

By: Representatives Lamar, Anthony

To: Ways and Means

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. For a taxpayer that is not operating as a
65 corporation, a credit is also allowed against ad valorem taxes
66 assessed and levied on real property for voluntary cash
67 contributions made by the taxpayer during the taxable year to an
68 eligible hospital. The amount of credit that may be utilized by a
69 taxpayer in a taxable year shall be limited to (i) an amount not
70 to exceed fifty percent (50%) of the total tax liability of the
71 taxpayer for the taxes imposed by such sections of law and (ii) an
72 amount not to exceed fifty percent (50%) of the total tax
73 liability of the taxpayer for ad valorem taxes assessed and levied
74 on real property. Any tax credit claimed under this section but
75 not used in any taxable year may be carried forward for five (5)
76 consecutive years from the close of the tax year in which the
77 credits were earned.



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

81 (3) A taxpayer taking a credit authorized by this section
82 shall provide the name of the eligible hospital and the amount of
83 the contribution to the department on forms provided by the
84 department.

85 (4) To be considered an eligible hospital, a hospital shall
86 provide the department with a written certification that it meets
87 all criteria to be considered an eligible hospital. The hospital
88 shall also notify the department of any changes that may affect
89 eligibility under this section.

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

93 (a) Verification of that the hospital meets the
94 definition of eligible hospital under subsection (1)(b) of this
95 section; and

96 (b) Any other information that the department requires
97 to administer this section.

98 (6) The department shall review each written certification
99 and determine whether the hospital meets all the criteria to be
100 considered an eligible hospital and notify the hospital of its
101 determination. The department may also periodically request



102 recertification from the hospital. The department shall compile
103 and make available to the public a list of eligible hospitals.

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

111 (8) (a) A taxpayer shall apply for credits with the
112 department on forms prescribed by the department. In the
113 application the taxpayer shall certify to the department the
114 dollar amount of the contributions made or to be made during the
115 calendar year. Within thirty (30) days after the receipt of an
116 application, the department shall allocate credits based on the
117 dollar amount of contributions as certified in the application.
118 However, if the department cannot allocate the full amount of
119 credits certified in the application due to the limit on the
120 aggregate amount of credits that may be awarded under this section
121 in a calendar year, the department shall so notify the applicant
122 within thirty (30) days with the amount of credits, if any, that
123 may be allocated to the applicant in the calendar year. Once the
124 department has allocated credits to a taxpayer, if the
125 contribution for which a credit is allocated has not been made as
126 of the date of the allocation, then the contribution must be made



127 not later than sixty (60) days from the date of the allocation.
128 If the contribution is not made within such time period, the
129 allocation shall be cancelled and returned to the department for
130 reallocation. Upon final documentation of the contributions, if
131 the actual dollar amount of the contributions is lower than the
132 amount estimated, the department shall adjust the tax credit
133 allowed under this section.

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

146 (9) For calendar year 2024, the aggregate amount of tax
147 credits that may be allocated by the department under this section
148 during the calendar year shall not exceed Eighteen Million Dollars
149 (\$18,000,000.00); for calendar year 2025, the aggregate amount of
150 tax credits that may be allocated by the department under this
151 section during the calendar year shall not exceed Twenty-four



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

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

172 27-7-17. In computing taxable income, there shall be allowed
173 as deductions:

174 (1) **Business deductions.**

175 (a) **Business expenses.** All the ordinary and necessary
176 expenses paid or incurred during the taxable year in carrying on



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

191 (b) **Interest.** All interest paid or accrued during the
192 taxable year on business indebtedness, except interest upon the
193 indebtedness for the purchase of tax-free bonds, or any stocks,
194 the dividends from which are nontaxable under the provisions of
195 this article; provided, however, in the case of securities
196 dealers, interest payments or accruals on loans, the proceeds of
197 which are used to purchase tax-exempt securities, shall be
198 deductible if income from otherwise tax-free securities is
199 reported as income. Investment interest expense shall be limited
200 to investment income. Interest expense incurred for the purchase
201 of treasury stock, to pay dividends, or incurred as a result of an



202 undercapitalized affiliated corporation may not be deducted unless
203 an ordinary and necessary business purpose can be established to
204 the satisfaction of the commissioner. For the purposes of this
205 paragraph, the phrase "interest upon the indebtedness for the
206 purchase of tax-free bonds" applies only to the indebtedness
207 incurred for the purpose of directly purchasing tax-free bonds and
208 does not apply to any other indebtedness incurred in the regular
209 course of the taxpayer's business. Any corporation, association,
210 organization or other entity taxable under Section 27-7-23(c)
211 shall allocate interest expense as provided in Section
212 27-7-23(c) (3) (I).

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

222 (d) **Business losses.**

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



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

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

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

245 (ii) 1. For the purposes of computing income tax
246 for tax years beginning after December 31, 2022, a taxpayer may
247 treat specified research or experimental expenditures that are
248 paid or incurred by the taxpayer during the tax year in connection
249 with the taxpayer's trade or business as expenses that are not
250 chargeable to the capital account. Such expenditures so treated



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

267 2. For the purpose of computing income tax
268 for tax years beginning after December 31, 2022, expenditures for
269 business assets that are qualified property or qualified
270 improvement property shall be eligible for one hundred percent
271 (100%) bonus depreciation and may be deducted as an expense
272 incurred by the taxpayer during the tax year during which the
273 property is placed in service, notwithstanding any changes to
274 federal law related to cost recovery beginning on January 1, 2023,
275 or on any other date. A taxpayer may alternatively treat the



276 depreciation of such business assets in accordance with the
277 schedule provided in 26 USCS Section 168. A taxpayer may make an
278 election whether to take a bonus depreciation deduction for such
279 expenditures and/or to depreciate the expenditures in accordance
280 with 26 USCS Section 168. Such an election may be made for any
281 tax year if made not later than the time prescribed by law for
282 filing the return for such tax year, including extensions thereof.
283 The method so elected by the taxpayer is irrevocable unless the
284 commissioner specifically allows a change in the method.

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

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

295 a. "Qualified improvement property"
296 means and has the same definition as such term has in 26 USCS
297 Section 168(e)(6) as it existed on January 1, 2021, and shall
298 apply to property placed in service after December 31, 2022.

299 b. "Qualified property" means and has
300 the same definition as such term has in 26 USCS Section 168(k) as



301 it existed on January 1, 2021, and shall apply to property placed
302 in service after December 31, 2022.

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

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

309 6. The total of any method or combination of
310 methods of depreciation used under this subparagraph (ii) cannot
311 exceed one hundred percent (100%) of the cost of the subject
312 property.

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

320 (h) **Contributions or gifts.** Except as otherwise
321 provided in paragraph (p) of this subsection or subsection (3)(a)
322 of this section for individuals, contributions or gifts made by
323 corporations within the taxable year to corporations,
324 organizations, associations or institutions, including Community
325 Chest funds, foundations and trusts created solely and exclusively



326 for religious, charitable, scientific or educational purposes, or
327 for the prevention of cruelty to children or animals, no part of
328 the net earnings of which inure to the benefit of any private
329 stockholder or individual. This deduction shall be allowed in an
330 amount not to exceed twenty percent (20%) of the net income. Such
331 contributions or gifts shall be allowable as deductions only if
332 verified under rules and regulations prescribed by the
333 commissioner, with the approval of the Governor. Contributions
334 made in any form other than cash shall be allowed as a deduction,
335 subject to the limitations herein provided, in an amount equal to
336 the actual market value of the contributions at the time the
337 contribution is actually made and consummated.

338 (i) **Reserve funds - insurance companies.** In the case
339 of insurance companies the net additions required by law to be
340 made within the taxable year to reserve funds when such reserve
341 funds are maintained for the purpose of liquidating policies at
342 maturity.

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

346 (k) **Contributions to employee pension plans.**
347 Contributions made by an employer to a plan or a trust forming
348 part of a pension plan, stock bonus plan, disability or
349 death-benefit plan, or profit-sharing plan of such employer for
350 the exclusive benefit of some or all of his, their, or its



351 employees, or their beneficiaries, shall be deductible from his,
352 their, or its income only to the extent that, and for the taxable
353 year in which, the contribution is deductible for federal income
354 tax purposes under the Internal Revenue Code of 1986 and any other
355 provisions of similar purport in the Internal Revenue Laws of the
356 United States, and the rules, regulations, rulings and
357 determinations promulgated thereunder, provided that:

358 (i) The plan or trust be irrevocable.

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

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

369 Contributions to all plans or to all trusts of real or
370 personal property (or real and personal property combined) or to
371 insured plans created under a retirement plan for which provision
372 has been made under the laws of the United States of America,
373 making such contributions deductible from income for federal
374 income tax purposes, shall be deductible only to the same extent
375 under the Income Tax Laws of the State of Mississippi.



376 (1) **Net operating loss carrybacks and carryovers.** A
377 net operating loss for any taxable year ending after December 31,
378 1993, and taxable years thereafter, shall be a net operating loss
379 carryback to each of the three (3) taxable years preceding the
380 taxable year of the loss. If the net operating loss for any
381 taxable year is not exhausted by carrybacks to the three (3)
382 taxable years preceding the taxable year of the loss, then there
383 shall be a net operating loss carryover to each of the fifteen
384 (15) taxable years following the taxable year of the loss
385 beginning with any taxable year after December 31, 1991.

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

392 A net operating loss for any taxable year ending after
393 December 31, 2001, and taxable years thereafter, shall be a net
394 operating loss carryback to each of the two (2) taxable years
395 preceding the taxable year of the loss. If the net operating loss
396 for any taxable year is not exhausted by carrybacks to the two (2)
397 taxable years preceding the taxable year of the loss, then there
398 shall be a net operating loss carryover to each of the twenty (20)
399 taxable years following the taxable year of the loss beginning
400 with any taxable year after the taxable year of the loss.



401 The term "net operating loss," for the purposes of this
402 paragraph, shall be the excess of the deductions allowed over the
403 gross income; provided, however, the following deductions shall
404 not be allowed in computing same:

405 (i) No net operating loss deduction shall be
406 allowed.

407 (ii) No personal exemption deduction shall be
408 allowed.

409 (iii) Allowable deductions which are not
410 attributable to taxpayer's trade or business shall be allowed only
411 to the extent of the amount of gross income not derived from such
412 trade or business.

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

422 (m) **Amortization of pollution or environmental control**
423 **facilities.** Allowance of deduction. Every taxpayer, at his
424 election, shall be entitled to a deduction for pollution or
425 environmental control facilities to the same extent as that



426 allowed under the Internal Revenue Code and the rules,
427 regulations, rulings and determinations promulgated thereunder.

428 (n) **Dividend distributions - real estate investment**
429 **trusts.** "Real estate investment trust" (hereinafter referred to
430 as REIT) shall have the meaning ascribed to such term in Section
431 856 of the federal Internal Revenue Code of 1986, as amended. A
432 REIT is allowed a dividend distributed deduction if the dividend
433 distributions meet the requirements of Section 857 or are
434 otherwise deductible under Section 858 or 860, federal Internal
435 Revenue Code of 1986, as amended. In addition:

436 (i) A dividend distributed deduction shall only be
437 allowed for dividends paid by a publicly traded REIT. A qualified
438 REIT subsidiary shall be allowed a dividend distributed deduction
439 if its owner is a publicly traded REIT.

440 (ii) Income generated from real estate contributed
441 or sold to a REIT by a shareholder or related party shall not give
442 rise to a dividend distributed deduction, unless the shareholder
443 or related party would have received the dividend distributed
444 deduction under this chapter.

445 (iii) A holding corporation receiving a dividend
446 from a REIT shall not be allowed the deduction in Section
447 27-7-15(4) (t).

448 (iv) Any REIT not allowed the dividend distributed
449 deduction in the federal Internal Revenue Code of 1986, as



450 amended, shall not be allowed a dividend distributed deduction
451 under this chapter.

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

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

463 (p) **Contributions of human pharmaceutical products.** To
464 the extent that a "major supplier" as defined in Section
465 27-13-13(2) (d) contributes human pharmaceutical products in excess
466 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
467 determined under Section 170 of the Internal Revenue Code, the
468 charitable contribution limitation associated with those donations
469 shall follow the federal limitation but cannot result in the
470 Mississippi net income being reduced below zero.

471 (q) **Contributions to ABLE trust fund accounts.**
472 Contributions or payments to a Mississippi Achieving a Better Life
473 Experience (ABLE) Program account are deductible as provided under
474 Section 43-28-13.



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

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

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

479 1. Expenses, losses and costs for, related
480 to, or in connection directly or indirectly with the direct or
481 indirect acquisition, use, maintenance or management, ownership,
482 sale, exchange or any other disposition of intangible property to
483 the extent such amounts are allowed as deductions or costs in
484 determining taxable income under this chapter;

485 2. Expenses or losses related to or incurred
486 in connection directly or indirectly with factoring transactions
487 or discounting transactions;

488 3. Royalty, patent, technical and copyright
489 fees;

490 4. Licensing fees; and

491 5. Other similar expenses and costs.

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

495 (iii) "Interest expenses and cost" means amounts
496 directly or indirectly allowed as deductions for purposes of
497 determining taxable income under this chapter to the extent such
498 interest expenses and costs are directly or indirectly for,
499 related to, or in connection with the direct or indirect



500 acquisition, maintenance, management, ownership, sale, exchange or
501 disposition of intangible property.

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

508 (v) "Related entity" means:

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

515 2. A stockholder, or a stockholder's
516 partnership, limited liability company, estate, trust or
517 corporation, if the stockholder and the stockholder's
518 partnerships, limited liability companies, estates, trusts and
519 corporations own, directly, indirectly, beneficially or
520 constructively, in the aggregate, at least fifty percent (50%) of
521 the value of the taxpayer's outstanding stock;

522 3. A corporation, or a party related to the
523 corporation in a manner that would require an attribution of stock
524 from the corporation to the party or from the party to the



525 corporation, if the taxpayer owns, directly, indirectly,
526 beneficially or constructively, at least fifty percent (50%) of
527 the value of the corporation's outstanding stock under regulation
528 prescribed by the commissioner;

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

532 (b) In computing net income, a taxpayer shall add back
533 otherwise deductible interest expenses and costs and intangible
534 expenses and costs directly or indirectly paid, accrued to or
535 incurred, in connection directly or indirectly with one or more
536 direct or indirect transactions with one or more related members.

537 (c) The adjustments required by this subsection shall
538 not apply to such portion of interest expenses and costs and
539 intangible expenses and costs that the taxpayer can establish
540 meets one (1) of the following:

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

544 (ii) The transaction giving rise to the interest
545 expenses and costs or intangible expenses and costs between the
546 taxpayer and related member was done primarily for a valid
547 business purpose other than the avoidance of taxes, and the
548 related member is not primarily engaged in the acquisition, use,



549 maintenance or management, ownership, sale, exchange or any other
550 disposition of intangible property.

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

555 (e) The commissioner may prescribe such regulations as
556 necessary or appropriate to carry out the purposes of this
557 subsection, including, but not limited to, clarifying definitions
558 of terms, rules of stock attribution, factoring and discount
559 transactions.

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

561 (a) The amount allowable for individual nonbusiness
562 itemized deductions for federal income tax purposes where the
563 individual is eligible to elect, for the taxable year, to itemize
564 deductions on his federal return except the following:

565 (i) The deduction for state income taxes paid or
566 other taxes allowed for federal purposes in lieu of state income
567 taxes paid;

568 (ii) The deduction for gaming losses from gaming
569 establishments;

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

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



574 (v) The deduction for medical expenses for the
575 provision of gender transition procedures as defined in Section
576 41-141-3.

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

582 (i) Three Thousand Four Hundred Dollars
583 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
584 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
585 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
586 in the case of married individuals filing a joint or combined
587 return;

588 (ii) One Thousand Seven Hundred Dollars
589 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
590 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
591 Three Hundred Dollars (\$2,300.00) for each calendar year
592 thereafter in the case of married individuals filing separate
593 returns;

594 (iii) Three Thousand Four Hundred Dollars
595 (\$3,400.00) in the case of a head of family; or

596 (iv) Two Thousand Three Hundred Dollars
597 (\$2,300.00) in the case of an individual who is not married.



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

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

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

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

617 (a) The payment(s) for such deductible expenses are
618 made with the grant or loan program of the Paycheck Protection
619 Program as authorized under (i) the Coronavirus Aid, Relief, and
620 Economic Security (CARES) Act and the Consolidated Appropriations
621 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
622 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance



623 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered
624 Venue Operators Grant Program and Restaurant Revitalization Fund
625 authorized by the Economic Aid to Hard-Hit Small Businesses,
626 Nonprofits, and Venues Act, and amended by the federal American
627 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
628 Stabilization Act; and

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

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

633 27-7-22. (1) For any qualified business, as defined in
634 Section 57-51-5, which is located in a county, or portion thereof,
635 designated as an enterprise zone pursuant to Title 57, Chapter 51,
636 Mississippi Code of 1972, there shall be allowed as a credit
637 against the tax imposed by this chapter, an amount equal to One
638 Thousand Dollars (\$1,000.00) per net full-time employee as
639 determined by the average annual employment of the business
640 reported to the Employment Security Commission. Such credit shall
641 be allowed annually to each qualified business for a period not to
642 exceed ten (10) years. If the amount allowable as a credit
643 exceeds the tax imposed by this chapter, the amount of such excess
644 shall not be refundable or carried forward to any other taxable
645 year.

646 For the purpose of determining the credit allowed to a
647 qualified business which is an existing trade or business having



648 expanded its buildings and facilities, the number of net full-time
649 employees shall be the difference between the average annual
650 employment of such business before and after such expansion.

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

655 (2) For any qualified business, as defined in Section
656 57-54-5, there shall be allowed as a credit against the tax
657 imposed by this chapter, an amount equal to One Thousand Dollars
658 (\$1,000.00) per net full-time employee as determined by the
659 average annual employment of the business reported to the
660 Employment Security Commission. Such credit shall be allowed
661 annually to each qualified business for a period not to exceed ten
662 (10) years. If the amount allowable as a credit exceeds the tax
663 imposed by this chapter, the amount of such excess shall not be
664 refundable or carried forward to any other taxable year.

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

670 If the Mississippi Advanced Technology Initiative Act is
671 repealed, any qualified business which had been granted a tax
672 credit under this subsection prior to the date of such repeal



673 shall be entitled to such tax credit until the period for which it
674 was granted expires.

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

687 For the purpose of determining the credit allowed to a
688 qualified company which has expanded its existing buildings and
689 facilities, the number of net full-time employees shall be the
690 difference between the average annual employment of such company
691 before and after such expansion.

692 (4) For any qualified business or industry which is
693 certified as such by the Mississippi Board of Economic Development
694 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
695 any mFlex tax incentive amount for such qualified business's or
696 industry's qualified economic development project, there shall be
697 allowed as a credit against the tax imposed by this chapter, an



698 amount prescribed by, and subject to, the Mississippi Flexible Tax
699 Incentive Act.

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

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

706 27-7-22.3. (1) For taxpayers who are required to pay a job
707 assessment fee as provided in Section 57-10-413, there shall be
708 allowed as a credit against the taxes imposed by this chapter, an
709 amount equal to the amount of the job assessment fee imposed upon
710 such taxpayer pursuant to Section 57-10-413. If the amount
711 allowable as a credit exceeds the tax imposed by this article and
712 Section 27-7-22.3, the amount of such excess shall not be
713 refundable or carried forward to any other taxable year.

714 (2) For any approved company as defined in Section
715 57-10-401, there shall be allowed against the taxes imposed by
716 this chapter on the income of the approved company generated by or
717 arising out of the economic development project (as defined in
718 Section 57-10-401), a credit in an amount not to exceed the total
719 debt service paid under a financing agreement entered into under
720 Section 57-10-409. The tax credit allowed in this subsection
721 shall not exceed the amount of taxes due the State of Mississippi.



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

731 27-7-22.3. (1) For taxpayers who are required to pay a job
732 assessment fee as provided in Section 57-10-413, there shall be
733 allowed as a credit against the taxes imposed by this chapter, an
734 amount equal to the amount of the job assessment fee imposed upon
735 such taxpayer pursuant to Section 57-10-413. If the amount
736 allowable as a credit exceeds the tax imposed by this article and
737 Section 27-7-22.3, the amount of such excess shall not be
738 refundable or carried forward to any other taxable year.

