent full-time employees who actually work at such
1540 headquarters and, after July 1, 2005, invest a minimum of Two
1541 Million Dollars (\$2,000,000.00), in the aggregate, in real
1542 property and/or personal property in Mississippi. For the
1543 purposes of this section, "full-time employee" shall mean an
1544 employee who works at least thirty-five (35) hours per week.

1545 (3) Except as otherwise provided by subsection (4) of this
1546 section, the amount of the credit allowed pursuant to this section
1547 shall be the total of the following charges on import or export of
1548 cargo paid by the corporation:

- 1549 (a) Receiving into the airport;
- 1550 (b) Aircraft marshalling or handling fees; and
- 1551 (c) Aircraft landing fees.

1552 (4) The credit provided for in this section shall not exceed
1553 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1554 for the taxable year reduced by the sum of all other credits
1555 allowable to such taxpayer under this chapter, except credit for
1556 tax payments made by or on behalf of the taxpayer. Any unused
1557 portion of the credit may be carried forward for the succeeding
1558 five (5) years. The maximum cumulative credit that may be claimed
1559 by a taxpayer under this section is limited to One Million Dollars
1560 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1561 more than twenty-five (25) permanent full-time employees at its



1562 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
1563 if the taxpayer employs more than twenty-five (25), but not more
1564 than one hundred (100) permanent full-time employees at its
1565 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1566 if the taxpayer employs more than one hundred (100), but not more
1567 than two hundred (200) permanent full-time employees at its
1568 headquarters in Mississippi; and Four Million Dollars
1569 (\$4,000,000.00) if the taxpayer employs more than two hundred
1570 (200) permanent full-time employees at its headquarters in
1571 Mississippi.

1572 (5) To obtain the credit provided for in this section, a
1573 taxpayer must provide to the Department of Revenue a statement
1574 from the governing authority of the airport certifying the amount
1575 of charges paid by the taxpayer for which a credit is claimed and
1576 any other information required by the Department of Revenue.

1577 (6) Any taxpayer who is eligible, before July 1, 2025, for
1578 the credit provided for in this section, shall remain eligible for
1579 such credit after July 1, 2025, notwithstanding the repeal of this
1580 section.

1581 **SECTION 18.** Section 27-7-22.27, Mississippi Code of 1972, is
1582 brought forward as follows:

1583 27-7-22.27. (1) As used in this section:

1584 (a) "Business enterprises" means entities primarily
1585 engaged in:



1586 (i) Manufacturing, processing, warehousing,
1587 distribution, wholesaling and research and development, or
1588 (ii) Permanent business enterprises designated by
1589 rule and regulation of the Mississippi Development Authority as
1590 air transportation and maintenance facilities, final destination
1591 or resort hotels having a minimum of one hundred fifty (150) guest
1592 rooms, recreational facilities that impact tourism, movie industry
1593 studios, telecommunications enterprises, data or information
1594 processing enterprises or computer software development
1595 enterprises or any technology intensive facility or enterprise.

1596 (b) "Economically distressed community" means an area
1597 within a municipality that contains groupings of census tracts
1598 that include and are contiguous to the central business district,
1599 where within such census tract groupings at least thirty percent
1600 (30%) of the residents have incomes that are less than the
1601 national poverty level as published by the United States Bureau of
1602 the Census in the most recent decennial census for which data is
1603 available; in which the unemployment rate is at least one and
1604 one-half (1-1/2) times greater than the national average, as
1605 determined by the most recent data from the United States Bureau
1606 of Labor Statistics, including estimates of unemployment developed
1607 using the calculation method of the United States Bureau of Labor
1608 Statistics Census Share; and

1609 (i) The municipal population of which is at least
1610 four thousand (4,000) if any portion of the municipality is



1611 located within a metropolitan area with a population of fifty
1612 thousand (50,000), or more; or

1613 (ii) The municipal population of which is at least
1614 one thousand (1,000) if no portion of the municipality is located
1615 within a metropolitan area with a population of fifty thousand
1616 (50,000), or more.

1617 (c) "Telecommunications enterprises" means entities
1618 engaged in the creation, display, management, storage, processing,
1619 transmission or distribution for compensation of images, text,
1620 voice, video or data by wire or by wireless means, or entities
1621 engaged in the construction, design, development, manufacture,
1622 maintenance or distribution for compensation of devices, products,
1623 software or structures used in the above activities. Companies
1624 organized to do business as commercial broadcast radio stations,
1625 television stations or news organizations primarily serving
1626 in-state markets shall not be included within the definition of
1627 the term "telecommunications enterprises."

1628 (2) The governing authorities of a municipality may
1629 designate an area within such municipality as an economically
1630 distressed community.

1631 (3) Upon designation of an area within a municipality as an
1632 economically distressed community, the governing authorities of a
1633 municipality shall apply to the State Tax Commission for
1634 certification of the area as an economically distressed community.
1635 Such application shall provide the information necessary to



1636 establish certification as an economically distressed community.
1637 The State Tax Commission shall certify an area within a
1638 municipality as an economically distressed community if it finds
1639 that the designation meets the criteria provided for in subsection
1640 (1)(b) of this section.

1641 (4) Permanent business enterprises in areas within
1642 municipalities certified by the State Tax Commission as
1643 economically distressed communities are allowed a job tax credit
1644 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of
1645 the payroll of the enterprise for net new full-time employee jobs
1646 for five (5) years beginning with years two (2) through six (6)
1647 after the creation of the minimum number of jobs required by this
1648 subsection. The number of new full-time jobs must be determined
1649 by comparing the monthly average number of full-time employees
1650 subject to the Mississippi income tax withholding for the taxable
1651 year with the corresponding period of the prior taxable year.
1652 Only those permanent business enterprises that increase employment
1653 by ten (10) or more in an economically distressed community are
1654 eligible for the credit. Credit is not allowed during any of the
1655 five (5) years if the net employment increase falls below ten
1656 (10). The State Tax Commission shall adjust the credit allowed
1657 each year for the net new employment fluctuations above the
1658 minimum level of ten (10).

1659 (5) Tax credits for five (5) years for the taxes imposed by
1660 Section 27-7-5 shall be awarded for additional net new full-time



1661 jobs created by business enterprises qualified under this section.
1662 The State Tax Commission shall adjust the credit allowed in the
1663 event of payroll fluctuations during the additional five (5) years
1664 of credit.

1665 (6) The sale, merger, acquisition, reorganization,
1666 bankruptcy or relocation from one (1) county to another county
1667 within the state of any business enterprise may not create new
1668 eligibility in any succeeding business entity, but any unused job
1669 tax credit may be transferred and continued by any transferee of
1670 the business enterprise. The State Tax Commission shall determine
1671 whether or not qualifying net increases or decreases have occurred
1672 or proper transfers of credit have been made and may require
1673 reports, promulgate regulations, and hold hearings as needed for
1674 substantiation and qualification.

1675 (7) Any tax credit claimed under this section but not used
1676 in any taxable year may be carried forward for five (5) years from
1677 the close of the tax year in which the qualified jobs were
1678 established but the credit established by this section taken in
1679 any one (1) tax year must be limited to an amount not greater than
1680 fifty percent (50%) of the taxpayer's state income tax liability
1681 which is attributable to income derived from operations in the
1682 state for that year.

1683 (8) No business enterprise for the transportation, handling,
1684 storage, processing or disposal of hazardous waste is eligible to
1685 receive the tax credits provided in this section.



1686 (9) The credits allowed under this section shall not be used
1687 by any business enterprise or corporation other than the business
1688 enterprise actually qualifying for the credits.

1689 (10) A business enterprise that receives a tax credit under
1690 this section shall not be eligible for the tax credit authorized
1691 in Section 57-73-21(2), (3) and (4).

1692 **SECTION 19.** Section 27-7-22.28, Mississippi Code of 1972, is
1693 brought forward as follows:

1694 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,
1695 the following terms and phrases shall have the meanings ascribed
1696 in this section unless the context clearly indicates otherwise:

1697 (a) "Alternative energy project" means a business
1698 enterprise engaged in manufacturing or producing alternative
1699 energy in this state with not less than fifty percent (50%) of the
1700 finished product being derived from resources or products from
1701 this state.

1702 (b) "Authority" means the Mississippi Development
1703 Authority.

1704 (c) "Producer" means a manufacturer or producer of
1705 alternative energy through an alternative fuels project.

1706 (d) "State" means the State of Mississippi.

1707 **SECTION 20.** Section 27-7-22.29, Mississippi Code of 1972, is
1708 brought forward as follows:

1709 27-7-22.29. (1) Producers are allowed a job tax credit for
1710 taxes imposed by Section 27-7-5 equal to One Thousand Dollars



1711 (\$1,000.00) annually for each net new full-time employee job for a
1712 period of twenty (20) years from the date the credit begins;
1713 however, if the producer is located in an area that has been
1714 declared by the Governor to be a disaster area and as a direct
1715 result of the disaster the producer is unable to maintain the
1716 required number of employees, the commissioner may extend this
1717 time period for not more two (2) years. The credit shall begin on
1718 the date selected by the producer; however, the beginning date
1719 shall not be more than five (5) years from the date the producer
1720 begins manufacturing or producing alternative energy. For the
1721 year in which the beginning date occurs, the number of new
1722 full-time jobs shall be determined by using the monthly average
1723 number of full-time employees subject to the Mississippi income
1724 tax withholding. Thereafter, the number of new full-time jobs
1725 shall be determined by comparing the monthly average number of
1726 full-time employees subject to the Mississippi income tax
1727 withholding for the taxable year with the corresponding period of
1728 the prior taxable year. Once a producer creates twenty-five (25)
1729 or more new full-time employee jobs, the producer shall be
1730 eligible for the credit; however, if the producer is located in an
1731 area that has been declared by the Governor to be a disaster area
1732 and as a direct result of the disaster the producer is unable to
1733 maintain the required number of employees, the commissioner may
1734 waive the employment requirement for a period of time not to
1735 exceed two (2) years. The credit is not allowed for any year of



1736 the twenty-year period in which the overall monthly average number
1737 of full-time employees subject to the Mississippi income tax
1738 withholding falls below twenty-five (25). The State Tax
1739 Commission shall adjust the credit allowed each year for the net
1740 new employment fluctuations above twenty-five (25).

1741 (2) Any tax credit claimed under this section but not used
1742 in any taxable year may be carried forward for five (5)
1743 consecutive years from the close of the tax year in which the
1744 credits were earned; however, if the producer is located in an
1745 area that has been declared by the Governor to be a disaster area
1746 and as a direct result of the disaster the producer is unable to
1747 use the existing carryforward, the commissioner may extend the
1748 period that the credit may be carried forward for a period of time
1749 not to exceed two (2) years. The credit that may be utilized each
1750 year shall be limited to an amount not greater than the total
1751 state income tax liability of the producer that is generated by,
1752 or arises out of, the alternative energy project.

1753 (3) The tax credits provided for in this section shall be in
1754 lieu of the tax credits provided for in Section 57-73-21 and any
1755 producer utilizing the tax credit authorized in this section shall
1756 not utilize the tax credit authorized in Section 57-73-21.

1757 **SECTION 21.** Section 27-7-22.30, Mississippi Code of 1972, is
1758 brought forward as follows:

1759 27-7-22.30. (1) As used in this section:



1760 (a) "Manufacturing enterprise" means an enterprise
1761 that:

1762 (i) Falls within the definition of the term
1763 "manufacturer" in Section 27-65-11; and

1764 (ii) Has operated in this state for not less than
1765 two (2) years prior to application for the credit authorized by
1766 this section.

1767 The term "manufacturing enterprise" does not include any
1768 medical cannabis establishment as defined in the Mississippi
1769 Medical Cannabis Act.

1770 (b) "Eligible investment" means an investment of at
1771 least One Million Dollars (\$1,000,000.00) in buildings and/or
1772 equipment for the manufacturing enterprise.

1773 (2) A manufacturing enterprise is allowed a manufacturing
1774 investment tax credit for taxes imposed by Section 27-7-5 equal to
1775 five percent (5%) of the eligible investments made by the
1776 manufacturing enterprise.

1777 (3) Any tax credit claimed under this section but not used
1778 in any taxable year may be carried forward for five (5) years from
1779 the close of the tax year in which the eligible investment was
1780 made, but the credit established by this section taken in any one
1781 tax year shall not exceed fifty percent (50%) of the taxpayer's
1782 state income tax liability which is attributable to income derived
1783 from operations in the state for that year reduced by the sum of



1784 all other income tax credits allowable to the taxpayer, except
1785 credit for tax payments made by or on behalf of the taxpayer.

1786 (4) The maximum credit that may be claimed by a taxpayer on
1787 any project shall be limited to One Million Dollars
1788 (\$1,000,000.00).

1789 (5) The credit received under this section is subject to
1790 recapture if the property for which the tax credit was received is
1791 disposed of, or converted to, other than business use. The amount
1792 of the credit subject to recapture is one hundred percent (100%)
1793 of the credit in the first year and fifty percent (50%) of the
1794 credit in the second year. This subsection shall not apply in
1795 cases in which an entire facility is sold.

1796 (6) The sale, merger, acquisition, reorganization,
1797 bankruptcy or relocation from one (1) county to another county
1798 within the state of any manufacturing enterprise may not create
1799 new eligibility in any succeeding business entity, but any unused
1800 manufacturing investment tax credit may be transferred and
1801 continued by any transferee of the enterprise. The department
1802 shall determine whether or not qualifying net increases or
1803 decreases have occurred or proper transfers of credit have been
1804 made and may require reports, promulgate regulations, and hold
1805 hearings as needed for substantiation and qualification.

1806 (7) No manufacturing enterprise for the transportation,
1807 handling, storage, processing or disposal of hazardous waste is
1808 eligible to receive the tax credits provided in this section.



1809 (8) The credits allowed under this section shall not be used
1810 by any business enterprise or corporation other than the
1811 manufacturing enterprise actually qualifying for the credits.

1812 **SECTION 22.** Section 27-7-22.31, Mississippi Code of 1972, is
1813 brought forward as follows:

1814 27-7-22.31. (1) As used in this section:

1815 (a) "Certified historic structure" means a property
1816 located in Mississippi that has been:

1817 (i) Listed individually on the National Register
1818 of Historic Places; or

1819 (ii) Determined eligible for the National Register
1820 of Historic Places by the Secretary of the United States
1821 Department of the Interior and will be listed within thirty (30)
1822 months of claiming the rebate or credit authorized by this
1823 section; or

1824 (iii) Property designated a Mississippi Landmark
1825 by the Department of Archives and History pursuant to Section
1826 39-7-3 et seq.

1827 (b) "Eligible property" means property located in
1828 Mississippi and offered or used for residential or business
1829 purposes.

1830 (c) "Structure in a certified historic district" means
1831 a structure (and its structural components) located in Mississippi
1832 which:



1833 (i) Is listed in the National Register of Historic
1834 Places; or

1835 (ii) Has been determined eligible for the National
1836 Register of Historic Places by the Secretary of the United States
1837 Department of the Interior and will be listed within thirty (30)
1838 months of claiming the rebate or credit authorized by this
1839 section; or

1840 (iii) Is located in a registered historic district
1841 listed on the National Register of Historic Places or located in a
1842 potential district that has been determined eligible for the
1843 National Register of Historic Places by the Secretary of the
1844 United States Department of the Interior and will be listed within
1845 thirty (30) months of claiming the rebate or credit authorized by
1846 this section, and is certified by the Secretary of the United
1847 States Department of the Interior as being of historic
1848 significance to the district; or

1849 (iv) Is certified by the Mississippi Department of
1850 Archives and History as contributing to the historic significance
1851 of:

1852 1. A certified historic district listed on
1853 the National Register of Historic Places; or

1854 2. A potential district that has been
1855 determined eligible for the National Register of Historic Places
1856 by the Secretary of the United States Department of the Interior



1857 and will be listed within thirty (30) months of claiming the
1858 rebate or credit authorized by this section; or

1859 3. A local district that has been certified
1860 by the United States Department of the Interior.

1861 (d) "Department" means the Department of Archives and
1862 History.

1863 (2) Any taxpayer incurring costs and expenses for the
1864 rehabilitation of eligible property, which is a certified historic
1865 structure or a structure in a certified historic district, shall
1866 be entitled to a rebate or credit against the taxes imposed
1867 pursuant to this chapter in an amount equal to twenty-five percent
1868 (25%) of the total costs and expenses of rehabilitation incurred
1869 after January 1, 2006, which shall include, but not be limited to,
1870 qualified rehabilitation expenditures as defined under Section
1871 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
1872 the related regulations thereunder:

1873 (a) If the costs and expenses associated with
1874 rehabilitation exceed:

1875 (i) Five Thousand Dollars (\$5,000.00) in the case
1876 of an owner-occupied dwelling; or

1877 (ii) Fifty percent (50%) of the adjusted basis in
1878 the property in the case of all other properties; and

1879 (b) The rehabilitation is consistent with the standards
1880 of the Secretary of the United States Department of the Interior
1881 as determined by the department.



1882 (3) Any taxpayer eligible for the rebate or credit
1883 authorized by this section may claim the rebate or credit in
1884 phases if:

1885 (a) There is a written set of architectural plans and
1886 specifications for all phases of the rehabilitation (written plans
1887 outlining and describing all phases of the rehabilitation shall be
1888 accepted as written plans and specifications);

1889 (b) The written set of architectural plans and
1890 specifications are completed before the physical work on the
1891 rehabilitation begins; and

1892 (c) The project receives final certification by the
1893 department within sixty (60) months of the project start date
1894 certified in the first phase.

1895 (4) (a) (i) If the amount of the tax credit established by
1896 this section exceeds the total state income tax liability for the
1897 credit year, the amount that exceeds the total state income tax
1898 liability may be carried forward for the ten (10) succeeding tax
1899 years.

1900 (ii) In lieu of claiming a tax credit, the
1901 taxpayer may elect to claim a rebate in the amount of seventy-five
1902 percent (75%) of the amount that would be eligible to claim as a
1903 credit. The election may be made at any time after the
1904 certification of the rebate. If the taxpayer has utilized a tax
1905 credit on an income tax return prior to making an election to



1906 claim a rebate, then the available rebate will be reduced by the
1907 amount of credit utilized.

1908 (iii) Rebate requests shall be submitted to the
1909 department on forms prescribed by the department. The department
1910 will then provide the taxpayer with a voucher for the approved
1911 amount. Within twelve (12) months of the issuance of the voucher
1912 by the department, the taxpayer may submit the voucher to the
1913 Department of Revenue to receive payment. Rebates shall be made
1914 from current tax collections.

1915 (b) Not-for-profit entities, including, but not limited
1916 to, nonprofit corporations organized under Section 79-11-101 et
1917 seq., shall be ineligible for the rebate or credit authorized by
1918 this section. Credits granted to a partnership, a limited
1919 liability company taxed as a partnership or multiple owners of
1920 property shall be passed through to the partners, members or
1921 owners on a pro rata basis or pursuant to an executed agreement
1922 among the partners, members or owners documenting an alternative
1923 distribution method. Partners, members or other owners of a
1924 pass-through entity are not eligible to elect a refund of excess
1925 credit in lieu of a carryforward of the credit. However, a
1926 partnership or limited liability company taxed as a partnership
1927 may elect to claim a rebate at the entity level on a form
1928 prescribed by the department. Additionally, excess tax credits
1929 that are attributable to rehabilitated property that was placed in
1930 service by a pass-through entity prior to January 1, 2011, and



1931 that have previously been allocated to and are held by another
1932 pass-through entity prior to January 1, 2011, may be refunded to
1933 such other pass-through entity.

1934 (5) (a) (i) To claim the rebate or credit authorized
1935 pursuant to this section, the taxpayer shall apply to the
1936 department which shall determine the amount of eligible
1937 rehabilitation costs and expenses and whether the rehabilitation
1938 is consistent with the standards of the Secretary of the United
1939 States Department of the Interior. The department shall issue a
1940 certificate evidencing the date of the rebate or credit and amount
1941 of eligible rebate or credit if the taxpayer is found to be
1942 eligible for the tax rebate or credit. The taxpayer shall attach
1943 the certificate to all income tax returns on which the credit is
1944 claimed. Except as otherwise provided in this paragraph (a), the
1945 department shall not issue certificates evidencing the eligible
1946 rebate or credit which will result in rebates or credits being
1947 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
1948 any one (1) calendar year for projects with total qualified
1949 rehabilitation costs and expenses of One Million Seven Hundred
1950 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
1951 shall also not issue certificates evidencing the eligible rebate
1952 or credit which will result in rebates or credits being awarded in
1953 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
1954 calendar year for projects with total qualified rehabilitation



1955 costs and expenses of less than One Million Seven Hundred Fifty
1956 Thousand Dollars (\$1,750,000.00).

1957 (ii) If claiming a credit instead of a rebate, the
1958 taxpayer shall claim such credit on the income tax return for the
1959 tax year for which the credit is certified.

1960 (b) The date of the rebate or credit shall be certified
1961 in the following order:

1962 (i) The rebate or credit shall be certified based
1963 on the date of project completion.

1964 (ii) If the eligible rebate or credit exceeds the
1965 available limit in the year in which the project is completed, the
1966 rebate or credit shall be certified based on the date the
1967 certification is issued by the department. The department shall
1968 issue the certification in the first calendar year in which the
1969 requested rebate or credit would not exceed the calendar year
1970 limit.

1971 (c) The aggregate amount of tax rebates or credits that
1972 may be awarded under this section shall not exceed One Hundred
1973 Eighty Million Dollars (\$180,000,000.00).

1974 (6) (a) The rebate or credit received by a taxpayer
1975 pursuant to this section is subject to recapture if:

1976 (i) The property is one that has been determined
1977 eligible for the National Register of Historic Places but is not
1978 listed on the National Register of Historic Places within thirty



1979 (30) months of claiming the rebate or credit authorized by this
1980 section;

1981 (ii) The potential district in which the property
1982 is located is not listed on the National Register of Historic
1983 Places within thirty (30) months of claiming the rebate or credit
1984 authorized by this section; or

1985 (iii) The project has not received final
1986 certification by the department within sixty (60) months of the
1987 project start date certified in the first phase.

1988 (b) The taxpayer shall notify the department and the
1989 Department of Revenue if any of the situations that subject the
1990 credit to recapture occur.

1991 (7) (a) The board of trustees of the department shall
1992 establish fees to be charged for the services performed by the
1993 department under this section and shall publish the fee schedule.
1994 The fees contained in the schedule shall be in amounts reasonably
1995 calculated to recover the costs incurred by the department for the
1996 administration of this section. Any taxpayer desiring to
1997 participate in the tax credits authorized by this section shall
1998 pay the appropriate fee as contained in the fee schedule to the
1999 department, which shall be used by the department, without
2000 appropriation, to offset the administrative costs of the
2001 department associated with its duties under this section.

2002 (b) There is hereby created within the State Treasury a
2003 special fund into which shall be deposited all the fees collected



2004 by the department pursuant to this section. Money deposited into
2005 the fund shall not lapse at the end of any fiscal year and
2006 investment earnings on the proceeds in such special fund shall be
2007 deposited into such fund. Money from the fund shall be disbursed
2008 upon warrants issued by the State Fiscal Officer upon requisitions
2009 signed by the executive director of the department to assist the
2010 department in carrying out its duties under this section.

2011 (8) This section shall only apply to taxpayers:

2012 (a) Who have been issued a certificate evidencing the
2013 eligible credit before December 31, 2030; or

2014 (b) Who, before December 31, 2030, have received a
2015 determination in writing from the Mississippi Department of
2016 Archives and History, in accordance with the department's Historic
2017 Preservation Certificate Application, Part 2, that the
2018 rehabilitation is consistent with the historic character of the
2019 property and that the property meets the United States Secretary
2020 of the Interior's Standards for Rehabilitation, or will meet the
2021 standards if certain specified conditions are met, and, who are
2022 issued a certificate evidencing the eligible credit on or after
2023 December 31, 2030.

2024 **SECTION 23.** Section 27-7-22.32, Mississippi Code of 1972, is
2025 brought forward as follows:

2026 27-7-22.32. (1) (a) There shall be allowed as a credit
2027 against the tax imposed by this chapter the amount of the
2028 qualified adoption expenses paid or incurred, not to exceed Five



2029 Thousand Dollars (\$5,000.00), for each dependent child residing
2030 outside Mississippi but legally adopted by a taxpayer under the
2031 laws of this state during calendar year 2023 or during any
2032 calendar year thereafter. A taxpayer claiming a credit under this
2033 paragraph (a) may not claim a credit under paragraph (b) of this
2034 subsection for the adoption of the same child.

2035 (b) There shall be allowed as a credit against the tax
2036 imposed by this chapter the amount of Ten Thousand Dollars
2037 (\$10,000.00) for each dependent child residing in Mississippi and
2038 legally adopted by a taxpayer under the laws of this state during
2039 calendar year 2023 or during any calendar year thereafter. A
2040 taxpayer claiming a credit under this paragraph (b) may not claim
2041 a credit under paragraph (a) of this subsection for the adoption
2042 of the same child.

2043 (2) The tax credit under this section may be claimed for the
2044 taxable year in which the adoption becomes final under the laws of
2045 this state. Any tax credit claimed under this section but not
2046 used in any taxable year may be carried forward for the five (5)
2047 succeeding tax years. A tax credit is allowed under this section
2048 for any child for which an exemption is claimed during the same
2049 taxable year under Section 27-7-21(e). For the purposes of this
2050 section, the term "qualified adoption expenses" means and has the
2051 same definition as that term has in 26 USCA 23.

2052 **SECTION 24.** Section 27-7-22.33, Mississippi Code of 1972, is
2053 brought forward as follows:



2054 27-7-22.33. (1) A taxpayer shall be allowed a credit
2055 against the income taxes imposed under this chapter in an amount
2056 equal to twenty-five percent (25%) of the premium costs paid
2057 during the taxable year for a qualified long-term care insurance
2058 policy as defined in Section 7702B of the Internal Revenue Code
2059 that offers coverage to either the individual, the individual's
2060 spouse, the individual's parent or parent-in-law, or the
2061 individual's dependent as defined in Section 152 of the Internal
2062 Revenue Code.

2063 (2) No taxpayer shall be entitled to the credit with respect
2064 to the same expended amounts for qualified long-term care
2065 insurance which are claimed by another taxpayer.

2066 (3) The credit allowed by this section shall not exceed Five
2067 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
2068 whichever is less, for each qualified long-term care insurance
2069 policy. Any unused tax credit shall not be allowed to be carried
2070 forward to apply to the taxpayer's succeeding year's tax
2071 liability.

2072 (4) No credit shall be allowed under this section with
2073 respect to any premium for qualified long-term care insurance
2074 either deducted or subtracted by the taxpayer in arriving at his
2075 net taxable income under this section or with respect to any
2076 premiums for qualified long-term care insurance which were
2077 excluded from his net taxable income.



2078 **SECTION 25.** Section 27-7-22.34, Mississippi Code of 1972, is
2079 brought forward as follows:

2080 27-7-22.34. (1) As used in this section, "qualified
2081 business or industry" means any company that has been certified by
2082 the Mississippi Major Economic Impact Authority as a project as
2083 defined in Section 57-75-5(f)(xxii).

2084 (2) A qualified business or industry shall be allowed a job
2085 tax credit for taxes imposed by Section 27-7-5 equal to Five
2086 Thousand Dollars (\$5,000.00) annually for each net new full-time
2087 employee job for a period of twenty (20) years from the date the
2088 credit commences; however, if the qualified business or industry
2089 is located in an area that has been declared by the Governor to be
2090 a disaster area and as a direct result of the disaster the
2091 business or industry is unable to maintain the required number of
2092 employees, the commissioner may extend this time period for not
2093 more than two (2) years. The credit shall commence on the date
2094 selected by the business or industry; however, the commencement
2095 date shall not be more than six (6) years from the date the
2096 business or industry commences commercial production. For the
2097 year in which the commencement date occurs, the number of new
2098 full-time jobs shall be determined by using the monthly average
2099 number of full-time employees subject to the Mississippi income
2100 tax withholding. Thereafter, the number of new full-time jobs
2101 shall be determined by comparing the monthly average number of
2102 full-time employees subject to the Mississippi income tax



2103 withholding for the taxable year with the corresponding period of
2104 the prior taxable year. Once a qualified business or industry
2105 creates or increases employment by five hundred (500) or more,
2106 such business or industry shall be eligible for the credit. The
2107 credit is not allowed for any year of the twenty-year period in
2108 which the overall monthly average number of full-time employees
2109 subject to the Mississippi income tax withholding falls below five
2110 hundred (500); however, if the qualified business or industry is
2111 located in an area that has been declared by the Governor to be a
2112 disaster area and as a direct result of the disaster the business
2113 or industry is unable to maintain the required number of
2114 employees, the commissioner may waive the employment requirement
2115 for a period of time not to exceed two (2) years. The State Tax
2116 Commission shall adjust the credit allowed each year for the net
2117 new employment fluctuations above five hundred (500).

2118 (3) Any tax credit claimed under this section but not used
2119 in any taxable year may be carried forward for five (5)
2120 consecutive years from the close of the tax year in which the
2121 credits were earned; however, if the qualified business or
2122 industry is located in an area that has been declared by the
2123 Governor to be a disaster area and as a direct result of the
2124 disaster the business or industry is unable to use the existing
2125 carryforward, the commissioner may extend the period that the
2126 credit may be carried forward for a period of time not to exceed
2127 two (2) years. The credit that may be utilized each year shall be



2128 limited to an amount not greater than the total state income tax
2129 liability of the qualified business or industry that is generated
2130 by, or arises out of, the project.

2131 (4) The tax credits provided for in this section shall be in
2132 lieu of the tax credits provided for in Section 57-73-21 and any
2133 qualified business or industry utilizing the tax credit authorized
2134 in this section shall not utilize the tax credit authorized in
2135 Section 57-73-21.

2136 **SECTION 26.** Section 27-7-22.35, Mississippi Code of 1972, is
2137 brought forward as follows:

2138 27-7-22.35. (1) As used in this section:

2139 (a) "Eligible facility" means and includes a new
2140 facility that creates at least twenty (20) full-time jobs with a
2141 minimum capital investment from private sources of Fifty Million
2142 Dollars (\$50,000,000.00), that:

2143 (i) Consists of all components necessary for the
2144 production of electric energy from the direct firing or co-firing
2145 of biomass or waste heat recovery, and if applicable, other energy
2146 sources;

2147 (ii) Produces both electric energy and useful
2148 thermal energy, such as heat or steam, through the sequential use
2149 of energy (cogeneration); and

2150 (iii) Consists of all components necessary for the
2151 production of synfuel.



2152 An eligible facility includes all burners and boilers, any
2153 handling and delivery equipment that supplies fuel directly to and
2154 is integrated with such burners and boilers, steam headers,
2155 turbines, generators, property used for the collection, processing
2156 or storage of biomass or synfuel, transformers, pipelines and all
2157 other property used in the transmission of electricity or synfuel
2158 and related depreciable property.

2159 (b) "Biomass" means and includes any of the following:

2160 (i) Forest-related mill residues, pulping
2161 by-product and other by-products of wood processing, thinnings,
2162 slash, limbs, bark, brush and other cellulosic plant material or
2163 nonmerchantable forest-related products;

2164 (ii) Solid wood waste materials, including
2165 dunnage, manufacturing and construction wood wastes, demolition
2166 and storm debris and landscape or right-of-way trimmings;

2167 (iii) Agriculture wastes, including orchard tree
2168 crops, vineyard, grain, legumes, sugar and other crop by-products
2169 or residues and livestock waste nutrients;

2170 (iv) All plant and grass material that is grown
2171 exclusively as a fuel for the production of electricity;

2172 (v) Refuse derived fuels consisting of organic
2173 components and fibers of waste water treatment solids; or

2174 (vi) Whole trees.

2175 (c) "Synfuel" means any liquid or gaseous fuel obtained
2176 from biomass.



2177 (d) "Waste heat recovery" means systems that produce
2178 electricity from currently unused waste heat resulting from
2179 combustion or other processes and which do not use an additional
2180 combustion process. The term does not include any system whose
2181 primary purpose is the generation of electricity.

2182 (2) An enterprise owning or operating an eligible facility
2183 is allowed an annual investment tax credit for taxes imposed by
2184 Section 27-7-5 equal to five percent (5%) of investments made by
2185 the enterprise in the initial establishment of an eligible
2186 facility. The credit shall commence on the date selected by the
2187 enterprise; provided, however, that the commencement date shall
2188 not be more than two (2) years from the date the eligible facility
2189 becomes fully operational.

2190 (3) Any tax credit claimed under this section but not used
2191 in any taxable year may be carried forward for five (5)
2192 consecutive years from the close of the tax year in which the
2193 credits were earned. The credit that may be utilized in any one
2194 (1) tax year shall be limited to an amount not greater than fifty
2195 percent (50%) of the total state income tax liability of the
2196 enterprise for that year that is generated by, or arises out of,
2197 the eligible facility.

2198 **SECTION 27.** Section 27-7-22.36, Mississippi Code of 1972, is
2199 brought forward as follows:

2200 27-7-22.36. (1) As used in this section:



2201 (a) "Full-time employee" means an employee who works at
2202 least thirty-five (35) hours per week.

2203 (b) "New cut and sew job" means a job in which the
2204 employee cuts and sews upholstery for upholstered household
2205 furniture and which job did not exist in this state before January
2206 1, 2010.

2207 (2) Any enterprise owning or operating an upholstered
2208 household furniture manufacturing facility is allowed a job tax
2209 credit for taxes imposed by this chapter equal to Two Thousand
2210 Dollars (\$2,000.00) annually for each full-time employee employed
2211 in a new cut and sew job for a period of five (5) years from the
2212 date the credit commences. The credit shall commence on the date
2213 selected by the enterprise. For the year in which the
2214 commencement date occurs, the credit will be determined based on
2215 the monthly average number of full-time employees employed in new
2216 cut and sew jobs subject to the Mississippi income tax withholding
2217 who are employed by the enterprise. For each year thereafter, the
2218 number of new cut and sew jobs shall be determined by comparing
2219 the monthly average number of full-time employees employed in new
2220 cut and sew jobs subject to the Mississippi income tax withholding
2221 for the taxable year with the corresponding period of the prior
2222 taxable year. The Department of Revenue shall verify that the
2223 jobs claimed by enterprises to obtain the credit meet the
2224 definition of the term "new cut and sew job." The Department of



2225 Revenue shall adjust the credit allowed each year for employment
2226 fluctuations.

2227 (3) The credit that may be used each year shall be limited
2228 to an amount not greater than the total state income tax liability
2229 of the enterprise. Any tax credit claimed under this section but
2230 not used in any taxable year may be carried forward for five (5)
2231 consecutive years from the close of the tax year in which the
2232 credits were earned.

2233 (4) The tax credits provided for in this section shall be in
2234 lieu of the tax credits provided for in Section 57-73-21 and any
2235 enterprise using the tax credit authorized in this section shall
2236 not use the tax credit authorized in Section 57-73-21.

2237 (5) Any taxpayer who is eligible for the credit authorized
2238 in this section prior to January 1, 2026, shall be eligible for
2239 the credit authorized in this section, notwithstanding the repeal
2240 of this section, and shall be allowed to carry forward the credit
2241 after January 1, 2026, as provided for in subsection (3) of this
2242 section.

2243 (6) This section shall be repealed from and after January 1,
2244 2026.

2245 **SECTION 28.** Section 27-7-22.37, Mississippi Code of 1972, is
2246 brought forward as follows:

2247 27-7-22.37. (1) There shall be allowed as a credit against
2248 the tax imposed by Section 27-7-5 the amount of the qualified
2249 prekindergarten program support contributions paid to approved



2250 providers, lead partners or collaboratives, not to exceed One
2251 Million Dollars (\$1,000,000.00), by any individual, corporation or
2252 other entity having taxable income under the laws of this state
2253 during calendar year 2013 or during any calendar year thereafter.
2254 In order to qualify for a tax credit, such contributions may
2255 support the local match requirement of approved providers, lead
2256 partners or collaboratives as is necessary to match
2257 state-appropriated funds, and any such providers, lead partners or
2258 collaboratives shall be approved by the State Department of
2259 Education.

2260 (2) Any unused portion of the credit may be carried forward
2261 for three (3) tax years.

2262 (3) Any prekindergarten program support contribution shall
2263 be verified by submission to the Mississippi Department of Revenue
2264 of a copy of the receipt provided to the donor taxpayer by the
2265 prekindergarten program recipient or such other written
2266 verification as may be required by the Department of Revenue.

2267 (4) The maximum amount of donations accepted by the
2268 Department of Revenue in calendar year 2014 shall not exceed Eight
2269 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
2270 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
2271 year 2016 and calendar years thereafter shall not exceed
2272 Thirty-two Million Dollars (\$32,000,000.00), or what is
2273 appropriated by the Legislature to fund Chapter 493, Laws of 2013
2274 each year.



2275 (5) The Mississippi Department of Revenue shall promulgate
2276 rules necessary to effectuate the purposes of Chapter 493, Laws of
2277 2013. Such rules shall include a means of informing the public of
2278 the existence of the prekindergarten support program and the
2279 application process for provider, lead partner and collaborative
2280 candidates.

2281 **SECTION 29.** Section 27-7-22.39, Mississippi Code of 1972, is
2282 brought forward as follows:

2283 27-7-22.39. (1) As used in this section:

2284 (a) "Low-income residents" means persons whose
2285 household income is less than one hundred fifty percent (150%) of
2286 the federal poverty level.

2287 (b) "Qualifying charitable organization" means a
2288 charitable organization that is exempt from federal income
2289 taxation under Section 501(c)(3) of the Internal Revenue Code or
2290 is a designated community action agency that receives community
2291 services block grant program monies pursuant to 42 USC 9901. The
2292 organization must spend at least fifty percent (50%) of its budget
2293 on services to residents of this state who receive temporary
2294 assistance for needy families benefits or low-income residents of
2295 this state and their households or to children who have a chronic
2296 illness or physical, intellectual, developmental or emotional
2297 disability who are residents of this state. A charitable
2298 organization that is exempt from federal income tax under Section
2299 501(c)(3) of the Internal Revenue Code and that meets all other



2300 requirements of this paragraph except that it does not spend at
2301 least fifty percent (50%) of its overall budget in Mississippi may
2302 be a qualifying charitable organization if it spends at least
2303 fifty percent (50%) of its Mississippi budget on services to
2304 qualified individuals in Mississippi and it certifies to the
2305 department that one hundred percent (100%) of the voluntary cash
2306 contributions from the taxpayer will be spent on services to
2307 qualified individuals in Mississippi. Taxpayers choosing to make
2308 donations through an umbrella charitable organization that
2309 collects donations on behalf of member charities shall designate
2310 that the donation be directed to a member charitable organization
2311 that would qualify under this section on a stand-alone basis.
2312 Qualifying charitable organization does not include any entity
2313 that provides, pays for or provides coverage of abortions or that
2314 financially supports any other entity that provides, pays for or
2315 provides coverage of abortions.

2316 (c) "Qualifying foster care charitable organization"
2317 means a qualifying charitable organization that each operating
2318 year provides services to at least one hundred (100) qualified
2319 individuals in this state and spends at least fifty percent (50%)
2320 of its budget on services to qualified individuals in this state.
2321 A charitable organization that is exempt from federal income tax
2322 under Section 501(c)(3) of the Internal Revenue Code and that
2323 meets all other requirements of this paragraph except that it does
2324 not spend at least fifty percent (50%) of its overall budget in



2325 Mississippi may be a qualifying foster care charitable
2326 organization if it spends at least fifty percent (50%) of its
2327 Mississippi budget on services to qualified individuals in
2328 Mississippi and it certifies to the department that one hundred
2329 percent (100%) of the voluntary cash contributions from the
2330 taxpayer will be spent on services to qualified individuals in
2331 Mississippi. For the purposes of this paragraph, "qualified
2332 individual" means a child in a foster care placement program
2333 established by the Department of Child Protection Services, a
2334 child placed under the Safe Families for Children model, or a
2335 child at significant risk of entering a foster care placement
2336 program established by the Department of Child Protection
2337 Services.

2338 (d) "Services" means:

2339 (i) Cash assistance, medical care, child care,
2340 food, clothing, shelter, and job-placement services or any other
2341 assistance that is reasonably necessary to meet immediate basic
2342 needs and that is provided and used in this state;

2343 (ii) Job-training or education services or funding
2344 for parents, foster parents or guardians; or

2345 (iii) Job-training or education services or
2346 funding provided as part of a foster care independent living
2347 program.

2348 (2) (a) Except as provided in subsections (3) and (4) of
2349 this section, a credit is allowed against the taxes imposed by



2350 this chapter for voluntary cash contributions by the taxpayer
2351 during the taxable year to a qualifying charitable organization,
2352 other than a qualifying foster care charitable organization, not
2353 to exceed:

2354 (i) Through calendar year 2022, the lesser of Four
2355 Hundred Dollars (\$400.00) or the amount of the contribution in any
2356 taxable year for a single individual or a head of household; and
2357 for calendar year 2023 and each calendar year thereafter, the
2358 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the
2359 amount of the contribution in any taxable year for a single
2360 individual or a head of household.

2361 (ii) Through calendar year 2022, the lesser of
2362 Eight Hundred Dollars (\$800.00) or the amount of the contribution
2363 in any taxable year for a married couple filing a joint return;
2364 and for calendar year 2023 and each calendar year thereafter, the
2365 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the
2366 amount of the contribution in any taxable year for a married
2367 couple filing a joint return.

2368 (b) From and after January 1, 2023, a credit is also
2369 allowed against ad valorem taxes assessed and levied on real
2370 property for voluntary cash contributions made by the individual
2371 taxpayer during the taxable year to a qualifying charitable
2372 organization, other than a qualifying foster care charitable
2373 organization. The amount of credit that may be utilized by a
2374 taxpayer in a taxable year shall be limited to an amount not to



2375 exceed fifty percent (50%) of the total tax liability of the
2376 taxpayer for ad valorem taxes assessed and levied on real
2377 property. Any tax credit claimed under this paragraph but not
2378 used in any taxable year may be carried forward for five (5)
2379 consecutive years from the close of the tax year in which the
2380 credits were earned.

2381 (3) (a) A separate credit is allowed against the taxes
2382 imposed by this chapter for voluntary cash contributions during
2383 the taxable year to a qualifying foster care charitable
2384 organization. A contribution to a qualifying foster care
2385 charitable organization does not qualify for, and shall not be
2386 included in, any credit amount under subsection (2) of this
2387 section. If the voluntary cash contribution by the taxpayer is to
2388 a qualifying foster care charitable organization, the credit shall
2389 not exceed:

2390 (i) Through calendar year 2022, the lesser of Five
2391 Hundred Dollars (\$500.00) or the amount of the contribution in any
2392 taxable year for a single individual or a head of household; and
2393 for calendar year 2023 and each calendar year thereafter, the
2394 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the
2395 amount of the contribution in any taxable year for a single
2396 individual or a head of household.

2397 (ii) Through calendar year 2022, the lesser of One
2398 Thousand Dollars (\$1,000.00) or the amount of the contribution in
2399 any taxable year for a married couple filing a joint return; and



2400 for calendar year 2023 and each calendar year thereafter, the
2401 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the
2402 contribution in any taxable year for a married couple filing a
2403 joint return.

2404 (b) From and after January 1, 2023, a credit is also
2405 allowed against ad valorem taxes assessed and levied on real
2406 property for voluntary cash contributions made by the individual
2407 taxpayer during the taxable year to a qualifying foster care
2408 charitable organization. The amount of credit that may be
2409 utilized by a taxpayer in a taxable year shall be limited to an
2410 amount not to exceed fifty percent (50%) of the total tax
2411 liability of the taxpayer for ad valorem taxes assessed and levied
2412 on real property. Any tax credit claimed under this paragraph but
2413 not used in any taxable year may be carried forward for five (5)
2414 consecutive years from the close of the tax year in which the
2415 credits were earned.

2416 (4) Subsections (2) and (3) of this section provide separate
2417 credits against taxes imposed by this chapter depending on the
2418 recipients of the contributions. A taxpayer, including a married
2419 couple filing a joint return, in the same taxable year, may either
2420 or both:

2421 (a) Contribute to a qualifying charitable organization,
2422 other than a qualifying foster care charitable organization, and
2423 claim a credit under subsection (2) of this section.



2424 (b) Contribute to a qualifying foster care charitable
2425 organization and claim a credit under subsection (3) of this
2426 section.

2427 (5) A husband and wife who file separate returns for a
2428 taxable year in which they could have filed a joint return may
2429 each claim only one-half (1/2) of the tax credit that would have
2430 been allowed for a joint return.

2431 (6) Except as otherwise provided in subsections (2) and (3)
2432 of this section, if the allowable tax credit exceeds the taxes
2433 otherwise due under this chapter on the claimant's income, or if
2434 there are no taxes due under this chapter, the taxpayer may carry
2435 forward the amount of the claim not used to offset the taxes under
2436 this chapter for not more than five (5) consecutive taxable years'
2437 income tax liability.

2438 (7) The credit allowed by this section is in lieu of a
2439 deduction pursuant to Section 170 of the Internal Revenue Code and
2440 taken for state tax purposes.

2441 (8) Taxpayers taking a credit authorized by this section
2442 shall provide the name of the qualifying charitable organization
2443 and the amount of the contribution to the department on forms
2444 provided by the department.

2445 (9) A qualifying charitable organization shall provide the
2446 department with a written certification that it meets all criteria
2447 to be considered a qualifying charitable organization. The



2448 organization shall also notify the department of any changes that
2449 may affect the qualifications under this section.

2450 (10) The charitable organization's written certification
2451 must be signed by an officer of the organization under penalty of
2452 perjury. The written certification shall include the following:

2453 (a) Verification of the organization's status under
2454 Section 501(c)(3) of the Internal Revenue Code or verification
2455 that the organization is a designated community action agency that
2456 receives community services block grant program monies pursuant to
2457 42 USC 9901.

2458 (b) Financial data indicating the organization's budget
2459 for the organization's prior operating year and the amount of that
2460 budget spent on services to residents of this state who either:

2461 (i) Receive temporary assistance for needy
2462 families benefits;

2463 (ii) Are low-income residents of this state;

2464 (iii) Are children who have a chronic illness or
2465 physical, intellectual, developmental or emotional disability; or

2466 (iv) Are children in a foster care placement
2467 program established by the Department of Child Protection
2468 Services, children placed under the Safe Families for Children
2469 model or children at significant risk of entering a foster care
2470 placement program established by the Department of Child
2471 Protection Services.



2472 (c) A statement that the organization plans to continue
2473 spending at least fifty percent (50%) of its budget on services to
2474 residents of this state who receive temporary assistance for needy
2475 families benefits, who are low-income residents of this state, who
2476 are children who have a chronic illness or physical, intellectual,
2477 developmental or emotional disability or who are children in a
2478 foster care placement program established by the Department of
2479 Child Protection Services, children placed under the Safe Families
2480 for Children model or children at significant risk of entering a
2481 foster care placement program established by the Department of
2482 Child Protection Services. A charitable organization that is
2483 exempt from federal income tax under Section 501(c)(3) of the
2484 Internal Revenue Code and that meets all other requirements for a
2485 qualifying charitable organization or qualifying foster care
2486 charitable organization except that it does not spend at least
2487 fifty percent (50%) of its overall budget in Mississippi shall
2488 submit a statement that it spends at least fifty percent (50%) of
2489 its Mississippi budget on services to qualified individuals in
2490 Mississippi and that one hundred percent (100%) of the voluntary
2491 cash contributions it receives from Mississippi taxpayers will be
2492 spent on services to qualified individuals in Mississippi.

2493 (d) In the case of a foster care charitable
2494 organization, a statement that each operating year it provides
2495 services to at least one hundred (100) qualified individuals in
2496 this state.



2497 (e) A statement that the organization does not provide,
2498 pay for or provide coverage of abortions and does not financially
2499 support any other entity that provides, pays for or provides
2500 coverage of abortions.

2501 (f) Any other information that the department requires
2502 to administer this section.

2503 (11) The department shall review each written certification
2504 and determine whether the organization meets all the criteria to
2505 be considered a qualifying charitable organization and notify the
2506 organization of its determination. The department may also
2507 periodically request recertification from the organization. The
2508 department shall compile and make available to the public a list
2509 of the qualifying charitable organizations.

2510 (12) The aggregate amount of tax credits that may be awarded
2511 under this section in any calendar year shall not exceed Three
2512 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
2513 and for each calendar year thereafter, the aggregate amount of tax
2514 credits that may be awarded under this section in any calendar
2515 year shall not exceed One Million Dollars (\$1,000,000.00). In
2516 addition, any tax credits not awarded under this section before
2517 June 1, 2020, may be allocated during calendar year 2020 under
2518 Section 27-7-22.41 for contributions by taxpayers to eligible
2519 charitable organizations described in Section



2520 27-7-22.41(1)(b)(ii) as provided under such section,
2521 notwithstanding any limitation on the percentage of tax credits
2522 that may be allocated for such contributions.

2523 (13) A taxpayer shall apply for credits with the department
2524 on forms prescribed by the department. In the application the
2525 taxpayer shall certify to the department the dollar amount of the
2526 contributions made or to be made during the calendar year. Within
2527 thirty (30) days after the receipt of an application, the
2528 department shall allocate credits based on the dollar amount of
2529 contributions as certified in the application. However, if the
2530 department cannot allocate the full amount of credits certified in
2531 the application due to the limit on the aggregate amount of
2532 credits that may be awarded under this section in a calendar year,
2533 the department shall so notify the applicant within thirty (30)
2534 days with the amount of credits, if any, that may be allocated to
2535 the applicant in the calendar year. Once the department has
2536 allocated credits to a taxpayer, if the contribution for which a
2537 credit is allocated has not been made as of the date of the
2538 allocation, then the contribution must be made not later than
2539 sixty (60) days from the date of the allocation. If the
2540 contribution is not made within such time period, the allocation
2541 shall be cancelled and returned to the department for
2542 reallocation. Upon final documentation of the contributions, if
2543 the actual dollar amount of the contributions is lower than the



2544 amount estimated, the department shall adjust the tax credit
2545 allowed under this section.

2546 (14) This section shall be repealed from and after January
2547 1, 2025.

2548 **SECTION 30.** Section 27-7-22.40, Mississippi Code of 1972, is
2549 brought forward as follows:

2550 27-7-22.40. (1) The following words and phrases shall have
2551 the meanings ascribed in this section unless the context clearly
2552 indicates:

2553 (a) "Water transportation enterprise" means an
2554 enterprise or establishment primarily engaged in providing inland
2555 water transportation of cargo on lakes, rivers and/or intracoastal
2556 waterways, except on the Great Lakes System.

2557 (b) "Mississippi full-time job" means a job created in
2558 the State of Mississippi on or after January 1, 2019, and filled
2559 by a Mississippi resident who works at least thirty-five (35)
2560 hours per week.

2561 (2) Subject to the provisions of this section, any water
2562 transportation enterprise is allowed a job tax credit for taxes
2563 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
2564 annually for each Mississippi full-time job created for a period
2565 of five (5) years from the date the credit commences. A water
2566 transportation enterprise may not claim a tax credit for the
2567 reemployment of a person whose employment with the enterprise is
2568 terminated by the enterprise if the reemployment by the enterprise



2569 occurs within twelve (12) months from the date of the termination.
2570 The credit shall commence on the date selected by the enterprise.
2571 For the year in which the commencement date occurs, the credit
2572 will be determined based on the monthly average number of
2573 full-time employees employed by the water transportation
2574 enterprise in Mississippi full-time jobs subject to the
2575 Mississippi income tax withholding. For each year thereafter, the
2576 number of Mississippi full-time jobs shall be determined by
2577 comparing the monthly average number of full-time employees
2578 employed at the water transportation enterprise in Mississippi
2579 full-time jobs subject to the Mississippi income tax withholding
2580 for the taxable year with the corresponding period of the prior
2581 taxable year. The Department of Revenue shall adjust the credit
2582 allowed each year for employment fluctuations.

2583 (3) The credit that may be used each year shall be limited
2584 to an amount not greater than the total state income tax liability
2585 of the water transportation enterprise. Any tax credit claimed
2586 under this section but not used in any taxable year may be carried
2587 forward for five (5) consecutive years from the close of the tax
2588 year in which the credits were earned.

2589 (4) The sale, merger, acquisition, reorganization,
2590 bankruptcy or relocation from one (1) county to another county
2591 within the state of any water transportation enterprise may not
2592 create new eligibility in any succeeding business entity, but any
2593 unused job tax credit may be transferred and continued by any



2594 transferee of the water transportation enterprise. The Department
2595 of Revenue shall determine whether or not qualifying net increases
2596 or decreases have occurred or proper transfers of credit have been
2597 made and may require reports, promulgate regulations, and hold
2598 hearings as needed for substantiation and qualification.

2599 (5) The credits allowed under this section shall not be used
2600 by any business enterprise or corporation other than the water
2601 transportation enterprise actually qualifying for the credits.

2602 (6) The maximum aggregate amount of tax credits that may be
2603 claimed by all taxpayers claiming a credit under this section in a
2604 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

2605 (7) Any water transportation enterprise that is eligible for
2606 the credit authorized in this section before January 1, 2026,
2607 shall be eligible for the credit authorized in this section,
2608 notwithstanding the repeal of this section, and shall be allowed
2609 to carry forward the credit after January 1, 2026, as provided
2610 for in subsection (3) of this section.

2611 (8) This section shall be repealed from and after January 1,
2612 2026.

2613 **SECTION 31.** Section 27-7-22.42, Mississippi Code of 1972, is
2614 brought forward as follows:

2615 27-7-22.42. (1) The following words and phrases shall have
2616 the meanings as defined in this section unless the context clearly
2617 indicates otherwise:



2618 (a) "Eligible taxpayer" means any railroad that is
2619 classified by the United States Surface Transportation Board as a
2620 Class II or Class III railroad.

2621 (b) "Eligible transferee" means any taxpayer having a
2622 liability for taxes under this chapter.

2623 (c) "Qualified railroad reconstruction or replacement
2624 expenditures" means gross expenditures for maintenance,
2625 reconstruction or replacement of railroad infrastructure,
2626 including track, roadbed, bridges, industrial leads and sidings,
2627 and track-related structures owned or leased by a Class II or
2628 Class III railroad in Mississippi as of January 1, 2022.

2629 (d) "Qualified new rail infrastructure expenditures"
2630 means gross expenditures for new construction of industrial leads,
2631 switches, spurs and sidings and extensions of existing sidings,
2632 for serving new customer locations or expansions in Mississippi,
2633 by a Class II or Class III railroad located in Mississippi.