739 (2) For any approved company as defined in Section
740 57-10-401, there shall be allowed against the taxes imposed by
741 this chapter on the income of the approved company generated by or
742 arising out of the economic development project (as defined in
743 Section 57-10-401), a credit in an amount not to exceed the total
744 debt service paid under a financing agreement entered into under
745 Section 57-10-409. The tax credit allowed in this subsection
746 shall not exceed the amount of taxes due the State of Mississippi.



747 The amount of income of the approved company generated by or
748 arising out of the economic development project shall be
749 determined by a formula adopted by the Mississippi Business
750 Finance Corporation.

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

759 27-7-22.3. For any approved company as defined in Section
760 57-10-401, there shall be allowed against the taxes imposed by
761 this chapter on the income of the approved company generated by or
762 arising out of the economic development project (as defined in
763 Section 57-10-401), a credit in an amount not to exceed the total
764 debt service paid under a financing agreement entered into under
765 Section 57-10-409; provided, however, that the tax credit allowed
766 in this subsection shall not exceed eighty percent (80%) of the
767 amount of taxes due the State of Mississippi prior to the
768 application of the credit. To the extent that financing agreement
769 annual payments exceed the amount of the credit authorized
770 pursuant to this section in any taxable year, such excess payment
771 may be recouped from excess credits in succeeding years not to



772 exceed three (3) years following the date upon which the credit
773 was earned. The amount of income of the approved company
774 generated by or arising out of the economic development project
775 shall be determined by a formula adopted by the Mississippi
776 Business Finance Corporation.

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

779 27-7-22.5. (1) (a) For any manufacturer, distributor,
780 wholesale or retail merchant who pays to a county, municipality,
781 school district, levee district or any other taxing authority of
782 the state or a political subdivision thereof, ad valorem taxes
783 imposed on commodities, raw materials, works-in-process, products,
784 goods, wares and merchandise held for resale, a credit against the
785 income taxes imposed under this chapter shall be allowed for the
786 portion of the ad valorem taxes so paid in the amounts prescribed
787 in subsection (2).

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



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

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

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

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

817 (a) For the 1994 taxable year, the tax credit for each
818 location of the taxpayer shall not exceed the lesser of Two



819 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
820 State of Mississippi that are attributable to such location.

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

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

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

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

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

842 (g) For the 2016 taxable year and each taxable year
843 thereafter, the tax credit of the taxpayer shall be the lesser of



844 the amount of the ad valorem taxes described in subsection (1)
845 paid or the amount of income taxes due the State of Mississippi
846 that are attributable to such location.

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

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

857 27-7-22.7. (1) As used in this section, the term "port"
858 means a state, county or municipal port or harbor established
859 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
860 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
861 59-11-1 through 59-11-7.

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

867 (3) Except as otherwise provided by subsection (5) of this
868 section, the amount of the credit allowed pursuant to this section



869 shall be the total of the following charges on export cargo paid
870 by the corporation:

- 871 (a) Receiving into the port;
- 872 (b) Handling to a vessel; and
- 873 (c) Wharfage.

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

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

890 (6) The purpose of the tax credit provided for in this
891 section is to promote the increased use of ports and related
892 facilities in this state, particularly by those taxpayers which
893 would not otherwise use such ports and related facilities without



894 the benefit of such tax credit, and increase the number of port
895 related jobs and other economic development benefits associated
896 with the increased use of such ports and related facilities. It
897 is the intent of the Legislature that in determining whether or
898 not such tax credit will be continued in future years, the
899 attainment of the purposes set forth in this subsection must be
900 demonstrated by the material contained in the reports prepared by
901 the Mississippi Development Authority under Section 27-7-22.9.

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

904 27-7-22.13. (1) For the purposes of this section, the term
905 "financial institution" shall have the meaning set forth in
906 Section 27-7-24.1(h)(i), (ii), (iii), (iv), or (viii).

907 (2) There shall be allowed to a Mississippi employer which
908 is a financial institution a credit against the income taxes
909 imposed under this chapter based upon the net gain, if any, in the
910 number of employees of the financial institution in connection
911 with one of the following transactions:

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

914 (b) The purchase by a Mississippi domiciled financial
915 institution of all or substantially all of the assets (including
916 all or substantially all of the branches) of an out-of-state
917 financial institution;



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

922 (d) The purchase by a Mississippi domiciled financial
923 institution of all or substantially all of the assets (including
924 all or substantially all of the branches) of an out-of-state
925 financial institution in a state other than the State of
926 Mississippi even though:

927 (i) Two (2) or more financial institutions are not
928 merged or consolidated; or

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

931 (e) The purchase by an out-of-state financial
932 institution of all or substantially all of the assets (including
933 all or substantially all of the branches) in the State of
934 Mississippi of a financial institution even though:

935 (i) Two (2) or more financial institutions are not
936 merged or consolidated; or

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

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

941 (a) The number of employees listed on the Employer's
942 Quarterly Contribution Report filed with the Mississippi



943 Employment Security Commission by the financial institution for
944 the month the transaction was completed; and

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

951 (4) The base amount of the credit provided in this section
952 shall be equal to the net gain in the number of employees
953 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The
954 financial institution may claim as a credit against income tax an
955 amount equal to one hundred percent (100%) of the base amount in
956 the tax year the determination is made, eighty percent (80%) in
957 the next year, sixty percent (60%) in the third year, forty
958 percent (40%) in the fourth year and twenty percent (20%) in the
959 fifth year. The credit allowed by this section shall not exceed
960 the amount of the taxes due to the State of Mississippi by the
961 financial institution. Any amount allowable as a credit pursuant
962 to this section that exceeds the financial institution's tax
963 liability shall not be refunded or carried forward to any other
964 taxable year.

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



968 (6) The commission may promulgate regulations to implement
969 this section.

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

972 27-7-22.15. (1) As used in this section, the following
973 words and phrases shall have the meanings ascribed to herein
974 unless the context clearly indicates otherwise:

975 (a) "Approved reforestation practices" means the
976 following practices for establishing a crop of trees suitable for
977 manufacturing into forest products:

978 (i) "Pine and hardwood tree planting practices"
979 including the cost of seedlings, planting by hand or machine, and
980 site preparation.

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

985 (iii) "Direct seeding practices" to establish a
986 crop of pine or oak trees by directly applying seed/acorns to the
987 site including the cost of seed/acorns, seeding and site
988 preparation.

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



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

994 (b) "Eligible tree species" means pine and hardwood
995 commercial tree species suitable for manufacturing into forest
996 products.

997 (c) "Cost-share assistance" means partial financial
998 payment for approved reforestation practices from the state
999 government as authorized under Sections 49-19-201 through
1000 49-19-227, or the federal government.

1001 (d) "Eligible owner" means a private individual, group
1002 or association, but the term shall not mean private corporations
1003 which manufacture products or provide public utility services of
1004 any type or any subsidiary of such corporations.

1005 (e) "Eligible lands" means nonindustrial private lands
1006 owned by a private individual, group or association, but shall not
1007 mean lands owned by private corporations which manufacture
1008 products or provide public utility services of any type or any
1009 subsidiary of such corporations.

1010 (f) "Reforestation prescription or plan" means a
1011 written description of the approved reforestation practices that
1012 the eligible owner plans to use and includes a legal description
1013 and map of the area to be reforested, a list of the tree seedling
1014 or seed species to be used in the reforestation and the site
1015 preparation practices that will be utilized.



1016 (2) Subject to the limitations provided in subsection (3) of
1017 this section, upon submission to the State Tax Commission of the
1018 written verification provided for in subsection (5) of this
1019 section and such other documentation as the State Tax Commission
1020 may require, any eligible owner who incurs costs for approved
1021 reforestation practices for eligible tree species on eligible
1022 lands shall be allowed a credit, in an amount equal to the lesser
1023 of fifty percent (50%) of the actual costs of the approved
1024 reforestation practices or fifty percent (50%) of the average cost
1025 of approved practices as established by the Mississippi Forestry
1026 Commission under Section 49-19-219, against the taxes imposed
1027 pursuant to this chapter for the tax year in which the costs are
1028 incurred.

1029 (3) The maximum amount of the credit provided for in
1030 subsection (2) of this section that may be utilized in any one (1)
1031 taxable year shall not exceed the lesser of Ten Thousand Dollars
1032 (\$10,000.00) or the amount of income tax imposed upon the eligible
1033 owner for the taxable year reduced by the sum of all other credits
1034 allowable to the eligible owner under this chapter, except credit
1035 for tax payments made by or on behalf of the eligible owner. Any
1036 unused portion of the credit may be carried forward for succeeding
1037 tax years. The maximum dollar amount of the credit provided for
1038 in subsection (2) of this section that an eligible owner may
1039 utilize during his lifetime shall be Seventy-five Thousand Dollars
1040 (\$75,000.00) in the aggregate.



1041 (4) If an eligible owner receives any state or federal cost
1042 share assistance funds to defray the cost of an approved
1043 reforestation practice, the cost of that practice on the same acre
1044 or acres within the same tax year is not eligible for the credit
1045 provided in this section unless the eligible owner's adjusted
1046 gross income is less than the federal earned income credit level.

1047 (5) To be eligible for the tax credit, an eligible owner
1048 must have a reforestation prescription or plan prepared for the
1049 eligible lands by a graduate forester of a college, school or
1050 university accredited by the Society of American Foresters or by a
1051 registered forester under the Foresters Registration Law of 1977.
1052 The forester must verify in writing that the reforestation
1053 practices were completed and that the reforestation prescription
1054 or plan was followed.

1055 **SECTION 9.** Section 27-7-22.16, Mississippi Code of 1972, is
1056 brought forward as follows:

1057 27-7-22.16. (1) (a) Except as otherwise provided under
1058 this subsection, the words and phrases used in this section shall
1059 have the meanings ascribed to them in Section 49-35-5, Mississippi
1060 Code of 1972.

1061 (b) "Remediation costs" means reasonable costs paid for
1062 the assessment, investigation, remediation, monitoring and related
1063 activities at a brownfield agreement site which are consistent
1064 with the remedy selected for the site, and costs paid to the
1065 Department of Environmental Quality for the processing of the



1066 brownfield agreement application and administration of a
1067 brownfield agreement. Remediation costs shall not include (i)
1068 costs incurred before June 24, 1999; (ii) costs incurred after the
1069 issuance of a No Further Action letter under Section 49-35-15,
1070 Mississippi Code of 1972; (iii) costs incurred before the
1071 acceptance of a brownfield agreement site into the Mississippi
1072 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
1073 costs incurred for any legal services or litigation costs; and (v)
1074 any funds provided by any federal, state or local governmental
1075 agency or political subdivision.

1076 (2) Subject to the limitations provided in subsection (4) of
1077 this section, upon submission to the State Tax Commission of
1078 information provided for in subsection (5) of this section and any
1079 other documentation as the State Tax Commission may require, any
1080 brownfield party who (a) has conducted remediation at a brownfield
1081 agreement site in accordance with Sections 49-35-1 through
1082 49-35-25 and (b) has incurred remediation costs for activities
1083 under Sections 49-35-1 through 49-35-25, as approved by the
1084 Commission on Environmental Quality, shall be allowed a credit in
1085 an amount equal to twenty-five percent (25%) of the remediation
1086 costs at the brownfield agreement site as approved by the
1087 commission, against the taxes imposed under this chapter for the
1088 tax year in which the costs are incurred.

1089 (3) (a) Before applying for the tax credit authorized in
1090 this section, a brownfield party shall submit an application to



1091 the Department of Environmental Quality for certification that the
1092 brownfield party has conducted remediation at a brownfield
1093 agreement site in accordance with Sections 49-35-1 through
1094 49-35-25 during the tax year(s) for which the credit is sought.
1095 The application shall be on forms prescribed by the Commission on
1096 Environmental Quality and provided by the Department. The
1097 application shall include the following:

1098 (i) A section identifying the brownfield party,
1099 the brownfield agreement site, the date the brownfield agreement
1100 was executed and the tax year for which the credit is sought;

1101 (ii) A certification that the costs to be
1102 submitted to the State Tax Commission are remediation costs
1103 incurred by the brownfield party during the tax year(s) for which
1104 the credit is sought. The certification shall include a listing
1105 of all remediation conducted and the associated costs; and

1106 (iii) Any other information which the Commission
1107 on Environmental Quality or the State Tax Commission deems
1108 appropriate.

1109 (b) Within sixty (60) days after receipt by the
1110 Department of a completed application, the department shall
1111 approve or disapprove the application. The Department shall
1112 notify the brownfield party in writing of its decision. If the
1113 department approves the application, the department shall provide
1114 the brownfield party with certification that the brownfield party
1115 has conducted remediation at a brownfield agreement site in



1116 accordance with Sections 49-35-1 through 49-35-25 during the tax
1117 year(s) for which the credit is sought. If the Department
1118 disapproves the application, the Department shall notify the
1119 brownfield party in writing and state the reasons for the
1120 disapproval.

1121 (c) Within thirty (30) days after receipt of the
1122 Department's decision, the brownfield party may request a hearing
1123 before the Commission regarding the Department's decision to
1124 disapprove the application. An appeal of the Commission's
1125 decision may be taken as provided under Section 49-17-41.

1126 (d) The Department's review of the application under
1127 this section shall be considered a part of the administration of
1128 the brownfield agreement.

1129 (e) The department's review of the application for
1130 review of remediation costs under this section shall be considered
1131 a part of the administration of the brownfield agreement.

1132 (4) (a) The annual credit provided for in this section
1133 shall not exceed the lesser of Forty Thousand Dollars (\$40,000.00)
1134 or the amount of the income tax imposed upon the brownfield party
1135 at the brownfield agreement site for the taxable year as reduced
1136 by the sum of all other credits allowable to the brownfield party
1137 under this chapter, except for credit for tax payments made by or
1138 on behalf of the brownfield party. Any unused portion of the
1139 credit may be carried forward for succeeding tax years.



1140 (b) The maximum total credit under this section for a
1141 brownfield agreement site is One Hundred Fifty Thousand Dollars
1142 (\$150,000.00).

1143 (5) To be eligible for the tax credit, the brownfield party
1144 must submit a copy of the letter from the commission stating the
1145 amount of remediation costs approved by the commission for the
1146 given tax year.

1147 **SECTION 10.** Section 27-7-22.17, Mississippi Code of 1972, is
1148 brought forward as follows:

1149 27-7-22.17. (1) Permanent business enterprises engaged in
1150 operating a project and companies that are members of an
1151 affiliated group that includes such permanent business enterprises
1152 are allowed a job tax credit for taxes imposed by Section 27-7-5
1153 equal to Five Thousand Dollars (\$5,000.00) annually for each net
1154 new full-time employee job for a period of twenty (20) years from
1155 the date the credit commences; however, if the permanent business
1156 enterprise is located in an area that has been declared by the
1157 Governor to be a disaster area and as a direct result of the
1158 disaster the business enterprise is unable to maintain the
1159 required number of employees, the commissioner may extend this
1160 time period for not more than two (2) years. The credit shall
1161 commence on the date selected by the permanent business
1162 enterprise; however, the commencement date shall not be more than
1163 five (5) years from the date the business enterprise commences
1164 commercial production. For the year in which the commencement



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

1187 (2) Any tax credit claimed under this section but not used
1188 in any taxable year may be carried forward for five (5)
1189 consecutive years from the close of the tax year in which the



1190 credits were earned; however, if the permanent business enterprise
1191 is located in an area that has been declared by the Governor to be
1192 a disaster area and as a direct result of the disaster the
1193 business enterprise is unable to use the existing carryforward,
1194 the commissioner may extend the period that the credit may be
1195 carried forward for a period of time not to exceed two (2) years.
1196 The credit that may be utilized each year shall be limited to an
1197 amount not greater than the total state income tax liability of
1198 the permanent business enterprise and the state income tax
1199 liability of any member of the affiliated group that includes such
1200 enterprise that is generated by, or arises out of, the project.

1201 (3) The tax credits provided for in this section shall be in
1202 lieu of the tax credits provided for in Section 57-73-21 and any
1203 permanent business enterprise or any member of the affiliated
1204 group that includes such enterprise utilizing the tax credit
1205 authorized in this section shall not utilize the tax credit
1206 authorized in Section 57-73-21.

1207 (4) As used in this section:

1208 (a) "Project" means a project as defined in Section
1209 57-75-5(f) (iv).

1210 (b) "Affiliated group" means one or more corporations
1211 connected through stock ownership with a common parent corporation
1212 where at least eighty percent (80%) of the voting power of all
1213 classes of stock and at least eighty percent (80%) of each class
1214 of the nonvoting stock of each of the member corporations, except



1215 the common parent corporation, is directly owned by one or more of
1216 the other member corporations; and the common parent corporation
1217 directly owns stock possessing at least eighty percent (80%) of
1218 the voting power of all classes of stock and at least eighty
1219 percent (80%) of each class of the nonvoting stock of at least one
1220 (1) of the other member corporations. As used in this subsection,
1221 the term "stock" does not include nonvoting stock that is limited
1222 and preferred as to dividends.

1223 **SECTION 11.** Section 27-7-22.18, Mississippi Code of 1972, is
1224 brought forward as follows:

1225 27-7-22.18. (1) Any enterprise owning or operating a
1226 project as defined in Section 57-75-5(f) (xviii) is allowed a job
1227 tax credit for taxes imposed by Section 27-7-5 equal to Five
1228 Thousand Dollars (\$5,000.00) annually for each net new full-time
1229 employee job for a period of ten (10) years from the date the
1230 credit commences. The credit shall commence on the date selected
1231 by the enterprise; provided, however, that the commencement date
1232 shall not be more than two (2) years from the date the project
1233 becomes fully operational. For the year in which the commencement
1234 date occurs, the enterprise must select a date on which it has at
1235 least four hundred fifty (450) full-time employees subject to the
1236 Mississippi income tax withholding. From that date to the end of
1237 the year, the credit will be determined based on the remaining
1238 monthly average of full-time employees subject to the Mississippi
1239 income tax withholding. For each year thereafter, the number of



1240 new full-time jobs created shall be determined by calculating the
1241 monthly average number of full-time employees subject to the
1242 Mississippi income tax withholding for the year. For every year
1243 subsequent to the year the commencement date occurs, the credit is
1244 not allowed for any year in which the overall monthly average
1245 number of full-time employees subject to the Mississippi income
1246 tax withholding falls below the minimum jobs requirement provided
1247 in Section 57-75-5(f) (xviii). The State Tax Commission shall
1248 adjust the credit allowed each year for the net new employment
1249 fluctuations.

1250 (2) For the first five (5) years in which a tax credit is
1251 claimed under this section, any tax credit claimed but not used in
1252 any taxable year may be carried forward for five (5) consecutive
1253 years from the close of the tax year in which the credits were
1254 earned. For the remainder of the ten-year period, any tax credit
1255 claimed under this section but not used in any taxable year may be
1256 carried forward for three (3) consecutive years from the close of
1257 the tax year in which the credits were earned. The credit that
1258 may be utilized each year shall be limited to an amount not
1259 greater than the total state income tax liability of the
1260 enterprise that is generated by, or arises out of, the project.

1261 (3) The tax credits provided for in this section shall be in
1262 lieu of the tax credits provided for in Section 57-73-21 and any
1263 enterprise utilizing the tax credit authorized in this section
1264 shall not utilize the tax credit authorized in Section 57-73-21.



1265 **SECTION 12.** Section 27-7-22.19, Mississippi Code of 1972, is
1266 brought forward as follows:

1267 27-7-22.19. (1) Integrated suppliers are allowed a job tax
1268 credit for taxes imposed by Section 27-7-5 equal to One Thousand
1269 Dollars (\$1,000.00) annually for each net new full-time employee
1270 for five (5) years from the date the credit commences; however, if
1271 the integrated supplier is located in an area that has been
1272 declared by the Governor to be a disaster area and as a direct
1273 result of the disaster the integrated supplier is unable to
1274 maintain the required number of employees, the commissioner may
1275 extend this time period for not more than two (2) years. The
1276 credit shall commence on the date selected by the integrated
1277 supplier; provided, however, that the commencement date shall not
1278 be more than five (5) years from the date the integrated supplier
1279 commences commercial production. For the year in which the
1280 commencement date occurs, the number of new full-time jobs shall
1281 be determined by using the monthly average number of full-time
1282 employees subject to Mississippi income tax withholding.
1283 Thereafter, the number of new full-time jobs shall be determined
1284 by comparing the monthly average number of full-time employees
1285 subject to Mississippi income tax withholding for the taxable year
1286 with the corresponding period of the prior taxable year. Only
1287 those integrated suppliers that increase employment by twenty (20)
1288 or more are eligible for the credit. The credit is not allowed
1289 during any of the five (5) years if the net employment increase



1290 falls below twenty (20); however, if the integrated supplier is
1291 located in an area that has been declared by the Governor to be a
1292 disaster area and as a direct result of the disaster the
1293 integrated supplier is unable to maintain the required number of
1294 employees, the commissioner may waive the employment requirement
1295 for a period of time not to exceed two (2) years. The State Tax
1296 Commission shall adjust the credit allowed each year for the net
1297 new employment fluctuations above the minimum level of twenty
1298 (20).

1299 (2) Any tax credit claimed under this section but not used
1300 in any taxable year may be carried forward for five (5)
1301 consecutive years from the close of the tax year in which the
1302 credits were earned; however, if the integrated supplier is
1303 located in an area that has been declared by the Governor to be a
1304 disaster area and as a direct result of the disaster the
1305 integrated supplier is unable to use the existing carryforward,
1306 the commissioner may extend the period that the credit may be
1307 carried forward for a period of time not to exceed two (2) years.
1308 The credit that may be utilized each year shall be limited to an
1309 amount not greater than fifty percent (50%) of the taxpayer's
1310 state income tax liability which is attributable to income derived
1311 from operation in the state for that year.

1312 (3) The tax credits provided for in this section shall be in
1313 lieu of the tax credits provided for in Section 57-73-21, and any
1314 integrated supplier utilizing the tax credit authorized in this



1315 section shall not utilize the tax credit authorized in Section
1316 57-73-21.

1317 (4) As used in this section the term "integrated supplier"
1318 means a supplier located on the project site which provides goods
1319 or services on the project site solely for a project as defined in
1320 Section 57-75-5(f)(iv)1.

1321 **SECTION 13.** Section 27-7-22.20, Mississippi Code of 1972, is
1322 brought forward as follows:

1323 27-7-22.20. (1) An enterprise owning or operating a project
1324 as defined in Section 57-75-5(f)(xviii) is allowed an annual
1325 investment tax credit for taxes imposed by Section 27-7-5 equal to
1326 seven and one-half percent (7-1/2%) of the eligible investments
1327 made by the enterprise. The credit shall commence on the date
1328 selected by the enterprise; provided, however, that the
1329 commencement date shall not be more than two (2) years from the
1330 date the project becomes fully operational. For the purposes of
1331 this section, the term "eligible investment" means the amount of
1332 investment in a project as defined in Section 57-75-5(f)(xviii)
1333 that is greater than Four Hundred Million Dollars
1334 (\$400,000,000.00) and used in the initial establishment of the
1335 project.

1336 (2) Any tax credit claimed under this section but not used
1337 in any taxable year may be carried forward for ten (10)
1338 consecutive years from the close of the tax year in which the
1339 credits were earned. The credit that may be utilized in any one



1340 tax year shall be limited to an amount not greater than the total
1341 state income tax liability of the enterprise for that year that is
1342 generated by, or arises out of, the project.

1343 (3) The credit received under this section is subject to
1344 recapture if the property for which the tax credit was received is
1345 disposed of, or converted to, other than business use. The amount
1346 of the credit subject to recapture is one hundred percent (100%)
1347 of the credit in the first year and fifty percent (50%) of the
1348 credit in the second year. This subsection shall not apply in
1349 cases in which an entire facility is sold.

1350 **SECTION 14.** Section 27-7-22.21, Mississippi Code of 1972, is
1351 brought forward as follows:

1352 27-7-22.21. (1) As used in this section, the following
1353 words and phrases shall have the following meanings, unless the
1354 context clearly indicates otherwise:

1355 (a) "Eligible land" means nonindustrial private lands
1356 in the state that are adjacent to and along a stream which is
1357 fully nominated to the Mississippi Scenic Streams Stewardship
1358 Program, or nonindustrial private lands in the state which are
1359 considered to be priority sites for conservation under the
1360 Mississippi Natural Heritage Program.

1361 (b) "Eligible owner" means a private individual, group
1362 or association other than a private corporation, or any subsidiary
1363 thereof, which manufactures products or provides public utility
1364 services of any type.



1365 (c) "Interest in land" means any right in real
1366 property, including access thereto or improvements thereon, or
1367 water, including, but not limited to, a fee simple easement, a
1368 conservation easement, provided such interest complies with the
1369 requirements of the United States Internal Revenue Code Section
1370 170(h), partial interest, mineral right, remainder or future
1371 interest, or other interest or right in real property.

1372 (d) "Land" or "lands" means real property, with or
1373 without improvements thereon, rights-of-way, water and riparian
1374 rights, easements, privileges and all other rights or interests of
1375 any land or description in, relating to, or connected with real
1376 property.

1377 (e) "Allowable transaction costs" mean the costs of the
1378 appraisal of the lands or interests in lands, including
1379 conservation easements, that are being donated, of the baseline
1380 survey of the natural features, animals and plants present on the
1381 site, of engineering and surveying fees, of maintenance fees, of
1382 monitoring fees and of legal fees, including the costs of document
1383 preparation, title review and title insurance.

1384 (f) "Specified conservation purposes" mean the
1385 preservation of stream bank habitats and the stability of stream
1386 banks, or the protection of land necessary because of high
1387 biodiversity significance or high protection urgency due to the
1388 presence of exemplary natural communities or species of special
1389 concern, including threatened or endangered species.



1390 (2) For the taxable years beginning on or after January 1,
1391 2003, for any income taxpayer who is an eligible owner, a credit
1392 against the taxes imposed by this chapter shall be allowed in the
1393 amounts provided in this section upon the donation of land or an
1394 interest in land for specified conservation purposes.

1395 (3) The credit provided for in this section shall be fifty
1396 percent (50%) of the allowable transaction costs involved in the
1397 donation for the tax year in which the allowable transaction costs
1398 occur. The aggregate amount of the credit provided in this
1399 section for allowable transaction costs shall not exceed the
1400 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
1401 imposed upon the taxpayer for the taxable year reduced by the sum
1402 of all other credits allowable to such taxpayer under this
1403 chapter, except credit for tax payments made by or on behalf of
1404 the taxpayer. Any unused portion of the credit may be carried
1405 forward for ten (10) succeeding tax years. The maximum dollar
1406 amount of the credit provided for in this section that an eligible
1407 owner may utilize during his lifetime shall be Ten Thousand
1408 Dollars (\$10,000.00) in the aggregate.

1409 (4) To be eligible for the credit provided for in this
1410 section, an eligible owner must demonstrate that the donation
1411 qualifies as a conservation contribution under Section 170(h) of
1412 the United States Internal Revenue Code of 1986, by means of being
1413 a donation in perpetuity, for conservation purposes and made to a
1414 qualified holder or donee. A letter from the donee indicating



1415 acceptance and a completed copy of the appropriate United States
1416 Internal Revenue Service form shall constitute proof of
1417 acceptance. The eligible owner also must submit any other
1418 documentation that the State Tax Commission may require.

1419 **SECTION 15.** Section 27-7-22.22, Mississippi Code of 1972, is
1420 brought forward as follows:

1421 27-7-22.22. (1) A credit is allowed against the taxes
1422 imposed by this chapter to a taxpayer for allowing land owned by
1423 the taxpayer to be used as a natural area preserve, a wildlife
1424 refuge or habitat area, a wildlife management area, or for the
1425 purpose of providing public outdoor recreational opportunities, as
1426 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
1427 the following conditions and limitations:

1428 (a) The land may not be under lease to the Mississippi
1429 Commission on Wildlife, Fisheries and Parks, and the commission
1430 must approve the land as being suitable for the uses described in
1431 this section.

1432 (b) The amount of the tax credit allowed by this
1433 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
1434 land in each taxable year.

1435 (c) In no event shall the amount of the tax credits
1436 allowed by this section for a taxable year exceed the taxpayer's
1437 liability for those taxes. Any unused credit amount shall be
1438 allowed to be carried forward for five (5) years from the close of
1439 the taxable year in which the land was approved for such a use.



1440 No such credit shall be allowed the taxpayer against prior years'
1441 tax liability.

1442 (2) To claim a credit allowed by this section, the taxpayer
1443 shall provide any information required by the Mississippi
1444 Commission on Wildlife, Fisheries and Parks or the Mississippi
1445 Commissioner of Revenue. Every taxpayer claiming a credit under
1446 this section shall maintain and make available for inspection by
1447 the Mississippi Commission on Wildlife, Fisheries and Parks or the
1448 Mississippi Commissioner of Revenue any records that either entity
1449 considers necessary to determine and verify the amount of the
1450 credit to which the taxpayer is entitled. The burden of proving
1451 eligibility for a credit and the amount of the credit rests upon
1452 the taxpayer, and no credit may be allowed to a taxpayer that
1453 fails to maintain adequate records or to make them available for
1454 inspection.

1455 (3) Upon approval of the Commission on Wildlife, Fisheries
1456 and Parks under subsection (1) (a), a taxpayer seeking to claim any
1457 tax credit provided for under this section must submit an
1458 application to the Mississippi Commissioner of Revenue for
1459 approval of the tax credit. The Mississippi Commissioner of
1460 Revenue shall promulgate the rules and forms on which the
1461 application is to be submitted. The Mississippi Commissioner of
1462 Revenue shall review the application and may approve such
1463 application upon determining that it meets the requirements of



1464 this section within sixty (60) days after receiving the
1465 application.

1466 **SECTION 16.** Section 27-7-22.23, Mississippi Code of 1972, is
1467 brought forward as follows:

1468 27-7-22.23. (1) As used in this section, the term "port"
1469 means a state, county or municipal port or harbor established
1470 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
1471 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
1472 59-11-1 through 59-11-7.

1473 (2) Subject to the provisions of this section, for any
1474 income taxpayer utilizing the port facilities at any port for the
1475 import of cargo that is unloaded from a carrier calling at any
1476 such port, a credit against the taxes imposed pursuant to this
1477 chapter shall be allowed in the amounts provided in this section.
1478 In order to be eligible for the credit authorized under this
1479 section, a taxpayer must locate its United States headquarters in
1480 Mississippi on or after July 1, 2004, employ at least five (5)
1481 permanent full-time employees who actually work at such
1482 headquarters and have a minimum capital investment of Two Million
1483 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this
1484 section, "full-time employee" shall mean an employee who works at
1485 least thirty-five (35) hours per week.

1486 (3) (a) Except as otherwise provided by subsection (4) of
1487 this section, the amount of the credit allowed pursuant to this



1488 section shall be the total of the following charges on import of
1489 cargo paid by the corporation:

- 1490 (i) Receiving into the port;
- 1491 (ii) Handling from a vessel; and
- 1492 (iii) Wharfage.

1493 (b) The credit allowed pursuant to this section shall
1494 not include charges paid by a corporation on the import of forest
1495 products.

1496 (4) The credit provided for in this section shall not exceed
1497 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1498 for the taxable year reduced by the sum of all other credits
1499 allowable to such taxpayer under this chapter, except credit for
1500 tax payments made by or on behalf of the taxpayer. Any unused
1501 portion of the credit may be carried forward for the succeeding
1502 five (5) years. The maximum cumulative credit that may be claimed
1503 by a taxpayer under this section is limited to One Million Dollars
1504 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1505 more than twenty-five (25) permanent full-time employees at its
1506 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
1507 if the taxpayer employs more than twenty-five (25), but not more
1508 than one hundred (100) permanent full-time employees at its
1509 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1510 if the taxpayer employs more than one hundred (100), but not more
1511 than two hundred (200) permanent full-time employees at its
1512 headquarters in Mississippi; and Four Million Dollars



1513 (\$4,000,000.00) if the taxpayer employs more than two hundred
1514 (200) permanent full-time employees at its headquarters in
1515 Mississippi.

1516 (5) To obtain the credit provided for in this section, a
1517 taxpayer must provide to the Department of Revenue a statement
1518 from the governing authority of the port certifying the amount of
1519 charges paid by the taxpayer for which a credit is claimed and any
1520 other information required by the Department of Revenue.

1521 **SECTION 17.** Section 27-7-22.25, Mississippi Code of 1972, is
1522 brought forward as follows:

1523 27-7-22.25. (1) As used in this section, the term "airport"
1524 means an airport established pursuant to Chapters 3 and 5, Title
1525 61, Mississippi Code of 1972.

1526 (2) Subject to the provisions of this section, for any
1527 income taxpayer utilizing the facilities at any airport for the
1528 export or import of cargo that is unloaded from a carrier at any
1529 such airport, a credit against the taxes imposed pursuant to this
1530 chapter shall be allowed in the amounts provided in this section.
1531 In order to be eligible for the credit authorized under this
1532 section, a taxpayer must locate its United States headquarters in
1533 Mississippi on or after July 1, 2005, employ at least five (5) new
1534 permanent full-time employees who actually work at such
1535 headquarters and, after July 1, 2005, invest a minimum of Two
1536 Million Dollars (\$2,000,000.00), in the aggregate, in real
1537 property and/or personal property in Mississippi. For the



1538 purposes of this section, "full-time employee" shall mean an
1539 employee who works at least thirty-five (35) hours per week.

1540 (3) Except as otherwise provided by subsection (4) of this
1541 section, the amount of the credit allowed pursuant to this section
1542 shall be the total of the following charges on import or export of
1543 cargo paid by the corporation:

- 1544 (a) Receiving into the airport;
- 1545 (b) Aircraft marshalling or handling fees; and
- 1546 (c) Aircraft landing fees.

1547 (4) The credit provided for in this section shall not exceed
1548 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1549 for the taxable year reduced by the sum of all other credits
1550 allowable to such taxpayer under this chapter, except credit for
1551 tax payments made by or on behalf of the taxpayer. Any unused
1552 portion of the credit may be carried forward for the succeeding
1553 five (5) years. The maximum cumulative credit that may be claimed
1554 by a taxpayer under this section is limited to One Million Dollars
1555 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1556 more than twenty-five (25) permanent full-time employees at its
1557 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
1558 if the taxpayer employs more than twenty-five (25), but not more
1559 than one hundred (100) permanent full-time employees at its
1560 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1561 if the taxpayer employs more than one hundred (100), but not more
1562 than two hundred (200) permanent full-time employees at its



1563 headquarters in Mississippi; and Four Million Dollars
1564 (\$4,000,000.00) if the taxpayer employs more than two hundred
1565 (200) permanent full-time employees at its headquarters in
1566 Mississippi.

1567 (5) To obtain the credit provided for in this section, a
1568 taxpayer must provide to the Department of Revenue a statement
1569 from the governing authority of the airport certifying the amount
1570 of charges paid by the taxpayer for which a credit is claimed and
1571 any other information required by the Department of Revenue.

1572 (6) Any taxpayer who is eligible, before July 1, 2025, for
1573 the credit provided for in this section, shall remain eligible for
1574 such credit after July 1, 2025, notwithstanding the repeal of this
1575 section.

1576 **SECTION 18.** Section 27-7-22.27, Mississippi Code of 1972, is
1577 brought forward as follows:

1578 27-7-22.27. (1) As used in this section:

1579 (a) "Business enterprises" means entities primarily
1580 engaged in:

1581 (i) Manufacturing, processing, warehousing,
1582 distribution, wholesaling and research and development, or

1583 (ii) Permanent business enterprises designated by
1584 rule and regulation of the Mississippi Development Authority as
1585 air transportation and maintenance facilities, final destination
1586 or resort hotels having a minimum of one hundred fifty (150) guest
1587 rooms, recreational facilities that impact tourism, movie industry



1588 studios, telecommunications enterprises, data or information
1589 processing enterprises or computer software development
1590 enterprises or any technology intensive facility or enterprise.

1591 (b) "Economically distressed community" means an area
1592 within a municipality that contains groupings of census tracts
1593 that include and are contiguous to the central business district,
1594 where within such census tract groupings at least thirty percent
1595 (30%) of the residents have incomes that are less than the
1596 national poverty level as published by the United States Bureau of
1597 the Census in the most recent decennial census for which data is
1598 available; in which the unemployment rate is at least one and
1599 one-half (1-1/2) times greater than the national average, as
1600 determined by the most recent data from the United States Bureau
1601 of Labor Statistics, including estimates of unemployment developed
1602 using the calculation method of the United States Bureau of Labor
1603 Statistics Census Share; and

1604 (i) The municipal population of which is at least
1605 four thousand (4,000) if any portion of the municipality is
1606 located within a metropolitan area with a population of fifty
1607 thousand (50,000), or more; or

1608 (ii) The municipal population of which is at least
1609 one thousand (1,000) if no portion of the municipality is located
1610 within a metropolitan area with a population of fifty thousand
1611 (50,000), or more.



1612 (c) "Telecommunications enterprises" means entities
1613 engaged in the creation, display, management, storage, processing,
1614 transmission or distribution for compensation of images, text,
1615 voice, video or data by wire or by wireless means, or entities
1616 engaged in the construction, design, development, manufacture,
1617 maintenance or distribution for compensation of devices, products,
1618 software or structures used in the above activities. Companies
1619 organized to do business as commercial broadcast radio stations,
1620 television stations or news organizations primarily serving
1621 in-state markets shall not be included within the definition of
1622 the term "telecommunications enterprises."

1623 (2) The governing authorities of a municipality may
1624 designate an area within such municipality as an economically
1625 distressed community.

1626 (3) Upon designation of an area within a municipality as an
1627 economically distressed community, the governing authorities of a
1628 municipality shall apply to the State Tax Commission for
1629 certification of the area as an economically distressed community.
1630 Such application shall provide the information necessary to
1631 establish certification as an economically distressed community.
1632 The State Tax Commission shall certify an area within a
1633 municipality as an economically distressed community if it finds
1634 that the designation meets the criteria provided for in subsection
1635 (1)(b) of this section.



1636 (4) Permanent business enterprises in areas within
1637 municipalities certified by the State Tax Commission as
1638 economically distressed communities are allowed a job tax credit
1639 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of
1640 the payroll of the enterprise for net new full-time employee jobs
1641 for five (5) years beginning with years two (2) through six (6)
1642 after the creation of the minimum number of jobs required by this
1643 subsection. The number of new full-time jobs must be determined
1644 by comparing the monthly average number of full-time employees
1645 subject to the Mississippi income tax withholding for the taxable
1646 year with the corresponding period of the prior taxable year.
1647 Only those permanent business enterprises that increase employment
1648 by ten (10) or more in an economically distressed community are
1649 eligible for the credit. Credit is not allowed during any of the
1650 five (5) years if the net employment increase falls below ten
1651 (10). The State Tax Commission shall adjust the credit allowed
1652 each year for the net new employment fluctuations above the
1653 minimum level of ten (10).

1654 (5) Tax credits for five (5) years for the taxes imposed by
1655 Section 27-7-5 shall be awarded for additional net new full-time
1656 jobs created by business enterprises qualified under this section.
1657 The State Tax Commission shall adjust the credit allowed in the
1658 event of payroll fluctuations during the additional five (5) years
1659 of credit.



1660 (6) The sale, merger, acquisition, reorganization,
1661 bankruptcy or relocation from one (1) county to another county
1662 within the state of any business enterprise may not create new
1663 eligibility in any succeeding business entity, but any unused job
1664 tax credit may be transferred and continued by any transferee of
1665 the business enterprise. The State Tax Commission shall determine
1666 whether or not qualifying net increases or decreases have occurred
1667 or proper transfers of credit have been made and may require
1668 reports, promulgate regulations, and hold hearings as needed for
1669 substantiation and qualification.

1670 (7) Any tax credit claimed under this section but not used
1671 in any taxable year may be carried forward for five (5) years from
1672 the close of the tax year in which the qualified jobs were
1673 established but the credit established by this section taken in
1674 any one (1) tax year must be limited to an amount not greater than
1675 fifty percent (50%) of the taxpayer's state income tax liability
1676 which is attributable to income derived from operations in the
1677 state for that year.