2634 (2) Subject to the provisions of this section, an eligible
2635 taxpayer making qualified railroad reconstruction or replacement
2636 expenditures shall be allowed a credit against the taxes imposed
2637 under this chapter. The credit shall be for an amount equal to
2638 the lesser of fifty percent (50%) of an eligible taxpayer's
2639 qualified railroad reconstruction or replacement expenditures for
2640 the taxable year or the product of Five Thousand Dollars
2641 (\$5,000.00) multiplied by the number of miles of railroad track
2642 owned or leased within the State of Mississippi by the eligible



2643 taxpayer as of the close of the taxable year. For qualified new
2644 rail infrastructure expenditures, the credit shall be for an
2645 amount equal to the lesser of fifty percent (50%) of an eligible
2646 taxpayer's qualified new rail infrastructure expenditures for the
2647 taxable year, capped at One Million Dollars (\$1,000,000.00) per
2648 new rail-served customer project. However, the tax credit shall
2649 not exceed the amount of tax imposed upon the taxpayer for the
2650 taxable year reduced by the sum of all other credits allowable to
2651 the taxpayer under this chapter, except credit for tax payments
2652 made by or on behalf of the taxpayer. Any tax credit claimed
2653 under this section but not used in any taxable year may be carried
2654 forward for five (5) consecutive years from the close of the
2655 taxable year in which the credit was earned. The aggregate amount
2656 of credits that may be claimed by all taxpayers claiming a credit
2657 under this section during a calendar year shall not exceed Eight
2658 Million Dollars (\$8,000,000.00). In addition, an eligible
2659 taxpayer may transfer by written agreement any unused tax credit
2660 to an eligible transferee at any time during the year in which the
2661 credit is earned and the five (5) years following the taxable year
2662 in which the qualified railroad reconstruction or replacement
2663 expenditures or the qualified new rail infrastructure expenditures
2664 are made. The eligible taxpayer and the eligible transferee must
2665 jointly file a copy of the written transfer agreement with the
2666 Department of Revenue within thirty (30) days of the transfer.
2667 The written agreement must contain the: (a) name, address, and



2668 taxpayer identification number of the parties to the transfer; (b)
2669 taxable year the eligible taxpayer incurred the qualified railroad
2670 reconstruction or replacement expenditures or the qualified new
2671 rail infrastructure expenditures; (c) amount of credit being
2672 transferred; and (d) taxable year or years for which the credit
2673 may be claimed by the eligible transferee.

2674 This section shall stand repealed on January 1, 2024.

2675 **SECTION 32.** Section 27-7-22.43, Mississippi Code of 1972, is
2676 brought forward as follows:

2677 27-7-22.43. (1) This section shall be known and may be
2678 cited as the "Pregnancy Resource Act."

2679 (2) For the purposes of this section, the following words
2680 and phrases shall have the meanings ascribed in this section
2681 unless the context clearly indicates otherwise:

2682 (a) "Department" means the Department of Revenue.

2683 (b) "Eligible charitable organization" means an
2684 organization that is exempt from federal income taxation under
2685 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy
2686 resource center or crisis pregnancy center. To be considered an
2687 "eligible charitable organization" a pregnancy resource center or
2688 crisis pregnancy center must meet the following criteria:

2689 (i) Certify that no more than twenty percent (20%)
2690 of the contributions received under this section will be spent on
2691 administrative purposes;



2692 (ii) File annually with the Secretary of State the
2693 organization's publicly available Internal Revenue Service
2694 filings.

2695 (3) (a) The tax credit authorized in this section shall be
2696 available only to a taxpayer who is a business enterprise engaged
2697 in commercial, industrial or professional activities and operating
2698 as a corporation, limited liability company, partnership or sole
2699 proprietorship. Except as otherwise provided in this section, a
2700 credit is allowed against the taxes imposed by Sections 27-7-5,
2701 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2702 contributions made by a taxpayer during the taxable year to an
2703 eligible charitable organization. For calendar year 2022, for a
2704 taxpayer that is not operating as a corporation, a credit is also
2705 allowed against ad valorem taxes assessed and levied on real
2706 property for voluntary cash contributions made by the taxpayer
2707 during the taxable year to an eligible charitable organization.
2708 From and after January 1, 2023, a credit is also allowed against
2709 ad valorem taxes assessed and levied on real property for
2710 voluntary cash contributions made by a taxpayer during the taxable
2711 year to an eligible charitable organization. The amount of credit
2712 that may be utilized by a taxpayer in a taxable year shall be
2713 limited to (i) an amount not to exceed fifty percent (50%) of the
2714 total tax liability of the taxpayer for the taxes imposed by such
2715 sections of law and (ii) an amount not to exceed fifty percent
2716 (50%) of the total tax liability of the taxpayer for ad valorem



2717 taxes assessed and levied on real property. Any tax credit
2718 claimed under this section but not used in any taxable year may be
2719 carried forward for five (5) consecutive years from the close of
2720 the tax year in which the credits were earned.

2721 (b) A contribution for which a credit is claimed under
2722 this section may not be used as a deduction by the taxpayer for
2723 state income tax purposes.

2724 (4) Taxpayers taking a credit authorized by this section
2725 shall provide the name of the eligible charitable organization and
2726 the amount of the contribution to the department on forms provided
2727 by the department.

2728 (5) An eligible charitable organization shall provide the
2729 department with a written certification that it meets all criteria
2730 to be considered an eligible charitable organization. The
2731 organization shall also notify the department of any changes that
2732 may affect eligibility under this section.

2733 (6) The eligible charitable organization's written
2734 certification must be signed by an officer of the organization
2735 under penalty of perjury. The written certification shall include
2736 the following:

2737 (a) Verification of the organization's status under
2738 Section 501(c)(3) of the Internal Revenue Code;

2739 (b) A statement that the organization does not provide,
2740 pay for or provide coverage of abortions and does not financially



2741 support any other entity that provides, pays for or provides
2742 coverage of abortions;

2743 (c) Any other information that the department requires
2744 to administer this section.

2745 (7) The department shall review each written certification
2746 and determine whether the organization meets all the criteria to
2747 be considered an eligible charitable organization and notify the
2748 organization of its determination. The department may also
2749 periodically request recertification from the organization. The
2750 department shall compile and make available to the public a list
2751 of eligible charitable organizations.

2752 (8) Tax credits authorized by this section that are earned
2753 by a partnership, limited liability company, S corporation or
2754 other similar pass-through entity, shall be allocated among all
2755 partners, members or shareholders, respectively, either in
2756 proportion to their ownership interest in such entity or as the
2757 partners, members or shareholders mutually agree as provided in an
2758 executed document.

2759 (9) (a) A taxpayer shall apply for credits with the
2760 department on forms prescribed by the department. In the
2761 application the taxpayer shall certify to the department the
2762 dollar amount of the contributions made or to be made during the
2763 calendar year. Within thirty (30) days after the receipt of an
2764 application, the department shall allocate credits based on the
2765 dollar amount of contributions as certified in the application.



2766 However, if the department cannot allocate the full amount of
2767 credits certified in the application due to the limit on the
2768 aggregate amount of credits that may be awarded under this section
2769 in a calendar year, the department shall so notify the applicant
2770 within thirty (30) days with the amount of credits, if any, that
2771 may be allocated to the applicant in the calendar year. Once the
2772 department has allocated credits to a taxpayer, if the
2773 contribution for which a credit is allocated has not been made as
2774 of the date of the allocation, then the contribution must be made
2775 not later than sixty (60) days from the date of the allocation.
2776 If the contribution is not made within such time period, the
2777 allocation shall be cancelled and returned to the department for
2778 reallocation. Upon final documentation of the contributions, if
2779 the actual dollar amount of the contributions is lower than the
2780 amount estimated, the department shall adjust the tax credit
2781 allowed under this section.

2782 (b) For the purposes of using a tax credit against ad
2783 valorem taxes assessed and levied on real property, a taxpayer
2784 shall present to the appropriate tax collector the tax credit
2785 documentation provided to the taxpayer by the Department of
2786 Revenue, and the tax collector shall apply the tax credit against
2787 such ad valorem taxes. The tax collector shall forward the tax
2788 credit documentation to the Department of Revenue along with the
2789 amount of the tax credit applied against ad valorem taxes, and the
2790 department shall disburse funds to the tax collector for the



2791 amount of the tax credit applied against ad valorem taxes. Such
2792 payments by the Department of Revenue shall be made from current
2793 tax collections.

2794 (10) The aggregate amount of tax credits that may be
2795 allocated by the department under this section during a calendar
2796 year shall not exceed Three Million Five Hundred Thousand Dollars
2797 (\$3,500,000.00). However, for calendar year 2023, and for each
2798 calendar year thereafter, the aggregate amount of tax credits that
2799 may be allocated by the department under this section during a
2800 calendar year shall not exceed Ten Million Dollars
2801 (\$10,000,000.00). For credits allocated during a calendar year
2802 for contributions to eligible charitable organizations, no more
2803 than twenty-five percent (25%) of such credits may be allocated
2804 for contributions to a single eligible charitable organization;
2805 however, credits not allocated before June 1, may be allocated
2806 without regard to such restriction for the same calendar year.

2807 **SECTION 33.** Section 27-7-22.44, Mississippi Code of 1972, is
2808 brought forward as follows:

2809 27-7-22.44. (1) As used in this section, the following
2810 words shall have the meanings ascribed herein unless the context
2811 clearly requires otherwise:

2812 (a) "Blood donation" means the voluntary and
2813 uncompensated donation of whole blood, or specific components of
2814 blood, by an employee, drawn for use by a nonprofit blood bank
2815 organization as part of a blood drive.



2816 (b) "Blood drive" means a function held at a specific
2817 date and time which is organized by a nonprofit blood bank
2818 organization in coordination with an employer or group of
2819 employers and is closed to nonemployees.

2820 (c) "Employee" means an individual employed by an
2821 employer authorized to claim a tax credit under this section.

2822 (d) "Employer" means a sole proprietor, general
2823 partnership, limited partnership, limited liability company,
2824 corporation or other legally recognized business entity.

2825 (e) "Verified donation" means a blood donation by an
2826 employee, made during a blood drive, which can be documented by an
2827 employer.

2828 (2) Subject to the provisions of this section, for calendar
2829 year 2022 and for calendar year 2023, a taxpayer that is an
2830 employer shall be allowed a credit against the taxes imposed under
2831 this chapter for each verified blood donation made by an employee
2832 as part of a blood drive. The credit shall be for an amount equal
2833 to Twenty Dollars (\$20.00) for each verified donation. However,
2834 the tax credit shall not exceed the amount of tax imposed upon the
2835 taxpayer for the taxable year reduced by the sum of all other
2836 credits allowable to the taxpayer under this chapter, except
2837 credit for tax payments made by or on behalf of the taxpayer. The
2838 maximum aggregate amount of tax credits that may be claimed by all
2839 taxpayers claiming a credit under this section in a taxable year
2840 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The



2841 department shall annually calculate and publish a percentage by
2842 which the tax credit authorized by this section shall be reduced
2843 so the maximum aggregate amount of tax credits claimed by all
2844 taxpayers claiming a credit in a taxable year does not exceed One
2845 Hundred Thousand Dollars (\$100,000.00).

2846 **SECTION 34.** Section 27-7-22.45, Mississippi Code of 1972, is
2847 brought forward as follows:

2848 27-7-22.45. (1) As used in this section,

2849 (a) "Affiliated enterprise" or an "affiliate" shall
2850 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2851 (b) "Authority" shall have the meaning ascribed to such
2852 term in Section 57-75-5(b);

2853 (c) "Project" shall have the meaning ascribed to such
2854 term in Section 57-75-5(f)(xxxi); and

2855 (d) "Qualified business or industry" shall mean any
2856 company that has been certified by the Major Economic Impact
2857 Authority as a project as defined in Section 57-75-5(f)(xxxi), or
2858 any other company which becomes subject to the tax levied by this
2859 chapter because it is an affiliate of the company that has been
2860 certified by the Major Economic Impact Authority as a project as
2861 defined in Section 57-75-5(f)(xxxi).

2862 (2) Each qualified business or industry shall be allowed an
2863 annual credit, for a period of fifteen (15) successive years,
2864 against the tax imposed by this chapter upon such qualified
2865 business or industry in each such year, in an annual amount equal



2866 to the amount of the qualified business's or industry's tax
2867 imposed by this chapter for each such year during the fifteen (15)
2868 year period on income derived thereby from any project, as defined
2869 by Section 57-75-5(f) (xxxi).

2870 (3) The tax credit authorized by this section may be
2871 utilized by any qualified business or industry and by any
2872 affiliates thereof that file a combined tax return for the tax
2873 imposed by this chapter. The credit shall not apply to offset tax
2874 on income derived from activities subject to Mississippi income
2875 tax prior to certification of the project.

2876 (4) A qualified business or industry may elect the date upon
2877 which the fifteen (15) year period will begin; however, the date
2878 may not be later than twenty-four (24) months after the date the
2879 qualified business or industry begins commercial production of the
2880 project or such earlier date prescribed by a definitive written
2881 agreement between the authority and the qualified business or
2882 industry and/or an affiliate thereof.

2883 (5) In the event that the annual number of full-time jobs
2884 maintained or caused to be maintained by the qualified business or
2885 industry and/or any affiliate thereof falls below the minimum
2886 annual number of full-time jobs required by the authority pursuant
2887 to a written agreement between the authority and the qualified
2888 business or industry and/or any affiliate thereof for one or more
2889 years, the annual tax credit granted by this section may be
2890 reduced or suspended by the authority until the first tax year



2891 during which the annual number of full-time jobs maintained or
2892 caused to be maintained by the qualified business or industry
2893 and/or any affiliate thereof reaches the minimum annual number of
2894 full-time jobs required by the authority pursuant to a written
2895 agreement between the authority and the qualified business or
2896 industry and/or any affiliate thereof.

2897 (6) A qualified business or industry that utilizes the
2898 annual tax credits authorized by this section shall not be
2899 eligible for the credits authorized in Sections 57-73-21 through
2900 57-73-29.

2901 (7) A qualified business or industry shall be entitled to
2902 utilize a single sales apportionment factor in the calculation of
2903 its liability for income tax imposed by this chapter for any year
2904 for which it files a Mississippi income tax return. The qualified
2905 business or industry shall be entitled to continue to utilize such
2906 single sales apportionment factor notwithstanding a suspension of
2907 the income tax credit pursuant to subsection (5) of this section.
2908 In no event shall a qualified business or industry be entitled to
2909 utilize a single sales apportionment factor for purposes of
2910 calculating its liability for income tax imposed by this chapter
2911 on any income derived from any operations or activities thereof
2912 subject to tax liability imposed by this chapter prior to January
2913 1, 2023, except to the extent that the qualified business or
2914 industry is entitled to utilize a single sales apportionment
2915 factor in the calculation of its liability for income tax on



2916 income derived from any operations or activities thereof subject
2917 to tax liability imposed by this chapter prior to January 1, 2023,
2918 pursuant to any other section of law or regulation duly adopted by
2919 the department.

2920 (8) The Mississippi Development Authority may promulgate
2921 rules and regulations necessary to administer the provisions of
2922 this section.

2923 **SECTION 35.** Section 27-7-22.46, Mississippi Code of 1972, is
2924 brought forward as follows:

2925 27-7-22.46. (1) For the purposes of this section, the
2926 following words and phrases shall have the meanings ascribed in
2927 this section unless the context clearly indicates otherwise:

2928 (a) "Department" means the Department of Revenue.

2929 (b) "Eligible charitable organization" means an
2930 organization that is exempt from federal income taxation under
2931 Section 501(c)(3) of the Internal Revenue Code and is purchasing,
2932 warehousing and delivering food directly to food pantries or soup
2933 kitchens in more than five (5) Mississippi counties on a monthly
2934 basis.

2935 (2) (a) The tax credit authorized in this section shall be
2936 available only to a taxpayer that is a business enterprise engaged
2937 in commercial, industrial or professional activities and operating
2938 as a corporation, limited liability company, partnership or sole
2939 proprietorship. Except as otherwise provided in this section, a
2940 credit is allowed against the taxes imposed by Sections 27-7-5,



2941 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2942 contributions made by a taxpayer during the taxable year to an
2943 eligible charitable organization. A credit is also allowed
2944 against ad valorem taxes assessed and levied on real property for
2945 voluntary cash contributions made by the taxpayer during the
2946 taxable year to an eligible charitable organization. The amount
2947 of credit that may be utilized by a taxpayer in a taxable year
2948 shall be limited to (i) an amount not to exceed fifty percent
2949 (50%) of the total tax liability of the taxpayer for the taxes
2950 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
2951 and (ii) an amount not to exceed fifty percent (50%) of the total
2952 tax liability of the taxpayer for ad valorem taxes assessed and
2953 levied on real property. Any credit claimed under this section
2954 but not used in the tax year in which it was earned may be carried
2955 forward for five (5) consecutive years from the close of the tax
2956 year in which it was earned.

2957 (b) A contribution for which a credit is claimed under
2958 this section may not be used as a deduction by the taxpayer for
2959 state income tax purposes.

2960 (3) A taxpayer taking a credit authorized by this section
2961 shall provide the name of the eligible charitable organization and
2962 the amount of the contribution to the department on forms provided
2963 by the department.

2964 (4) To be considered an eligible charitable organization
2965 under this section, an organization shall provide the department



2966 with a written certification that it meets all criteria. The
2967 organization shall also notify the department of any changes that
2968 may affect eligibility under this section.

2969 (5) The eligible charitable organization's written
2970 certification must be signed by an officer of the organization
2971 under penalty of perjury. The written certification shall include
2972 the following:

2973 (a) Verification of the organization's status under
2974 Section 501(c) (3) of the Internal Revenue Code;

2975 (b) A statement that the organization will use the
2976 contribution only for the purchasing of food and will deliver the
2977 food to food pantries and soup kitchens in the state; and

2978 (c) Any other information that the department requires
2979 in order to administer this section.

2980 (6) The department shall review each written certification
2981 and determine whether the organization meets all the criteria to
2982 be considered an eligible charitable organization and shall notify
2983 the organization of its determination. The department may also
2984 periodically request recertification from the organization. The
2985 department shall compile and make available to the public a list
2986 of eligible charitable organizations.

2987 (7) Tax credits authorized by this section that are earned
2988 by a partnership, limited liability company, S corporation or
2989 other similar pass-through entity, shall be allocated among all
2990 partners, members or shareholders, respectively, either in



2991 proportion to their ownership interest in such entity or as the
2992 partners, members or shareholders mutually agree as provided in an
2993 executed document.

2994 (8) (a) A taxpayer shall apply for credits with the
2995 department on forms prescribed by the department. In the
2996 application, the taxpayer shall certify to the department the
2997 dollar amount of the contributions made or to be made during the
2998 calendar year. Within thirty (30) days after the receipt of an
2999 application, the department shall allocate credits based on the
3000 dollar amount of contributions as certified in the application.
3001 However, if the department cannot allocate the full amount of
3002 credits certified in the application due to the limit on the
3003 aggregate amount of credits that may be awarded under this section
3004 in a calendar year, the department shall so notify the applicant
3005 within thirty (30) days with the amount of credits, if any, that
3006 may be allocated to the applicant in the calendar year. Once the
3007 department has allocated credits to a taxpayer, if the
3008 contribution for which a credit is allocated has not been made as
3009 of the date of the allocation, then the contribution must be made
3010 not later than sixty (60) days from the date of the allocation.
3011 If the contribution is not made within such time period, the
3012 allocation shall be cancelled and returned to the department for
3013 reallocation. Upon final documentation of the contribution, if
3014 the actual dollar amount of the contribution is lower than the



3015 amount estimated, the department shall adjust the tax credit
3016 allowed under this section.

3017 (b) For the purposes of using a tax credit against ad
3018 valorem taxes assessed and levied on real property, a taxpayer
3019 shall present to the appropriate tax collector the tax credit
3020 documentation provided to the taxpayer by the department, and the
3021 tax collector shall apply the tax credit against such ad valorem
3022 taxes. The tax collector shall forward the tax credit
3023 documentation to the department along with the amount of the tax
3024 credit applied against ad valorem taxes, and the department shall
3025 disburse funds to the tax collector for the amount of the tax
3026 credit applied against ad valorem taxes. Such payments by the
3027 department shall be made from current tax collections.

3028 (9) The aggregate amount of tax credits that may be
3029 allocated by the department under this section during a calendar
3030 year shall not exceed One Million Dollars (\$1,000,000.00).

3031 **SECTION 36.** Section 27-7-22.47, Mississippi Code of 1972, is
3032 brought forward as follows:

3033 27-7-22.47. (1) For the purposes of this section, the
3034 following words and phrases shall have the meanings ascribed in
3035 this section unless the context clearly indicates otherwise:

3036 (a) "Department" means the Department of Revenue.

3037 (b) "Eligible transitional home organization" means an
3038 organization that is exempt from federal income taxation under
3039 Section 501(c)(3) of the Internal Revenue Code that provides



3040 transitional housing for homeless persons age twenty-five (25) and
3041 under, homeless families and/or homeless and/or referred unwed
3042 pregnant women.

3043 "Eligible transitional home organization" does not include
3044 any entity that provides, pays for or provides coverage of
3045 abortions or that financially supports any other entity that
3046 provides, pays for or provides coverage of abortions.

3047 "Eligible transitional home organization" does not include
3048 any entity that charges a fee for the services and/or benefits it
3049 provides as an eligible transitional home organization. The
3050 prohibition against charging a fee for services and/or benefits is
3051 limited to services and benefits the entity provides as an
3052 eligible transitional home organization and does not apply to any
3053 other services and/or benefits the entity may provide to persons
3054 not being served by the entity's transitional home services.

3055 (c) "Transitional housing" means temporary housing the
3056 purpose of which is to provide homeless persons age twenty-five
3057 (25) and under, homeless families and/or homeless and/or referred
3058 unwed pregnant women with temporary shelter and facilitate their
3059 movement to permanent housing within an amount of time that the
3060 eligible transitional home organization determines to be
3061 appropriate.

3062 "Transitional housing" includes a program designed by the
3063 eligible transitional home organization that offers structure,
3064 supervision, support, life skills, education and training as the



3065 eligible transitional home organization determines to be
3066 appropriate for each individual and/or family to achieve and/or
3067 maintain independence.

3068 (2) (a) (i) The tax credit authorized in this subsection
3069 shall be available only to a taxpayer who is a business enterprise
3070 engaged in commercial, industrial or professional activities and
3071 operating as a corporation, limited liability company, partnership
3072 or sole proprietorship. Except as otherwise provided in this
3073 subsection, a credit is allowed against the taxes imposed by
3074 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
3075 cash contributions made by a taxpayer during the taxable year to
3076 an eligible transitional home organization. A credit is also
3077 allowed against ad valorem taxes assessed and levied on real
3078 property for voluntary cash contributions made by the taxpayer
3079 during the taxable year to an eligible transitional home
3080 organization. The amount of credit that may be utilized by a
3081 taxpayer in a taxable year shall be limited to an amount not to
3082 exceed fifty percent (50%) of the total tax liability of the
3083 taxpayer for the taxes imposed by such sections of law and an
3084 amount not to exceed fifty percent (50%) of the total tax
3085 liability of the taxpayer for ad valorem taxes assessed and levied
3086 on real property. Any tax credit claimed under this subsection
3087 but not used in any taxable year may be carried forward for five
3088 (5) consecutive years from the close of the tax year in which the
3089 credits were earned.



3090 (ii) A contribution to an eligible transitional
3091 home organization for which a credit is claimed under this
3092 subsection does not qualify for and shall not be included in any
3093 credit that may be claimed under subsection (3) of this section.

3094 (iii) A contribution for which a credit is claimed
3095 under this subsection may not be used as a deduction by the
3096 taxpayer for state income tax purposes.

3097 (b) Taxpayers taking a credit authorized by this
3098 subsection shall provide the name of the eligible transitional
3099 home organization and the amount of the contribution to the
3100 department on forms provided by the department.

3101 (c) An eligible transitional home organization shall
3102 provide the department with a written certification that it meets
3103 all criteria to be considered an eligible transitional home
3104 organization. The organization shall also notify the department
3105 of any changes that may affect eligibility under this section.

3106 (d) The eligible transitional home organization's
3107 written certification must be signed by an officer of the
3108 organization under penalty of perjury. The written certification
3109 shall include the following:

3110 (i) Verification of the organization's status
3111 under Section 501(c)(3) of the Internal Revenue Code;

3112 (ii) Information about the facilities that
3113 demonstrate the applicant's ability to provide housing for



3114 homeless persons age twenty-five (25) and under, homeless
3115 families, and/or homeless and/or referred unwed pregnant women;

3116 (iii) Sufficient materials to document the program
3117 of the applicant that demonstrate that the applicant has and runs
3118 a program that offers structure, supervision, support, life
3119 skills, education and training as the eligible transitional home
3120 organization determines to be appropriate for each individual
3121 and/or family to achieve and/or maintain independence;

3122 (iv) A statement that the organization does not
3123 charge a fee for services or benefits provided in whole or in part
3124 by its transitional housing program; and

3125 (v) Any other information that the department
3126 requires to administer this section.

3127 (e) The department shall review each written
3128 certification and determine whether the organization meets all the
3129 criteria to be considered an eligible transitional home
3130 organization and notify the organization of its determination.

3131 The department may also periodically request recertification from
3132 the organization. The department shall compile and make available
3133 to the public a list of eligible transitional home organizations.

3134 (f) Tax credits authorized by this subsection that are
3135 earned by a partnership, limited liability company, S corporation
3136 or other similar pass-through entity, shall be allocated among all
3137 partners, members or shareholders, respectively, either in
3138 proportion to their ownership interest in such entity or as the



3139 partners, members or shareholders mutually agree as provided in an
3140 executed document.

3141 (g) (i) A taxpayer shall apply for credits with the
3142 department on forms prescribed by the department. In the
3143 application the taxpayer shall certify to the department the
3144 dollar amount of the contributions made or to be made during the
3145 calendar year. Within thirty (30) days after the receipt of an
3146 application, the department shall allocate credits based on the
3147 dollar amount of contributions as certified in the application.
3148 However, if the department cannot allocate the full amount of
3149 credits certified in the application due to the limit on the
3150 aggregate amount of credits that may be awarded under this
3151 subsection in a calendar year, the department shall so notify the
3152 applicant within thirty (30) days with the amount of credits, if
3153 any, that may be allocated to the applicant in the calendar year.
3154 Once the department has allocated credits to a taxpayer, if the
3155 contribution for which a credit is allocated has not been made as
3156 of the date of the allocation, then the contribution must be made
3157 not later than sixty (60) days from the date of the allocation.
3158 If the contribution is not made within such time period, the
3159 allocation shall be cancelled and returned to the department for
3160 reallocation. Upon final documentation of the contributions, if
3161 the actual dollar amount of the contributions is lower than the
3162 amount estimated, the department shall adjust the tax credit
3163 allowed under this subsection.



3164 (ii) For the purposes of using a tax credit
3165 against ad valorem taxes assessed and levied on real property, a
3166 taxpayer shall present to the appropriate tax collector the tax
3167 credit documentation provided to the taxpayer by the Department of
3168 Revenue, and the tax collector shall apply the tax credit against
3169 such ad valorem taxes. The tax collector shall forward the tax
3170 credit documentation to the Department of Revenue along with the
3171 amount of the tax credit applied against ad valorem taxes, and the
3172 department shall disburse funds to the tax collector for the
3173 amount of the tax credit applied against ad valorem taxes. Such
3174 payments by the Department of Revenue shall be made from current
3175 tax collections.

3176 (h) The aggregate amount of tax credits that may be
3177 allocated by the department under this subsection during a
3178 calendar year shall not exceed Ten Million Dollars
3179 (\$10,000,000.00). For credits allocated during a calendar year
3180 for contributions to eligible transitional home organizations, no
3181 more than twenty-five percent (25%) of such credits may be
3182 allocated for contributions to a single eligible transitional home
3183 organization.

3184 (3) (a) (i) Except as otherwise provided in this
3185 subsection, a credit is allowed against the taxes imposed by this
3186 chapter for voluntary cash contributions by an individual taxpayer
3187 during the taxable year to an eligible transitional home
3188 organization. A credit is also allowed against ad valorem taxes



3189 assessed and levied on real property for voluntary cash
3190 contributions made by an individual taxpayer during the taxable
3191 year to an eligible transitional home organization. The amount of
3192 credit that may be utilized by a taxpayer in a taxable year shall
3193 be limited to an amount not to exceed fifty percent (50%) of the
3194 total tax liability of the taxpayer for the taxes imposed by this
3195 chapter and an amount not to exceed fifty percent (50%) of the
3196 total tax liability of the taxpayer for ad valorem taxes assessed
3197 and levied on real property. Any tax credit claimed under this
3198 subsection but not used in any taxable year may be carried forward
3199 for five (5) consecutive years from the close of the tax year in
3200 which the credits were earned.

3201 (ii) A husband and wife who file separate returns
3202 for a taxable year in which they could have filed a joint return
3203 may each claim only one-half (1/2) of the tax credit that would
3204 have been allowed for a joint return.

3205 (iii) A contribution to an eligible transitional
3206 home organization for which a credit is claimed under this
3207 subsection does not qualify for and shall not be included in any
3208 credit that may be claimed under subsection (2) of this section.

3209 (iv) A contribution for which a credit is claimed
3210 under this subsection may not be used as a deduction by the
3211 taxpayer for state income tax purposes.

3212 (b) Taxpayers taking a credit authorized by this
3213 subsection shall provide the name of the eligible transitional



3214 home organization and the amount of the contribution to the
3215 department on forms provided by the department.

3216 (c) An eligible transitional home organization shall
3217 provide the department with a written certification that it meets
3218 all criteria to be considered an eligible transitional home
3219 organization. The organization shall also notify the department
3220 of any changes that may affect eligibility under this section.

3221 (d) The eligible transitional housing organization's
3222 written certification must be signed by an officer of the
3223 organization under penalty of perjury. The written certification
3224 shall include the following:

3225 (i) Verification of the organization's status
3226 under Section 501(c)(3) of the Internal Revenue Code;

3227 (ii) Information about the facilities that
3228 demonstrate the applicant's ability to provide housing for
3229 homeless persons age twenty-five (25) and under, homeless
3230 families, and/or homeless and/or referred unwed pregnant women;

3231 (iii) Sufficient materials to document the program
3232 of the applicant that demonstrate that the applicant has and runs
3233 a program that offers structure, supervision, support, life
3234 skills, education and training as the eligible transitional home
3235 organization determines to be appropriate for each individual
3236 and/or family to achieve and/or maintain independence;



3237 (iv) A statement that the organization does not
3238 charge a fee for services or benefits provided in whole or in part
3239 by its transitional housing program; and

3240 (v) Any other information that the department
3241 requires to administer this section.

3242 (e) The department shall review each written
3243 certification and determine whether the organization meets all the
3244 criteria to be considered an eligible transitional home
3245 organization and notify the organization of its determination.
3246 The department may also periodically request recertification from
3247 the organization. The department shall compile and make available
3248 to the public a list of eligible transitional home organizations.

3249 (f) (i) A taxpayer shall apply for credits with the
3250 department on forms prescribed by the department. In the
3251 application the taxpayer shall certify to the department the
3252 dollar amount of the contributions made or to be made during the
3253 calendar year. Within thirty (30) days after the receipt of an
3254 application, the department shall allocate credits based on the
3255 dollar amount of contributions as certified in the application.
3256 However, if the department cannot allocate the full amount of
3257 credits certified in the application due to the limit on the
3258 aggregate amount of credits that may be awarded under this
3259 subsection in a calendar year, the department shall so notify the
3260 applicant within thirty (30) days with the amount of credits, if
3261 any, that may be allocated to the applicant in the calendar year.



3262 Once the department has allocated credits to a taxpayer, if the
3263 contribution for which a credit is allocated has not been made as
3264 of the date of the allocation, then the contribution must be made
3265 not later than sixty (60) days from the date of the allocation.
3266 If the contribution is not made within such time period, the
3267 allocation shall be cancelled and returned to the department for
3268 reallocation. Upon final documentation of the contributions, if
3269 the actual dollar amount of the contributions is lower than the
3270 amount estimated, the department shall adjust the tax credit
3271 allowed under this subsection.

3272 (ii) For the purposes of using a tax credit
3273 against ad valorem taxes assessed and levied on real property, a
3274 taxpayer shall present to the appropriate tax collector the tax
3275 credit documentation provided to the taxpayer by the Department of
3276 Revenue, and the tax collector shall apply the tax credit against
3277 such ad valorem taxes. The tax collector shall forward the tax
3278 credit documentation to the Department of Revenue along with the
3279 amount of the tax credit applied against ad valorem taxes, and the
3280 department shall disburse funds to the tax collector for the
3281 amount of the tax credit applied against ad valorem taxes. Such
3282 payments by the Department of Revenue shall be made from current
3283 tax collections.

3284 (g) The aggregate amount of tax credits that may be
3285 allocated by the department under this subsection during a



3286 calendar year shall not exceed One Million Dollars
3287 (\$1,000,000.00).

3288 **SECTION 37.** Section 27-7-22.48, Mississippi Code of 1972, is
3289 brought forward as follows:

3290 27-7-22.48. (1) (a) For the purposes of this section, the
3291 following words and phrases shall have the meanings ascribed in
3292 this section unless the context clearly indicates otherwise:

3293 (i) "Department" means the Department of Revenue.

3294 (ii) "Eligible charitable organization" means an
3295 organization that is exempt from federal income taxation under
3296 Section 501(c)(3) of the Internal Revenue Code and spends at least
3297 fifty percent (50%) of its budget on contracting or making other
3298 agreements or arrangements with physicians and/or nurse
3299 practitioners to provide health care services to low-income
3300 residents of this state including those who are mothers and to
3301 their households.

3302 "Eligible charitable organization" does not include any
3303 entity that provides, pays for or provides coverage of abortions
3304 or that financially supports any other entity that provides, pays
3305 for or provides coverage of abortions.

3306 (iii) "Low-income residents" means persons whose
3307 household income does not exceed one hundred eighty-five percent
3308 (185%) of the federal poverty level converted to a modified
3309 adjusted gross income equivalent standard.



3310 (iv) "Nurse practitioner" means a nurse
3311 practitioner certified under Section 73-15-20, Mississippi Code of
3312 1972.

3313 (v) "Physician" means an individual licensed to
3314 practice medicine or osteopathic medicine under Section 73-25-1 et
3315 seq., Mississippi Code of 1972.

3316 (2) (a) (i) The tax credit authorized in this subsection
3317 shall be available only to a taxpayer who is a business enterprise
3318 engaged in commercial, industrial or professional activities and
3319 operating as a corporation, limited liability company, partnership
3320 or sole proprietorship. Except as otherwise provided in this
3321 subsection, a credit is allowed against the taxes imposed by
3322 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
3323 cash contributions made by a taxpayer during the taxable year to
3324 an eligible charitable organization. A credit is also allowed
3325 against ad valorem taxes assessed and levied on real property for
3326 voluntary cash contributions made by the taxpayer during the
3327 taxable year to an eligible charitable organization. The amount
3328 of credit that may be utilized by a taxpayer in a taxable year
3329 shall be limited to an amount not to exceed fifty percent (50%) of
3330 the total tax liability of the taxpayer for the taxes imposed by
3331 such sections of law and an amount not to exceed fifty percent
3332 (50%) of the total tax liability of the taxpayer for ad valorem
3333 taxes assessed and levied on real property. Any tax credit
3334 claimed under this subsection but not used in any taxable year may



3335 be carried forward for five (5) consecutive years from the close
3336 of the tax year in which the credits were earned.

3337 (ii) A contribution to an eligible charitable
3338 organization for which a credit is claimed under this subsection
3339 does not qualify for and shall not be included in any credit that
3340 may be claimed under subsection (3) of this section.

3341 (iii) A contribution for which a credit is claimed
3342 under this subsection may not be used as a deduction by the
3343 taxpayer for state income tax purposes.

3344 (b) Taxpayers taking a credit authorized by this
3345 subsection shall provide the name of the eligible charitable
3346 organization and the amount of the contribution to the department
3347 on forms provided by the department.

3348 (c) An eligible charitable organization shall provide
3349 the department with a written certification that it meets all
3350 criteria to be considered an eligible charitable organization.
3351 The organization shall also notify the department of any changes
3352 that may affect eligibility under this subsection.

3353 (d) The eligible charitable organization's written
3354 certification must be signed by an officer of the organization
3355 under penalty of perjury. The written certification shall include
3356 the following:

3357 (i) Verification of the organization's status
3358 under Section 501(c)(3) of the Internal Revenue Code;



3359 (ii) A statement that the organization does not
3360 provide, pay for or provide coverage of abortions and does not
3361 financially support any other entity that provides, pays for or
3362 provides coverage of abortions;

3363 (iii) Any other information that the department
3364 requires to administer this subsection.

3365 (e) The department shall review each written
3366 certification and determine whether the organization meets all the
3367 criteria to be considered an eligible charitable organization and
3368 notify the organization of its determination. The department may
3369 also periodically request recertification from the organization.
3370 The department shall compile and make available to the public a
3371 list of eligible charitable organizations.

3372 (f) Tax credits authorized by this subsection that are
3373 earned by a partnership, limited liability company, S corporation
3374 or other similar pass-through entity, shall be allocated among all
3375 partners, members or shareholders, respectively, either in
3376 proportion to their ownership interest in such entity or as the
3377 partners, members or shareholders mutually agree as provided in an
3378 executed document.

3379 (g) (i) A taxpayer shall apply for credits with the
3380 department on forms prescribed by the department. In the
3381 application the taxpayer shall certify to the department the
3382 dollar amount of the contributions made or to be made during the
3383 calendar year. Within thirty (30) days after the receipt of an



3384 application, the department shall allocate credits based on the
3385 dollar amount of contributions as certified in the application.
3386 However, if the department cannot allocate the full amount of
3387 credits certified in the application due to the limit on the
3388 aggregate amount of credits that may be awarded under this
3389 subsection in a calendar year, the department shall so notify the
3390 applicant within thirty (30) days with the amount of credits, if
3391 any, that may be allocated to the applicant in the calendar year.
3392 Once the department has allocated credits to a taxpayer, if the
3393 contribution for which a credit is allocated has not been made as
3394 of the date of the allocation, then the contribution must be made
3395 not later than sixty (60) days from the date of the allocation.
3396 If the contribution is not made within such time period, the
3397 allocation shall be cancelled and returned to the department for
3398 reallocation. Upon final documentation of the contributions, if
3399 the actual dollar amount of the contributions is lower than the
3400 amount estimated, the department shall adjust the tax credit
3401 allowed under this subsection.

3402 (ii) For the purposes of using a tax credit
3403 against ad valorem taxes assessed and levied on real property, a
3404 taxpayer shall present to the appropriate tax collector the tax
3405 credit documentation provided to the taxpayer by the Department of
3406 Revenue, and the tax collector shall apply the tax credit against
3407 such ad valorem taxes. The tax collector shall forward the tax
3408 credit documentation to the Department of Revenue along with the



3409 amount of the tax credit applied against ad valorem taxes, and the
3410 department shall disburse funds to the tax collector for the
3411 amount of the tax credit applied against ad valorem taxes. Such
3412 payments by the Department of Revenue shall be made from current
3413 tax collections.

3414 (h) The aggregate amount of tax credits that may be
3415 allocated by the department under this subsection during a
3416 calendar year shall not exceed Three Million Dollars
3417 (\$3,000,000.00).

3418 (3) (a) (i) Except as otherwise provided in this
3419 subsection, a credit is allowed against the taxes imposed by this
3420 chapter for voluntary cash contributions by an individual taxpayer
3421 during the taxable year to an eligible charitable organization. A
3422 credit is also allowed against ad valorem taxes assessed and
3423 levied on real property for voluntary cash contributions made by
3424 the taxpayer during the taxable year to an eligible charitable
3425 organization. The amount of credit that may be utilized by a
3426 taxpayer in a taxable year shall be limited to an amount not to
3427 exceed fifty percent (50%) of the total tax liability of the
3428 taxpayer for the taxes imposed by this chapter and an amount not
3429 to exceed fifty percent (50%) of the total tax liability of the
3430 taxpayer for ad valorem taxes assessed and levied on real
3431 property. Any tax credit claimed under this subsection but not
3432 used in any taxable year may be carried forward for five (5)



3433 consecutive years from the close of the tax year in which the
3434 credits were earned.

3435 (ii) A husband and wife who file separate returns
3436 for a taxable year in which they could have filed a joint return
3437 may each claim only one-half (1/2) of the tax credit that would
3438 have been allowed for a joint return.

3439 (iii) A contribution to an eligible charitable
3440 organization for which a credit is claimed under this subsection
3441 does not qualify for and shall not be included in any credit that
3442 may be claimed under subsection (2) of this section.

3443 (iv) A contribution for which a credit is claimed
3444 under this subsection may not be used as a deduction by the
3445 taxpayer for state income tax purposes.

3446 (b) Taxpayers taking a credit authorized by this
3447 subsection shall provide the name of the eligible charitable
3448 organization and the amount of the contribution to the department
3449 on forms provided by the department.

3450 (c) An eligible charitable organization shall provide
3451 the department with a written certification that it meets all
3452 criteria to be considered an eligible charitable organization.
3453 The organization shall also notify the department of any changes
3454 that may affect eligibility under this subsection.

3455 (d) The eligible charitable organization's written
3456 certification must be signed by an officer of the organization



3457 under penalty of perjury. The written certification shall include
3458 the following:

3459 (i) Verification of the organization's status
3460 under Section 501(c)(3) of the Internal Revenue Code;

3461 (ii) A statement that the organization does not
3462 provide, pay for or provide coverage of abortions and does not
3463 financially support any other entity that provides, pays for or
3464 provides coverage of abortions;

3465 (iii) Any other information that the department
3466 requires to administer this subsection.

3467 (e) The department shall review each written
3468 certification and determine whether the organization meets all the
3469 criteria to be considered an eligible charitable organization and
3470 notify the organization of its determination. The department may
3471 also periodically request recertification from the organization.
3472 The department shall compile and make available to the public a
3473 list of eligible charitable organizations.

3474 (f) (i) A taxpayer shall apply for credits with the
3475 department on forms prescribed by the department. In the
3476 application the taxpayer shall certify to the department the
3477 dollar amount of the contributions made or to be made during the
3478 calendar year. Within thirty (30) days after the receipt of an
3479 application, the department shall allocate credits based on the
3480 dollar amount of contributions as certified in the application.
3481 However, if the department cannot allocate the full amount of



3482 credits certified in the application due to the limit on the
3483 aggregate amount of credits that may be awarded under this
3484 subsection in a calendar year, the department shall so notify the
3485 applicant within thirty (30) days with the amount of credits, if
3486 any, that may be allocated to the applicant in the calendar year.
3487 Once the department has allocated credits to a taxpayer, if the
3488 contribution for which a credit is allocated has not been made as
3489 of the date of the allocation, then the contribution must be made
3490 not later than sixty (60) days from the date of the allocation.
3491 If the contribution is not made within such time period, the
3492 allocation shall be cancelled and returned to the department for
3493 reallocation. Upon final documentation of the contributions, if
3494 the actual dollar amount of the contributions is lower than the
3495 amount estimated, the department shall adjust the tax credit
3496 allowed under this subsection.

3497 (ii) For the purposes of using a tax credit
3498 against ad valorem taxes assessed and levied on real property, a
3499 taxpayer shall present to the appropriate tax collector the tax
3500 credit documentation provided to the taxpayer by the Department of
3501 Revenue, and the tax collector shall apply the tax credit against
3502 such ad valorem taxes. The tax collector shall forward the tax
3503 credit documentation to the Department of Revenue along with the
3504 amount of the tax credit applied against ad valorem taxes, and the
3505 department shall disburse funds to the tax collector for the
3506 amount of the tax credit applied against ad valorem taxes. Such



3507 payments by the Department of Revenue shall be made from current
3508 tax collections.

3509 (g) The aggregate amount of tax credits that may be
3510 allocated by the department under this subsection during a
3511 calendar year shall not exceed One Million Dollars
3512 (\$1,000,000.00).

3513 **SECTION 38.** Section 27-7-22.49, Mississippi Code of 1972, is
3514 brought forward as follows:

3515 27-7-22.49. (1) As used in this section, the following
3516 words and phrases shall have the meanings ascribed in this section
3517 unless the context clearly indicates otherwise:

3518 (a) "Employment-related expenses" means and has the
3519 same definition as such term has in 26 USCS Section 21.

3520 (b) "Qualifying individual" means and has the same
3521 definition as such term has in 26 USCS Section 21(b)(1)(A).

3522 (2) Subject to the provisions of this section, any taxpayer
3523 allowed to claim a federal income tax credit under 26 USCS Section
3524 21 for employment-related expenses incurred related to one (1) or
3525 more qualifying individuals shall be allowed a credit against the
3526 taxes imposed under this chapter in the manner prescribed in this
3527 section. The amount of the credit shall be equal to twenty-five
3528 percent (25%) of the amount of the federal income tax credit
3529 lawfully claimed by the taxpayer for such employment-related
3530 expenses on the taxpayer's federal income tax return. However,
3531 the amount of credit that may be utilized by a taxpayer in a



3532 taxable year shall be limited to an amount not to exceed the total
3533 tax liability of the taxpayer for the taxes imposed under this
3534 chapter. In order to claim the credit provided for in this
3535 section, a taxpayer must claim the federal income tax credit on
3536 the taxpayer's federal income tax return and have an adjusted
3537 gross income for such return of not more than Fifty Thousand
3538 Dollars (\$50,000.00). A taxpayer must provide a copy of such
3539 return and any other information required by the department.

3540 **SECTION 39.** Section 27-7-205, Mississippi Code of 1972, is
3541 brought forward as follows:

3542 27-7-205. As used in this article:

3543 (a) "Qualified community foundation" means an entity
3544 that is exempt from federal income taxation under Section
3545 501(c)(3) of the Internal Revenue Code that is recognized by the
3546 Mississippi Association of Grantmakers as meeting the following
3547 requirements:

3548 (i) It is organized by articles of incorporation
3549 in the State of Mississippi to serve the State of Mississippi, or
3550 one or more Mississippi counties or municipalities, or a
3551 combination thereof;

3552 (ii) It is comprised of permanent, component funds
3553 established by multiple separate donors;

3554 (iii) It supports broad-based charitable interests
3555 that benefit the residents of a defined geographic area, no larger
3556 than the State of Mississippi;



3557 (iv) It is directed by a board of directors that
3558 is comprised of community representatives and is independent in
3559 that it is not subject to the control of another entity;

3560 (v) It actively engages in charitable activities,
3561 including, but not limited to, supporting two (2) or more
3562 unaffiliated tax-exempt organizations through grants or other
3563 professionally accepted means of charitable support, and serving
3564 in leadership roles on important community issues;

3565 (vi) It complies with the guidelines of the
3566 Mississippi Association of Grantmakers, or its successor entity,
3567 for membership by a community foundation; and

3568 (vii) It is in good standing with having complied
3569 with Endow Mississippi certification, reporting, and data privacy
3570 requirements.

3571 (b) "Endowment gift" means an irrevocable contribution
3572 to an endowed fund held by a qualified community foundation.

3573 (c) "Qualified contribution" means an endowment gift of
3574 at least One Thousand Dollars (\$1,000.00) made to a qualified
3575 community foundation for an endowed fund established to
3576 substantially benefit charitable causes in this state, and that is
3577 a charitable gift as defined in Section 170(c) of the Internal
3578 Revenue Code. A qualified contribution may take any form, subject
3579 to the giving policies of the qualified community foundation
3580 receiving it.



3581 (d) "Endowed fund" means a fund held in a qualified
3582 community foundation that provides benefit to charitable causes in
3583 Mississippi that is intended to exist in perpetuity. An endowed
3584 fund may include, but is not limited to, donor-advised funds,
3585 community foundation affiliate funds, field-of-interest funds,
3586 agency funds and designated organizational funds.

3587 **SECTION 40.** Section 27-7-207, Mississippi Code of 1972, is
3588 brought forward as follows:

3589 27-7-207. (1) Subject to the limitations provided for in
3590 this section, through calendar year 2028, a taxpayer shall be
3591 allowed a credit against the tax imposed by Chapter 7, Title 27,
3592 in an amount equal to twenty-five percent (25%) of a qualified
3593 contribution to an endowed fund at a qualified community
3594 foundation, subject to the following:

3595 (a) The minimum amount of a qualified contribution
3596 shall be One Thousand Dollars (\$1,000.00).

3597 (b) The maximum amount of a qualified contribution
3598 shall be Five Hundred Thousand Dollars (\$500,000.00).

3599 (c) The total qualified contributions from any
3600 qualified taxpayer eligible for the tax credit authorized under
3601 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
3602 per year.

3603 (2) Except as otherwise provided in this subsection, the
3604 aggregate amount of tax credits authorized under this article
3605 shall not exceed One Million Dollars (\$1,000,000.00) in any one



3606 (1) calendar year. The credits shall be awarded on a first-come,
3607 first-served basis. If the tax credits authorized for any
3608 calendar year are not utilized, the amount not utilized may be
3609 awarded or carried forward in up to five (5) subsequent calendar
3610 years from the year in which such credits are made available.

3611 (3) If the amount allowable as a credit exceeds the tax
3612 imposed by Chapter 7, Title 27, the amount of such excess may be
3613 carried forward for not more than five (5) subsequent taxable
3614 years.

3615 (4) From and after January 1, 2029, no additional credits
3616 shall be authorized under this section; however, any tax credits
3617 authorized prior to January 1, 2029, and not used, may be carried
3618 forward for not more than five (5) taxable years subsequent to
3619 calendar year 2028.

3620 **SECTION 41.** Section 27-7-209, Mississippi Code of 1972, is
3621 brought forward as follows:

3622 27-7-209. For each calendar year, a total of ten percent
3623 (10%) of the authorized tax credits shall be reserved for
3624 qualified contributions to each of the qualified community
3625 foundations in Mississippi for a period of nine (9) months. Any
3626 credits that are not utilized within the nine-month period shall
3627 be utilized for qualified contributions to any qualified community
3628 foundation on a first-come, first-served basis. Any credits not
3629 specifically reserved under this section shall also be available
3630 to any qualified community foundation on a first-come,



3631 first-served basis. The Mississippi Association of Grantmakers,
3632 or its successor entity, shall, in cooperation with qualified
3633 community foundations, develop, establish and maintain records
3634 that determine the priority for the awarding of tax credits under
3635 this article.

3636 **SECTION 42.** Section 57-73-21, Mississippi Code of 1972, is
3637 brought forward as follows:

3638 **[In cases involving business enterprises that received or**
3639 **applied for the job tax credit authorized by this section prior to**
3640 **January 1, 2005, this section shall read as follows:]**

3641 57-73-21. (1) Annually by December 31, using the most
3642 current data available from the University Research Center,
3643 Mississippi Department of Employment Security and the United
3644 States Department of Commerce, the State Tax Commission shall rank
3645 and designate the state's counties as provided in this section.
3646 The twenty-eight (28) counties in this state having a combination
3647 of the highest unemployment rate and lowest per capita income for
3648 the most recent thirty-six-month period, with equal weight being
3649 given to each category, are designated Tier Three areas. The
3650 twenty-seven (27) counties in the state with a combination of the
3651 next highest unemployment rate and next lowest per capita income
3652 for the most recent thirty-six-month period, with equal weight
3653 being given to each category, are designated Tier Two areas. The
3654 twenty-seven (27) counties in the state with a combination of the
3655 lowest unemployment rate and the highest per capita income for the



3656 most recent thirty-six-month period, with equal weight being given
3657 to each category, are designated Tier One areas. Counties
3658 designated by the Tax Commission qualify for the appropriate tax
3659 credit for jobs as provided in subsections (2), (3) and (4) of
3660 this section. The designation by the Tax Commission is effective
3661 for the tax years of permanent business enterprises which begin
3662 after the date of designation. For companies which plan an
3663 expansion in their labor forces, the Tax Commission shall
3664 prescribe certification procedures to ensure that the companies
3665 can claim credits in future years without regard to whether or not
3666 a particular county is removed from the list of Tier Three or Tier
3667 Two areas.

3668 (2) Permanent business enterprises primarily engaged in
3669 manufacturing, processing, warehousing, distribution, wholesaling
3670 and research and development, or permanent business enterprises
3671 designated by rule and regulation of the Mississippi Development
3672 Authority as air transportation and maintenance facilities, final
3673 destination or resort hotels having a minimum of one hundred fifty
3674 (150) guest rooms, recreational facilities that impact tourism,
3675 movie industry studios, telecommunications enterprises, data or
3676 information processing enterprises or computer software
3677 development enterprises or any technology intensive facility or
3678 enterprise, in counties designated by the Tax Commission as Tier
3679 Three areas are allowed a job tax credit for taxes imposed by
3680 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually



3681 for each net new full-time employee job for five (5) years
3682 beginning with years two (2) through six (6) after the creation of
3683 the job; however, if the permanent business enterprise is located
3684 in an area that has been declared by the Governor to be a disaster
3685 area and as a direct result of the disaster the permanent business
3686 enterprise is unable to maintain the required number of jobs, the
3687 Chairman of the State Tax Commission may extend this time period
3688 for not more two (2) years. The number of new full-time jobs must
3689 be determined by comparing the monthly average number of full-time
3690 employees subject to the Mississippi income tax withholding for
3691 the taxable year with the corresponding period of the prior
3692 taxable year. Only those permanent businesses that increase
3693 employment by ten (10) or more in a Tier Three area are eligible
3694 for the credit. Credit is not allowed during any of the five (5)
3695 years if the net employment increase falls below ten (10). The
3696 Tax Commission shall adjust the credit allowed each year for the
3697 net new employment fluctuations above the minimum level of ten
3698 (10).

3699 (3) Permanent business enterprises primarily engaged in
3700 manufacturing, processing, warehousing, distribution, wholesaling
3701 and research and development, or permanent business enterprises
3702 designated by rule and regulation of the Mississippi Development
3703 Authority as air transportation and maintenance facilities, final
3704 destination or resort hotels having a minimum of one hundred fifty
3705 (150) guest rooms, recreational facilities that impact tourism,



3706 movie industry studios, telecommunications enterprises, data or
3707 information processing enterprises or computer software
3708 development enterprises or any technology intensive facility or
3709 enterprise, in counties that have been designated by the Tax
3710 Commission as Tier Two areas are allowed a job tax credit for
3711 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
3712 (\$1,000.00) annually for each net new full-time employee job for
3713 five (5) years beginning with years two (2) through six (6) after
3714 the creation of the job; however, if the permanent business
3715 enterprise is located in an area that has been declared by the
3716 Governor to be a disaster area and as a direct result of the
3717 disaster the permanent business enterprise is unable to maintain
3718 the required number of jobs, the Chairman of the State Tax
3719 Commission may extend this time period for not more two (2) years.
3720 The number of new full-time jobs must be determined by comparing
3721 the monthly average number of full-time employees subject to
3722 Mississippi income tax withholding for the taxable year with the
3723 corresponding period of the prior taxable year. Only those
3724 permanent businesses that increase employment by fifteen (15) or
3725 more in Tier Two areas are eligible for the credit. The credit is
3726 not allowed during any of the five (5) years if the net employment
3727 increase falls below fifteen (15). The Tax Commission shall
3728 adjust the credit allowed each year for the net new employment
3729 fluctuations above the minimum level of fifteen (15).



3730 (4) Permanent business enterprises primarily engaged in
3731 manufacturing, processing, warehousing, distribution, wholesaling
3732 and research and development, or permanent business enterprises
3733 designated by rule and regulation of the Mississippi Development
3734 Authority as air transportation and maintenance facilities, final
3735 destination or resort hotels having a minimum of one hundred fifty
3736 (150) guest rooms, recreational facilities that impact tourism,
3737 movie industry studios, telecommunications enterprises, data or
3738 information processing enterprises or computer software
3739 development enterprises or any technology intensive facility or
3740 enterprise, in counties designated by the Tax Commission as Tier
3741 One areas are allowed a job tax credit for taxes imposed by
3742 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
3743 for each net new full-time employee job for five (5) years
3744 beginning with years two (2) through six (6) after the creation of
3745 the job; however, if the permanent business enterprise is located
3746 in an area that has been declared by the Governor to be a disaster
3747 area and as a direct result of the disaster the permanent business
3748 enterprise is unable to maintain the required number of jobs, the
3749 Chairman of the State Tax Commission may extend this time period
3750 for not more than two (2) years. The number of new full-time jobs
3751 must be determined by comparing the monthly average number of
3752 full-time employees subject to Mississippi income tax withholding
3753 for the taxable year with the corresponding period of the prior
3754 taxable year. Only those permanent businesses that increase



3755 employment by twenty (20) or more in Tier One areas are eligible
3756 for the credit. The credit is not allowed during any of the five
3757 (5) years if the net employment increase falls below twenty (20).
3758 The Tax Commission shall adjust the credit allowed each year for
3759 the net new employment fluctuations above the minimum level of
3760 twenty (20).