1678 (8) No business enterprise for the transportation, handling,
1679 storage, processing or disposal of hazardous waste is eligible to
1680 receive the tax credits provided in this section.

1681 (9) The credits allowed under this section shall not be used
1682 by any business enterprise or corporation other than the business
1683 enterprise actually qualifying for the credits.



1684 (10) A business enterprise that receives a tax credit under
1685 this section shall not be eligible for the tax credit authorized
1686 in Section 57-73-21(2), (3) and (4).

1687 **SECTION 19.** Section 27-7-22.28, Mississippi Code of 1972, is
1688 brought forward as follows:

1689 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,
1690 the following terms and phrases shall have the meanings ascribed
1691 in this section unless the context clearly indicates otherwise:

1692 (a) "Alternative energy project" means a business
1693 enterprise engaged in manufacturing or producing alternative
1694 energy in this state with not less than fifty percent (50%) of the
1695 finished product being derived from resources or products from
1696 this state.

1697 (b) "Authority" means the Mississippi Development
1698 Authority.

1699 (c) "Producer" means a manufacturer or producer of
1700 alternative energy through an alternative fuels project.

1701 (d) "State" means the State of Mississippi.

1702 **SECTION 20.** Section 27-7-22.29, Mississippi Code of 1972, is
1703 brought forward as follows:

1704 27-7-22.29. (1) Producers are allowed a job tax credit for
1705 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
1706 (\$1,000.00) annually for each net new full-time employee job for a
1707 period of twenty (20) years from the date the credit begins;
1708 however, if the producer is located in an area that has been



1709 declared by the Governor to be a disaster area and as a direct
1710 result of the disaster the producer is unable to maintain the
1711 required number of employees, the commissioner may extend this
1712 time period for not more two (2) years. The credit shall begin on
1713 the date selected by the producer; however, the beginning date
1714 shall not be more than five (5) years from the date the producer
1715 begins manufacturing or producing alternative energy. For the
1716 year in which the beginning date occurs, the number of new
1717 full-time jobs shall be determined by using the monthly average
1718 number of full-time employees subject to the Mississippi income
1719 tax withholding. Thereafter, the number of new full-time jobs
1720 shall be determined by comparing the monthly average number of
1721 full-time employees subject to the Mississippi income tax
1722 withholding for the taxable year with the corresponding period of
1723 the prior taxable year. Once a producer creates twenty-five (25)
1724 or more new full-time employee jobs, the producer shall be
1725 eligible for the credit; however, if the producer is located in an
1726 area that has been declared by the Governor to be a disaster area
1727 and as a direct result of the disaster the producer is unable to
1728 maintain the required number of employees, the commissioner may
1729 waive the employment requirement for a period of time not to
1730 exceed two (2) years. The credit is not allowed for any year of
1731 the twenty-year period in which the overall monthly average number
1732 of full-time employees subject to the Mississippi income tax
1733 withholding falls below twenty-five (25). The State Tax



1734 Commission shall adjust the credit allowed each year for the net
1735 new employment fluctuations above twenty-five (25).

1736 (2) Any tax credit claimed under this section but not used
1737 in any taxable year may be carried forward for five (5)
1738 consecutive years from the close of the tax year in which the
1739 credits were earned; however, if the producer is located in an
1740 area that has been declared by the Governor to be a disaster area
1741 and as a direct result of the disaster the producer is unable to
1742 use the existing carryforward, the commissioner may extend the
1743 period that the credit may be carried forward for a period of time
1744 not to exceed two (2) years. The credit that may be utilized each
1745 year shall be limited to an amount not greater than the total
1746 state income tax liability of the producer that is generated by,
1747 or arises out of, the alternative energy project.

1748 (3) The tax credits provided for in this section shall be in
1749 lieu of the tax credits provided for in Section 57-73-21 and any
1750 producer utilizing the tax credit authorized in this section shall
1751 not utilize the tax credit authorized in Section 57-73-21.

1752 **SECTION 21.** Section 27-7-22.30, Mississippi Code of 1972, is
1753 brought forward as follows:

1754 27-7-22.30. (1) As used in this section:

1755 (a) "Manufacturing enterprise" means an enterprise
1756 that:

1757 (i) Falls within the definition of the term
1758 "manufacturer" in Section 27-65-11; and



1759 (ii) Has operated in this state for not less than
1760 two (2) years prior to application for the credit authorized by
1761 this section.

1762 The term "manufacturing enterprise" does not include any
1763 medical cannabis establishment as defined in the Mississippi
1764 Medical Cannabis Act.

1765 (b) "Eligible investment" means an investment of at
1766 least One Million Dollars (\$1,000,000.00) in buildings and/or
1767 equipment for the manufacturing enterprise.

1768 (2) A manufacturing enterprise is allowed a manufacturing
1769 investment tax credit for taxes imposed by Section 27-7-5 equal to
1770 five percent (5%) of the eligible investments made by the
1771 manufacturing enterprise.

1772 (3) Any tax credit claimed under this section but not used
1773 in any taxable year may be carried forward for five (5) years from
1774 the close of the tax year in which the eligible investment was
1775 made, but the credit established by this section taken in any one
1776 tax year shall not exceed fifty percent (50%) of the taxpayer's
1777 state income tax liability which is attributable to income derived
1778 from operations in the state for that year reduced by the sum of
1779 all other income tax credits allowable to the taxpayer, except
1780 credit for tax payments made by or on behalf of the taxpayer.

1781 (4) The maximum credit that may be claimed by a taxpayer on
1782 any project shall be limited to One Million Dollars
1783 (\$1,000,000.00).



1784 (5) The credit received under this section is subject to
1785 recapture if the property for which the tax credit was received is
1786 disposed of, or converted to, other than business use. The amount
1787 of the credit subject to recapture is one hundred percent (100%)
1788 of the credit in the first year and fifty percent (50%) of the
1789 credit in the second year. This subsection shall not apply in
1790 cases in which an entire facility is sold.

1791 (6) The sale, merger, acquisition, reorganization,
1792 bankruptcy or relocation from one (1) county to another county
1793 within the state of any manufacturing enterprise may not create
1794 new eligibility in any succeeding business entity, but any unused
1795 manufacturing investment tax credit may be transferred and
1796 continued by any transferee of the enterprise. The department
1797 shall determine whether or not qualifying net increases or
1798 decreases have occurred or proper transfers of credit have been
1799 made and may require reports, promulgate regulations, and hold
1800 hearings as needed for substantiation and qualification.

1801 (7) No manufacturing enterprise for the transportation,
1802 handling, storage, processing or disposal of hazardous waste is
1803 eligible to receive the tax credits provided in this section.

1804 (8) The credits allowed under this section shall not be used
1805 by any business enterprise or corporation other than the
1806 manufacturing enterprise actually qualifying for the credits.

1807 **SECTION 22.** Section 27-7-22.31, Mississippi Code of 1972, is
1808 brought forward as follows:



1809 27-7-22.31. (1) As used in this section:

1810 (a) "Certified historic structure" means a property
1811 located in Mississippi that has been:

1812 (i) Listed individually on the National Register
1813 of Historic Places; or

1814 (ii) Determined eligible for the National Register
1815 of Historic Places by the Secretary of the United States
1816 Department of the Interior and will be listed within thirty (30)
1817 months of claiming the rebate or credit authorized by this
1818 section; or

1819 (iii) Property designated a Mississippi Landmark
1820 by the Department of Archives and History pursuant to Section
1821 39-7-3 et seq.

1822 (b) "Eligible property" means property located in
1823 Mississippi and offered or used for residential or business
1824 purposes.

1825 (c) "Structure in a certified historic district" means
1826 a structure (and its structural components) located in Mississippi
1827 which:

1828 (i) Is listed in the National Register of Historic
1829 Places; or

1830 (ii) Has been determined eligible for the National
1831 Register of Historic Places by the Secretary of the United States
1832 Department of the Interior and will be listed within thirty (30)



1833 months of claiming the rebate or credit authorized by this
1834 section; or

1835 (iii) Is located in a registered historic district
1836 listed on the National Register of Historic Places or located in a
1837 potential district that has been determined eligible for the
1838 National Register of Historic Places by the Secretary of the
1839 United States Department of the Interior and will be listed within
1840 thirty (30) months of claiming the rebate or credit authorized by
1841 this section, and is certified by the Secretary of the United
1842 States Department of the Interior as being of historic
1843 significance to the district; or

1844 (iv) Is certified by the Mississippi Department of
1845 Archives and History as contributing to the historic significance
1846 of:

1847 1. A certified historic district listed on
1848 the National Register of Historic Places; or

1849 2. A potential district that has been
1850 determined eligible for the National Register of Historic Places
1851 by the Secretary of the United States Department of the Interior
1852 and will be listed within thirty (30) months of claiming the
1853 rebate or credit authorized by this section; or

1854 3. A local district that has been certified
1855 by the United States Department of the Interior.

1856 (d) "Department" means the Department of Archives and
1857 History.



1858 (2) Any taxpayer incurring costs and expenses for the
1859 rehabilitation of eligible property, which is a certified historic
1860 structure or a structure in a certified historic district, shall
1861 be entitled to a rebate or credit against the taxes imposed
1862 pursuant to this chapter in an amount equal to twenty-five percent
1863 (25%) of the total costs and expenses of rehabilitation incurred
1864 after January 1, 2006, which shall include, but not be limited to,
1865 qualified rehabilitation expenditures as defined under Section
1866 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
1867 the related regulations thereunder:

1868 (a) If the costs and expenses associated with
1869 rehabilitation exceed:

1870 (i) Five Thousand Dollars (\$5,000.00) in the case
1871 of an owner-occupied dwelling; or

1872 (ii) Fifty percent (50%) of the adjusted basis in
1873 the property in the case of all other properties; and

1874 (b) The rehabilitation is consistent with the standards
1875 of the Secretary of the United States Department of the Interior
1876 as determined by the department.

1877 (3) Any taxpayer eligible for the rebate or credit
1878 authorized by this section may claim the rebate or credit in
1879 phases if:

1880 (a) There is a written set of architectural plans and
1881 specifications for all phases of the rehabilitation (written plans



1882 outlining and describing all phases of the rehabilitation shall be
1883 accepted as written plans and specifications);

1884 (b) The written set of architectural plans and
1885 specifications are completed before the physical work on the
1886 rehabilitation begins; and

1887 (c) The project receives final certification by the
1888 department within sixty (60) months of the project start date
1889 certified in the first phase.

1890 (4) (a) (i) If the amount of the tax credit established by
1891 this section exceeds the total state income tax liability for the
1892 credit year, the amount that exceeds the total state income tax
1893 liability may be carried forward for the ten (10) succeeding tax
1894 years.

1895 (ii) In lieu of claiming a tax credit, the
1896 taxpayer may elect to claim a rebate in the amount of seventy-five
1897 percent (75%) of the amount that would be eligible to claim as a
1898 credit. The election may be made at any time after the
1899 certification of the rebate. If the taxpayer has utilized a tax
1900 credit on an income tax return prior to making an election to
1901 claim a rebate, then the available rebate will be reduced by the
1902 amount of credit utilized.

1903 (iii) Rebate requests shall be submitted to the
1904 department on forms prescribed by the department. The department
1905 will then provide the taxpayer with a voucher for the approved
1906 amount. Within twelve (12) months of the issuance of the voucher



1907 by the department, the taxpayer may submit the voucher to the
1908 Department of Revenue to receive payment. Rebates shall be made
1909 from current tax collections.

1910 (b) Not-for-profit entities, including, but not limited
1911 to, nonprofit corporations organized under Section 79-11-101 et
1912 seq., shall be ineligible for the rebate or credit authorized by
1913 this section. Credits granted to a partnership, a limited
1914 liability company taxed as a partnership or multiple owners of
1915 property shall be passed through to the partners, members or
1916 owners on a pro rata basis or pursuant to an executed agreement
1917 among the partners, members or owners documenting an alternative
1918 distribution method. Partners, members or other owners of a
1919 pass-through entity are not eligible to elect a refund of excess
1920 credit in lieu of a carryforward of the credit. However, a
1921 partnership or limited liability company taxed as a partnership
1922 may elect to claim a rebate at the entity level on a form
1923 prescribed by the department. Additionally, excess tax credits
1924 that are attributable to rehabilitated property that was placed in
1925 service by a pass-through entity prior to January 1, 2011, and
1926 that have previously been allocated to and are held by another
1927 pass-through entity prior to January 1, 2011, may be refunded to
1928 such other pass-through entity.

1929 (5) (a) (i) To claim the rebate or credit authorized
1930 pursuant to this section, the taxpayer shall apply to the
1931 department which shall determine the amount of eligible



1932 rehabilitation costs and expenses and whether the rehabilitation
1933 is consistent with the standards of the Secretary of the United
1934 States Department of the Interior. The department shall issue a
1935 certificate evidencing the date of the rebate or credit and amount
1936 of eligible rebate or credit if the taxpayer is found to be
1937 eligible for the tax rebate or credit. The taxpayer shall attach
1938 the certificate to all income tax returns on which the credit is
1939 claimed. Except as otherwise provided in this paragraph (a), the
1940 department shall not issue certificates evidencing the eligible
1941 rebate or credit which will result in rebates or credits being
1942 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
1943 any one (1) calendar year for projects with total qualified
1944 rehabilitation costs and expenses of One Million Seven Hundred
1945 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
1946 shall also not issue certificates evidencing the eligible rebate
1947 or credit which will result in rebates or credits being awarded in
1948 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
1949 calendar year for projects with total qualified rehabilitation
1950 costs and expenses of less than One Million Seven Hundred Fifty
1951 Thousand Dollars (\$1,750,000.00).

1952 (ii) If claiming a credit instead of a rebate, the
1953 taxpayer shall claim such credit on the income tax return for the
1954 tax year for which the credit is certified.

1955 (b) The date of the rebate or credit shall be certified
1956 in the following order:



1957 (i) The rebate or credit shall be certified based
1958 on the date of project completion.

1959 (ii) If the eligible rebate or credit exceeds the
1960 available limit in the year in which the project is completed, the
1961 rebate or credit shall be certified based on the date the
1962 certification is issued by the department. The department shall
1963 issue the certification in the first calendar year in which the
1964 requested rebate or credit would not exceed the calendar year
1965 limit.

1966 (c) The aggregate amount of tax rebates or credits that
1967 may be awarded under this section shall not exceed One Hundred
1968 Eighty Million Dollars (\$180,000,000.00).

1969 (6) (a) The rebate or credit received by a taxpayer
1970 pursuant to this section is subject to recapture if:

1971 (i) The property is one that has been determined
1972 eligible for the National Register of Historic Places but is not
1973 listed on the National Register of Historic Places within thirty
1974 (30) months of claiming the rebate or credit authorized by this
1975 section;

1976 (ii) The potential district in which the property
1977 is located is not listed on the National Register of Historic
1978 Places within thirty (30) months of claiming the rebate or credit
1979 authorized by this section; or



1980 (iii) The project has not received final
1981 certification by the department within sixty (60) months of the
1982 project start date certified in the first phase.

1983 (b) The taxpayer shall notify the department and the
1984 Department of Revenue if any of the situations that subject the
1985 credit to recapture occur.

1986 (7) (a) The board of trustees of the department shall
1987 establish fees to be charged for the services performed by the
1988 department under this section and shall publish the fee schedule.
1989 The fees contained in the schedule shall be in amounts reasonably
1990 calculated to recover the costs incurred by the department for the
1991 administration of this section. Any taxpayer desiring to
1992 participate in the tax credits authorized by this section shall
1993 pay the appropriate fee as contained in the fee schedule to the
1994 department, which shall be used by the department, without
1995 appropriation, to offset the administrative costs of the
1996 department associated with its duties under this section.

1997 (b) There is hereby created within the State Treasury a
1998 special fund into which shall be deposited all the fees collected
1999 by the department pursuant to this section. Money deposited into
2000 the fund shall not lapse at the end of any fiscal year and
2001 investment earnings on the proceeds in such special fund shall be
2002 deposited into such fund. Money from the fund shall be disbursed
2003 upon warrants issued by the State Fiscal Officer upon requisitions



2004 signed by the executive director of the department to assist the
2005 department in carrying out its duties under this section.

2006 (8) This section shall only apply to taxpayers:

2007 (a) Who have been issued a certificate evidencing the
2008 eligible credit before December 31, 2030; or

2009 (b) Who, before December 31, 2030, have received a
2010 determination in writing from the Mississippi Department of
2011 Archives and History, in accordance with the department's Historic
2012 Preservation Certificate Application, Part 2, that the
2013 rehabilitation is consistent with the historic character of the
2014 property and that the property meets the United States Secretary
2015 of the Interior's Standards for Rehabilitation, or will meet the
2016 standards if certain specified conditions are met, and, who are
2017 issued a certificate evidencing the eligible credit on or after
2018 December 31, 2030.

2019 **SECTION 23.** Section 27-7-22.32, Mississippi Code of 1972, is
2020 brought forward as follows:

2021 27-7-22.32. (1) (a) There shall be allowed as a credit
2022 against the tax imposed by this chapter the amount of the
2023 qualified adoption expenses paid or incurred, not to exceed Five
2024 Thousand Dollars (\$5,000.00), for each dependent child residing
2025 outside Mississippi but legally adopted by a taxpayer under the
2026 laws of this state during calendar year 2023 or during any
2027 calendar year thereafter. A taxpayer claiming a credit under this



2028 paragraph (a) may not claim a credit under paragraph (b) of this
2029 subsection for the adoption of the same child.

2030 (b) There shall be allowed as a credit against the tax
2031 imposed by this chapter the amount of Ten Thousand Dollars
2032 (\$10,000.00) for each dependent child residing in Mississippi and
2033 legally adopted by a taxpayer under the laws of this state during
2034 calendar year 2023 or during any calendar year thereafter. A
2035 taxpayer claiming a credit under this paragraph (b) may not claim
2036 a credit under paragraph (a) of this subsection for the adoption
2037 of the same child.

2038 (2) The tax credit under this section may be claimed for the
2039 taxable year in which the adoption becomes final under the laws of
2040 this state. Any tax credit claimed under this section but not
2041 used in any taxable year may be carried forward for the five (5)
2042 succeeding tax years. A tax credit is allowed under this section
2043 for any child for which an exemption is claimed during the same
2044 taxable year under Section 27-7-21(e). For the purposes of this
2045 section, the term "qualified adoption expenses" means and has the
2046 same definition as that term has in 26 USCA 23.

2047 **SECTION 24.** Section 27-7-22.33, Mississippi Code of 1972, is
2048 brought forward as follows:

2049 27-7-22.33. (1) A taxpayer shall be allowed a credit
2050 against the income taxes imposed under this chapter in an amount
2051 equal to twenty-five percent (25%) of the premium costs paid
2052 during the taxable year for a qualified long-term care insurance



2053 policy as defined in Section 7702B of the Internal Revenue Code
2054 that offers coverage to either the individual, the individual's
2055 spouse, the individual's parent or parent-in-law, or the
2056 individual's dependent as defined in Section 152 of the Internal
2057 Revenue Code.

2058 (2) No taxpayer shall be entitled to the credit with respect
2059 to the same expended amounts for qualified long-term care
2060 insurance which are claimed by another taxpayer.

2061 (3) The credit allowed by this section shall not exceed Five
2062 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
2063 whichever is less, for each qualified long-term care insurance
2064 policy. Any unused tax credit shall not be allowed to be carried
2065 forward to apply to the taxpayer's succeeding year's tax
2066 liability.

2067 (4) No credit shall be allowed under this section with
2068 respect to any premium for qualified long-term care insurance
2069 either deducted or subtracted by the taxpayer in arriving at his
2070 net taxable income under this section or with respect to any
2071 premiums for qualified long-term care insurance which were
2072 excluded from his net taxable income.

2073 **SECTION 25.** Section 27-7-22.34, Mississippi Code of 1972, is
2074 brought forward as follows:

2075 27-7-22.34. (1) As used in this section, "qualified
2076 business or industry" means any company that has been certified by



2077 the Mississippi Major Economic Impact Authority as a project as
2078 defined in Section 57-75-5(f) (xxii).