3761 (5) In addition to the credits authorized in subsections
3762 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
3763 credit for each net new full-time employee or an additional One
3764 Thousand Dollars (\$1,000.00) credit for each net new full-time
3765 employee who is paid a salary, excluding benefits which are not
3766 subject to Mississippi income taxation, of at least one hundred
3767 twenty-five percent (125%) of the average annual wage of the state
3768 or an additional Two Thousand Dollars (\$2,000.00) credit for each
3769 net new full-time employee who is paid a salary, excluding
3770 benefits which are not subject to Mississippi income taxation, of
3771 at least two hundred percent (200%) of the average annual wage of
3772 the state, shall be allowed for any company establishing or
3773 transferring its national or regional headquarters from within or
3774 outside the State of Mississippi. A minimum of thirty-five (35)
3775 jobs must be created to qualify for the additional credit. The
3776 State Tax Commission shall establish criteria and prescribe
3777 procedures to determine if a company qualifies as a national or
3778 regional headquarters for purposes of receiving the credit awarded
3779 in this subsection. As used in this subsection, the average



3780 annual wage of the state is the most recently published average
3781 annual wage as determined by the Mississippi Department of
3782 Employment Security.

3783 (6) In addition to the credits authorized in subsections
3784 (2), (3), (4) and (5), any job requiring research and development
3785 skills (chemist, engineer, etc.) shall qualify for an additional
3786 One Thousand Dollars (\$1,000.00) credit for each net new full-time
3787 employee.

3788 (7) In lieu of the tax credits provided in subsections (2)
3789 through (6), any commercial or industrial property owner which
3790 remediates contaminated property in accordance with Sections
3791 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3792 imposed by Section 27-7-5 equal to the amounts provided in
3793 subsection (2), (3) or (4) for each net new full-time employee job
3794 for five (5) years beginning with years two (2) through six (6)
3795 after the creation of the job. The number of new full-time jobs
3796 must be determined by comparing the monthly average number of
3797 full-time employees subject to Mississippi income tax withholding
3798 for the taxable year with the corresponding period of the prior
3799 taxable year. This subsection shall be administered in the same
3800 manner as subsections (2), (3) and (4), except the landowner shall
3801 not be required to increase employment by the levels provided in
3802 subsections (2), (3) and (4) to be eligible for the tax credit.

3803 (8) Tax credits for five (5) years for the taxes imposed by
3804 Section 27-7-5 shall be awarded for additional net new full-time



3805 jobs created by business enterprises qualified under subsections
3806 (2), (3), (4), (5), (6) and (7) of this section. Except as
3807 otherwise provided, the Tax Commission shall adjust the credit
3808 allowed in the event of employment fluctuations during the
3809 additional five (5) years of credit.

3810 (9) (a) The sale, merger, acquisition, reorganization,
3811 bankruptcy or relocation from one (1) county to another county
3812 within the state of any business enterprise may not create new
3813 eligibility in any succeeding business entity, but any unused job
3814 tax credit may be transferred and continued by any transferee of
3815 the business enterprise. The Tax Commission shall determine
3816 whether or not qualifying net increases or decreases have occurred
3817 or proper transfers of credit have been made and may require
3818 reports, promulgate regulations, and hold hearings as needed for
3819 substantiation and qualification.

3820 (b) This subsection shall not apply in cases in which a
3821 business enterprise has ceased operation, laid off all its
3822 employees and is subsequently acquired by another unrelated
3823 business entity that continues operation of the enterprise in the
3824 same or a similar type of business. In such a case the succeeding
3825 business entity shall be eligible for the credit authorized by
3826 this section unless the cessation of operation of the business
3827 enterprise was for the purpose of obtaining new eligibility for
3828 the credit.



3829 (10) Any tax credit claimed under this section but not used
3830 in any taxable year may be carried forward for five (5) years from
3831 the close of the tax year in which the qualified jobs were
3832 established but the credit established by this section taken in
3833 any one (1) tax year must be limited to an amount not greater than
3834 fifty percent (50%) of the taxpayer's state income tax liability
3835 which is attributable to income derived from operations in the
3836 state for that year. If the permanent business enterprise is
3837 located in an area that has been declared by the Governor to be a
3838 disaster area and as a direct result of the disaster the business
3839 enterprise is unable to use the existing carryforward, the
3840 Chairman of the State Tax Commission may extend the period that
3841 the credit may be carried forward for a period of time not to
3842 exceed two (2) years.

3843 (11) No business enterprise for the transportation,
3844 handling, storage, processing or disposal of hazardous waste is
3845 eligible to receive the tax credits provided in this section.

3846 (12) The credits allowed under this section shall not be
3847 used by any business enterprise or corporation other than the
3848 business enterprise actually qualifying for the credits.

3849 (13) The tax credits provided for in this section shall be
3850 in addition to any tax credits described in Sections 57-51-13(b),
3851 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3852 action by the Mississippi Development Authority prior to July 1,
3853 1989, to any business enterprise determined prior to July 1, 1989,



3854 by the Mississippi Development Authority to be a qualified
3855 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3856 a qualified company as described in Section 57-53-1, as the case
3857 may be; however, from and after July 1, 1989, tax credits shall be
3858 allowed only under either this section or Sections 57-51-13(b),
3859 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time
3860 employee.

3861 (14) As used in this section, the term "telecommunications
3862 enterprises" means entities engaged in the creation, display,
3863 management, storage, processing, transmission or distribution for
3864 compensation of images, text, voice, video or data by wire or by
3865 wireless means, or entities engaged in the construction, design,
3866 development, manufacture, maintenance or distribution for
3867 compensation of devices, products, software or structures used in
3868 the above activities. Companies organized to do business as
3869 commercial broadcast radio stations, television stations or news
3870 organizations primarily serving in-state markets shall not be
3871 included within the definition of the term "telecommunications
3872 enterprises."

3873 **[In cases involving business enterprises that apply for the**
3874 **job tax credit authorized by this section from and after January**
3875 **1, 2005, this section shall read as follows:]**

3876 57-73-21. (1) Annually by December 31, using the most
3877 current data available from the University Research Center,
3878 Mississippi Department of Employment Security and the United



3879 States Department of Commerce, the Department of Revenue shall
3880 rank and designate the state's counties as provided in this
3881 section. The twenty-eight (28) counties in this state having a
3882 combination of the highest unemployment rate and lowest per capita
3883 income for the most recent thirty-six-month period, with equal
3884 weight being given to each category, are designated Tier Three
3885 areas. The twenty-seven (27) counties in the state with a
3886 combination of the next highest unemployment rate and next lowest
3887 per capita income for the most recent thirty-six-month period,
3888 with equal weight being given to each category, are designated
3889 Tier Two areas. The twenty-seven (27) counties in the state with
3890 a combination of the lowest unemployment rate and the highest per
3891 capita income for the most recent thirty-six-month period, with
3892 equal weight being given to each category, are designated Tier One
3893 areas. Counties designated by the Department of Revenue qualify
3894 for the appropriate tax credit for jobs as provided in this
3895 section. The designation by the Department of Revenue is
3896 effective for the tax years of permanent business enterprises
3897 which begin after the date of designation. For companies which
3898 plan an expansion in their labor forces, the Department of Revenue
3899 shall prescribe certification procedures to ensure that the
3900 companies can claim credits in future years without regard to
3901 whether or not a particular county is removed from the list of
3902 Tier Three or Tier Two areas.



3903 (2) Permanent business enterprises in counties designated by
3904 the Department of Revenue as Tier Three areas are allowed a job
3905 tax credit for taxes imposed by Section 27-7-5 equal to ten
3906 percent (10%) of the payroll of the enterprise for net new
3907 full-time employee jobs for five (5) years beginning with years
3908 two (2) through six (6) after the creation of the minimum number
3909 of jobs required by this subsection; however, if the permanent
3910 business enterprise is located in an area that has been declared
3911 by the Governor to be a disaster area and as a direct result of
3912 the disaster the permanent business enterprise is unable to
3913 maintain the required number of jobs, the Commissioner of Revenue
3914 may extend this time period for not more than two (2) years. The
3915 number of new full-time jobs must be determined by comparing the
3916 monthly average number of full-time employees subject to the
3917 Mississippi income tax withholding for the taxable year with the
3918 corresponding period of the prior taxable year. Only those
3919 permanent business enterprises that increase employment by ten
3920 (10) or more in a Tier Three area are eligible for the credit.
3921 Credit is not allowed during any of the five (5) years if the net
3922 employment increase falls below ten (10). The Department of
3923 Revenue shall adjust the credit allowed each year for the net new
3924 employment fluctuations above the minimum level of ten (10).
3925 Medical cannabis establishments as defined in the Mississippi
3926 Medical Cannabis Act shall not be eligible for the tax credit
3927 authorized in this subsection (2).



3928 (3) Permanent business enterprises in counties that have
3929 been designated by the Department of Revenue as Tier Two areas are
3930 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
3931 to five percent (5%) of the payroll of the enterprise for net new
3932 full-time employee jobs for five (5) years beginning with years
3933 two (2) through six (6) after the creation of the minimum number
3934 of jobs required by this subsection; however, if the permanent
3935 business enterprise is located in an area that has been declared
3936 by the Governor to be a disaster area and as a direct result of
3937 the disaster the permanent business enterprise is unable to
3938 maintain the required number of jobs, the Commissioner of Revenue
3939 may extend this time period for not more than two (2) years. The
3940 number of new full-time jobs must be determined by comparing the
3941 monthly average number of full-time employees subject to
3942 Mississippi income tax withholding for the taxable year with the
3943 corresponding period of the prior taxable year. Only those
3944 permanent business enterprises that increase employment by fifteen
3945 (15) or more in Tier Two areas are eligible for the credit. The
3946 credit is not allowed during any of the five (5) years if the net
3947 employment increase falls below fifteen (15). The Department of
3948 Revenue shall adjust the credit allowed each year for the net new
3949 employment fluctuations above the minimum level of fifteen (15).
3950 Medical cannabis establishments as defined in the Mississippi
3951 Medical Cannabis Act shall not be eligible for the tax credit
3952 authorized in this subsection (3).



3953 (4) Permanent business enterprises in counties designated by
3954 the Department of Revenue as Tier One areas are allowed a job tax
3955 credit for taxes imposed by Section 27-7-5 equal to two and
3956 one-half percent (2.5%) of the payroll of the enterprise for net
3957 new full-time employee jobs for five (5) years beginning with
3958 years two (2) through six (6) after the creation of the minimum
3959 number of jobs required by this subsection; however, if the
3960 permanent business enterprise is located in an area that has been
3961 declared by the Governor to be a disaster area and as a direct
3962 result of the disaster the permanent business enterprise is unable
3963 to maintain the required number of jobs, the Commissioner of
3964 Revenue may extend this time period for not more than two (2)
3965 years. The number of new full-time jobs must be determined by
3966 comparing the monthly average number of full-time employees
3967 subject to Mississippi income tax withholding for the taxable year
3968 with the corresponding period of the prior taxable year. Only
3969 those permanent business enterprises that increase employment by
3970 twenty (20) or more in Tier One areas are eligible for the credit.
3971 The credit is not allowed during any of the five (5) years if the
3972 net employment increase falls below twenty (20). The Department
3973 of Revenue shall adjust the credit allowed each year for the net
3974 new employment fluctuations above the minimum level of twenty
3975 (20). Medical cannabis establishments as defined in the
3976 Mississippi Medical Cannabis Act shall not be eligible for the tax
3977 credit authorized in this subsection (4).



3978 (5) (a) In addition to the other credits authorized in this
3979 section, an additional Five Hundred Dollars (\$500.00) credit for
3980 each net new full-time employee or an additional One Thousand
3981 Dollars (\$1,000.00) credit for each net new full-time employee who
3982 is paid a salary, excluding benefits which are not subject to
3983 Mississippi income taxation, of at least one hundred twenty-five
3984 percent (125%) of the average annual wage of the state or an
3985 additional Two Thousand Dollars (\$2,000.00) credit for each net
3986 new full-time employee who is paid a salary, excluding benefits
3987 which are not subject to Mississippi income taxation, of at least
3988 two hundred percent (200%) of the average annual wage of the
3989 state, shall be allowed for any company establishing or
3990 transferring its national or regional headquarters from within or
3991 outside the State of Mississippi. A minimum of twenty (20) jobs
3992 must be created to qualify for the additional credit. The
3993 Department of Revenue shall establish criteria and prescribe
3994 procedures to determine if a company qualifies as a national or
3995 regional headquarters for purposes of receiving the credit awarded
3996 in this paragraph (a). As used in this paragraph (a), the average
3997 annual wage of the state is the most recently published average
3998 annual wage as determined by the Mississippi Department of
3999 Employment Security. Medical cannabis establishments as defined
4000 in the Mississippi Medical Cannabis Act shall not be eligible for
4001 the tax credit authorized in this paragraph (a).



4002 (b) In addition to the other credits authorized in this
4003 section, an additional Five Hundred Dollars (\$500.00) credit for
4004 each net new full-time employee or an additional One Thousand
4005 Dollars (\$1,000.00) credit for each net new full-time employee who
4006 is paid a salary, excluding benefits which are not subject to
4007 Mississippi income taxation, of at least one hundred twenty-five
4008 percent (125%) of the average annual wage of the state or an
4009 additional Two Thousand Dollars (\$2,000.00) credit for each net
4010 new full-time employee who is paid a salary, excluding benefits
4011 which are not subject to Mississippi income taxation, of at least
4012 two hundred percent (200%) of the average annual wage of the
4013 state, shall be allowed for any company expanding or making
4014 additions after January 1, 2013, to its national or regional
4015 headquarters within the State of Mississippi. A minimum of twenty
4016 (20) new jobs must be created to qualify for the additional
4017 credit. The Department of Revenue shall establish criteria and
4018 prescribe procedures to determine if a company qualifies as a
4019 national or regional headquarters for purposes of receiving the
4020 credit awarded in this paragraph (b). As used in this paragraph
4021 (b), the average annual wage of the state is the most recently
4022 published average annual wage as determined by the Mississippi
4023 Department of Employment Security. Medical cannabis
4024 establishments as defined in the Mississippi Medical Cannabis Act
4025 shall not be eligible for the tax credit authorized in this
4026 paragraph (b).



4027 (6) In addition to the other credits authorized in this
4028 section, any job requiring research and development skills
4029 (chemist, engineer, etc.) shall qualify for an additional One
4030 Thousand Dollars (\$1,000.00) credit for each net new full-time
4031 employee. Medical cannabis establishments as defined in the
4032 Mississippi Medical Cannabis Act shall not be eligible for the tax
4033 credit authorized in this subsection (6).

4034 (7) (a) In addition to the other credits authorized in this
4035 section, any company that transfers or relocates its national or
4036 regional headquarters to the State of Mississippi from outside the
4037 State of Mississippi may receive a tax credit in an amount equal
4038 to the actual relocation costs paid by the company. A minimum of
4039 twenty (20) jobs must be created in order to qualify for the
4040 additional credit authorized under this subsection. Relocation
4041 costs for which a credit may be awarded shall be determined by the
4042 Department of Revenue and shall include those nondepreciable
4043 expenses that are necessary to relocate headquarters employees to
4044 the national or regional headquarters, including, but not limited
4045 to, costs such as travel expenses for employees and members of
4046 their households to and from Mississippi in search of homes and
4047 moving expenses to relocate furnishings, household goods and
4048 personal property of the employees and members of their
4049 households. Medical cannabis establishments as defined in the
4050 Mississippi Medical Cannabis Act shall not be eligible for the tax
4051 credit authorized in this subsection (7).



4052 (b) The tax credit authorized under this subsection
4053 shall be applied for the taxable year in which the relocation
4054 costs are paid. The maximum cumulative amount of tax credits that
4055 may be claimed by all taxpayers claiming a credit under this
4056 subsection in any one (1) state fiscal year shall not exceed One
4057 Million Dollars (\$1,000,000.00), exclusive of credits that might
4058 be carried forward from previous taxable years. A company may not
4059 receive a credit for the relocation of an employee more than one
4060 (1) time in a twelve-month period for that employee.

4061 (c) The Department of Revenue shall establish criteria
4062 and prescribe procedures to determine if a company creates the
4063 required number of jobs and qualifies as a national or regional
4064 headquarters for purposes of receiving the credit awarded in this
4065 subsection. A company desiring to claim a credit under this
4066 subsection must submit an application for such credit with the
4067 Department of Revenue in a manner prescribed by the department.

4068 (d) In order to participate in the provisions of this
4069 section, a company must certify to the Mississippi Department of
4070 Revenue that it complies with the equal pay provisions of the
4071 federal Equal Pay Act of 1963, the Americans with Disabilities Act
4072 of 1990 and the fair pay provisions of the Civil Rights Act of
4073 1964.

4074 (e) This subsection shall stand repealed on July 1,
4075 2025.



4076 (8) In lieu of the other tax credits provided in this
4077 section, any commercial or industrial property owner which
4078 remediates contaminated property in accordance with Sections
4079 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
4080 imposed by Section 27-7-5 equal to the percentage of payroll
4081 provided in subsection (2), (3) or (4) of this section for net new
4082 full-time employee jobs for five (5) years beginning with years
4083 two (2) through six (6) after the creation of the jobs. The
4084 number of new full-time jobs must be determined by comparing the
4085 monthly average number of full-time employees subject to
4086 Mississippi income tax withholding for the taxable year with the
4087 corresponding period of the prior taxable year. This subsection
4088 shall be administered in the same manner as subsections (2), (3)
4089 and (4), except the landowner shall not be required to increase
4090 employment by the levels provided in subsections (2), (3) and (4)
4091 to be eligible for the tax credit.

4092 (9) (a) Tax credits for five (5) years for the taxes
4093 imposed by Section 27-7-5 shall be awarded for increases in the
4094 annual payroll for net new full-time jobs created by business
4095 enterprises qualified under this section. The Department of
4096 Revenue shall adjust the credit allowed in the event of payroll
4097 fluctuations during the additional five (5) years of credit.

4098 (b) Tax credits for five (5) years for the taxes
4099 imposed by Section 27-7-5 shall be awarded for additional net new
4100 full-time jobs created by business enterprises qualified under



4101 subsections (5) and (6) of this section and for additional
4102 relocation costs paid by companies qualified under subsection (7)
4103 of this section. The Department of Revenue shall adjust the
4104 credit allowed in the event of employment fluctuations during the
4105 additional five (5) years of credit.

4106 (10) (a) The sale, merger, acquisition, reorganization,
4107 bankruptcy or relocation from one (1) county to another county
4108 within the state of any business enterprise may not create new
4109 eligibility in any succeeding business entity, but any unused job
4110 tax credit may be transferred and continued by any transferee of
4111 the business enterprise. The Department of Revenue shall
4112 determine whether or not qualifying net increases or decreases
4113 have occurred or proper transfers of credit have been made and may
4114 require reports, promulgate regulations, and hold hearings as
4115 needed for substantiation and qualification.

4116 (b) This subsection shall not apply in cases in which a
4117 business enterprise has ceased operation, laid off all its
4118 employees and is subsequently acquired by another unrelated
4119 business entity that continues operation of the enterprise in the
4120 same or a similar type of business. In such a case the succeeding
4121 business entity shall be eligible for the credit authorized by
4122 this section unless the cessation of operation of the business
4123 enterprise was for the purpose of obtaining new eligibility for
4124 the credit.



4125 (11) Any tax credit claimed under this section but not used
4126 in any taxable year may be carried forward for five (5) years from
4127 the close of the tax year in which the qualified jobs were
4128 established and/or headquarters relocation costs paid, as
4129 applicable, but the credit established by this section taken in
4130 any one (1) tax year must be limited to an amount not greater than
4131 fifty percent (50%) of the taxpayer's state income tax liability
4132 which is attributable to income derived from operations in the
4133 state for that year. If the permanent business enterprise is
4134 located in an area that has been declared by the Governor to be a
4135 disaster area and as a direct result of the disaster the business
4136 enterprise is unable to use the existing carryforward, the
4137 Commissioner of Revenue may extend the period that the credit may
4138 be carried forward for a period of time not to exceed two (2)
4139 years.

4140 (12) No business enterprise for the transportation,
4141 handling, storage, processing or disposal of hazardous waste is
4142 eligible to receive the tax credits provided in this section.

4143 (13) The credits allowed under this section shall not be
4144 used by any business enterprise or corporation other than the
4145 business enterprise actually qualifying for the credits.

4146 (14) As used in this section:

4147 (a) "Business enterprises" means entities primarily
4148 engaged in:



4149 (i) Manufacturing, processing, warehousing,
4150 warehousing activities, distribution, wholesaling and research and
4151 development, or

4152 (ii) Permanent business enterprises designated by
4153 rule and regulation of the Mississippi Development Authority as
4154 air transportation and maintenance facilities, final destination
4155 or resort hotels having a minimum of one hundred fifty (150) guest
4156 rooms, recreational facilities that impact tourism, movie industry
4157 studios, telecommunications enterprises, data or information
4158 processing enterprises or computer software development
4159 enterprises or any technology intensive facility or enterprise.

4160 (b) "Telecommunications enterprises" means entities
4161 engaged in the creation, display, management, storage, processing,
4162 transmission or distribution for compensation of images, text,
4163 voice, video or data by wire or by wireless means, or entities
4164 engaged in the construction, design, development, manufacture,
4165 maintenance or distribution for compensation of devices, products,
4166 software or structures used in the above activities. Companies
4167 organized to do business as commercial broadcast radio stations,
4168 television stations or news organizations primarily serving
4169 in-state markets shall not be included within the definition of
4170 the term "telecommunications enterprises."

4171 (c) "Warehousing activities" means entities that
4172 establish or expand facilities that service and support multiple
4173 retail or wholesale locations within and outside the state.



4174 Warehousing activities may be performed solely to support the
4175 primary activities of the entity, and credits generated shall
4176 offset the income of the entity based on an apportioned ratio of
4177 payroll for warehouse employees of the entity to total Mississippi
4178 payroll of the entity that includes the payroll of retail
4179 employees of the entity.

4180 (15) The tax credits provided for in this section shall be
4181 in addition to any tax credits described in Sections 57-51-13(b),
4182 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
4183 action by the Mississippi Development Authority prior to July 1,
4184 1989, to any business enterprise determined prior to July 1, 1989,
4185 by the Mississippi Development Authority to be a qualified
4186 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
4187 a qualified company as described in Section 57-53-1, as the case
4188 may be; however, from and after July 1, 1989, tax credits shall be
4189 allowed only under either this section or Sections 57-51-13(b),
4190 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
4191 employee.

4192 (16) A business enterprise that chooses to receive job
4193 training assistance pursuant to Section 57-1-451 shall not be
4194 eligible for the tax credits provided for in this section.

4195 **SECTION 43.** Section 57-73-23, Mississippi Code of 1972, is
4196 brought forward as follows:

4197 57-73-23. (1) A fifty percent (50%) income tax credit shall
4198 be granted to any employer providing dependent care for employees



4199 during the employee's work hours, and to any employer who provides
4200 a child care stipend of at least Six Thousand Dollars (\$6,000.00)
4201 to a licensed or registered entity providing dependent child care
4202 in the State of Mississippi for an employee's children during the
4203 employee's work hours.

4204 (2) In order for an employer who provides a child care
4205 stipend under this section to be eligible for the tax credit, the
4206 employer shall certify to the Department of Revenue:

4207 (a) The names of the employees on whose behalf the
4208 stipend is paid; and

4209 (b) The amount of the stipend paid on behalf of each of
4210 those employees;

4211 (c) The licensed or registered entity receiving the
4212 child care stipend from the employer on behalf of the employee,
4213 including the entity's federal identification number and license
4214 and registration number; and

4215 (d) Such other information as may be required by the
4216 Department of Revenue to ensure that credits under this section
4217 are granted only to employers who provide stipends to a licensed
4218 or registered entity providing dependent care in the State of
4219 Mississippi for an employee's children during the employee's work
4220 hours.

4221 (3) For an employer contracting with a licensed or
4222 registered entity to provide dependent care for its employees
4223 during the employee's work hours, the credit is applied to the net



4224 cost of any contract executed by the employer for another entity
4225 to provide dependent care; or, if the employer elects to provide
4226 dependent care itself, the credit is applied to expenses of
4227 dependent care staff, learning and recreational materials and
4228 equipment, and the construction and maintenance of a facility; or,
4229 if the employer elects to provide a child care stipend to a
4230 licensed or registered entity providing dependent care in the
4231 State of Mississippi for the employee's children during the
4232 employee's work hours, the credit is applied to the amount of the
4233 stipend provided. Additional eligible expenses include net costs
4234 assumed by the employer which increase the quality, availability
4235 and affordability of dependent care in the community used by
4236 employees during the employee's work hours. This cost is net of
4237 any reimbursement. A deduction shall not be allowed for any
4238 expenses which serve as the basis for an income tax credit. The
4239 credits allowed under this section shall not be used by any
4240 business enterprise or corporation other than the business
4241 enterprise actually qualifying for the credits.

4242 Credit may be carried forward for the five (5) successive
4243 years if the amount allowable as credit exceeds income tax
4244 liability in a tax year; however, thereafter, if the amount
4245 allowable as a credit exceeds the tax liability, the amount of
4246 excess shall not be refundable or carried forward to any other
4247 taxable year.



4248 The facility must have an average daily enrollment for the
4249 taxable year of no less than six (6) children who are twelve (12)
4250 years of age or less and be licensed according to the regulations
4251 governing licensure of child care facilities in Mississippi; or
4252 must serve five (5) or fewer children and/or elderly adults in a
4253 family child care/elder care home approved by the Department of
4254 Health for participation in the United States Department of
4255 Agriculture child and adult nutrition program; or must serve
4256 children over twelve (12) years of age but less than eighteen (18)
4257 years of age in either a community-based facility or a facility at
4258 the employment site; or must serve adult relatives of employees in
4259 either a community-based elder care facility or a facility at the
4260 employment site; or must serve children or adult dependents having
4261 physical, emotional or mental disabilities in either a
4262 community-based facility or a facility at the employment site.

4263 Employers will be certified as eligible for the tax credit by
4264 the State Department of Health for programs serving children
4265 twelve (12) years of age or younger and for programs serving
4266 elderly adults and by the Department of Revenue for programs
4267 serving other dependents older than twelve (12) years of age.

4268 **SECTION 44.** Section 57-87-5, Mississippi Code of 1972, is
4269 brought forward as follows:

4270 57-87-5. (1) For purposes of this section:

4271 (a) "Telecommunications enterprises" shall have the
4272 meaning ascribed to such term in Section 57-73-21(14);



4273 (b) "Tier One areas" mean counties designated as Tier
4274 One areas pursuant to Section 57-73-21(1);

4275 (c) "Tier Two areas" mean counties designated as Tier
4276 Two areas pursuant to Section 57-73-21(1);

4277 (d) "Tier Three areas" mean counties designated as Tier
4278 Three areas pursuant to Section 57-73-21(1); and

4279 (e) "Equipment used in the deployment of broadband
4280 technologies" means any equipment capable of being used for or in
4281 connection with the transmission of information at a rate, prior
4282 to taking into account the effects of any signal degradation, that
4283 is not less than three hundred eighty-four (384) kilobits per
4284 second in at least one (1) direction, including, but not limited
4285 to, asynchronous transfer mode switches, digital subscriber line
4286 access multiplexers, routers, servers, multiplexers, fiber optics
4287 and related equipment.

4288 (2) With respect to the investment in each year by a
4289 telecommunications enterprise after June 30, 2003, and before July
4290 1, 2025, there shall be allowed annually as a credit against the
4291 aggregate tax imposed by Chapters 7 and 13 of Title 27,
4292 Mississippi Code of 1972, an amount equal to:

4293 (a) Five percent (5%) of the cost of equipment used in
4294 the deployment of broadband technologies in Tier One areas;

4295 (b) Ten percent (10%) of the cost of equipment used in
4296 the deployment of broadband technologies in Tier Two areas; and



4297 (c) Fifteen percent (15%) of the cost of equipment used
4298 in the deployment of broadband technologies in Tier Three areas.

4299 (3) Such annual credits shall be allowed commencing with the
4300 taxable year in which such property is placed in service and
4301 continue for nine (9) consecutive years thereafter. The aggregate
4302 credit established by this section taken in any one (1)
4303 tax year shall be limited to an amount not greater than fifty
4304 percent (50%) of the taxpayer's tax liabilities under Chapters 7
4305 and 13 of Title 27, Mississippi Code of 1972; however, any tax
4306 credit claimed under this section, but not used in any taxable
4307 year, may be carried forward for ten (10) consecutive years from
4308 the close of the tax year in which the credits were earned.

4309 (4) The maximum aggregate amount of credits that may be
4310 claimed under this section shall not exceed the original
4311 investment made by a telecommunications enterprise in the
4312 qualifying equipment used in the deployment of broadband
4313 technologies.

4314 (5) For purposes of this section, the tier in which
4315 broadband technology is deployed shall be determined in the year
4316 in which such technology is deployed in a county and such tier
4317 shall not change if the county is later designated in another
4318 tier.

4319 (6) There will be no credit allowed under this section if
4320 the equipment used in the deployment of broadband technologies was
4321 paid for, or its cost was reimbursed by, funds made available



4322 under the Coronavirus Aid, Relief, and Economic Security (CARES)
4323 Act.

4324 **SECTION 45.** Section 57-87-7, Mississippi Code of 1972, is
4325 brought forward as follows:

4326 57-87-7. Equipment used in the deployment of broadband
4327 technologies by a telecommunications enterprise (as defined in
4328 Section 57-73-21(14)), that is placed in service after June 30,
4329 2003, and before July 1, 2025, shall be exempt from ad valorem
4330 taxation for a period of ten (10) years after the date such
4331 equipment is placed in service. For purposes of this section,
4332 "equipment used in the deployment of broadband technologies" means
4333 any equipment capable of being used for or in connection with the
4334 transmission of information at a rate, prior to taking into
4335 account the effects of any signal degradation, that is not less
4336 than three hundred eighty-four (384) kilobits per second in at
4337 least one direction, including, but not limited to, asynchronous
4338 transfer mode switches, digital subscriber line access
4339 multiplexers, routers, servers, multiplexers, fiber optics and
4340 related equipment.

4341 **SECTION 46.** Section 57-105-1, Mississippi Code of 1972, is
4342 brought forward as follows:

4343 57-105-1. (1) As used in this section:

4344 (a) "Adjusted purchase price" means the investment in
4345 the qualified community development entity for the qualified
4346 equity investment, substantially all of the proceeds of which are



4347 used to make qualified low-income community investments in
4348 Mississippi.

4349 For the purposes of calculating the amount of qualified
4350 low-income community investments held by a qualified community
4351 development entity, an investment will be considered held by a
4352 qualified community development entity even if the investment has
4353 been sold or repaid; provided that the qualified community
4354 development entity reinvests an amount equal to the capital
4355 returned to or recovered by the qualified community development
4356 entity from the original investment, exclusive of any profits
4357 realized, in another qualified low-income community investment in
4358 Mississippi, including any federal Indian reservation located
4359 within the geographical boundary of Mississippi within twelve (12)
4360 months of the receipt of such capital. A qualified community
4361 development entity will not be required to reinvest capital
4362 returned from the qualified low-income community investments after
4363 the sixth anniversary of the issuance of the qualified equity
4364 investment, the proceeds of which were used to make the qualified
4365 low-income community investment, and the qualified low-income
4366 community investment will be considered held by the qualified
4367 community development entity through the seventh anniversary of
4368 the qualified equity investment's issuance.

4369 (b) "Applicable percentage" means:

4370 (i) For any equity investment issued prior to July
4371 1, 2008, four percent (4%) for each of the second through seventh



4372 credit allowance dates for purposes of the taxes imposed by
4373 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
4374 the second through seventh credit allowance dates for purposes of
4375 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

4376 (ii) For any equity investment issued from and
4377 after July 1, 2008, eight percent (8%) for each of the first
4378 through third credit allowance dates for purposes of the taxes
4379 imposed by Section 27-7-5 or the taxes imposed by Sections
4380 27-15-103, 27-15-109 and 27-15-123.

4381 (c) "Credit allowance date" means, with respect to any
4382 qualified equity investment:

4383 (i) The later of:

4384 1. The date upon which the qualified equity
4385 investment is initially made; or

4386 2. The date upon which the Mississippi
4387 Development Authority issues a certificate under subsection (4) of
4388 this section; and

4389 (ii) 1. For equity investments issued prior to
4390 July 1, 2008, each of the subsequent six (6) anniversary dates of
4391 the date upon which the investment is initially made; or

4392 2. For equity investments issued from and
4393 after July 1, 2008, each of the subsequent two (2) anniversary
4394 dates of the date determined as provided for in subparagraph (i)
4395 of this paragraph.



4396 (d) "Qualified community development entity" shall have
4397 the meaning ascribed to such term in Section 45D of the Internal
4398 Revenue Code of 1986, as amended, if the entity has entered into
4399 an Allocation Agreement with the Community Development Financial
4400 Institutions Fund of the United States Department of the Treasury
4401 with respect to credits authorized by Section 45D of the Internal
4402 Revenue Code of 1986, as amended.

4403 (e) "Qualified active low-income community business"
4404 shall have the meaning ascribed to such term in Section 45D of the
4405 Internal Revenue Code of 1986, as amended.

4406 (f) "Qualified equity investment" shall have the
4407 meaning ascribed to such term in Section 45D of the Internal
4408 Revenue Code of 1986, as amended. The investment does not have to
4409 be designated as a qualified equity investment by the Community
4410 Development Financial Institutions Fund of the United States
4411 Treasury to be considered a qualified equity investment under this
4412 section but otherwise must meet the definition under the Internal
4413 Revenue Code. In addition to meeting the definition in Section
4414 45D of the Internal Revenue Code such investment must also:

4415 (i) Have been acquired after January 1, 2007, at
4416 its original issuance solely in exchange for cash; and

4417 (ii) Have been allocated by the Mississippi
4418 Development Authority.

4419 For the purposes of this section, such investment shall be
4420 deemed a qualified equity investment on the later of the date such



4421 qualified equity investment is made or the date on which the
4422 Mississippi Development Authority issues a certificate under
4423 subsection (4) of this section allocating credits based on such
4424 investment.

4425 (g) "Qualified low-income community investment" shall
4426 have the meaning ascribed to such term in Section 45D of the
4427 Internal Revenue Code of 1986, as amended; provided, however, that
4428 the maximum amount of qualified low-income community investments
4429 issued for a single qualified active low-income community
4430 business, on an aggregate basis with all of its affiliates, that
4431 may be included for purposes of allocating any credits under this
4432 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
4433 the aggregate, whether issued by one (1) or several qualified
4434 community development entities.

4435 (2) A taxpayer that holds a qualified equity investment on
4436 the credit allowance date shall be entitled to a credit applicable
4437 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
4438 and 27-15-123 during the taxable year that includes the credit
4439 allowance date. The amount of the credit shall be equal to the
4440 applicable percentage of the adjusted purchase price paid to the
4441 qualified community development entity for the qualified equity
4442 investment. The amount of the credit that may be utilized in any
4443 one (1) tax year shall be limited to an amount not greater than
4444 the total tax liability of the taxpayer for the taxes imposed by
4445 the above-referenced sections. The credit shall not be refundable



4446 or transferable. Any unused portion of the credit may be carried
4447 forward for seven (7) taxable years beyond the credit allowance
4448 date on which the credit was earned. The maximum aggregate amount
4449 of qualified equity investments that may be allocated by the
4450 Mississippi Development Authority may not exceed an amount that
4451 would result in taxpayers claiming in any one (1) state fiscal
4452 year credits in excess of Fifteen Million Dollars
4453 (\$15,000,000.00), exclusive of credits that might be carried
4454 forward from previous taxable years; however, a maximum of
4455 one-third (1/3) of this amount may be allocated as credits for
4456 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4457 taxpayer claiming a credit under this section against the taxes
4458 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4459 shall not be required to pay any additional tax under Section
4460 27-15-123 as a result of claiming such credit. The Mississippi
4461 Development Authority shall allocate credits within this limit as
4462 provided for in subsection (4) of this section.

4463 (3) Tax credits authorized by this section that are earned
4464 by a partnership, limited liability company, S corporation or
4465 other similar pass-through entity, shall be allocated among all
4466 partners, members or shareholders, respectively, either in
4467 proportion to their ownership interest in such entity or as the
4468 partners, members or shareholders mutually agree as provided in an
4469 executed document. Such allocation shall be made each taxable



4470 year of such pass-through entity which contains a credit allowance
4471 date.

4472 (4) The qualified community development entity shall apply
4473 for credits with the Mississippi Development Authority on forms
4474 prescribed by the Mississippi Development Authority. The
4475 qualified community development entity must pay an application fee
4476 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4477 Authority at the time the application is submitted. In the
4478 application the qualified community development entity shall
4479 certify to the Mississippi Development Authority the dollar amount
4480 of the qualified equity investments made or to be made in this
4481 state, including in any federal Indian reservation located within
4482 the state's geographical boundary, during the first twelve-month
4483 period following the initial credit allowance date. The
4484 Mississippi Development Authority shall allocate credits based on
4485 the dollar amount of qualified equity investments as certified in
4486 the application. Once the Mississippi Development Authority has
4487 allocated credits to a qualified community development entity, if
4488 the corresponding qualified equity investment has not been issued
4489 as of the date of such allocation, then the corresponding
4490 qualified equity investment must be issued not later than one
4491 hundred twenty (120) days from the date of such allocation. If
4492 the qualified equity investment is not issued within such time
4493 period, the allocation shall be cancelled and returned to the
4494 Mississippi Development Authority for reallocation. Upon final



4495 documentation of the qualified low-income community investments,
4496 if the actual dollar amount of the investments is lower than the
4497 amount estimated, the Mississippi Development Authority shall
4498 adjust the tax credit allowed under this section. The Department
4499 of Revenue may recapture all of the credit allowed under this
4500 section if:

4501 (a) Any amount of federal tax credits available with
4502 respect to a qualified equity investment that is eligible for a
4503 tax credit under this section is recaptured under Section 45D of
4504 the Internal Revenue Code of 1986, as amended; or

4505 (b) The qualified community development entity redeems
4506 or makes any principal repayment with respect to a qualified
4507 equity investment prior to the seventh anniversary of the issuance
4508 of the qualified equity investment; or

4509 (c) The qualified community development entity fails to
4510 maintain at least eighty-five percent (85%) of the proceeds of the
4511 qualified equity investment in qualified low-income community
4512 investments in Mississippi at any time prior to the seventh
4513 anniversary of the issuance of the qualified equity investment.

4514 Any credits that are subject to recapture under this
4515 subsection shall be recaptured from the taxpayer that actually
4516 claimed the credit.

4517 The Mississippi Development Authority shall not allocate any
4518 credits under this section after July 1, 2024.



4519 (5) Each qualified community development entity that
4520 receives qualified equity investments to make qualified low-income
4521 community investments in Mississippi must annually report to the
4522 Mississippi Development Authority the North American Industry
4523 Classification System Code, the county, the dollars invested, the
4524 number of jobs assisted and the number of jobs assisted with wages
4525 over one hundred percent (100%) of the federal poverty level for a
4526 family of four (4) of each qualified low-income community
4527 investment.

4528 (6) The Mississippi Development Authority shall file an
4529 annual report on all qualified low-income community investments
4530 with the Governor, the Clerk of the House of Representatives, the
4531 Secretary of the Senate and the Secretary of State describing the
4532 North American Industry Classification System Code, the county,
4533 the dollars invested, the number of jobs assisted and the number
4534 of jobs assisted with wages over one hundred percent (100%) of the
4535 federal poverty level for a family of four (4) of each qualified
4536 low-income community investment. The annual report will be posted
4537 on the Mississippi Development Authority's Internet website.

4538 (7) (a) The purpose of this subsection is to authorize the
4539 creation and establishment of public benefit corporations for
4540 financing arrangements regarding public property and facilities.

4541 (b) As used in this subsection:



4542 (i) "New Markets Tax Credit transaction" means any
4543 financing transaction which utilizes either this section or
4544 Section 45D of the Internal Revenue Code of 1986, as amended.

4545 (ii) "Public benefit corporation" means a
4546 nonprofit corporation formed or designated by a public entity to
4547 carry out the purposes of this subsection.

4548 (iii) "Public entity or public entities" includes
4549 utility districts, regional solid waste authorities, regional
4550 utility authorities, community hospitals, regional airport
4551 authorities, municipal airport authorities, community and junior
4552 colleges, educational building corporations established by or on
4553 behalf of the state institutions of higher learning, school
4554 districts, planning and development districts, county economic
4555 development districts, urban renewal agencies, any other regional
4556 or local economic development authority, agency or governmental
4557 entity, and any other regional or local industrial development
4558 authority, agency or governmental entity.

4559 (iv) "Public property or facilities" means any
4560 property or facilities owned or leased by a public entity or
4561 public benefit corporation.

4562 (c) Notwithstanding any other provision of law to the
4563 contrary, public entities are authorized pursuant to this
4564 subsection to create one or more public benefit corporations or
4565 designate an existing corporation as a public benefit corporation
4566 for the purpose of entering into financing agreements and engaging



4567 in New Markets Tax Credit transactions, which shall include,
4568 without limitation, arrangements to plan, acquire, renovate,
4569 construct, lease, sublease, manage, operate and/or improve new or
4570 existing public property or facilities located within the
4571 boundaries or service area of the public entity. Any financing
4572 arrangement authorized under this subsection shall further any
4573 purpose of the public entity and may include a term of up to fifty
4574 (50) years.

4575 (d) Notwithstanding any other provision of law to the
4576 contrary and in order to facilitate the acquisition, renovation,
4577 construction, leasing, subleasing, management, operating and/or
4578 improvement of new or existing public property or facilities to
4579 further any purpose of a public entity, public entities are
4580 authorized to enter into financing arrangements in order to
4581 transfer public property or facilities to and/or from public
4582 benefit corporations, including, without limitation, sales,
4583 sale-leasebacks, leases and lease-leasebacks, provided such
4584 transfer is related to any New Markets Tax Credit transaction
4585 furthering any purpose of the public entity. Any such transfer
4586 under this paragraph (d) and the public property or facilities
4587 transferred in connection therewith shall be exempted from any
4588 limitation or requirements with respect to leasing, acquiring,
4589 and/or constructing public property or facilities.

4590 (e) With respect to a New Markets Tax Credit
4591 transaction, public entities and public benefit corporations are



4592 authorized to enter into financing arrangements with any
4593 governmental, nonprofit or for-profit entity in order to leverage
4594 funds not otherwise available to public entities for the
4595 acquisition, construction and/or renovation of properties
4596 transferred to such public benefit corporations. The use of any
4597 funds loaned by or contributed by a public benefit corporation or
4598 borrowed by or otherwise made available to a public benefit
4599 corporation in such financing arrangement shall be dedicated
4600 solely to (i) the development of new properties or facilities
4601 and/or the renovation of existing properties or facilities or
4602 operation of properties or facilities, and/or (ii) the payment of
4603 costs and expenditures related to any such financing arrangements,
4604 including, but not limited to, funding any reserves required in
4605 connection therewith, the repayment of any indebtedness incurred
4606 in connection therewith, and the payment of fees and expenses
4607 incurred in connection with the closing, administration,
4608 accounting and/or compliance with respect to the New Markets Tax
4609 Credit transaction.

4610 (f) A public benefit corporation created pursuant to
4611 this subsection shall not be a political subdivision of the state
4612 but shall be a nonprofit corporation organized and governed under
4613 the provisions of the laws of this state and shall be a special
4614 purpose corporation established to facilitate New Markets Tax
4615 Credit transactions consistent with the requirements of this
4616 section.



4617 (g) Neither this subsection nor anything herein
4618 contained is or shall be construed as a restriction or limitation
4619 upon any powers which the public entity or public benefit
4620 corporation might otherwise have under any laws of this state, and
4621 this subsection is cumulative to any such powers. This subsection
4622 does and shall be construed to provide a complete additional and
4623 alternative method for the doing of the things authorized thereby
4624 and shall be regarded as supplemental and additional to powers
4625 conferred by other laws.

4626 (8) The Mississippi Development Authority shall promulgate
4627 rules and regulations to implement the provisions of this section.

4628 **SECTION 47.** Section 57-10-409, Mississippi Code of 1972, is
4629 brought forward as follows:

4630 **[In cases involving an economic development project for which**
4631 **the Mississippi Business Finance Corporation has issued bonds for**
4632 **the purpose of financing the approved costs of such project prior**
4633 **to July 1, 1994, this section shall read as follows:]**

4634 57-10-409. The corporation may enter into, with any approved
4635 company, a financing agreement with respect to its economic
4636 development project. The terms and provisions of each financing
4637 agreement shall be determined by negotiations between the
4638 corporation and the approved company, except that each financing
4639 agreement shall include the following provisions:

4640 (a) If the corporation issues any bonds in connection
4641 with an economic development project, the term of the financing



4642 agreement shall not be less than the last maturity of the bonds
4643 issued with respect to the economic development project, except
4644 that the financing agreement may terminate upon the earlier
4645 redemption of all of the bonds issued with respect to the economic
4646 development project and may grant to the approved company an
4647 option to purchase the economic development project from the
4648 corporation upon the termination of the financing agreement for
4649 such consideration and under such terms and conditions the
4650 corporation may approve. Nothing in this paragraph shall limit
4651 the extension of the term of a financing agreement if there is a
4652 refunding of the correlative bonds or otherwise.

4653 (b) If the corporation issues any bonds in connection
4654 with an economic development project, the financing agreement
4655 shall specify that the annual obligations of the approved company
4656 under Sections 57-10-401 through 57-10-445 shall equal in each
4657 year at least the annual debt service for that year on the bonds
4658 issued with respect to the economic development project; and the
4659 approved company shall pay such obligation of the financing
4660 agreement to the trustee for bonds issued for the benefit of the
4661 approved company, at such time and in such amounts sufficient to
4662 amortize such bonds.

4663 (c) If the corporation loans funds to an approved
4664 company that is a private company under the Mississippi Small
4665 Enterprise Development Finance Act, the financing agreement shall



4666 include the terms and conditions of the loan required by Section
4667 57-71-1 et seq.

4668 (d) (i) In consideration for financing agreement
4669 payment, the approved company may be permitted the following
4670 during the period of time in which the financing agreement is in
4671 effect, not to exceed twenty-five (25) years:

4672 1. A tax credit on the amount provided for in
4673 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4674 2. The aggregate assessment withheld by the
4675 approved company in each year.

4676 (ii) The income tax credited to the approved
4677 company referred to herein shall be credited in the fiscal year of
4678 the financing agreement in which the tax return of the approved
4679 company is filed. The approved company shall not be required to
4680 pay estimated tax payments under Section 27-7-319, Mississippi
4681 Code of 1972.

4682 (e) (i) The financing agreement shall provide that the
4683 assessments, when added to the credit for the state corporate
4684 income tax herein granted, shall not exceed the total financing
4685 agreement annual payment by the approved company in any year;
4686 however, to the extent that financing agreement annual payments
4687 exceed credits received and assessments collected in any year, the
4688 excess payment may be recouped from excess credits or assessment
4689 collections in succeeding years.



4690 (ii) If during any fiscal year of the financing
4691 agreement the total of the income tax credit granted to the
4692 approved company plus the assessment collected from the wages of
4693 the employees equals the annual payment pursuant to the financing
4694 agreement, and if all excess payments pursuant to the financing
4695 agreement accumulated in prior years have been recouped, the
4696 assessment collected from the wages of the employees shall cease
4697 for the remainder of the fiscal year of the financing agreement.

4698 (f) The financing agreement shall provide that:

4699 (i) It may be assigned by the approved company
4700 only upon the prior written consent of the corporation following
4701 the adoption of a resolution by the corporation to such effect;
4702 and

4703 (ii) Upon the default by the approved company in
4704 the obligation to render its annual payment, the corporation shall
4705 have the right, at its option, to declare the financing agreement
4706 in default and to accelerate the total of all annual payments that
4707 are to be made or to terminate the financing agreement and cause
4708 to be sold the economic development project at public or private
4709 sale, or to pursue any other remedies available under the Uniform
4710 Commercial Code, as from time to time amended, or otherwise
4711 available in law or equity.

4712 **[In cases involving an economic development project for which**
4713 **the Mississippi Business Finance Corporation has not issued bonds**
4714 **for the purpose of financing the approved costs of such project**



4715 prior to July 1, 1994, but has issued bonds for such project prior
4716 to July 1, 1997, or in cases involving an economic development
4717 project which has been induced by a resolution of the Board of
4718 Directors of the Mississippi Business Finance Corporation that has
4719 been filed with the State Tax Commission prior to July 1, 1997,
4720 this section shall read as follows:]

4721 57-10-409. The corporation may enter into, with any approved
4722 company, a financing agreement with respect to its economic
4723 development project. The terms and provisions of each financing
4724 agreement shall be determined by negotiations between the
4725 corporation and the approved company, except that each financing
4726 agreement shall include the following provisions:

4727 (a) If the corporation issues any bonds in connection
4728 with an economic development project, the term of the financing
4729 agreement shall not be less than the last maturity of the bonds
4730 issued with respect to the economic development project, except
4731 that the financing agreement may terminate upon the earlier
4732 redemption of all of the bonds issued with respect to the economic
4733 development project and may grant to the approved company an
4734 option to purchase the economic development project from the
4735 corporation upon the termination of the financing agreement for
4736 such consideration and under such terms and conditions the
4737 corporation may approve. Nothing in this paragraph shall limit
4738 the extension of the term of a financing agreement if there is a
4739 refunding of the correlative bonds or otherwise.



4740 (b) If the corporation issues any bonds in connection
4741 with an economic development project, the financing agreement
4742 shall specify that the annual obligations of the approved company
4743 under Sections 57-10-401 through 57-10-445 shall equal in each
4744 year at least the annual debt service for that year on the bonds
4745 issued with respect to the economic development project; and the
4746 approved company shall pay such obligation of the financing
4747 agreement to the trustee for bonds issued for the benefit of the
4748 approved company, at such time and in such amounts sufficient to
4749 amortize such bonds.

4750 (c) If the corporation loans funds to an approved
4751 company that is a private company under the Mississippi Small
4752 Enterprise Development Finance Act, the financing agreement shall
4753 include the terms and conditions of the loan required by Section
4754 57-71-1 et seq.

4755 (d) (i) In consideration for financing agreement
4756 payment, the approved company may be permitted the following
4757 during the period of time in which the financing agreement is in
4758 effect, not to exceed twenty-five (25) years:

4759 1. A tax credit on the amount provided for in
4760 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4761 2. The aggregate assessment withheld by the
4762 approved company in each year.

4763 (ii) The income tax credited to the approved
4764 company referred to herein shall be credited in the fiscal year of



4765 the financing agreement in which the tax return of the approved
4766 company is filed. The approved company shall not be required to
4767 pay estimated tax payments under Section 27-7-319, Mississippi
4768 Code of 1972.

4769 (e) (i) The financing agreement shall provide that the
4770 assessments, when added to the credit for the state corporate
4771 income tax herein granted, shall not exceed the total financing
4772 agreement annual payment by the approved company in any year;
4773 however, to the extent that financing agreement annual payments
4774 exceed credits received and assessments collected in any year, the
4775 excess payment may be recouped from excess credits or assessment
4776 collections in succeeding years not to exceed three (3) years
4777 following the termination of the period of time during which the
4778 financing agreement is in effect.

4779 (ii) If during any fiscal year of the financing
4780 agreement the total of the income tax credit granted to the
4781 approved company plus the assessment collected from the wages of
4782 the employees equals the annual payment pursuant to the financing
4783 agreement, and if all excess payments pursuant to the financing
4784 agreement accumulated in prior years have been recouped, the
4785 assessment collected from the wages of the employees shall cease
4786 for the remainder of the fiscal year of the financing agreement.

4787 (f) The financing agreement shall provide that:

4788 (i) It may be assigned by the approved company
4789 only upon the prior written consent of the corporation following



4790 the adoption of a resolution by the corporation to such effect;
4791 and

4792 (ii) Upon the default by the approved company in
4793 the obligation to render its annual payment, the corporation shall
4794 have the right, at its option, to declare the financing agreement
4795 in default and to accelerate the total of all annual payments that
4796 are to be made or to terminate the financing agreement and cause
4797 to be sold the economic development project at public or private
4798 sale, or to pursue any other remedies available under the Uniform
4799 Commercial Code, as from time to time amended, or otherwise
4800 available in law or equity.

4801 **[In cases involving an economic development project for which**
4802 **the Mississippi Business Finance Corporation has not issued bonds**
4803 **for the purpose of financing the approved costs of such project**
4804 **prior to July 1, 1997, or in cases involving an economic**
4805 **development project which has not been induced by a resolution of**
4806 **the Board of Directors of the Mississippi Business Finance**
4807 **Corporation that has been filed with the State Tax Commission**
4808 **prior to July 1, 1997, this section shall read as follows:]**

4809 57-10-409. The corporation may enter into, with any approved
4810 company, a financing agreement with respect to its economic
4811 development project. The terms and provisions of each financing
4812 agreement shall be determined by negotiations between the
4813 corporation and the approved company, except that each financing
4814 agreement shall include the following provisions:



4815 (a) If the corporation issues any bonds in connection
4816 with an economic development project, the term of the financing
4817 agreement shall not be less than the last maturity of the bonds
4818 issued with respect to the economic development project, except
4819 that the financing agreement may terminate upon the earlier
4820 redemption of all of the bonds issued with respect to the economic
4821 development project and may grant to the approved company an
4822 option to purchase the economic development project from the
4823 corporation upon the termination of the financing agreement for
4824 such consideration and under such terms and conditions the
4825 corporation may approve. Nothing in this paragraph shall limit
4826 the extension of the term of a financing agreement if there is a
4827 refunding of the correlative bonds or otherwise.

4828 (b) If the corporation issues any bonds in connection
4829 with an economic development project, the financing agreement
4830 shall specify that the annual obligations of the approved company
4831 under Sections 57-10-401 through 57-10-445 shall equal in each
4832 year at least the annual debt service for that year on the bonds
4833 issued with respect to the economic development project; and the
4834 approved company shall pay such obligation of the financing
4835 agreement to the trustee for bonds issued for the benefit of the
4836 approved company, at such time and in such amounts sufficient to
4837 amortize such bonds.

4838 (c) If the corporation loans funds to an approved
4839 company that is a private company under the Mississippi Small



4840 Enterprise Development Finance Act, the financing agreement shall
4841 include the terms and conditions of the loan required by Section
4842 57-71-1 et seq.

4843 (d) (i) In consideration for financing agreement
4844 payment, the approved company may be permitted a tax credit on the
4845 amount provided for in Section 27-7-22.3(2), Mississippi Code of
4846 1972, during the period of time in which the financing agreement
4847 is in effect, not to exceed twenty-five (25) years.

4848 (ii) The income tax credited to the approved
4849 company referred to herein shall be credited in the fiscal year of
4850 the financing agreement in which the tax return of the approved
4851 company is filed. The approved company shall not be required to
4852 pay estimated tax payments under Section 27-7-319, Mississippi
4853 Code of 1972.