2079 (2) A qualified business or industry shall be allowed a job
2080 tax credit for taxes imposed by Section 27-7-5 equal to Five
2081 Thousand Dollars (\$5,000.00) annually for each net new full-time
2082 employee job for a period of twenty (20) years from the date the
2083 credit commences; however, if the qualified business or industry
2084 is located in an area that has been declared by the Governor to be
2085 a disaster area and as a direct result of the disaster the
2086 business or industry is unable to maintain the required number of
2087 employees, the commissioner may extend this time period for not
2088 more than two (2) years. The credit shall commence on the date
2089 selected by the business or industry; however, the commencement
2090 date shall not be more than six (6) years from the date the
2091 business or industry commences commercial production. For the
2092 year in which the commencement date occurs, the number of new
2093 full-time jobs shall be determined by using the monthly average
2094 number of full-time employees subject to the Mississippi income
2095 tax withholding. Thereafter, the number of new full-time jobs
2096 shall be determined by comparing the monthly average number of
2097 full-time employees subject to the Mississippi income tax
2098 withholding for the taxable year with the corresponding period of
2099 the prior taxable year. Once a qualified business or industry
2100 creates or increases employment by five hundred (500) or more,
2101 such business or industry shall be eligible for the credit. The



2102 credit is not allowed for any year of the twenty-year period in
2103 which the overall monthly average number of full-time employees
2104 subject to the Mississippi income tax withholding falls below five
2105 hundred (500); however, if the qualified business or industry is
2106 located in an area that has been declared by the Governor to be a
2107 disaster area and as a direct result of the disaster the business
2108 or industry is unable to maintain the required number of
2109 employees, the commissioner may waive the employment requirement
2110 for a period of time not to exceed two (2) years. The State Tax
2111 Commission shall adjust the credit allowed each year for the net
2112 new employment fluctuations above five hundred (500).

2113 (3) Any tax credit claimed under this section but not used
2114 in any taxable year may be carried forward for five (5)
2115 consecutive years from the close of the tax year in which the
2116 credits were earned; however, if the qualified business or
2117 industry is located in an area that has been declared by the
2118 Governor to be a disaster area and as a direct result of the
2119 disaster the business or industry is unable to use the existing
2120 carryforward, the commissioner may extend the period that the
2121 credit may be carried forward for a period of time not to exceed
2122 two (2) years. The credit that may be utilized each year shall be
2123 limited to an amount not greater than the total state income tax
2124 liability of the qualified business or industry that is generated
2125 by, or arises out of, the project.



2126 (4) The tax credits provided for in this section shall be in
2127 lieu of the tax credits provided for in Section 57-73-21 and any
2128 qualified business or industry utilizing the tax credit authorized
2129 in this section shall not utilize the tax credit authorized in
2130 Section 57-73-21.

2131 **SECTION 26.** Section 27-7-22.35, Mississippi Code of 1972, is
2132 brought forward as follows:

2133 27-7-22.35. (1) As used in this section:

2134 (a) "Eligible facility" means and includes a new
2135 facility that creates at least twenty (20) full-time jobs with a
2136 minimum capital investment from private sources of Fifty Million
2137 Dollars (\$50,000,000.00), that:

2138 (i) Consists of all components necessary for the
2139 production of electric energy from the direct firing or co-firing
2140 of biomass or waste heat recovery, and if applicable, other energy
2141 sources;

2142 (ii) Produces both electric energy and useful
2143 thermal energy, such as heat or steam, through the sequential use
2144 of energy (cogeneration); and

2145 (iii) Consists of all components necessary for the
2146 production of synfuel.

2147 An eligible facility includes all burners and boilers, any
2148 handling and delivery equipment that supplies fuel directly to and
2149 is integrated with such burners and boilers, steam headers,
2150 turbines, generators, property used for the collection, processing



2151 or storage of biomass or synfuel, transformers, pipelines and all
2152 other property used in the transmission of electricity or synfuel
2153 and related depreciable property.

2154 (b) "Biomass" means and includes any of the following:

2155 (i) Forest-related mill residues, pulping
2156 by-product and other by-products of wood processing, thinnings,
2157 slash, limbs, bark, brush and other cellulosic plant material or
2158 nonmerchantable forest-related products;

2159 (ii) Solid wood waste materials, including
2160 dunnage, manufacturing and construction wood wastes, demolition
2161 and storm debris and landscape or right-of-way trimmings;

2162 (iii) Agriculture wastes, including orchard tree
2163 crops, vineyard, grain, legumes, sugar and other crop by-products
2164 or residues and livestock waste nutrients;

2165 (iv) All plant and grass material that is grown
2166 exclusively as a fuel for the production of electricity;

2167 (v) Refuse derived fuels consisting of organic
2168 components and fibers of waste water treatment solids; or

2169 (vi) Whole trees.

2170 (c) "Synfuel" means any liquid or gaseous fuel obtained
2171 from biomass.

2172 (d) "Waste heat recovery" means systems that produce
2173 electricity from currently unused waste heat resulting from
2174 combustion or other processes and which do not use an additional



2175 combustion process. The term does not include any system whose
2176 primary purpose is the generation of electricity.

2177 (2) An enterprise owning or operating an eligible facility
2178 is allowed an annual investment tax credit for taxes imposed by
2179 Section 27-7-5 equal to five percent (5%) of investments made by
2180 the enterprise in the initial establishment of an eligible
2181 facility. The credit shall commence on the date selected by the
2182 enterprise; provided, however, that the commencement date shall
2183 not be more than two (2) years from the date the eligible facility
2184 becomes fully operational.

2185 (3) Any tax credit claimed under this section but not used
2186 in any taxable year may be carried forward for five (5)
2187 consecutive years from the close of the tax year in which the
2188 credits were earned. The credit that may be utilized in any one
2189 (1) tax year shall be limited to an amount not greater than fifty
2190 percent (50%) of the total state income tax liability of the
2191 enterprise for that year that is generated by, or arises out of,
2192 the eligible facility.

2193 **SECTION 27.** Section 27-7-22.36, Mississippi Code of 1972, is
2194 brought forward as follows:

2195 27-7-22.36. (1) As used in this section:

2196 (a) "Full-time employee" means an employee who works at
2197 least thirty-five (35) hours per week.

2198 (b) "New cut and sew job" means a job in which the
2199 employee cuts and sews upholstery for upholstered household



2200 furniture and which job did not exist in this state before January
2201 1, 2010.

2202 (2) Any enterprise owning or operating an upholstered
2203 household furniture manufacturing facility is allowed a job tax
2204 credit for taxes imposed by this chapter equal to Two Thousand
2205 Dollars (\$2,000.00) annually for each full-time employee employed
2206 in a new cut and sew job for a period of five (5) years from the
2207 date the credit commences. The credit shall commence on the date
2208 selected by the enterprise. For the year in which the
2209 commencement date occurs, the credit will be determined based on
2210 the monthly average number of full-time employees employed in new
2211 cut and sew jobs subject to the Mississippi income tax withholding
2212 who are employed by the enterprise. For each year thereafter, the
2213 number of new cut and sew jobs shall be determined by comparing
2214 the monthly average number of full-time employees employed in new
2215 cut and sew jobs subject to the Mississippi income tax withholding
2216 for the taxable year with the corresponding period of the prior
2217 taxable year. The Department of Revenue shall verify that the
2218 jobs claimed by enterprises to obtain the credit meet the
2219 definition of the term "new cut and sew job." The Department of
2220 Revenue shall adjust the credit allowed each year for employment
2221 fluctuations.

2222 (3) The credit that may be used each year shall be limited
2223 to an amount not greater than the total state income tax liability
2224 of the enterprise. Any tax credit claimed under this section but



2225 not used in any taxable year may be carried forward for five (5)
2226 consecutive years from the close of the tax year in which the
2227 credits were earned.

2228 (4) The tax credits provided for in this section shall be in
2229 lieu of the tax credits provided for in Section 57-73-21 and any
2230 enterprise using the tax credit authorized in this section shall
2231 not use the tax credit authorized in Section 57-73-21.

2232 (5) Any taxpayer who is eligible for the credit authorized
2233 in this section prior to January 1, 2026, shall be eligible for
2234 the credit authorized in this section, notwithstanding the repeal
2235 of this section, and shall be allowed to carry forward the credit
2236 after January 1, 2026, as provided for in subsection (3) of this
2237 section.

2238 (6) This section shall be repealed from and after January 1,
2239 2026.

2240 **SECTION 28.** Section 27-7-22.37, Mississippi Code of 1972, is
2241 brought forward as follows:

2242 27-7-22.37. (1) There shall be allowed as a credit against
2243 the tax imposed by Section 27-7-5 the amount of the qualified
2244 prekindergarten program support contributions paid to approved
2245 providers, lead partners or collaboratives, not to exceed One
2246 Million Dollars (\$1,000,000.00), by any individual, corporation or
2247 other entity having taxable income under the laws of this state
2248 during calendar year 2013 or during any calendar year thereafter.
2249 In order to qualify for a tax credit, such contributions may



2250 support the local match requirement of approved providers, lead
2251 partners or collaboratives as is necessary to match
2252 state-appropriated funds, and any such providers, lead partners or
2253 collaboratives shall be approved by the State Department of
2254 Education.

2255 (2) Any unused portion of the credit may be carried forward
2256 for three (3) tax years.

2257 (3) Any prekindergarten program support contribution shall
2258 be verified by submission to the Mississippi Department of Revenue
2259 of a copy of the receipt provided to the donor taxpayer by the
2260 prekindergarten program recipient or such other written
2261 verification as may be required by the Department of Revenue.

2262 (4) The maximum amount of donations accepted by the
2263 Department of Revenue in calendar year 2014 shall not exceed Eight
2264 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
2265 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
2266 year 2016 and calendar years thereafter shall not exceed
2267 Thirty-two Million Dollars (\$32,000,000.00), or what is
2268 appropriated by the Legislature to fund Chapter 493, Laws of 2013
2269 each year.

2270 (5) The Mississippi Department of Revenue shall promulgate
2271 rules necessary to effectuate the purposes of Chapter 493, Laws of
2272 2013. Such rules shall include a means of informing the public of
2273 the existence of the prekindergarten support program and the



2274 application process for provider, lead partner and collaborative
2275 candidates.

2276 **SECTION 29.** Section 27-7-22.39, Mississippi Code of 1972, is
2277 brought forward as follows:

2278 27-7-22.39. (1) As used in this section:

2279 (a) "Low-income residents" means persons whose
2280 household income is less than one hundred fifty percent (150%) of
2281 the federal poverty level.

2282 (b) "Qualifying charitable organization" means a
2283 charitable organization that is exempt from federal income
2284 taxation under Section 501(c)(3) of the Internal Revenue Code or
2285 is a designated community action agency that receives community
2286 services block grant program monies pursuant to 42 USC 9901. The
2287 organization must spend at least fifty percent (50%) of its budget
2288 on services to residents of this state who receive temporary
2289 assistance for needy families benefits or low-income residents of
2290 this state and their households or to children who have a chronic
2291 illness or physical, intellectual, developmental or emotional
2292 disability who are residents of this state. A charitable
2293 organization that is exempt from federal income tax under Section
2294 501(c)(3) of the Internal Revenue Code and that meets all other
2295 requirements of this paragraph except that it does not spend at
2296 least fifty percent (50%) of its overall budget in Mississippi may
2297 be a qualifying charitable organization if it spends at least
2298 fifty percent (50%) of its Mississippi budget on services to



2299 qualified individuals in Mississippi and it certifies to the
2300 department that one hundred percent (100%) of the voluntary cash
2301 contributions from the taxpayer will be spent on services to
2302 qualified individuals in Mississippi. Taxpayers choosing to make
2303 donations through an umbrella charitable organization that
2304 collects donations on behalf of member charities shall designate
2305 that the donation be directed to a member charitable organization
2306 that would qualify under this section on a stand-alone basis.
2307 Qualifying charitable organization does not include any entity
2308 that provides, pays for or provides coverage of abortions or that
2309 financially supports any other entity that provides, pays for or
2310 provides coverage of abortions.

2311 (c) "Qualifying foster care charitable organization"
2312 means a qualifying charitable organization that each operating
2313 year provides services to at least one hundred (100) qualified
2314 individuals in this state and spends at least fifty percent (50%)
2315 of its budget on services to qualified individuals in this state.
2316 A charitable organization that is exempt from federal income tax
2317 under Section 501(c)(3) of the Internal Revenue Code and that
2318 meets all other requirements of this paragraph except that it does
2319 not spend at least fifty percent (50%) of its overall budget in
2320 Mississippi may be a qualifying foster care charitable
2321 organization if it spends at least fifty percent (50%) of its
2322 Mississippi budget on services to qualified individuals in
2323 Mississippi and it certifies to the department that one hundred



2324 percent (100%) of the voluntary cash contributions from the
2325 taxpayer will be spent on services to qualified individuals in
2326 Mississippi. For the purposes of this paragraph, "qualified
2327 individual" means a child in a foster care placement program
2328 established by the Department of Child Protection Services, a
2329 child placed under the Safe Families for Children model, or a
2330 child at significant risk of entering a foster care placement
2331 program established by the Department of Child Protection
2332 Services.

2333 (d) "Services" means:

2334 (i) Cash assistance, medical care, child care,
2335 food, clothing, shelter, and job-placement services or any other
2336 assistance that is reasonably necessary to meet immediate basic
2337 needs and that is provided and used in this state;

2338 (ii) Job-training or education services or funding
2339 for parents, foster parents or guardians; or

2340 (iii) Job-training or education services or
2341 funding provided as part of a foster care independent living
2342 program.

2343 (2) (a) Except as provided in subsections (3) and (4) of
2344 this section, a credit is allowed against the taxes imposed by
2345 this chapter for voluntary cash contributions by the taxpayer
2346 during the taxable year to a qualifying charitable organization,
2347 other than a qualifying foster care charitable organization, not
2348 to exceed:



2349 (i) Through calendar year 2022, the lesser of Four
2350 Hundred Dollars (\$400.00) or the amount of the contribution in any
2351 taxable year for a single individual or a head of household; and
2352 for calendar year 2023 and each calendar year thereafter, the
2353 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the
2354 amount of the contribution in any taxable year for a single
2355 individual or a head of household.

2356 (ii) Through calendar year 2022, the lesser of
2357 Eight Hundred Dollars (\$800.00) or the amount of the contribution
2358 in any taxable year for a married couple filing a joint return;
2359 and for calendar year 2023 and each calendar year thereafter, the
2360 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the
2361 amount of the contribution in any taxable year for a married
2362 couple filing a joint return.

2363 (b) From and after January 1, 2023, a credit is also
2364 allowed against ad valorem taxes assessed and levied on real
2365 property for voluntary cash contributions made by the individual
2366 taxpayer during the taxable year to a qualifying charitable
2367 organization, other than a qualifying foster care charitable
2368 organization. The amount of credit that may be utilized by a
2369 taxpayer in a taxable year shall be limited to an amount not to
2370 exceed fifty percent (50%) of the total tax liability of the
2371 taxpayer for ad valorem taxes assessed and levied on real
2372 property. Any tax credit claimed under this paragraph but not
2373 used in any taxable year may be carried forward for five (5)



2374 consecutive years from the close of the tax year in which the
2375 credits were earned.

2376 (3) (a) A separate credit is allowed against the taxes
2377 imposed by this chapter for voluntary cash contributions during
2378 the taxable year to a qualifying foster care charitable
2379 organization. A contribution to a qualifying foster care
2380 charitable organization does not qualify for, and shall not be
2381 included in, any credit amount under subsection (2) of this
2382 section. If the voluntary cash contribution by the taxpayer is to
2383 a qualifying foster care charitable organization, the credit shall
2384 not exceed:

2385 (i) Through calendar year 2022, the lesser of Five
2386 Hundred Dollars (\$500.00) or the amount of the contribution in any
2387 taxable year for a single individual or a head of household; and
2388 for calendar year 2023 and each calendar year thereafter, the
2389 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the
2390 amount of the contribution in any taxable year for a single
2391 individual or a head of household.

2392 (ii) Through calendar year 2022, the lesser of One
2393 Thousand Dollars (\$1,000.00) or the amount of the contribution in
2394 any taxable year for a married couple filing a joint return; and
2395 for calendar year 2023 and each calendar year thereafter, the
2396 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the
2397 contribution in any taxable year for a married couple filing a
2398 joint return.



2399 (b) From and after January 1, 2023, a credit is also
2400 allowed against ad valorem taxes assessed and levied on real
2401 property for voluntary cash contributions made by the individual
2402 taxpayer during the taxable year to a qualifying foster care
2403 charitable organization. The amount of credit that may be
2404 utilized by a taxpayer in a taxable year shall be limited to an
2405 amount not to exceed fifty percent (50%) of the total tax
2406 liability of the taxpayer for ad valorem taxes assessed and levied
2407 on real property. Any tax credit claimed under this paragraph but
2408 not used in any taxable year may be carried forward for five (5)
2409 consecutive years from the close of the tax year in which the
2410 credits were earned.

2411 (4) Subsections (2) and (3) of this section provide separate
2412 credits against taxes imposed by this chapter depending on the
2413 recipients of the contributions. A taxpayer, including a married
2414 couple filing a joint return, in the same taxable year, may either
2415 or both:

2416 (a) Contribute to a qualifying charitable organization,
2417 other than a qualifying foster care charitable organization, and
2418 claim a credit under subsection (2) of this section.

2419 (b) Contribute to a qualifying foster care charitable
2420 organization and claim a credit under subsection (3) of this
2421 section.

2422 (5) A husband and wife who file separate returns for a
2423 taxable year in which they could have filed a joint return may



2424 each claim only one-half (1/2) of the tax credit that would have
2425 been allowed for a joint return.

2426 (6) Except as otherwise provided in subsections (2) and (3)
2427 of this section, if the allowable tax credit exceeds the taxes
2428 otherwise due under this chapter on the claimant's income, or if
2429 there are no taxes due under this chapter, the taxpayer may carry
2430 forward the amount of the claim not used to offset the taxes under
2431 this chapter for not more than five (5) consecutive taxable years'
2432 income tax liability.

2433 (7) The credit allowed by this section is in lieu of a
2434 deduction pursuant to Section 170 of the Internal Revenue Code and
2435 taken for state tax purposes.

2436 (8) Taxpayers taking a credit authorized by this section
2437 shall provide the name of the qualifying charitable organization
2438 and the amount of the contribution to the department on forms
2439 provided by the department.

2440 (9) A qualifying charitable organization shall provide the
2441 department with a written certification that it meets all criteria
2442 to be considered a qualifying charitable organization. The
2443 organization shall also notify the department of any changes that
2444 may affect the qualifications under this section.

2445 (10) The charitable organization's written certification
2446 must be signed by an officer of the organization under penalty of
2447 perjury. The written certification shall include the following:



2448 (a) Verification of the organization's status under
2449 Section 501(c) (3) of the Internal Revenue Code or verification
2450 that the organization is a designated community action agency that
2451 receives community services block grant program monies pursuant to
2452 42 USC 9901.

2453 (b) Financial data indicating the organization's budget
2454 for the organization's prior operating year and the amount of that
2455 budget spent on services to residents of this state who either:

2456 (i) Receive temporary assistance for needy
2457 families benefits;

2458 (ii) Are low-income residents of this state;

2459 (iii) Are children who have a chronic illness or
2460 physical, intellectual, developmental or emotional disability; or

2461 (iv) Are children in a foster care placement
2462 program established by the Department of Child Protection
2463 Services, children placed under the Safe Families for Children
2464 model or children at significant risk of entering a foster care
2465 placement program established by the Department of Child
2466 Protection Services.