4854 (e) The financing agreement shall provide that:

4855 (i) It may be assigned by the approved company
4856 only upon the prior written consent of the corporation following
4857 the adoption of a resolution by the corporation to such effect;
4858 and

4859 (ii) Upon the default by the approved company in
4860 the obligation to render its annual payment, the corporation shall
4861 have the right, at its option, to declare the financing agreement
4862 in default and to accelerate the total of all annual payments that
4863 are to be made or to terminate the financing agreement and cause
4864 to be sold the economic development project at public or private



4865 sale, or to pursue any other remedies available under the Uniform
4866 Commercial Code, as from time to time amended, or otherwise
4867 available in law or equity.

4868 **SECTION 48.** Section 57-114-3, Mississippi Code of 1972, is
4869 brought forward as follows:

4870 57-114-3. For purposes of this chapter, the following words
4871 shall have the meanings ascribed herein unless the context
4872 otherwise requires:

4873 (a) "Affiliate" means, with respect to a specified
4874 entity, (i) another person or entity that directly or indirectly,
4875 through one or more intermediaries, controls or is controlled by
4876 or is under common control with the specified person or entity,
4877 where the term "control" means the ownership or possession,
4878 directly or indirectly, of the power to direct more than fifty
4879 percent (50%) of the voting equity securities or a similar
4880 ownership interest in the specified controlled entity, or (ii) any
4881 member of an affiliated group of corporations, of which the
4882 specified entity is also a member, which are each subject to
4883 income taxation in Mississippi and may elect to file a combined
4884 Mississippi income tax return in accordance with state law.

4885 (b) "Authority" means the Mississippi Development
4886 Authority.

4887 (c) "Annual report" means the report described in
4888 Section 57-114-13.



4889 (d) "Applicable accounting rules" shall mean the
4890 accounting principles generally recognized as applicable to a
4891 qualified business or industry and pursuant to which such
4892 qualified business or industry regularly prepares and maintains
4893 its financial and accounting books and records, and which
4894 specifically incorporate Generally Accepted Accounting Principles
4895 or International Financial Reporting Standards, as appropriate.

4896 (e) "Applicant" means any corporation, limited
4897 liability company, partnership, person or sole proprietorship,
4898 business trust or other legal entity and subunit or affiliate
4899 thereof that applies to the authority, in the manner prescribed by
4900 this chapter, seeking (i) certification by the authority that such
4901 applicant is a qualified business or industry and that its
4902 proposed new project or expansion of an existing business or
4903 industrial operation is a qualified economic development project,
4904 and (ii) an award in connection therewith of an mFlex tax
4905 incentive.

4906 (f) "Average state or county wage" shall mean, as of
4907 the project certification date, the lesser of the most recently
4908 published average annual wage per person as determined and
4909 published by the Mississippi Department of Employment Security for
4910 the state or the county in which the qualified project is or will
4911 be located; provided that, if a qualified project is or will be
4912 located in two (2) or more counties, the average state or county
4913 wage, as used in this chapter, shall mean, as of the project



4914 certification date, only the most recently published average
4915 annual wage per person as determined and published by the
4916 Mississippi Department of Employment Security for the state.

4917 (g) "Average employer wage" means the qualified annual
4918 payroll for all new full-time jobs created in the State of
4919 Mississippi by a qualified business or industry divided by the
4920 number of new full-time jobs thereof for which such qualified
4921 annual payroll was paid or is otherwise payable.

4922 (h) "Base full-time job" means a job (i) for which an
4923 employee was already hired by the qualified business or industry
4924 before, and is employed as of, the project certification date;
4925 (ii) that offers a minimum of one thousand eight hundred twenty
4926 (1,820) hours of an employee's time per year (i.e., thirty-five
4927 (35) hours per week on average) for a normal four (4) consecutive
4928 quarter period of the qualified business or industry's operations
4929 or a job for which the employee was hired before, and is employed
4930 as of, the project certification date and is compensated based on
4931 one thousand eight hundred twenty (1,820) hours for such annual
4932 period (including in each case an employee who, after hiring,
4933 elects to take unpaid time off or is on short-term or long-term
4934 disability); and (iii) the employee holding such job receives
4935 salary or wages subject to state income tax withholdings. The
4936 term "base full-time job" also means a base-leased employee.
4937 Part-time jobs may not be combined to add up to a base full-time
4938 job.



4939 (i) "Base-leased employee" means a nontemporary
4940 employee:
4941 (i) Who was leased by the qualified business or
4942 industry before the project certification date from another
4943 business or enterprise that is 1. in the business of leasing
4944 employees, and 2. is registered with the Office of the Secretary
4945 of State and qualified to do business in the state;
4946 (ii) Who is leased as of the project certification
4947 date;
4948 (iii) Who is not otherwise an employee of such
4949 qualified business or industry;
4950 (iv) Who, as of the project certification date,
4951 was already performing services for, and under the supervision of,
4952 the qualified business or industry pursuant to a leasing agreement
4953 between the qualified business or industry and such other employee
4954 leasing firm;
4955 (v) Whose job-performing services for the
4956 qualified business or industry offers a minimum of one thousand
4957 eight hundred twenty (1,820) hours of an employee's time per year
4958 (i.e., thirty-five (35) hours per week on average) for an entire
4959 normal work year of the qualified business or industry's
4960 operations or a job for which the employee is leased before the
4961 project certification date and is compensated based on one
4962 thousand eight hundred twenty (1,820) hours for such annual period
4963 (including in each case an employee who, after being leased,



4964 elects to take unpaid time off or is on short-term or long-term
4965 disability); and

4966 (vi) Whose job receives salary or wages subject to
4967 state income tax withholdings. Individuals employed by an
4968 independent contractor performing one or more services for the
4969 qualified business or industry pursuant to a services or
4970 management agreement (e.g., security services, landscaping
4971 services, and cafeteria management and food services) shall not be
4972 considered as base-leased employees.

4973 (j) "Contractor tax" shall mean the tax levied by
4974 Section 27-65-21, except for the tax upon the sale of
4975 manufacturing or processing machinery for a manufacturer or custom
4976 processor.

4977 (k) "Construction contract" shall mean any contract or
4978 portion of any contract for any one or more of the activities
4979 described in Section 27-65-21 for which the contractor tax applies
4980 and is payable by the contractor that is party thereto.

4981 (l) "Manufacturing machinery," as used in this chapter,
4982 shall have the same meaning ascribed to such term in Section
4983 27-65-11, as interpreted by any regulations promulgated by the
4984 Department of Revenue with respect to such section.

4985 (m) "mFlex agreement" means the written agreement
4986 entered into between a qualified business or industry and the
4987 authority in accordance with Section 57-114-7(4)(c).



4988 (n) "mFlex tax incentive" means the tax incentive
4989 authorized by this chapter to be calculated and awarded by the
4990 authority, and thereafter applied as a credit to offset state
4991 taxes, in accordance with, and subject to, this chapter.

4992 (o) "Minimum job creation requirement" means the
4993 creation by the qualified business or industry, following the
4994 project certification date, of at least ten (10) new full-time
4995 jobs in the state.

4996 (p) "Minimum qualified investment" means a qualified
4997 investment of not less than Two Million Five Hundred Thousand
4998 Dollars (\$2,500,000.00).

4999 (q) "New full-time job" means a job:

5000 (i) For which an employee is hired by the
5001 qualified business or industry after the project certification
5002 date;

5003 (ii) That offers a minimum of one thousand eight
5004 hundred twenty (1,820) hours of an employee's time per year (i.e.,
5005 thirty-five (35) hours per week on average) for a normal four (4)
5006 consecutive quarter period of the qualified business or industry's
5007 operations or a job for which the employee is hired after the
5008 project certification date and is compensated based on one
5009 thousand eight hundred twenty (1,820) hours for such annual period
5010 (including in each case an employee who, after hiring, elects to
5011 take unpaid time off or is on short-term or long-term disability);
5012 and



5013 (iii) The employee holding such job receives
5014 salary or wages subject to state income tax withholdings. The
5015 term "new full-time job" also means new-leased employee.
5016 Part-time jobs may not be combined to add up to a new full-time
5017 job.

5018 (r) "New-leased employee" means a nontemporary
5019 employee:

5020 (i) Who is leased by the qualified business or
5021 industry after the project certification date from another
5022 business or enterprise that is 1. in the business of leasing
5023 employees, and 2. is registered with the Office of the Secretary
5024 of State and qualified to do business in the state;

5025 (ii) Who is not otherwise an employee of such
5026 qualified business or industry;

5027 (iii) Who performs services for the qualified
5028 business or industry pursuant to a leasing agreement between the
5029 qualified business or industry and such other employee-leasing
5030 firm;

5031 (iv) Whose job-performing services for the
5032 qualified business or industry offers a minimum of one thousand
5033 eight hundred twenty (1,820) hours of an employee's time per year
5034 (i.e., thirty-five (35) hours per week on average) for an entire
5035 normal work year of the qualified business or industry's
5036 operations or a job for which the employee is leased after the
5037 project certification date and is compensated based on one



5038 thousand eight hundred twenty (1,820) hours for such annual period
5039 (including in each case an employee who, after being leased,
5040 elects to take unpaid time off or is on short-term or long-term
5041 disability); and

5042 (v) Whose job receives salary or wages subject to
5043 state income tax withholdings. Individuals employed by an
5044 independent contractor performing one or more services for the
5045 qualified business or industry pursuant to a services or
5046 management agreement (e.g., security services, landscaping
5047 services, and cafeteria management and food services) shall not be
5048 considered as a new-leased employees.

5049 (s) "Nonmanufacturing equipment" means all tangible
5050 personal property that is not manufacturing machinery, including,
5051 but not limited to, office furniture, fixtures, office computers
5052 and communications equipment, and warehouse equipment such as
5053 racking and shelving.

5054 (t) "Part-time job" means a job (i) for which an
5055 employee is hired by the qualified business or industry that
5056 requires fewer than one thousand eight hundred twenty (1,820)
5057 hours of an employee's time per year (i.e., requires fewer than
5058 thirty-five (35) hours per week on average) for an entire normal
5059 work year of the qualified business or industry's operations or a
5060 job for which the employee is hired and is compensated based on
5061 fewer than one thousand eight hundred twenty (1,820) hours for
5062 such annual period; and (iii) for which the employee holding such



5063 job receives salary or wages subject to state income tax
5064 withholdings.

5065 (u) "Project certification date" means the actual date
5066 of the authority's certification, or the effective date of
5067 certification determined and prescribed by the authority, of the
5068 qualified business or industry and its qualified economic
5069 development project as eligible for the state tax credits
5070 determined and awarded by the authority, as authorized by, and in
5071 accordance with, this chapter.

5072 (v) "Qualified annual payroll" means the sum of the
5073 annual salary and wages for new full-time jobs of the qualified
5074 business or industry, excluding the amount or value of any
5075 benefits that are not subject to state income taxes.

5076 (w) "Qualified business or industry" means any
5077 corporation, limited liability company, partnership, person or
5078 sole proprietorship, business trust or other legal entity and
5079 subunit or affiliate thereof, which makes a qualified minimum
5080 investment in a qualified economic development project.

5081 (x) "Qualified economic development project" or
5082 "qualified project" means the location in the state of one or more
5083 of the following enumerated enterprises for which a corporation,
5084 limited liability company, partnership, sole proprietorship,
5085 business trust or other legal entity, or subunit or affiliate
5086 thereof, makes or causes to be made from the minimum qualified



5087 investment and/or satisfies or causes to be satisfied the minimum
5088 job creation requirement:

5089 (i) A new warehouse and/or distribution enterprise
5090 or an expansion of an existing warehouse and/or distribution
5091 enterprise; provided that, in any such instance, such warehouse
5092 and/or distribution enterprise or expansion thereof is certified
5093 by the authority to qualify as such;

5094 (ii) A new manufacturing, remanufacturing,
5095 assembly, processing and/or refinery enterprise or an expansion of
5096 an existing manufacturing, remanufacturing, assembly, processing
5097 and/or refinery enterprise; provided that, in any such instance,
5098 such manufacturing, remanufacturing, assembly, processing and/or
5099 refinery enterprise or expansion thereof is certified by the
5100 authority to qualify as such;

5101 (iii) A new research or research and development
5102 enterprise or an expansion of an existing research or research and
5103 development enterprise; provided that, in any such instance, such
5104 research and development enterprise or an expansion thereof is
5105 certified by the authority to qualify as such;

5106 (iv) A new regional or national headquarters of
5107 the qualified business or industry or an expansion of an existing
5108 regional or national headquarters of the qualified business or
5109 industry; provided that, in any such instance, such regional or
5110 national headquarters or expansion thereof is certified by the
5111 authority to qualify as such;



5112 (v) An air transportation, repair and/or
5113 maintenance enterprise or an expansion of an existing air
5114 transportation, repair and/or maintenance enterprise; provided
5115 that, in either instance, such air transportation, repair and/or
5116 maintenance enterprise or expansion thereof is certified by the
5117 authority to qualify as such;

5118 (vi) A ship or other maritime vessel or barge
5119 transportation, repair and/or maintenance enterprise or an
5120 expansion of an existing ship or other maritime vessel or barge
5121 transportation, repair and/or maintenance enterprise; provided
5122 that, in either instance, the ship or other maritime vessel or
5123 barge transportation, repair and/or maintenance enterprise or
5124 expansion thereof is certified by the authority to qualify as
5125 such;

5126 (vii) A new data/information processing enterprise
5127 or an expansion of an existing new data/information processing
5128 enterprise; provided that, in any such instance such
5129 data/information processing enterprise or expansion thereof is
5130 certified by the authority to qualify as such;

5131 (viii) A new technology intensive enterprise or an
5132 expansion of an existing technology intensive enterprise; provided
5133 that, in either instance, the technology intensive enterprise or
5134 expansion thereof is certified by the authority to qualify as
5135 such; provided further, that a business or enterprise primarily
5136 engaged in creating computer programming codes to develop



5137 applications, websites and/or software shall qualify as a
5138 technology intensive enterprise;

5139 (ix) A new telecommunications enterprise
5140 principally engaged in the creation, display, management, storage,
5141 processing, transmission and/or distribution, for compensation, of
5142 images, text, voice, video or data by wire or by wireless means,
5143 or engaged in the construction, design, development, manufacture,
5144 maintenance or distribution for compensation of devices, products,
5145 software or structures used in the above activities, or an
5146 expansion of an existing telecommunications enterprise as herein
5147 described; provided that, in any such instance, any such
5148 telecommunications enterprise or expansion thereof is certified by
5149 the authority to qualify as such; provided further, that
5150 commercial broadcast radio stations, television stations or news
5151 organizations primarily serving in-state markets shall not be
5152 included within the definition of the term "telecommunications
5153 enterprise";

5154 (x) A new data center enterprise principally
5155 engaged in the utilization of hardware, software, technology,
5156 infrastructure and/or workforce, to store, manage or manipulate
5157 digital data, or an expansion of an existing data center
5158 enterprise as herein described; provided that, in such instance,
5159 any such data center enterprise or expansion thereof is certified
5160 by the authority to qualify as such.



5161 (y) "Qualified investment" means any expenditures made
5162 or caused to be made by the qualified business or industry
5163 following the project certification date for construction,
5164 installation, equipping and operation of a qualified economic
5165 development project from any source or combination of sources,
5166 excluding any funds contributed by the state or any agency or
5167 other political subdivision thereof, or by any local government or
5168 any agency or other political subdivision thereof, to the extent
5169 such expenditures can be capitalized under applicable accounting
5170 rules or otherwise by the Internal Revenue Code, whether or not
5171 the qualified business or industry elects to capitalize the same,
5172 as reflected in its financial statements, including, but not
5173 limited to, all costs associated with the acquisition,
5174 installation and/or construction of, or capital leasehold interest
5175 in, any buildings and other real property improvements, fixtures,
5176 equipment, machinery, landscaping, fire protection, depreciable
5177 fixed assets, engineering and design costs.

5178 (z) "Reporting year" means the twelve-month period
5179 ending on the last day of the month during which the annual
5180 anniversary of a project certification date occurs, and for which
5181 an annual report must be filed with the authority by a qualified
5182 business or industry in accordance with Section 57-114-13.

5183 (aa) "State" means the State of Mississippi.

5184 (bb) "State tax" means:



5185 (i) Any sales and use tax imposed on, and payable
5186 directly to the Department of Revenue by, the qualified business
5187 or industry in accordance with state law, except for contractor's
5188 tax and the taxes levied by Section 27-65-24(1)(b);

5189 (ii) All income tax imposed pursuant to law on
5190 income earned by the qualified business or industry pursuant to
5191 state law;

5192 (iii) Franchise tax imposed pursuant to state law
5193 on the value of capital used, invested or employed by the business
5194 enterprise certified by the Mississippi Development Authority; and

5195 (iv) Withholding tax required to be deducted and
5196 withheld from employee wages pursuant to Section 27-7-301 et seq.

5197 **SECTION 49.** Section 57-114-7, Mississippi Code of 1972, is
5198 brought forward as follows:

5199 57-114-7. (1) The authority shall evaluate an application
5200 to determine whether the applicant's proposed project is a
5201 qualified economic development project and whether it is therefore
5202 eligible for an award by the authority of an mFlex tax incentive,
5203 as calculated in accordance with Section 57-114-9.

5204 (2) Upon approval of an applicant's application, the
5205 authority shall issue a certification (a) designating the
5206 applicant's project as a "qualified economic development project"
5207 and eligible for the mFlex tax incentive authorized by this
5208 chapter; (b) awarding the initial mFlex tax incentive calculated
5209 pursuant to Section 57-114-9; and (c) imposing those mandatory



5210 conditions pursuant to subsection (4) of this section and any
5211 discretionary conditions otherwise imposed by the authority.

5212 (3) Upon the issuance of the certification and execution of
5213 the mFlex agreement by a qualified business or industry and the
5214 authority, the qualified business or industry may apply the amount
5215 of its mFlex tax incentive as a credit to offset (a) any state
5216 taxes (except for withholding tax required to be deducted and
5217 withheld from employee wages pursuant to Section 27-7-301 et
5218 seq.), as incurred thereby, up to the full amount of the mFlex tax
5219 incentive awarded by the authority for the associated qualified
5220 economic development project, and (b) only up to twenty percent
5221 (20%) of the mFlex tax incentive amount may be applied as a credit
5222 during the course of any reporting year to offset withholding tax
5223 deducted and withheld from employee wages pursuant to Section
5224 27-7-301 et seq.; provided that the amount of the mFlex tax
5225 incentive available to be applied as a credit to offset such state
5226 taxes shall be subject to any subsequent adjustments made by the
5227 authority to such award pursuant to Section 57-114-13, and any
5228 performance requirements set out in the mFlex agreement. The
5229 amount of the mFlex tax incentive available to be applied as a
5230 credit to offset any state taxes described in Section
5231 57-114-3(bb) (i) shall be limited to those such taxes payable
5232 directly by the qualified business or industry to the Department
5233 of Revenue pursuant to a direct pay permit issued by the
5234 Department of Revenue under Section 27-65-93. The amount of the



5235 mFlex tax incentive available to be applied as a credit to offset
5236 any state taxes may not be applied as a credit to offset any state
5237 taxes incurred prior to the issuance of the certification by the
5238 authority and execution of the mFlex agreement by the qualified
5239 business or industry and the authority.

5240 (4) The following conditions shall apply to each such
5241 certification made, and each mFlex tax incentive awarded, by the
5242 authority in accordance with this chapter:

5243 (a) Any certification and mFlex tax incentive award
5244 issued by the authority under this chapter is nontransferable and
5245 cannot be applied, used or assigned to any other person or
5246 business or tax account without prior approval by the authority,
5247 except for one or more affiliates of the qualified business or
5248 industry disclosed thereby on its application or in a subsequent
5249 annual report submitted to the authority in accordance with this
5250 chapter;

5251 (b) No qualified business or industry may claim or use
5252 the mFlex tax incentive awarded thereto under this chapter unless
5253 the qualified business or industry is in full compliance with all
5254 state and local tax laws, and related ordinances, permits and
5255 other applicable governmental approvals; and

5256 (c) Each qualified business or industry must enter into
5257 an mFlex agreement with the authority which sets out, at a
5258 minimum, (i) the obligation of the business or industry to provide
5259 an annual report to the authority pursuant to Section 57-114-13



5260 that demonstrates the actual amount of its qualified investment,
5261 including actual expenditures on manufacturing machinery,
5262 nonmanufacturing equipment and component building materials, the
5263 number of new full-time jobs created and maintained as a result of
5264 the project, and any other relevant information as may be required
5265 by the authority; and (ii) terms for readjustment or recapture of
5266 all or a portion of the mFlex tax incentive awarded thereto
5267 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy
5268 the minimum job creation requirement if certification of the
5269 project is predicated on satisfaction of the minimum job creation
5270 requirement and not the minimum qualified investment, or 2. fails
5271 to satisfy the minimum qualified investment if certification of
5272 the project is predicated on satisfaction of the minimum job
5273 creation requirement and not the minimum qualified investment,
5274 and/or 3. fails to otherwise satisfy any other additional
5275 performance requirements of the qualified business or industry or
5276 its qualified economic development project that are imposed by the
5277 authority.

5278 (5) In addition to those mandatory conditions prescribed by
5279 this chapter that apply to each certification and award of an
5280 mFlex tax incentive made by the authority in accordance herewith,
5281 the authority is authorized to impose any other conditions upon
5282 any certification and award of an mFlex tax incentive made by the
5283 authority as it shall find best promotes economic development in
5284 the state.



5285 (6) Upon certifying a qualified business or industry as
5286 eligible for, and awarding, an mFlex tax incentive under this
5287 chapter, the authority shall forward the certification along with
5288 any other necessary information to the Department of Revenue so
5289 that the mFlex tax incentive awarded to the qualified business or
5290 industry can be recorded by the Department of Revenue and used to
5291 verify each state tax credit subsequently applied by the qualified
5292 business or industry.

5293 (7) Within thirty (30) days following the end of each
5294 calendar quarter, the authority shall provide to the Governor,
5295 Lieutenant Governor and the Speaker of the House of
5296 Representatives a copy of each certification made, together with a
5297 copy of each mFlex agreement approved and executed, during the
5298 immediately preceding calendar quarter.

5299 **SECTION 50.** Section 57-114-9, Mississippi Code of 1972, is
5300 brought forward as follows:

5301 57-114-9. **Calculation and application of an mFlex tax**
5302 **incentive award.** The total amount of the initial mFlex tax
5303 incentive determined and awarded by the authority to the certified
5304 applicant shall be calculated by the authority as follows:

5305 (a) Subject to paragraph (f) below, one and one-half
5306 percent (1.5%) of the total purchase or sales price, or value,
5307 including any installation costs thereof, as applicable, of all
5308 manufacturing or processing machinery acquired, leased or
5309 otherwise moved into the state following the project certification



5310 date to establish and equip the qualified economic development
5311 project; plus

5312 (b) Subject to paragraph (f) below, seven percent (7%)
5313 of the total purchase or sales price, or value, including any
5314 installation costs thereof, as applicable, of all nonmanufacturing
5315 equipment, other than tagged over-the-road vehicles, acquired,
5316 leased or otherwise moved into the state following the project
5317 certification date to establish and equip the qualified economic
5318 development project; plus

5319 (c) Subject to paragraph (f) below, two percent (2%) of
5320 the total contract price or compensation paid to any contractor
5321 pursuant to any construction contract entered into following the
5322 project certification date by the qualified business or industry
5323 or any affiliate thereof, to construct, build, erect, repair or
5324 add to any building, facility, structure or other improvement to
5325 real property described in Section 27-65-21(1)(a)(i) to establish
5326 and construct the qualified economic development project; plus, if
5327 applicable;

5328 (d) To the extent that the average employer wage is
5329 equal to or more than seventy-five percent (75%) of the average
5330 state or county wage, then an additional fifteen percent (15%) of
5331 the product derived by multiplying the average employer wage by
5332 the number of new full-time jobs; plus, if applicable;

5333 (e) (i) To the extent that 1. the qualified economic
5334 development project is an enterprise enumerated in Section



5335 57-114-3(x) (i) or (x) (ii); 2. the number of new full-time jobs
5336 totals fifty (50) or more; 3. the qualified investment totals Ten
5337 Million Dollars (\$10,000,000) or more; 4. the average employer
5338 wage is equal to or more than one hundred ten percent (110%) of
5339 the average state or county wage; and 5. all full-time employees
5340 are eligible for and offered health insurance coverage funded in
5341 whole or at least fifty percent (50%) by the qualified business or
5342 industry (or by a leasing company with respect to leased
5343 employees), then an additional thirty percent (30%) of the product
5344 derived by multiplying the average employer wage by the number of
5345 new full-time jobs; or

5346 (ii) To the extent that subparagraph (i) of this
5347 paragraph (e) does not apply, but 1. the number of new full-time
5348 jobs totals twenty-five (25) or more; 2. the average employer wage
5349 is equal to or more than one hundred twenty-five percent (125%) of
5350 the average state or county wage; and 3. all full-time employees
5351 are eligible for and offered health insurance coverage funded in
5352 whole or at least fifty percent (50%) by the qualified business or
5353 industry (or by a leasing company with respect to leased
5354 employees), then an additional thirty percent (30%) of the product
5355 derived by multiplying the average employer wage by the number of
5356 new full-time jobs; provided, however, that the initial mFlex tax
5357 incentive award amount determined by the authority and awarded on
5358 the project certification date shall be based upon estimates
5359 provided by the qualified business or industry to the authority



5360 with respect to paragraphs (a) through (d) of this section, which
5361 estimates shall be memorialized as project performance measures
5362 agreed to by the qualified business or industry in the mFlex
5363 agreement; provided, further, that such initial award amount shall
5364 be subject to any subsequent adjustments made by the authority
5365 pursuant to Section 57-114-13;

5366 (f) To the extent that all or any portion of the
5367 purchases to establish a qualified economic development project
5368 which are financed by proceeds from bonds issued pursuant to
5369 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex
5370 tax incentive determined in accordance with this section shall
5371 exclude the amount calculated in accordance with paragraphs (a),
5372 (b) and (c) above; provided that, this paragraph (f) shall not
5373 apply in determining the mFlex tax incentive for a qualified
5374 economic development project to the extent that (i) the qualified
5375 economic development project is an expansion of an existing
5376 project, (ii) all or any portion of the purchases to establish the
5377 existing project were financed by proceeds from bonds issued
5378 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et
5379 seq., and (iii) no purchases to establish the expansion
5380 constituting a qualified economic development project are financed
5381 by proceeds from bonds issued pursuant to Section 57-10-201 et
5382 seq. or Section 57-10-401 et seq.

5383 **SECTION 51.** Section 57-115-3, Mississippi Code of 1972, is
5384 brought forward as follows:



5385 57-115-3. As used in this chapter, the following terms and
5386 phrases shall have the meanings ascribed in this section unless
5387 the context clearly indicates otherwise:

5388 (a) "Affiliate" means:

5389 (i) Any person who, directly or indirectly,
5390 beneficially owns, controls, or holds power to vote fifteen
5391 percent (15%) or more of the outstanding voting securities or
5392 other voting ownership interest of a Mississippi small business
5393 investment company or insurance company; and

5394 (ii) Any person, fifteen percent (15%) or more of
5395 whose outstanding voting securities or other voting ownership
5396 interests are directly or indirectly beneficially owned,
5397 controlled, or held, with power to vote by a Mississippi small
5398 business investment company or insurance company. Notwithstanding
5399 this paragraph (a), an investment by a participating investor in a
5400 Mississippi small business investment company pursuant to an
5401 allocation of tax credits under this chapter does not cause that
5402 Mississippi small business investment company to become an
5403 affiliate of that participating investor.

5404 (b) "Allocation date" means the date on which credits
5405 are allocated to the participating investors of a Mississippi
5406 small business investment company under this chapter.

5407 (c) "MDA" means the Mississippi Development Authority.

5408 (d) "Department" means the Mississippi Department of
5409 Banking and Consumer Finance.



5410 (e) "Designated capital" means an amount of money that:
5411 (i) Is invested by a participating investor in a
5412 Mississippi small business investment company; and
5413 (ii) Fully funds the purchase price of a
5414 participating investor's equity interest in a Mississippi small
5415 business investment company or a qualified debt instrument issued
5416 by a Mississippi small business investment company, or both.