2467 (c) A statement that the organization plans to continue
2468 spending at least fifty percent (50%) of its budget on services to
2469 residents of this state who receive temporary assistance for needy
2470 families benefits, who are low-income residents of this state, who
2471 are children who have a chronic illness or physical, intellectual,
2472 developmental or emotional disability or who are children in a



2473 foster care placement program established by the Department of
2474 Child Protection Services, children placed under the Safe Families
2475 for Children model or children at significant risk of entering a
2476 foster care placement program established by the Department of
2477 Child Protection Services. A charitable organization that is
2478 exempt from federal income tax under Section 501(c)(3) of the
2479 Internal Revenue Code and that meets all other requirements for a
2480 qualifying charitable organization or qualifying foster care
2481 charitable organization except that it does not spend at least
2482 fifty percent (50%) of its overall budget in Mississippi shall
2483 submit a statement that it spends at least fifty percent (50%) of
2484 its Mississippi budget on services to qualified individuals in
2485 Mississippi and that one hundred percent (100%) of the voluntary
2486 cash contributions it receives from Mississippi taxpayers will be
2487 spent on services to qualified individuals in Mississippi.

2488 (d) In the case of a foster care charitable
2489 organization, a statement that each operating year it provides
2490 services to at least one hundred (100) qualified individuals in
2491 this state.

2492 (e) A statement that the organization does not provide,
2493 pay for or provide coverage of abortions and does not financially
2494 support any other entity that provides, pays for or provides
2495 coverage of abortions.

2496 (f) Any other information that the department requires
2497 to administer this section.



2498 (11) The department shall review each written certification
2499 and determine whether the organization meets all the criteria to
2500 be considered a qualifying charitable organization and notify the
2501 organization of its determination. The department may also
2502 periodically request recertification from the organization. The
2503 department shall compile and make available to the public a list
2504 of the qualifying charitable organizations.

2505 (12) The aggregate amount of tax credits that may be awarded
2506 under this section in any calendar year shall not exceed Three
2507 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
2508 and for each calendar year thereafter, the aggregate amount of tax
2509 credits that may be awarded under this section in any calendar
2510 year shall not exceed One Million Dollars (\$1,000,000.00). In
2511 addition, any tax credits not awarded under this section before
2512 June 1, 2020, may be allocated during calendar year 2020 under
2513 Section 27-7-22.41 for contributions by taxpayers to eligible
2514 charitable organizations described in Section
2515 27-7-22.41(1)(b)(ii) as provided under such section,
2516 notwithstanding any limitation on the percentage of tax credits
2517 that may be allocated for such contributions.

2518 (13) A taxpayer shall apply for credits with the department
2519 on forms prescribed by the department. In the application the
2520 taxpayer shall certify to the department the dollar amount of the
2521 contributions made or to be made during the calendar year. Within
2522 thirty (30) days after the receipt of an application, the



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

2541 (14) This section shall be repealed from and after January
2542 1, 2025.

2543 **SECTION 30.** Section 27-7-22.40, Mississippi Code of 1972, is
2544 brought forward as follows:

2545 27-7-22.40. (1) The following words and phrases shall have
2546 the meanings ascribed in this section unless the context clearly
2547 indicates:



2548 (a) "Water transportation enterprise" means an
2549 enterprise or establishment primarily engaged in providing inland
2550 water transportation of cargo on lakes, rivers and/or intracoastal
2551 waterways, except on the Great Lakes System.

2552 (b) "Mississippi full-time job" means a job created in
2553 the State of Mississippi on or after January 1, 2019, and filled
2554 by a Mississippi resident who works at least thirty-five (35)
2555 hours per week.

2556 (2) Subject to the provisions of this section, any water
2557 transportation enterprise is allowed a job tax credit for taxes
2558 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
2559 annually for each Mississippi full-time job created for a period
2560 of five (5) years from the date the credit commences. A water
2561 transportation enterprise may not claim a tax credit for the
2562 reemployment of a person whose employment with the enterprise is
2563 terminated by the enterprise if the reemployment by the enterprise
2564 occurs within twelve (12) months from the date of the termination.
2565 The credit shall commence on the date selected by the enterprise.
2566 For the year in which the commencement date occurs, the credit
2567 will be determined based on the monthly average number of
2568 full-time employees employed by the water transportation
2569 enterprise in Mississippi full-time jobs subject to the
2570 Mississippi income tax withholding. For each year thereafter, the
2571 number of Mississippi full-time jobs shall be determined by
2572 comparing the monthly average number of full-time employees



2573 employed at the water transportation enterprise in Mississippi
2574 full-time jobs subject to the Mississippi income tax withholding
2575 for the taxable year with the corresponding period of the prior
2576 taxable year. The Department of Revenue shall adjust the credit
2577 allowed each year for employment fluctuations.

2578 (3) The credit that may be used each year shall be limited
2579 to an amount not greater than the total state income tax liability
2580 of the water transportation enterprise. Any tax credit claimed
2581 under this section but not used in any taxable year may be carried
2582 forward for five (5) consecutive years from the close of the tax
2583 year in which the credits were earned.

2584 (4) The sale, merger, acquisition, reorganization,
2585 bankruptcy or relocation from one (1) county to another county
2586 within the state of any water transportation enterprise may not
2587 create new eligibility in any succeeding business entity, but any
2588 unused job tax credit may be transferred and continued by any
2589 transferee of the water transportation enterprise. The Department
2590 of Revenue shall determine whether or not qualifying net increases
2591 or decreases have occurred or proper transfers of credit have been
2592 made and may require reports, promulgate regulations, and hold
2593 hearings as needed for substantiation and qualification.

2594 (5) The credits allowed under this section shall not be used
2595 by any business enterprise or corporation other than the water
2596 transportation enterprise actually qualifying for the credits.



2597 (6) The maximum aggregate amount of tax credits that may be
2598 claimed by all taxpayers claiming a credit under this section in a
2599 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

2600 (7) Any water transportation enterprise that is eligible for
2601 the credit authorized in this section before January 1, 2026,
2602 shall be eligible for the credit authorized in this section,
2603 notwithstanding the repeal of this section, and shall be allowed
2604 to carry forward the credit after January 1, 2026, as provided
2605 for in subsection (3) of this section.

2606 (8) This section shall be repealed from and after January 1,
2607 2026.

2608 **SECTION 31.** Section 27-7-22.42, Mississippi Code of 1972, is
2609 brought forward as follows:

2610 27-7-22.42. (1) The following words and phrases shall have
2611 the meanings as defined in this section unless the context clearly
2612 indicates otherwise:

2613 (a) "Eligible taxpayer" means any railroad that is
2614 classified by the United States Surface Transportation Board as a
2615 Class II or Class III railroad.

2616 (b) "Eligible transferee" means any taxpayer having a
2617 liability for taxes under this chapter.

2618 (c) "Qualified railroad reconstruction or replacement
2619 expenditures" means gross expenditures for maintenance,
2620 reconstruction or replacement of railroad infrastructure,
2621 including track, roadbed, bridges, industrial leads and sidings,



2622 and track-related structures owned or leased by a Class II or
2623 Class III railroad in Mississippi as of January 1, 2022.

2624 (d) "Qualified new rail infrastructure expenditures"
2625 means gross expenditures for new construction of industrial leads,
2626 switches, spurs and sidings and extensions of existing sidings,
2627 for serving new customer locations or expansions in Mississippi,
2628 by a Class II or Class III railroad located in Mississippi.

2629 (2) Subject to the provisions of this section, an eligible
2630 taxpayer making qualified railroad reconstruction or replacement
2631 expenditures shall be allowed a credit against the taxes imposed
2632 under this chapter. The credit shall be for an amount equal to
2633 the lesser of fifty percent (50%) of an eligible taxpayer's
2634 qualified railroad reconstruction or replacement expenditures for
2635 the taxable year or the product of Five Thousand Dollars
2636 (\$5,000.00) multiplied by the number of miles of railroad track
2637 owned or leased within the State of Mississippi by the eligible
2638 taxpayer as of the close of the taxable year. For qualified new
2639 rail infrastructure expenditures, the credit shall be for an
2640 amount equal to the lesser of fifty percent (50%) of an eligible
2641 taxpayer's qualified new rail infrastructure expenditures for the
2642 taxable year, capped at One Million Dollars (\$1,000,000.00) per
2643 new rail-served customer project. However, the tax credit shall
2644 not exceed the amount of tax imposed upon the taxpayer for the
2645 taxable year reduced by the sum of all other credits allowable to
2646 the taxpayer under this chapter, except credit for tax payments



2647 made by or on behalf of the taxpayer. Any tax credit claimed
2648 under this section but not used in any taxable year may be carried
2649 forward for five (5) consecutive years from the close of the
2650 taxable year in which the credit was earned. The aggregate amount
2651 of credits that may be claimed by all taxpayers claiming a credit
2652 under this section during a calendar year shall not exceed Eight
2653 Million Dollars (\$8,000,000.00). In addition, an eligible
2654 taxpayer may transfer by written agreement any unused tax credit
2655 to an eligible transferee at any time during the year in which the
2656 credit is earned and the five (5) years following the taxable year
2657 in which the qualified railroad reconstruction or replacement
2658 expenditures or the qualified new rail infrastructure expenditures
2659 are made. The eligible taxpayer and the eligible transferee must
2660 jointly file a copy of the written transfer agreement with the
2661 Department of Revenue within thirty (30) days of the transfer.
2662 The written agreement must contain the: (a) name, address, and
2663 taxpayer identification number of the parties to the transfer; (b)
2664 taxable year the eligible taxpayer incurred the qualified railroad
2665 reconstruction or replacement expenditures or the qualified new
2666 rail infrastructure expenditures; (c) amount of credit being
2667 transferred; and (d) taxable year or years for which the credit
2668 may be claimed by the eligible transferee.

2669 This section shall stand repealed on January 1, 2024.

2670 **SECTION 32.** Section 27-7-22.43, Mississippi Code of 1972, is
2671 brought forward as follows:



2672 27-7-22.43. (1) This section shall be known and may be
2673 cited as the "Pregnancy Resource Act."

2674 (2) For the purposes of this section, the following words
2675 and phrases shall have the meanings ascribed in this section
2676 unless the context clearly indicates otherwise:

2677 (a) "Department" means the Department of Revenue.

2678 (b) "Eligible charitable organization" means an
2679 organization that is exempt from federal income taxation under
2680 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy
2681 resource center or crisis pregnancy center. To be considered an
2682 "eligible charitable organization" a pregnancy resource center or
2683 crisis pregnancy center must meet the following criteria:

2684 (i) Certify that no more than twenty percent (20%)
2685 of the contributions received under this section will be spent on
2686 administrative purposes;

2687 (ii) File annually with the Secretary of State the
2688 organization's publicly available Internal Revenue Service
2689 filings.

2690 (3) (a) The tax credit authorized in this section shall be
2691 available only to a taxpayer who is a business enterprise engaged
2692 in commercial, industrial or professional activities and operating
2693 as a corporation, limited liability company, partnership or sole
2694 proprietorship. Except as otherwise provided in this section, a
2695 credit is allowed against the taxes imposed by Sections 27-7-5,
2696 27-15-103, 27-15-109 and 27-15-123, for voluntary cash



2697 contributions made by a taxpayer during the taxable year to an
2698 eligible charitable organization. For calendar year 2022, for a
2699 taxpayer that is not operating as a corporation, a credit is also
2700 allowed against ad valorem taxes assessed and levied on real
2701 property for voluntary cash contributions made by the taxpayer
2702 during the taxable year to an eligible charitable organization.
2703 From and after January 1, 2023, a credit is also allowed against
2704 ad valorem taxes assessed and levied on real property for
2705 voluntary cash contributions made by a taxpayer during the taxable
2706 year to an eligible charitable organization. The amount of credit
2707 that may be utilized by a taxpayer in a taxable year shall be
2708 limited to (i) an amount not to exceed fifty percent (50%) of the
2709 total tax liability of the taxpayer for the taxes imposed by such
2710 sections of law and (ii) an amount not to exceed fifty percent
2711 (50%) of the total tax liability of the taxpayer for ad valorem
2712 taxes assessed and levied on real property. Any tax credit
2713 claimed under this section but not used in any taxable year may be
2714 carried forward for five (5) consecutive years from the close of
2715 the tax year in which the credits were earned.

2716 (b) A contribution for which a credit is claimed under
2717 this section may not be used as a deduction by the taxpayer for
2718 state income tax purposes.

2719 (4) Taxpayers taking a credit authorized by this section
2720 shall provide the name of the eligible charitable organization and



2721 the amount of the contribution to the department on forms provided
2722 by the department.

2723 (5) An eligible charitable organization shall provide the
2724 department with a written certification that it meets all criteria
2725 to be considered an eligible charitable organization. The
2726 organization shall also notify the department of any changes that
2727 may affect eligibility under this section.

2728 (6) The eligible charitable organization's written
2729 certification must be signed by an officer of the organization
2730 under penalty of perjury. The written certification shall include
2731 the following:

2732 (a) Verification of the organization's status under
2733 Section 501(c) (3) of the Internal Revenue Code;

2734 (b) A statement that the organization does not provide,
2735 pay for or provide coverage of abortions and does not financially
2736 support any other entity that provides, pays for or provides
2737 coverage of abortions;

2738 (c) Any other information that the department requires
2739 to administer this section.

2740 (7) The department shall review each written certification
2741 and determine whether the organization meets all the criteria to
2742 be considered an eligible charitable organization and notify the
2743 organization of its determination. The department may also
2744 periodically request recertification from the organization. The



2745 department shall compile and make available to the public a list
2746 of eligible charitable organizations.

2747 (8) Tax credits authorized by this section that are earned
2748 by a partnership, limited liability company, S corporation or
2749 other similar pass-through entity, shall be allocated among all
2750 partners, members or shareholders, respectively, either in
2751 proportion to their ownership interest in such entity or as the
2752 partners, members or shareholders mutually agree as provided in an
2753 executed document.

2754 (9) (a) A taxpayer shall apply for credits with the
2755 department on forms prescribed by the department. In the
2756 application the taxpayer shall certify to the department the
2757 dollar amount of the contributions made or to be made during the
2758 calendar year. Within thirty (30) days after the receipt of an
2759 application, the department shall allocate credits based on the
2760 dollar amount of contributions as certified in the application.
2761 However, if the department cannot allocate the full amount of
2762 credits certified in the application due to the limit on the
2763 aggregate amount of credits that may be awarded under this section
2764 in a calendar year, the department shall so notify the applicant
2765 within thirty (30) days with the amount of credits, if any, that
2766 may be allocated to the applicant in the calendar year. Once the
2767 department has allocated credits to a taxpayer, if the
2768 contribution for which a credit is allocated has not been made as
2769 of the date of the allocation, then the contribution must be made



2770 not later than sixty (60) days from the date of the allocation.
2771 If the contribution is not made within such time period, the
2772 allocation shall be cancelled and returned to the department for
2773 reallocation. Upon final documentation of the contributions, if
2774 the actual dollar amount of the contributions is lower than the
2775 amount estimated, the department shall adjust the tax credit
2776 allowed under this section.

2777 (b) For the purposes of using a tax credit against ad
2778 valorem taxes assessed and levied on real property, a taxpayer
2779 shall present to the appropriate tax collector the tax credit
2780 documentation provided to the taxpayer by the Department of
2781 Revenue, and the tax collector shall apply the tax credit against
2782 such ad valorem taxes. The tax collector shall forward the tax
2783 credit documentation to the Department of Revenue along with the
2784 amount of the tax credit applied against ad valorem taxes, and the
2785 department shall disburse funds to the tax collector for the
2786 amount of the tax credit applied against ad valorem taxes. Such
2787 payments by the Department of Revenue shall be made from current
2788 tax collections.

2789 (10) The aggregate amount of tax credits that may be
2790 allocated by the department under this section during a calendar
2791 year shall not exceed Three Million Five Hundred Thousand Dollars
2792 (\$3,500,000.00). However, for calendar year 2023, and for each
2793 calendar year thereafter, the aggregate amount of tax credits that
2794 may be allocated by the department under this section during a



2795 calendar year shall not exceed Ten Million Dollars
2796 (\$10,000,000.00). For credits allocated during a calendar year
2797 for contributions to eligible charitable organizations, no more
2798 than twenty-five percent (25%) of such credits may be allocated
2799 for contributions to a single eligible charitable organization;
2800 however, credits not allocated before June 1, may be allocated
2801 without regard to such restriction for the same calendar year.

2802 **SECTION 33.** Section 27-7-22.44, Mississippi Code of 1972, is
2803 brought forward as follows:

2804 27-7-22.44. (1) As used in this section, the following
2805 words shall have the meanings ascribed herein unless the context
2806 clearly requires otherwise:

2807 (a) "Blood donation" means the voluntary and
2808 uncompensated donation of whole blood, or specific components of
2809 blood, by an employee, drawn for use by a nonprofit blood bank
2810 organization as part of a blood drive.

2811 (b) "Blood drive" means a function held at a specific
2812 date and time which is organized by a nonprofit blood bank
2813 organization in coordination with an employer or group of
2814 employers and is closed to nonemployees.

2815 (c) "Employee" means an individual employed by an
2816 employer authorized to claim a tax credit under this section.

2817 (d) "Employer" means a sole proprietor, general
2818 partnership, limited partnership, limited liability company,
2819 corporation or other legally recognized business entity.



2820 (e) "Verified donation" means a blood donation by an
2821 employee, made during a blood drive, which can be documented by an
2822 employer.

2823 (2) Subject to the provisions of this section, for calendar
2824 year 2022 and for calendar year 2023, a taxpayer that is an
2825 employer shall be allowed a credit against the taxes imposed under
2826 this chapter for each verified blood donation made by an employee
2827 as part of a blood drive. The credit shall be for an amount equal
2828 to Twenty Dollars (\$20.00) for each verified donation. However,
2829 the tax credit shall not exceed the amount of tax imposed upon the
2830 taxpayer for the taxable year reduced by the sum of all other
2831 credits allowable to the taxpayer under this chapter, except
2832 credit for tax payments made by or on behalf of the taxpayer. The
2833 maximum aggregate amount of tax credits that may be claimed by all
2834 taxpayers claiming a credit under this section in a taxable year
2835 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The
2836 department shall annually calculate and publish a percentage by
2837 which the tax credit authorized by this section shall be reduced
2838 so the maximum aggregate amount of tax credits claimed by all
2839 taxpayers claiming a credit in a taxable year does not exceed One
2840 Hundred Thousand Dollars (\$100,000.00).

2841 **SECTION 34.** Section 27-7-22.45, Mississippi Code of 1972, is
2842 brought forward as follows:

2843 27-7-22.45. (1) As used in this section,



2844 (a) "Affiliated enterprise" or an "affiliate" shall
2845 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2846 (b) "Authority" shall have the meaning ascribed to such
2847 term in Section 57-75-5(b);

2848 (c) "Project" shall have the meaning ascribed to such
2849 term in Section 57-75-5(f)(xxxi); and

2850 (d) "Qualified business or industry" shall mean any
2851 company that has been certified by the Major Economic Impact
2852 Authority as a project as defined in Section 57-75-5(f)(xxxi), or
2853 any other company which becomes subject to the tax levied by this
2854 chapter because it is an affiliate of the company that has been
2855 certified by the Major Economic Impact Authority as a project as
2856 defined in Section 57-75-5(f)(xxxi).

2857 (2) Each qualified business or industry shall be allowed an
2858 annual credit, for a period of fifteen (15) successive years,
2859 against the tax imposed by this chapter upon such qualified
2860 business or industry in each such year, in an annual amount equal
2861 to the amount of the qualified business's or industry's tax
2862 imposed by this chapter for each such year during the fifteen (15)
2863 year period on income derived thereby from any project, as defined
2864 by Section 57-75-5(f)(xxxi).

2865 (3) The tax credit authorized by this section may be
2866 utilized by any qualified business or industry and by any
2867 affiliates thereof that file a combined tax return for the tax
2868 imposed by this chapter. The credit shall not apply to offset tax



2869 on income derived from activities subject to Mississippi income
2870 tax prior to certification of the project.

2871 (4) A qualified business or industry may elect the date upon
2872 which the fifteen (15) year period will begin; however, the date
2873 may not be later than twenty-four (24) months after the date the
2874 qualified business or industry begins commercial production of the
2875 project or such earlier date prescribed by a definitive written
2876 agreement between the authority and the qualified business or
2877 industry and/or an affiliate thereof.

2878 (5) In the event that the annual number of full-time jobs
2879 maintained or caused to be maintained by the qualified business or
2880 industry and/or any affiliate thereof falls below the minimum
2881 annual number of full-time jobs required by the authority pursuant
2882 to a written agreement between the authority and the qualified
2883 business or industry and/or any affiliate thereof for one or more
2884 years, the annual tax credit granted by this section may be
2885 reduced or suspended by the authority until the first tax year
2886 during which the annual number of full-time jobs maintained or
2887 caused to be maintained by the qualified business or industry
2888 and/or any affiliate thereof reaches the minimum annual number of
2889 full-time jobs required by the authority pursuant to a written
2890 agreement between the authority and the qualified business or
2891 industry and/or any affiliate thereof.

2892 (6) A qualified business or industry that utilizes the
2893 annual tax credits authorized by this section shall not be



2894 eligible for the credits authorized in Sections 57-73-21 through
2895 57-73-29.

2896 (7) A qualified business or industry shall be entitled to
2897 utilize a single sales apportionment factor in the calculation of
2898 its liability for income tax imposed by this chapter for any year
2899 for which it files a Mississippi income tax return. The qualified
2900 business or industry shall be entitled to continue to utilize such
2901 single sales apportionment factor notwithstanding a suspension of
2902 the income tax credit pursuant to subsection (5) of this section.
2903 In no event shall a qualified business or industry be entitled to
2904 utilize a single sales apportionment factor for purposes of
2905 calculating its liability for income tax imposed by this chapter
2906 on any income derived from any operations or activities thereof
2907 subject to tax liability imposed by this chapter prior to January
2908 1, 2023, except to the extent that the qualified business or
2909 industry is entitled to utilize a single sales apportionment
2910 factor in the calculation of its liability for income tax on
2911 income derived from any operations or activities thereof subject
2912 to tax liability imposed by this chapter prior to January 1, 2023,
2913 pursuant to any other section of law or regulation duly adopted by
2914 the department.

2915 (8) The Mississippi Development Authority may promulgate
2916 rules and regulations necessary to administer the provisions of
2917 this section.



2918 **SECTION 35.** Section 27-7-22.46, Mississippi Code of 1972, is
2919 brought forward as follows:

2920 27-7-22.46. (1) For the purposes of this section, the
2921 following words and phrases shall have the meanings ascribed in
2922 this section unless the context clearly indicates otherwise:

2923 (a) "Department" means the Department of Revenue.

2924 (b) "Eligible charitable organization" means an
2925 organization that is exempt from federal income taxation under
2926 Section 501(c) (3) of the Internal Revenue Code and is purchasing,
2927 warehousing and delivering food directly to food pantries or soup
2928 kitchens in more than five (5) Mississippi counties on a monthly
2929 basis.

2930 (2) (a) The tax credit authorized in this section shall be
2931 available only to a taxpayer that is a business enterprise engaged
2932 in commercial, industrial or professional activities and operating
2933 as a corporation, limited liability company, partnership or sole
2934 proprietorship. Except as otherwise provided in this section, a
2935 credit is allowed against the taxes imposed by Sections 27-7-5,
2936 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2937 contributions made by a taxpayer during the taxable year to an
2938 eligible charitable organization. A credit is also allowed
2939 against ad valorem taxes assessed and levied on real property for
2940 voluntary cash contributions made by the taxpayer during the
2941 taxable year to an eligible charitable organization. The amount
2942 of credit that may be utilized by a taxpayer in a taxable year



2943 shall be limited to (i) an amount not to exceed fifty percent
2944 (50%) of the total tax liability of the taxpayer for the taxes
2945 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
2946 and (ii) an amount not to exceed fifty percent (50%) of the total
2947 tax liability of the taxpayer for ad valorem taxes assessed and
2948 levied on real property. Any credit claimed under this section
2949 but not used in the tax year in which it was earned may be carried
2950 forward for five (5) consecutive years from the close of the tax
2951 year in which it was earned.

2952 (b) A contribution for which a credit is claimed under
2953 this section may not be used as a deduction by the taxpayer for
2954 state income tax purposes.

2955 (3) A taxpayer taking a credit authorized by this section
2956 shall provide the name of the eligible charitable organization and
2957 the amount of the contribution to the department on forms provided
2958 by the department.

2959 (4) To be considered an eligible charitable organization
2960 under this section, an organization shall provide the department
2961 with a written certification that it meets all criteria. The
2962 organization shall also notify the department of any changes that
2963 may affect eligibility under this section.

2964 (5) The eligible charitable organization's written
2965 certification must be signed by an officer of the organization
2966 under penalty of perjury. The written certification shall include
2967 the following:



2968 (a) Verification of the organization's status under
2969 Section 501(c)(3) of the Internal Revenue Code;

2970 (b) A statement that the organization will use the
2971 contribution only for the purchasing of food and will deliver the
2972 food to food pantries and soup kitchens in the state; and

2973 (c) Any other information that the department requires
2974 in order to administer this section.

2975 (6) The department shall review each written certification
2976 and determine whether the organization meets all the criteria to
2977 be considered an eligible charitable organization and shall notify
2978 the organization of its determination. The department may also
2979 periodically request recertification from the organization. The
2980 department shall compile and make available to the public a list
2981 of eligible charitable organizations.

2982 (7) Tax credits authorized by this section that are earned
2983 by a partnership, limited liability company, S corporation or
2984 other similar pass-through entity, shall be allocated among all
2985 partners, members or shareholders, respectively, either in
2986 proportion to their ownership interest in such entity or as the
2987 partners, members or shareholders mutually agree as provided in an
2988 executed document.

2989 (8) (a) A taxpayer shall apply for credits with the
2990 department on forms prescribed by the department. In the
2991 application, the taxpayer shall certify to the department the
2992 dollar amount of the contributions made or to be made during the



2993 calendar year. Within thirty (30) days after the receipt of an
2994 application, the department shall allocate credits based on the
2995 dollar amount of contributions as certified in the application.
2996 However, if the department cannot allocate the full amount of
2997 credits certified in the application due to the limit on the
2998 aggregate amount of credits that may be awarded under this section
2999 in a calendar year, the department shall so notify the applicant
3000 within thirty (30) days with the amount of credits, if any, that
3001 may be allocated to the applicant in the calendar year. Once the
3002 department has allocated credits to a taxpayer, if the
3003 contribution for which a credit is allocated has not been made as
3004 of the date of the allocation, then the contribution must be made
3005 not later than sixty (60) days from the date of the allocation.
3006 If the contribution is not made within such time period, the
3007 allocation shall be cancelled and returned to the department for
3008 reallocation. Upon final documentation of the contribution, if
3009 the actual dollar amount of the contribution is lower than the
3010 amount estimated, the department shall adjust the tax credit
3011 allowed under this section.

3012 (b) For the purposes of using a tax credit against ad
3013 valorem taxes assessed and levied on real property, a taxpayer
3014 shall present to the appropriate tax collector the tax credit
3015 documentation provided to the taxpayer by the department, and the
3016 tax collector shall apply the tax credit against such ad valorem
3017 taxes. The tax collector shall forward the tax credit



3018 documentation to the department along with the amount of the tax
3019 credit applied against ad valorem taxes, and the department shall
3020 disburse funds to the tax collector for the amount of the tax
3021 credit applied against ad valorem taxes. Such payments by the
3022 department shall be made from current tax collections.

3023 (9) The aggregate amount of tax credits that may be
3024 allocated by the department under this section during a calendar
3025 year shall not exceed One Million Dollars (\$1,000,000.00).

3026 **SECTION 36.** Section 27-7-22.47, Mississippi Code of 1972, is
3027 brought forward as follows:

3028 27-7-22.47. (1) For the purposes of this section, the
3029 following words and phrases shall have the meanings ascribed in
3030 this section unless the context clearly indicates otherwise:

3031 (a) "Department" means the Department of Revenue.

3032 (b) "Eligible transitional home organization" means an
3033 organization that is exempt from federal income taxation under
3034 Section 501(c)(3) of the Internal Revenue Code that provides
3035 transitional housing for homeless persons age twenty-five (25) and
3036 under, homeless families and/or homeless and/or referred unwed
3037 pregnant women.

3038 "Eligible transitional home organization" does not include
3039 any entity that provides, pays for or provides coverage of
3040 abortions or that financially supports any other entity that
3041 provides, pays for or provides coverage of abortions.



3042 "Eligible transitional home organization" does not include
3043 any entity that charges a fee for the services and/or benefits it
3044 provides as an eligible transitional home organization. The
3045 prohibition against charging a fee for services and/or benefits is
3046 limited to services and benefits the entity provides as an
3047 eligible transitional home organization and does not apply to any
3048 other services and/or benefits the entity may provide to persons
3049 not being served by the entity's transitional home services.

3050 (c) "Transitional housing" means temporary housing the
3051 purpose of which is to provide homeless persons age twenty-five
3052 (25) and under, homeless families and/or homeless and/or referred
3053 unwed pregnant women with temporary shelter and facilitate their
3054 movement to permanent housing within an amount of time that the
3055 eligible transitional home organization determines to be
3056 appropriate.

3057 "Transitional housing" includes a program designed by the
3058 eligible transitional home organization that offers structure,
3059 supervision, support, life skills, education and training as the
3060 eligible transitional home organization determines to be
3061 appropriate for each individual and/or family to achieve and/or
3062 maintain independence.

3063 (2) (a) (i) The tax credit authorized in this subsection
3064 shall be available only to a taxpayer who is a business enterprise
3065 engaged in commercial, industrial or professional activities and
3066 operating as a corporation, limited liability company, partnership



3067 or sole proprietorship. Except as otherwise provided in this
3068 subsection, a credit is allowed against the taxes imposed by
3069 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
3070 cash contributions made by a taxpayer during the taxable year to
3071 an eligible transitional home organization. A credit is also
3072 allowed against ad valorem taxes assessed and levied on real
3073 property for voluntary cash contributions made by the taxpayer
3074 during the taxable year to an eligible transitional home
3075 organization. The amount of credit that may be utilized by a
3076 taxpayer in a taxable year shall be limited to an amount not to
3077 exceed fifty percent (50%) of the total tax liability of the
3078 taxpayer for the taxes imposed by such sections of law and an
3079 amount not to exceed fifty percent (50%) of the total tax
3080 liability of the taxpayer for ad valorem taxes assessed and levied
3081 on real property. Any tax credit claimed under this subsection
3082 but not used in any taxable year may be carried forward for five
3083 (5) consecutive years from the close of the tax year in which the
3084 credits were earned.

3085 (ii) A contribution to an eligible transitional
3086 home organization for which a credit is claimed under this
3087 subsection does not qualify for and shall not be included in any
3088 credit that may be claimed under subsection (3) of this section.

3089 (iii) A contribution for which a credit is claimed
3090 under this subsection may not be used as a deduction by the
3091 taxpayer for state income tax purposes.



3092 (b) Taxpayers taking a credit authorized by this
3093 subsection shall provide the name of the eligible transitional
3094 home organization and the amount of the contribution to the
3095 department on forms provided by the department.

3096 (c) An eligible transitional home organization shall
3097 provide the department with a written certification that it meets
3098 all criteria to be considered an eligible transitional home
3099 organization. The organization shall also notify the department
3100 of any changes that may affect eligibility under this section.

3101 (d) The eligible transitional home organization's
3102 written certification must be signed by an officer of the
3103 organization under penalty of perjury. The written certification
3104 shall include the following:

3105 (i) Verification of the organization's status
3106 under Section 501(c)(3) of the Internal Revenue Code;

3107 (ii) Information about the facilities that
3108 demonstrate the applicant's ability to provide housing for
3109 homeless persons age twenty-five (25) and under, homeless
3110 families, and/or homeless and/or referred unwed pregnant women;

3111 (iii) Sufficient materials to document the program
3112 of the applicant that demonstrate that the applicant has and runs
3113 a program that offers structure, supervision, support, life
3114 skills, education and training as the eligible transitional home
3115 organization determines to be appropriate for each individual
3116 and/or family to achieve and/or maintain independence;



3117 (iv) A statement that the organization does not
3118 charge a fee for services or benefits provided in whole or in part
3119 by its transitional housing program; and

3120 (v) Any other information that the department
3121 requires to administer this section.

3122 (e) The department shall review each written
3123 certification and determine whether the organization meets all the
3124 criteria to be considered an eligible transitional home
3125 organization and notify the organization of its determination.
3126 The department may also periodically request recertification from
3127 the organization. The department shall compile and make available
3128 to the public a list of eligible transitional home organizations.

3129 (f) Tax credits authorized by this subsection that are
3130 earned by a partnership, limited liability company, S corporation
3131 or other similar pass-through entity, shall be allocated among all
3132 partners, members or shareholders, respectively, either in
3133 proportion to their ownership interest in such entity or as the
3134 partners, members or shareholders mutually agree as provided in an
3135 executed document.

3136 (g) (i) A taxpayer shall apply for credits with the
3137 department on forms prescribed by the department. In the
3138 application the taxpayer shall certify to the department the
3139 dollar amount of the contributions made or to be made during the
3140 calendar year. Within thirty (30) days after the receipt of an
3141 application, the department shall allocate credits based on the



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

3159 (ii) For the purposes of using a tax credit
3160 against ad valorem taxes assessed and levied on real property, a
3161 taxpayer shall present to the appropriate tax collector the tax
3162 credit documentation provided to the taxpayer by the Department of
3163 Revenue, and the tax collector shall apply the tax credit against
3164 such ad valorem taxes. The tax collector shall forward the tax
3165 credit documentation to the Department of Revenue along with the
3166 amount of the tax credit applied against ad valorem taxes, and the



3167 department shall disburse funds to the tax collector for the
3168 amount of the tax credit applied against ad valorem taxes. Such
3169 payments by the Department of Revenue shall be made from current
3170 tax collections.

3171 (h) The aggregate amount of tax credits that may be
3172 allocated by the department under this subsection during a
3173 calendar year shall not exceed Ten Million Dollars
3174 (\$10,000,000.00). For credits allocated during a calendar year
3175 for contributions to eligible transitional home organizations, no
3176 more than twenty-five percent (25%) of such credits may be
3177 allocated for contributions to a single eligible transitional home
3178 organization.

3179 (3) (a) (i) Except as otherwise provided in this
3180 subsection, a credit is allowed against the taxes imposed by this
3181 chapter for voluntary cash contributions by an individual taxpayer
3182 during the taxable year to an eligible transitional home
3183 organization. A credit is also allowed against ad valorem taxes
3184 assessed and levied on real property for voluntary cash
3185 contributions made by an individual taxpayer during the taxable
3186 year to an eligible transitional home organization. The amount of
3187 credit that may be utilized by a taxpayer in a taxable year shall
3188 be limited to an amount not to exceed fifty percent (50%) of the
3189 total tax liability of the taxpayer for the taxes imposed by this
3190 chapter and an amount not to exceed fifty percent (50%) of the
3191 total tax liability of the taxpayer for ad valorem taxes assessed



3192 and levied on real property. Any tax credit claimed under this
3193 subsection but not used in any taxable year may be carried forward
3194 for five (5) consecutive years from the close of the tax year in
3195 which the credits were earned.

3196 (ii) A husband and wife who file separate returns
3197 for a taxable year in which they could have filed a joint return
3198 may each claim only one-half (1/2) of the tax credit that would
3199 have been allowed for a joint return.

3200 (iii) A contribution to an eligible transitional
3201 home organization for which a credit is claimed under this
3202 subsection does not qualify for and shall not be included in any
3203 credit that may be claimed under subsection (2) of this section.

3204 (iv) A contribution for which a credit is claimed
3205 under this subsection may not be used as a deduction by the
3206 taxpayer for state income tax purposes.

3207 (b) Taxpayers taking a credit authorized by this
3208 subsection shall provide the name of the eligible transitional
3209 home organization and the amount of the contribution to the
3210 department on forms provided by the department.

3211 (c) An eligible transitional home organization shall
3212 provide the department with a written certification that it meets
3213 all criteria to be considered an eligible transitional home
3214 organization. The organization shall also notify the department
3215 of any changes that may affect eligibility under this section.



3216 (d) The eligible transitional housing organization's
3217 written certification must be signed by an officer of the
3218 organization under penalty of perjury. The written certification
3219 shall include the following:

3220 (i) Verification of the organization's status
3221 under Section 501(c)(3) of the Internal Revenue Code;

3222 (ii) Information about the facilities that
3223 demonstrate the applicant's ability to provide housing for
3224 homeless persons age twenty-five (25) and under, homeless
3225 families, and/or homeless and/or referred unwed pregnant women;

3226 (iii) Sufficient materials to document the program
3227 of the applicant that demonstrate that the applicant has and runs
3228 a program that offers structure, supervision, support, life
3229 skills, education and training as the eligible transitional home
3230 organization determines to be appropriate for each individual
3231 and/or family to achieve and/or maintain independence;

3232 (iv) A statement that the organization does not
3233 charge a fee for services or benefits provided in whole or in part
3234 by its transitional housing program; and

3235 (v) Any other information that the department
3236 requires to administer this section.

3237 (e) The department shall review each written
3238 certification and determine whether the organization meets all the
3239 criteria to be considered an eligible transitional home
3240 organization and notify the organization of its determination.



3241 The department may also periodically request recertification from
3242 the organization. The department shall compile and make available
3243 to the public a list of eligible transitional home organizations.

3244 (f) (i) A taxpayer shall apply for credits with the
3245 department on forms prescribed by the department. In the
3246 application the taxpayer shall certify to the department the
3247 dollar amount of the contributions made or to be made during the
3248 calendar year. Within thirty (30) days after the receipt of an
3249 application, the department shall allocate credits based on the
3250 dollar amount of contributions as certified in the application.
3251 However, if the department cannot allocate the full amount of
3252 credits certified in the application due to the limit on the
3253 aggregate amount of credits that may be awarded under this
3254 subsection in a calendar year, the department shall so notify the
3255 applicant within thirty (30) days with the amount of credits, if
3256 any, that may be allocated to the applicant in the calendar year.
3257 Once the department has allocated credits to a taxpayer, if the
3258 contribution for which a credit is allocated has not been made as
3259 of the date of the allocation, then the contribution must be made
3260 not later than sixty (60) days from the date of the allocation.
3261 If the contribution is not made within such time period, the
3262 allocation shall be cancelled and returned to the department for
3263 reallocation. Upon final documentation of the contributions, if
3264 the actual dollar amount of the contributions is lower than the



3265 amount estimated, the department shall adjust the tax credit
3266 allowed under this subsection.

3267 (ii) For the purposes of using a tax credit
3268 against ad valorem taxes assessed and levied on real property, a
3269 taxpayer shall present to the appropriate tax collector the tax
3270 credit documentation provided to the taxpayer by the Department of
3271 Revenue, and the tax collector shall apply the tax credit against
3272 such ad valorem taxes. The tax collector shall forward the tax
3273 credit documentation to the Department of Revenue along with the
3274 amount of the tax credit applied against ad valorem taxes, and the
3275 department shall disburse funds to the tax collector for the
3276 amount of the tax credit applied against ad valorem taxes. Such
3277 payments by the Department of Revenue shall be made from current
3278 tax collections.

3279 (g) The aggregate amount of tax credits that may be
3280 allocated by the department under this subsection during a
3281 calendar year shall not exceed One Million Dollars
3282 (\$1,000,000.00).

3283 **SECTION 37.** Section 27-7-22.48, Mississippi Code of 1972, is
3284 brought forward as follows:

3285 27-7-22.48. (1) (a) For the purposes of this section, the
3286 following words and phrases shall have the meanings ascribed in
3287 this section unless the context clearly indicates otherwise:

3288 (i) "Department" means the Department of Revenue.



3289 (ii) "Eligible charitable organization" means an
3290 organization that is exempt from federal income taxation under
3291 Section 501(c)(3) of the Internal Revenue Code and spends at least
3292 fifty percent (50%) of its budget on contracting or making other
3293 agreements or arrangements with physicians and/or nurse
3294 practitioners to provide health care services to low-income
3295 residents of this state including those who are mothers and to
3296 their households.

3297 "Eligible charitable organization" does not include any
3298 entity that provides, pays for or provides coverage of abortions
3299 or that financially supports any other entity that provides, pays
3300 for or provides coverage of abortions.

3301 (iii) "Low-income residents" means persons whose
3302 household income does not exceed one hundred eighty-five percent
3303 (185%) of the federal poverty level converted to a modified
3304 adjusted gross income equivalent standard.