5417 (f) "Mississippi small business investment company"
5418 means a partnership, corporation, trust, or limited liability
5419 company, organized on a for-profit basis, that:
5420 (i) Has its principal office located in
5421 Mississippi or is headquartered in Mississippi;
5422 (ii) Has as its primary business activity the
5423 investment of cash in qualified businesses; and
5424 (iii) Is certified by the MDA as meeting the
5425 criteria described in this section to qualify as either a primary
5426 or secondary Mississippi small business investment company.

5427 (g) "Participating investor" means any insurer that
5428 contributes designated capital pursuant to this chapter.

5429 (h) "Person" means any natural person or entity,
5430 including, but not limited to, a corporation, general or limited
5431 partnership, trust, or limited liability company.

5432 (i) "Qualified business" means a business that is
5433 independently owned and operated and meets all of the following
5434 requirements:



5435 (i) It is headquartered in Mississippi, its
5436 principal business operations are located in Mississippi and at
5437 least eighty percent (80%) of its employees are located in
5438 Mississippi;

5439 (ii) It has not more than one hundred (100)
5440 employees at the time of the first qualified investment in the
5441 business;

5442 (iii) It is not more than ten percent (10%)
5443 engaged in:

5444 1. Professional services provided by
5445 accountants, doctors, or lawyers;

5446 2. Banking or lending;

5447 3. Real estate development;

5448 4. Retail;

5449 5. Insurance; or

5450 6. Making loans to or investments in a
5451 Mississippi small business investment company or an affiliate; and

5452 (iv) It is not a franchise of and has no financial
5453 relationship with a Mississippi small business investment company
5454 or any affiliate of a Mississippi small business investment
5455 company prior to a Mississippi small business investment company's
5456 first qualified investment in the business.

5457 A business classified as a qualified business at the time of
5458 the first qualified investment in the business will remain
5459 classified as a qualified business and may receive continuing



5460 qualified investments from any Mississippi small business
5461 investment company. Continuing investments will constitute
5462 qualified investments even though the business may not meet the
5463 definition of a qualified business at the time of such continuing
5464 investments; however, the business cannot fail to satisfy
5465 subparagraph (iii) and (iv) of this paragraph (i).

5466 (j) "Qualified debt instrument" means a debt instrument
5467 issued by a Mississippi small business investment company that
5468 meets all of the following criteria:

5469 (i) It is issued at par value or a premium;

5470 (ii) It has an original maturity date of at least
5471 four (4) years from the date of issuance and a repayment schedule
5472 that is not faster than a level principal amortization over four
5473 (4) years; and

5474 (iii) Has no interest or payment features that
5475 allow for the prepayment of interest or are tied to the
5476 profitability of the Mississippi small business investment company
5477 or the success of its investments.

5478 (k) "Qualified distribution" means any distribution or
5479 payment by a Mississippi small business investment company in
5480 connection with the following:

5481 (i) Reasonable costs and expenses of forming,
5482 syndicating and organizing the Mississippi small business
5483 investment company, including fees paid for professional services
5484 and the costs of financing and insuring the obligations of a



5485 Mississippi small business investment company, provided no such
5486 payment is made to more than one (1) participating investor or an
5487 affiliate or related party of a participating investor;

5488 (ii) An annual management fee not to exceed two
5489 percent (2%) of designated capital on an annual basis to offset
5490 the costs and expenses of managing and operating a Mississippi
5491 small business investment company;

5492 (iii) Any projected increase in federal or state
5493 taxes, including penalties and interest related to state and
5494 federal income taxes, or to the equity owners of the company
5495 resulting from the earnings or other tax liability of the company
5496 to the extent that the increase is related to the ownership,
5497 management, or operation of the company;

5498 (iv) Reasonable and necessary fees in accordance
5499 with industry custom for ongoing professional services, including,
5500 but not limited to, legal and accounting services related to the
5501 operation of a Mississippi small business investment company, not
5502 including lobbying or governmental relations; and

5503 (v) Payments of principal and interest to holders
5504 of qualified debt instruments issued by a Mississippi small
5505 business investment company which may be made without restriction.

5506 (1) "Qualified investment" means the investment of
5507 money by a Mississippi small business investment company in a
5508 qualified business for the purchase of any debt, debt
5509 participation, equity, or hybrid security of any nature and



5510 description, including a debt instrument or security that has the
5511 characteristics of debt but which provides for conversion into
5512 equity or equity participation instruments such as options or
5513 warrants; provided that any debt, debt participation or other debt
5514 instrument or security shall have a maturity of at least three (3)
5515 years. Any repayment of a qualified investment prior to one (1)
5516 year from the date of issuance shall result in the amount of the
5517 qualified investment being reduced by fifty percent (50%) for
5518 purposes of the cumulative investment requirement set forth in
5519 Section 57-115-9(1)(c).

5520 (m) "State premium tax liability" means any liability
5521 incurred by an insurance company under the provisions of Section
5522 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a
5523 reduction by the state of the liability imposed by Section
5524 27-15-103, 27-15-109 or 27-15-123.

5525 **SECTION 52.** Section 57-115-5, Mississippi Code of 1972, is
5526 brought forward as follows:

5527 57-115-5. (1) (a) The MDA must provide a standardized
5528 format for applying for the Mississippi small business investment
5529 credit authorized under this chapter, and for certification as a
5530 Mississippi small business investment company.

5531 (b) An applicant for certification as a primary
5532 Mississippi small business investment company must:

5533 (i) File an application with the MDA which shall
5534 include a business plan detailing:



5535 1. The approximate percentage of designated
5536 capital the applicant will invest in qualified businesses by the
5537 second, fourth and sixth anniversaries of its allocation date;

5538 2. The industry segments listed by the North
5539 American Industrial Classification System code and percentage of
5540 designated capital in which the applicant will invest; and

5541 3. The number of jobs that will be created or
5542 retained as a result of the applicant's investments once all
5543 designated capital has been invested. A job shall be considered
5544 created or retained if the job pays one hundred twenty-five
5545 percent (125%) of the state average annual wage and is maintained
5546 for at least three (3) years. The application shall project, at a
5547 minimum, that one (1) job shall be created or maintained for each
5548 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5549 awarded to the participating investors of the Mississippi small
5550 business investment company;

5551 (ii) Pay a nonrefundable application fee of Seven
5552 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing
5553 the application;

5554 (iii) Submit as part of its application an audited
5555 balance sheet that contains an unqualified opinion of an
5556 independent certified public accountant issued not more than
5557 thirty-five (35) days before the application date that states that
5558 the applicant has an equity capitalization of Five Hundred



5559 Thousand Dollars (\$500,000.00) or more in the form of unencumbered
5560 cash, marketable securities or other liquid assets; and

5561 (iv) Have at least two (2) principals or persons,
5562 at least one (1) of which is primarily located in Mississippi,
5563 employed or engaged to manage the funds who each have a minimum of
5564 five (5) years of money management experience in the venture
5565 capital or private equity or lending industry.

5566 (c) An applicant for certification as a secondary
5567 Mississippi small business investment company must:

5568 (i) File an application with the MDA which shall
5569 include a business plan detailing:

5570 1. The approximate percentage of designated
5571 capital the applicant will invest in qualified businesses by the
5572 second, fourth and sixth anniversaries of its allocation date;

5573 2. The industry segments listed by the North
5574 American Industrial Classification System code and percentage of
5575 designated capital in which the applicant will invest; and

5576 3. The number of jobs that will be created or
5577 retained as a result of the applicant's investments once all
5578 designated capital has been invested. A job shall be considered
5579 created or retained if the job pays one hundred twenty-five
5580 percent (125%) of the state average annual wage and is maintained
5581 for at least three (3) years. The application shall project, at a
5582 minimum, that one (1) job shall be created or maintained for each
5583 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits



5584 awarded to the participating investors of the Mississippi small
5585 business investment company;

5586 (ii) Pay a nonrefundable application fee of Three
5587 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of
5588 filing the application;

5589 (iii) Submit as part of its application an audited
5590 balance sheet that contains an unqualified opinion of an
5591 independent certified public accountant issued not more than
5592 thirty-five (35) days before the application date that states that
5593 the applicant has an equity capitalization of One Hundred Fifty
5594 Thousand Dollars (\$150,000.00) or more in the form of unencumbered
5595 cash, marketable securities or other liquid assets;

5596 (iv) Demonstrate that fifty percent (50%) of all
5597 secondary investment company investments have been in Mississippi,
5598 and all of the applicant's employees have lived in Mississippi for
5599 at least two (2) years prior to the application being filed, and
5600 that those who are employed or engaged to manage the funds have a
5601 minimum of three (3) years of money management experience in the
5602 venture capital or private equity or lending industry; and

5603 (v) Submit as part of its application a signed and
5604 notarized partnership agreement letter with a certified primary
5605 Mississippi small business investment company.

5606 (d) (i) Any participating partner or individual in a
5607 certified secondary small business investment company that
5608 successfully participated in the initial authorization and



5609 allocation of credits in 2012, and which is a partner in a
5610 submitted application for credits allocated in subsection (4) (b)
5611 of this section, while partnered with the same primary small
5612 business investment company from the previous 2012 allocation,
5613 shall have the requirements in paragraph (c) (iii) and (iv) of this
5614 subsection waived as having been completed through the previous
5615 allocation.

5616 (ii) Any participating partner or individual in a
5617 certified secondary small business investment company that
5618 successfully participated in the authorization and allocation of
5619 credits in 2018, and which is a partner in a submitted application
5620 for credits allocated in subsection (4) (c) of this section, while
5621 partnered with the same primary small business investment company
5622 from the previous 2018 allocation, shall have the requirements in
5623 paragraph (c) (iii) and (iv) of this subsection waived as having
5624 been completed through the previous allocation.

5625 (e) The MDA may certify partnerships, corporations,
5626 trusts, or limited liability companies, organized on a for-profit
5627 basis, which submit an application to be designated as a
5628 Mississippi small business investment company if the applicant is
5629 located, headquartered, and licensed or registered to conduct
5630 business in Mississippi, has as its primary business activity the
5631 investment of cash in qualified businesses, and meets all of the
5632 criteria of this section.

5633 (f) The MDA must:



5634 (i) Review the organizational documents of each
5635 applicant for certification and the business history of each
5636 applicant;

5637 (ii) Determine whether the applicant has satisfied
5638 all of the requirements of this section; and

5639 (iii) Determine whether the officers and the board
5640 of directors, general partners, trustees, managers or members are
5641 trustworthy and are thoroughly acquainted with the requirements of
5642 this chapter.

5643 (g) Within forty-five (45) days after the receipt of an
5644 application, the MDA may issue the certification or refuse the
5645 certification and may communicate in detail to the applicant the
5646 grounds for refusal, including suggestions for the removal of the
5647 grounds.

5648 (h) The MDA must begin accepting applications to become
5649 a Mississippi small business investment company not later than
5650 August 1, 2012, for credits allocated in subsection (4)(a) of this
5651 section, not later than August 1, 2018, for credits allocated in
5652 subsection (4)(b) of this section, and not later than August 1,
5653 2023, for credits allocated in subsection (4)(c) of this section.

5654 (i) Certification by the MDA and operation of a primary
5655 Mississippi small business investment company is not subject to
5656 completion of any relationship or agreement with a secondary
5657 Mississippi small business investment company, and it is not the
5658 intent of this chapter to compel any such agreement.



5659 (2) (a) An insurance company or affiliate of an insurance
5660 company must not, directly or indirectly:

5661 (i) Beneficially own, whether through rights,
5662 options, convertible interest, or otherwise, fifteen percent (15%)
5663 or more of the voting securities or other voting ownership
5664 interest of a Mississippi small business investment company;

5665 (ii) Manage a Mississippi small business
5666 investment company; or

5667 (iii) Control the direction of investments for a
5668 Mississippi small business investment company.

5669 (b) A Mississippi small business investment company may
5670 obtain one or more guaranties, indemnities, bonds, insurance
5671 policies, or other payment undertakings for the benefit of its
5672 participating investors from any entity, except that in no case
5673 can more than one (1) participating investor of a Mississippi
5674 small business investment company on an aggregate basis with all
5675 affiliates of the participating investor, be entitled to provide
5676 guaranties, indemnities, bonds, insurance policies, or other
5677 payment undertakings in favor of the participating investors of a
5678 Mississippi small business investment company and its affiliates
5679 in this state.

5680 (c) This subsection (2) does not preclude a
5681 participating investor, insurance company or other party from
5682 exercising its legal rights and remedies, including, without
5683 limitation, interim management of a Mississippi small business



5684 investment company, in the event that a Mississippi small business
5685 investment company is in default of its statutory obligations or
5686 its contractual obligations to a participating investor, insurance
5687 company, or other party, or from monitoring a Mississippi small
5688 business investment company to ensure its compliance with this
5689 chapter or disallowing any investments that have not been approved
5690 by the MDA.

5691 (d) The MDA may contract with an independent third
5692 party to review, investigate, and certify that the applications
5693 comply with the provisions of this chapter.

5694 (3) (a) At the time of its investment of designated capital
5695 a participating investor shall earn a vested credit against the
5696 participating investor's state premium tax liability in an amount
5697 equal to one hundred percent (100%) of the participating
5698 investor's investment of designated capital in a Mississippi small
5699 business investment company, subject to the limits imposed by this
5700 section.

5701 (b) From and after January 1, 2015, a participating
5702 investor may claim the credit allocated in subsection (4)(a) of
5703 this section as follows: For each taxable year from 2015 through
5704 2019, an amount equal to twenty percent (20%) of the participating
5705 investor's investment of designated capital.

5706 (c) From and after January 1, 2021, a participating
5707 investor may claim the credit allocated in subsection (4)(b) of
5708 this section as follows:



5709 (i) For each taxable year from 2021 through 2025,
5710 an amount equal to sixteen and sixty-six one-hundredths percent
5711 (16.66%) of the participating investor's investment of designated
5712 capital; and

5713 (ii) For the 2026 taxable year, an amount equal to
5714 sixteen and seven-tenths percent (16.7%) of the participating
5715 investor's investment of designated capital.

5716 (d) From and after January 1, 2027, a participating
5717 investor may claim the credit allocated in subsection (4)(c) of
5718 this section as follows:

5719 (i) For each taxable year from 2027 through 2031,
5720 an amount equal to sixteen and sixty-six one-hundredths percent
5721 (16.66%) of the participating investor's investment of designated
5722 capital; and

5723 (ii) For the 2032 taxable year, an amount equal to
5724 sixteen and seven-tenths percent (16.7%) of the participating
5725 investor's investment of designated capital.

5726 (e) The credit for any taxable year cannot exceed the
5727 state premium tax liability of the participating investor for the
5728 taxable year. If the amount of the credit exceeds the state
5729 premium tax liability of the participating investor for the
5730 taxable year, the excess is an investment tax credit carryover for
5731 five (5) years from the date the credit is first able to be
5732 utilized in accordance with paragraph (a) of this subsection (3).



5733 (f) Notwithstanding any provision of this chapter to
5734 the contrary, the granting of any credits against the insurance
5735 premium tax shall not affect the insurance premium tax receipts
5736 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,
5737 45-11-5 and 21-29-233, which shall take priority over all other
5738 distributions of premium tax receipts and shall be calculated
5739 based upon gross insurance premium tax liability before the
5740 application of the tax credits.

5741 (g) A participating investor claiming a credit under
5742 this chapter is not required to pay any additional retaliatory tax
5743 under Section 27-15-123 levied as a result of claiming the credit.

5744 (h) A participating investor is not required to reduce
5745 the amount of tax pursuant to the state premium tax liability
5746 included by the participating investor in connection with
5747 ratemaking for any insurance contract written in this state
5748 because of a reduction in the participating investor's tax
5749 liability based on the tax credit allowed under this chapter.

5750 (i) If the taxes paid by a participating investor with
5751 respect to its state premium tax liability constitute a credit
5752 against any other tax that is imposed by this state, the
5753 participating investor's credit against the other tax shall not be
5754 reduced by virtue of the reduction in the participating investor's
5755 tax liability based on the tax credit allowed under this chapter.

5756 (j) Final decertification of a Mississippi small
5757 business investment company under this chapter prior to such



5758 Mississippi small business investment company meeting the
5759 requirements of Section 57-115-7(1)(a)(ii), shall result in the
5760 disallowance and the recapture of all of the credits allocated to
5761 its participating investors under this chapter. Once a
5762 Mississippi small business investment company has satisfied the
5763 requirements of Section 57-115-7(1)(a)(ii), any subsequent
5764 decertification shall not cause the disallowance or recapture of
5765 any credits allocated to its participating investors under this
5766 chapter.

5767 (k) The credits allowed under this chapter are not
5768 transferable; however, a participating investor may transfer
5769 credits to an affiliated insurance company provided it gives prior
5770 written notice of such transfer to the MDA and the Department of
5771 Revenue.

5772 (4) (a) (i) Through January 1, 2018, the aggregate amount
5773 of investment tax credits that may be allocated to all
5774 participating investors of Mississippi small business investment
5775 companies under this section shall not exceed Fifty Million
5776 Dollars (\$50,000,000.00), and no Mississippi small business
5777 investment company, on an aggregate basis with its affiliates, may
5778 file credit allocation claims that exceed Fifty Million Dollars
5779 (\$50,000,000.00).

5780 (ii) The Fifty Million Dollars (\$50,000,000.00)
5781 aggregate amount of investment tax credits allocated in this
5782 paragraph (a) shall be divided into a primary tax credit pool



5783 which may be applied for by certified primary Mississippi small
5784 business investment companies and a secondary tax credit pool
5785 which may be applied for by certified secondary Mississippi small
5786 business investment companies. The secondary tax credit pool
5787 shall be Three Million Five Hundred Thousand Dollars
5788 (\$3,500,000.00) of the total Fifty Million Dollars
5789 (\$50,000,000.00) aggregate amount of investment tax credits.
5790 Secondary Mississippi small business investment companies may not
5791 apply for more than One Million Seven Hundred Fifty Thousand
5792 Dollars (\$1,750,000.00) worth of credits on a single application.
5793 A certified secondary Mississippi small business investment
5794 company may apply for additional tax credit allocation from the
5795 secondary tax credit pool, if the credits are available, after
5796 fifty percent (50%) of its previously allocated credits are used
5797 in qualified investments.

5798 (iii) If there are any tax credits remaining
5799 available for allocation in the secondary tax credit pool on
5800 August 1, 2013, those available tax credits shall revert to the
5801 primary tax credit pool and be made available to primary
5802 Mississippi small business investment companies according to rules
5803 and regulations promulgated by the MDA. Prior to August 1, 2013,
5804 primary Mississippi small business investment companies, including
5805 any wholly owned subsidiary company, shall be prohibited from
5806 making application to the MDA to be additionally certified as a
5807 secondary Mississippi small business investment company for



5808 purposes of the tax credits allocated in this paragraph (a) and
5809 prohibited from applying for any tax credit allocation from the
5810 secondary tax credit pool. A certified primary Mississippi small
5811 business investment company may have ownership equity in a
5812 certified secondary Mississippi small business investment company,
5813 but the equity interest owned by the certified primary Mississippi
5814 small business investment company shall not exceed forty percent
5815 (40%).

5816 (b) (i) From and after July 1, 2018, through January
5817 1, 2023, an additional aggregate amount of investment tax credits
5818 may be allocated to all participating investors of Mississippi
5819 small business investment companies under this section. The
5820 amount so allocated shall not exceed Forty-five Million Dollars
5821 (\$45,000,000.00), and no Mississippi small business investment
5822 company, on an aggregate basis with its affiliates, may file
5823 credit allocation claims on the additional aggregate amount of tax
5824 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5825 (ii) The Forty-five Million Dollars
5826 (\$45,000,000.00) aggregate amount of investment tax credits
5827 allocated in this paragraph (b) shall be divided into a primary
5828 tax credit pool which may be applied for by certified primary
5829 Mississippi small business investment companies and a secondary
5830 tax credit pool which may be applied for by certified secondary
5831 Mississippi small business investment companies. The secondary
5832 tax credit pool shall be Three Million Five Hundred Thousand



5833 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5834 (\$45,000,000.00) aggregate amount of investment tax credits.
5835 Secondary Mississippi small business investment companies may not
5836 apply for more than One Million Seven Hundred Fifty Thousand
5837 Dollars (\$1,750,000.00) worth of credits on a single application.
5838 A certified secondary Mississippi small business investment
5839 company may apply for additional tax credit allocation from the
5840 secondary tax credit pool, if the credits are available, after
5841 fifty percent (50%) of its previously allocated credits are used
5842 in qualified investments.

5843 (iii) If there are any tax credits remaining
5844 available for allocation in the secondary tax credit pool on
5845 August 1, 2019, those available tax credits shall revert to the
5846 primary tax credit pool and be made available to primary
5847 Mississippi small business investment companies according to rules
5848 and regulations promulgated by the MDA. Prior to August 1, 2022,
5849 primary Mississippi small business investment companies, including
5850 any wholly owned subsidiary company, shall be prohibited from
5851 making application to the MDA to be additionally certified as a
5852 secondary Mississippi small business investment company for
5853 purposes of the tax credits allocated in this paragraph (b) and
5854 prohibited from applying for any tax credit allocation from the
5855 secondary tax credit pool. A certified primary Mississippi small
5856 business investment company may have ownership equity in a
5857 certified secondary Mississippi small business investment company,



5858 but the equity interest owned by the certified primary Mississippi
5859 small business investment company shall not exceed forty percent
5860 (40%).

5861 (c) (i) From and after July 1, 2023, an additional
5862 aggregate amount of investment tax credits may be allocated to all
5863 participating investors of Mississippi small business investment
5864 companies under this section. The amount so allocated shall not
5865 exceed Forty-five Million Dollars (\$45,000,000.00), and no
5866 Mississippi small business investment company, on an aggregate
5867 basis with its affiliates, may file credit allocation claims on
5868 the additional aggregate amount of tax credits that exceed
5869 Forty-five Million Dollars (\$45,000,000.00).

5870 (ii) The Forty-five Million Dollars
5871 (\$45,000,000.00) aggregate amount of investment tax credits
5872 allocated in this paragraph (c) shall be divided into a primary
5873 tax credit pool which may be applied for by certified primary
5874 Mississippi small business investment companies and a secondary
5875 tax credit pool which may be applied for by certified secondary
5876 Mississippi small business investment companies. The secondary
5877 tax credit pool shall be Three Million Five Hundred Thousand
5878 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5879 (\$45,000,000.00) aggregate amount of investment tax credits.
5880 Secondary Mississippi small business investment companies may not
5881 apply for more than One Million Seven Hundred Fifty Thousand
5882 Dollars (\$1,750,000.00) worth of credits on a single application.



5883 A certified secondary Mississippi small business investment
5884 company may apply for additional tax credit allocation from the
5885 secondary tax credit pool, if the credits are available, after
5886 fifty percent (50%) of its previously allocated credits are used
5887 in qualified investments.

5888 (iii) If there are any tax credits remaining
5889 available for allocation in the secondary tax credit pool on
5890 August 1, 2024, those available tax credits shall revert to the
5891 primary tax credit pool and be made available to primary
5892 Mississippi small business investment companies according to rules
5893 and regulations promulgated by the MDA. Prior to August 1, 2027,
5894 primary Mississippi small business investment companies, including
5895 any wholly owned subsidiary company, shall be prohibited from
5896 making application to the MDA to be additionally certified as a
5897 secondary Mississippi small business investment company for
5898 purposes of the tax credits allocated in this paragraph (c) and
5899 prohibited from applying for any tax credit allocation from the
5900 secondary tax credit pool. A certified primary Mississippi small
5901 business investment company may have ownership equity in a
5902 certified secondary Mississippi small business investment company,
5903 but the equity interest owned by the certified primary Mississippi
5904 small business investment company shall not exceed forty percent
5905 (40%).

5906 (d) Credits must be allocated to investors in the order
5907 that the credit allocation claims are filed with the MDA.



5908 (e) Any credit allocation claims filed with the MDA
5909 before the initial credit allocation claim filing date will be
5910 deemed to have been filed on the initial credit allocation claim
5911 filing date. The MDA will set the initial credit allocation claim
5912 filing date to be not less than one hundred twenty (120) days and
5913 not more than one hundred fifty (150) days after the date the MDA
5914 begins accepting applications for certification. Credit
5915 allocation claims filed on the same day with the MDA must be
5916 treated as having been filed contemporaneously.

5917 (f) If two (2) or more Mississippi small business
5918 investment companies file credit allocation claims with the MDA on
5919 behalf of their respective participating investors on the same day
5920 and the aggregate amount of credit allocation claims exceeds the
5921 aggregate limit of credits authorized under this subsection (4) or
5922 the lesser amount of credits that remain unallocated on that day,
5923 then the credits shall be allocated among the participating
5924 investors who filed on that day on a pro rata basis with respect
5925 to the amounts claimed. The pro rata allocation for any one (1)
5926 participating investor is the product obtained by multiplying a
5927 fraction, the numerator of which is the amount of the credit
5928 allocation claim filed on behalf of a participating investor and
5929 the denominator of which is the total of all credit allocation
5930 claims filed on behalf of all participating investors on that day,
5931 by the aggregate limit of credits authorized under this subsection



5932 (4) or the lesser amount of credits that remain unallocated on
5933 that day.

5934 (g) Within ten (10) business days after the MDA
5935 receives a credit allocation claim filed by a Mississippi small
5936 business investment company on behalf of one or more of its
5937 participating investors, the MDA may notify the Mississippi small
5938 business investment company of the amount of credits allocated to
5939 each of the participating investors of that Mississippi small
5940 business investment company. In the event a Mississippi small
5941 business investment company does not receive an investment of
5942 designated capital from each participating investor required to
5943 earn the amount of credits allocated to the participating investor
5944 within ten (10) business days of the Mississippi small business
5945 investment company's receipt of notice of allocation, then it
5946 shall notify the MDA on or before the next business day, and the
5947 credits allocated to the participating investor of the Mississippi
5948 small business investment company will be forfeited. The MDA may
5949 then reallocate those forfeited credits among the participating
5950 investors of the other Mississippi small business investment
5951 companies on a pro rata basis with respect to the credit
5952 allocation claims filed on behalf of the participating investors.
5953 The MDA may levy a fine of not more than Fifty Thousand Dollars
5954 (\$50,000.00) on any participating investor that does not invest
5955 the full amount of designated capital required to fund the credits



5956 allocated to it by the MDA in accordance with the credit
5957 allocation claim filed on its behalf.

5958 (h) No participating investor, on an aggregate basis
5959 with its affiliates, may file an allocation claim for more than
5960 twenty-five percent (25%) of the maximum amount of investment tax
5961 credits authorized under this subsection (4), regardless of
5962 whether the claim is made in connection with one or more
5963 Mississippi small business investment companies.

5964 **SECTION 53.** Section 1 of this act shall be codified as a new
5965 section in Chapter 7, Title 27, Mississippi Code of 1972.

5966 **SECTION 54.** Nothing in this act shall affect or defeat any
5967 claim, assessment, appeal, suit, right or cause of action for
5968 taxes due or accrued under the income tax laws, insurance premium
5969 tax laws or ad valorem tax laws before the date on which this act
5970 becomes effective, whether such claims, assessments, appeals,
5971 suits or actions have been begun before the date on which this act
5972 becomes effective or are begun thereafter; and the provisions of
5973 the income tax laws, insurance premium tax laws and ad valorem tax
5974 laws are expressly continued in full force, effect and operation
5975 for the purpose of the assessment, collection and enrollment of
5976 liens for any taxes due or accrued and the execution of any
5977 warrant under such laws before the date on which this act becomes
5978 effective, and for the imposition of any penalties, forfeitures or
5979 claims for failure to comply with such laws.



5980 **SECTION 55.** Sections 1 and 54 of this act shall take effect
5981 and be in force from and after January 1, 2024. The remainder of
5982 this act shall take effect and be in force from and after July 1,
5983 2024.