3305 (iv) "Nurse practitioner" means a nurse
3306 practitioner certified under Section 73-15-20, Mississippi Code of
3307 1972.

3308 (v) "Physician" means an individual licensed to
3309 practice medicine or osteopathic medicine under Section 73-25-1 et
3310 seq., Mississippi Code of 1972.

3311 (2) (a) (i) The tax credit authorized in this subsection
3312 shall be available only to a taxpayer who is a business enterprise
3313 engaged in commercial, industrial or professional activities and



3314 operating as a corporation, limited liability company, partnership
3315 or sole proprietorship. Except as otherwise provided in this
3316 subsection, a credit is allowed against the taxes imposed by
3317 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
3318 cash contributions made by a taxpayer during the taxable year to
3319 an eligible charitable organization. A credit is also allowed
3320 against ad valorem taxes assessed and levied on real property for
3321 voluntary cash contributions made by the taxpayer during the
3322 taxable year to an eligible charitable organization. The amount
3323 of credit that may be utilized by a taxpayer in a taxable year
3324 shall be limited to an amount not to exceed fifty percent (50%) of
3325 the total tax liability of the taxpayer for the taxes imposed by
3326 such sections of law and an amount not to exceed fifty percent
3327 (50%) of the total tax liability of the taxpayer for ad valorem
3328 taxes assessed and levied on real property. Any tax credit
3329 claimed under this subsection but not used in any taxable year may
3330 be carried forward for five (5) consecutive years from the close
3331 of the tax year in which the credits were earned.

3332 (ii) A contribution to an eligible charitable
3333 organization for which a credit is claimed under this subsection
3334 does not qualify for and shall not be included in any credit that
3335 may be claimed under subsection (3) of this section.

3336 (iii) A contribution for which a credit is claimed
3337 under this subsection may not be used as a deduction by the
3338 taxpayer for state income tax purposes.



3339 (b) Taxpayers taking a credit authorized by this
3340 subsection shall provide the name of the eligible charitable
3341 organization and the amount of the contribution to the department
3342 on forms provided by the department.

3343 (c) An eligible charitable organization shall provide
3344 the department with a written certification that it meets all
3345 criteria to be considered an eligible charitable organization.
3346 The organization shall also notify the department of any changes
3347 that may affect eligibility under this subsection.

3348 (d) The eligible charitable organization's written
3349 certification must be signed by an officer of the organization
3350 under penalty of perjury. The written certification shall include
3351 the following:

3352 (i) Verification of the organization's status
3353 under Section 501(c)(3) of the Internal Revenue Code;

3354 (ii) A statement that the organization does not
3355 provide, pay for or provide coverage of abortions and does not
3356 financially support any other entity that provides, pays for or
3357 provides coverage of abortions;

3358 (iii) Any other information that the department
3359 requires to administer this subsection.

3360 (e) The department shall review each written
3361 certification and determine whether the organization meets all the
3362 criteria to be considered an eligible charitable organization and
3363 notify the organization of its determination. The department may



3364 also periodically request recertification from the organization.
3365 The department shall compile and make available to the public a
3366 list of eligible charitable organizations.

3367 (f) Tax credits authorized by this subsection that are
3368 earned by a partnership, limited liability company, S corporation
3369 or other similar pass-through entity, shall be allocated among all
3370 partners, members or shareholders, respectively, either in
3371 proportion to their ownership interest in such entity or as the
3372 partners, members or shareholders mutually agree as provided in an
3373 executed document.

3374 (g) (i) A taxpayer shall apply for credits with the
3375 department on forms prescribed by the department. In the
3376 application the taxpayer shall certify to the department the
3377 dollar amount of the contributions made or to be made during the
3378 calendar year. Within thirty (30) days after the receipt of an
3379 application, the department shall allocate credits based on the
3380 dollar amount of contributions as certified in the application.
3381 However, if the department cannot allocate the full amount of
3382 credits certified in the application due to the limit on the
3383 aggregate amount of credits that may be awarded under this
3384 subsection in a calendar year, the department shall so notify the
3385 applicant within thirty (30) days with the amount of credits, if
3386 any, that may be allocated to the applicant in the calendar year.
3387 Once the department has allocated credits to a taxpayer, if the
3388 contribution for which a credit is allocated has not been made as



3389 of the date of the allocation, then the contribution must be made
3390 not later than sixty (60) days from the date of the allocation.
3391 If the contribution is not made within such time period, the
3392 allocation shall be cancelled and returned to the department for
3393 reallocation. Upon final documentation of the contributions, if
3394 the actual dollar amount of the contributions is lower than the
3395 amount estimated, the department shall adjust the tax credit
3396 allowed under this subsection.

3397 (ii) For the purposes of using a tax credit
3398 against ad valorem taxes assessed and levied on real property, a
3399 taxpayer shall present to the appropriate tax collector the tax
3400 credit documentation provided to the taxpayer by the Department of
3401 Revenue, and the tax collector shall apply the tax credit against
3402 such ad valorem taxes. The tax collector shall forward the tax
3403 credit documentation to the Department of Revenue along with the
3404 amount of the tax credit applied against ad valorem taxes, and the
3405 department shall disburse funds to the tax collector for the
3406 amount of the tax credit applied against ad valorem taxes. Such
3407 payments by the Department of Revenue shall be made from current
3408 tax collections.

3409 (h) The aggregate amount of tax credits that may be
3410 allocated by the department under this subsection during a
3411 calendar year shall not exceed Three Million Dollars
3412 (\$3,000,000.00).



3413 (3) (a) (i) Except as otherwise provided in this
3414 subsection, a credit is allowed against the taxes imposed by this
3415 chapter for voluntary cash contributions by an individual taxpayer
3416 during the taxable year to an eligible charitable organization. A
3417 credit is also allowed against ad valorem taxes assessed and
3418 levied on real property for voluntary cash contributions made by
3419 the taxpayer during the taxable year to an eligible charitable
3420 organization. The amount of credit that may be utilized by a
3421 taxpayer in a taxable year shall be limited to an amount not to
3422 exceed fifty percent (50%) of the total tax liability of the
3423 taxpayer for the taxes imposed by this chapter and an amount not
3424 to exceed fifty percent (50%) of the total tax liability of the
3425 taxpayer for ad valorem taxes assessed and levied on real
3426 property. Any tax credit claimed under this subsection but not
3427 used in any taxable year may be carried forward for five (5)
3428 consecutive years from the close of the tax year in which the
3429 credits were earned.

3430 (ii) A husband and wife who file separate returns
3431 for a taxable year in which they could have filed a joint return
3432 may each claim only one-half (1/2) of the tax credit that would
3433 have been allowed for a joint return.

3434 (iii) A contribution to an eligible charitable
3435 organization for which a credit is claimed under this subsection
3436 does not qualify for and shall not be included in any credit that
3437 may be claimed under subsection (2) of this section.



3438 (iv) A contribution for which a credit is claimed
3439 under this subsection may not be used as a deduction by the
3440 taxpayer for state income tax purposes.

3441 (b) Taxpayers taking a credit authorized by this
3442 subsection shall provide the name of the eligible charitable
3443 organization and the amount of the contribution to the department
3444 on forms provided by the department.

3445 (c) An eligible charitable organization shall provide
3446 the department with a written certification that it meets all
3447 criteria to be considered an eligible charitable organization.
3448 The organization shall also notify the department of any changes
3449 that may affect eligibility under this subsection.

3450 (d) The eligible charitable organization's written
3451 certification must be signed by an officer of the organization
3452 under penalty of perjury. The written certification shall include
3453 the following:

3454 (i) Verification of the organization's status
3455 under Section 501(c)(3) of the Internal Revenue Code;

3456 (ii) A statement that the organization does not
3457 provide, pay for or provide coverage of abortions and does not
3458 financially support any other entity that provides, pays for or
3459 provides coverage of abortions;

3460 (iii) Any other information that the department
3461 requires to administer this subsection.



3462 (e) The department shall review each written
3463 certification and determine whether the organization meets all the
3464 criteria to be considered an eligible charitable organization and
3465 notify the organization of its determination. The department may
3466 also periodically request recertification from the organization.
3467 The department shall compile and make available to the public a
3468 list of eligible charitable organizations.

3469 (f) (i) A taxpayer shall apply for credits with the
3470 department on forms prescribed by the department. In the
3471 application the taxpayer shall certify to the department the
3472 dollar amount of the contributions made or to be made during the
3473 calendar year. Within thirty (30) days after the receipt of an
3474 application, the department shall allocate credits based on the
3475 dollar amount of contributions as certified in the application.
3476 However, if the department cannot allocate the full amount of
3477 credits certified in the application due to the limit on the
3478 aggregate amount of credits that may be awarded under this
3479 subsection in a calendar year, the department shall so notify the
3480 applicant within thirty (30) days with the amount of credits, if
3481 any, that may be allocated to the applicant in the calendar year.
3482 Once the department has allocated credits to a taxpayer, if the
3483 contribution for which a credit is allocated has not been made as
3484 of the date of the allocation, then the contribution must be made
3485 not later than sixty (60) days from the date of the allocation.
3486 If the contribution is not made within such time period, the



3487 allocation shall be cancelled and returned to the department for
3488 reallocation. Upon final documentation of the contributions, if
3489 the actual dollar amount of the contributions is lower than the
3490 amount estimated, the department shall adjust the tax credit
3491 allowed under this subsection.

3492 (ii) For the purposes of using a tax credit
3493 against ad valorem taxes assessed and levied on real property, a
3494 taxpayer shall present to the appropriate tax collector the tax
3495 credit documentation provided to the taxpayer by the Department of
3496 Revenue, and the tax collector shall apply the tax credit against
3497 such ad valorem taxes. The tax collector shall forward the tax
3498 credit documentation to the Department of Revenue along with the
3499 amount of the tax credit applied against ad valorem taxes, and the
3500 department shall disburse funds to the tax collector for the
3501 amount of the tax credit applied against ad valorem taxes. Such
3502 payments by the Department of Revenue shall be made from current
3503 tax collections.

3504 (g) The aggregate amount of tax credits that may be
3505 allocated by the department under this subsection during a
3506 calendar year shall not exceed One Million Dollars
3507 (\$1,000,000.00).

3508 **SECTION 38.** Section 27-7-22.49, Mississippi Code of 1972, is
3509 brought forward as follows:



3510 27-7-22.49. (1) As used in this section, the following
3511 words and phrases shall have the meanings ascribed in this section
3512 unless the context clearly indicates otherwise:

3513 (a) "Employment-related expenses" means and has the
3514 same definition as such term has in 26 USCS Section 21.

3515 (b) "Qualifying individual" means and has the same
3516 definition as such term has in 26 USCS Section 21(b)(1)(A).

3517 (2) Subject to the provisions of this section, any taxpayer
3518 allowed to claim a federal income tax credit under 26 USCS Section
3519 21 for employment-related expenses incurred related to one (1) or
3520 more qualifying individuals shall be allowed a credit against the
3521 taxes imposed under this chapter in the manner prescribed in this
3522 section. The amount of the credit shall be equal to twenty-five
3523 percent (25%) of the amount of the federal income tax credit
3524 lawfully claimed by the taxpayer for such employment-related
3525 expenses on the taxpayer's federal income tax return. However,
3526 the amount of credit that may be utilized by a taxpayer in a
3527 taxable year shall be limited to an amount not to exceed the total
3528 tax liability of the taxpayer for the taxes imposed under this
3529 chapter. In order to claim the credit provided for in this
3530 section, a taxpayer must claim the federal income tax credit on
3531 the taxpayer's federal income tax return and have an adjusted
3532 gross income for such return of not more than Fifty Thousand
3533 Dollars (\$50,000.00). A taxpayer must provide a copy of such
3534 return and any other information required by the department.



3535 **SECTION 39.** Section 27-7-205, Mississippi Code of 1972, is
3536 brought forward as follows:

3537 27-7-205. As used in this article:

3538 (a) "Qualified community foundation" means an entity
3539 that is exempt from federal income taxation under Section
3540 501(c) (3) of the Internal Revenue Code that is recognized by the
3541 Mississippi Association of Grantmakers as meeting the following
3542 requirements:

3543 (i) It is organized by articles of incorporation
3544 in the State of Mississippi to serve the State of Mississippi, or
3545 one or more Mississippi counties or municipalities, or a
3546 combination thereof;

3547 (ii) It is comprised of permanent, component funds
3548 established by multiple separate donors;

3549 (iii) It supports broad-based charitable interests
3550 that benefit the residents of a defined geographic area, no larger
3551 than the State of Mississippi;

3552 (iv) It is directed by a board of directors that
3553 is comprised of community representatives and is independent in
3554 that it is not subject to the control of another entity;

3555 (v) It actively engages in charitable activities,
3556 including, but not limited to, supporting two (2) or more
3557 unaffiliated tax-exempt organizations through grants or other
3558 professionally accepted means of charitable support, and serving
3559 in leadership roles on important community issues;



3560 (vi) It complies with the guidelines of the
3561 Mississippi Association of Grantmakers, or its successor entity,
3562 for membership by a community foundation; and

3563 (vii) It is in good standing with having complied
3564 with Endow Mississippi certification, reporting, and data privacy
3565 requirements.

3566 (b) "Endowment gift" means an irrevocable contribution
3567 to an endowed fund held by a qualified community foundation.

3568 (c) "Qualified contribution" means an endowment gift of
3569 at least One Thousand Dollars (\$1,000.00) made to a qualified
3570 community foundation for an endowed fund established to
3571 substantially benefit charitable causes in this state, and that is
3572 a charitable gift as defined in Section 170(c) of the Internal
3573 Revenue Code. A qualified contribution may take any form, subject
3574 to the giving policies of the qualified community foundation
3575 receiving it.

3576 (d) "Endowed fund" means a fund held in a qualified
3577 community foundation that provides benefit to charitable causes in
3578 Mississippi that is intended to exist in perpetuity. An endowed
3579 fund may include, but is not limited to, donor-advised funds,
3580 community foundation affiliate funds, field-of-interest funds,
3581 agency funds and designated organizational funds.

3582 **SECTION 40.** Section 27-7-207, Mississippi Code of 1972, is
3583 brought forward as follows:



3584 27-7-207. (1) Subject to the limitations provided for in
3585 this section, through calendar year 2028, a taxpayer shall be
3586 allowed a credit against the tax imposed by Chapter 7, Title 27,
3587 in an amount equal to twenty-five percent (25%) of a qualified
3588 contribution to an endowed fund at a qualified community
3589 foundation, subject to the following:

3590 (a) The minimum amount of a qualified contribution
3591 shall be One Thousand Dollars (\$1,000.00).

3592 (b) The maximum amount of a qualified contribution
3593 shall be Five Hundred Thousand Dollars (\$500,000.00).

3594 (c) The total qualified contributions from any
3595 qualified taxpayer eligible for the tax credit authorized under
3596 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
3597 per year.

3598 (2) Except as otherwise provided in this subsection, the
3599 aggregate amount of tax credits authorized under this article
3600 shall not exceed One Million Dollars (\$1,000,000.00) in any one
3601 (1) calendar year. The credits shall be awarded on a first-come,
3602 first-served basis. If the tax credits authorized for any
3603 calendar year are not utilized, the amount not utilized may be
3604 awarded or carried forward in up to five (5) subsequent calendar
3605 years from the year in which such credits are made available.

3606 (3) If the amount allowable as a credit exceeds the tax
3607 imposed by Chapter 7, Title 27, the amount of such excess may be



3608 carried forward for not more than five (5) subsequent taxable
3609 years.

3610 (4) From and after January 1, 2029, no additional credits
3611 shall be authorized under this section; however, any tax credits
3612 authorized prior to January 1, 2029, and not used, may be carried
3613 forward for not more than five (5) taxable years subsequent to
3614 calendar year 2028.

3615 **SECTION 41.** Section 27-7-209, Mississippi Code of 1972, is
3616 brought forward as follows:

3617 27-7-209. For each calendar year, a total of ten percent
3618 (10%) of the authorized tax credits shall be reserved for
3619 qualified contributions to each of the qualified community
3620 foundations in Mississippi for a period of nine (9) months. Any
3621 credits that are not utilized within the nine-month period shall
3622 be utilized for qualified contributions to any qualified community
3623 foundation on a first-come, first-served basis. Any credits not
3624 specifically reserved under this section shall also be available
3625 to any qualified community foundation on a first-come,
3626 first-served basis. The Mississippi Association of Grantmakers,
3627 or its successor entity, shall, in cooperation with qualified
3628 community foundations, develop, establish and maintain records
3629 that determine the priority for the awarding of tax credits under
3630 this article.

3631 **SECTION 42.** Section 57-73-21, Mississippi Code of 1972, is
3632 brought forward as follows:



3633 **[In cases involving business enterprises that received or**
3634 **applied for the job tax credit authorized by this section prior to**
3635 **January 1, 2005, this section shall read as follows:]**

3636 57-73-21. (1) Annually by December 31, using the most
3637 current data available from the University Research Center,
3638 Mississippi Department of Employment Security and the United
3639 States Department of Commerce, the State Tax Commission shall rank
3640 and designate the state's counties as provided in this section.
3641 The twenty-eight (28) counties in this state having a combination
3642 of the highest unemployment rate and lowest per capita income for
3643 the most recent thirty-six-month period, with equal weight being
3644 given to each category, are designated Tier Three areas. The
3645 twenty-seven (27) counties in the state with a combination of the
3646 next highest unemployment rate and next lowest per capita income
3647 for the most recent thirty-six-month period, with equal weight
3648 being given to each category, are designated Tier Two areas. The
3649 twenty-seven (27) counties in the state with a combination of the
3650 lowest unemployment rate and the highest per capita income for the
3651 most recent thirty-six-month period, with equal weight being given
3652 to each category, are designated Tier One areas. Counties
3653 designated by the Tax Commission qualify for the appropriate tax
3654 credit for jobs as provided in subsections (2), (3) and (4) of
3655 this section. The designation by the Tax Commission is effective
3656 for the tax years of permanent business enterprises which begin
3657 after the date of designation. For companies which plan an



3658 expansion in their labor forces, the Tax Commission shall
3659 prescribe certification procedures to ensure that the companies
3660 can claim credits in future years without regard to whether or not
3661 a particular county is removed from the list of Tier Three or Tier
3662 Two areas.

3663 (2) Permanent business enterprises primarily engaged in
3664 manufacturing, processing, warehousing, distribution, wholesaling
3665 and research and development, or permanent business enterprises
3666 designated by rule and regulation of the Mississippi Development
3667 Authority as air transportation and maintenance facilities, final
3668 destination or resort hotels having a minimum of one hundred fifty
3669 (150) guest rooms, recreational facilities that impact tourism,
3670 movie industry studios, telecommunications enterprises, data or
3671 information processing enterprises or computer software
3672 development enterprises or any technology intensive facility or
3673 enterprise, in counties designated by the Tax Commission as Tier
3674 Three areas are allowed a job tax credit for taxes imposed by
3675 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
3676 for each net new full-time employee job for five (5) years
3677 beginning with years two (2) through six (6) after the creation of
3678 the job; however, if the permanent business enterprise is located
3679 in an area that has been declared by the Governor to be a disaster
3680 area and as a direct result of the disaster the permanent business
3681 enterprise is unable to maintain the required number of jobs, the
3682 Chairman of the State Tax Commission may extend this time period



3683 for not more two (2) years. The number of new full-time jobs must
3684 be determined by comparing the monthly average number of full-time
3685 employees subject to the Mississippi income tax withholding for
3686 the taxable year with the corresponding period of the prior
3687 taxable year. Only those permanent businesses that increase
3688 employment by ten (10) or more in a Tier Three area are eligible
3689 for the credit. Credit is not allowed during any of the five (5)
3690 years if the net employment increase falls below ten (10). The
3691 Tax Commission shall adjust the credit allowed each year for the
3692 net new employment fluctuations above the minimum level of ten
3693 (10).

3694 (3) Permanent business enterprises primarily engaged in
3695 manufacturing, processing, warehousing, distribution, wholesaling
3696 and research and development, or permanent business enterprises
3697 designated by rule and regulation of the Mississippi Development
3698 Authority as air transportation and maintenance facilities, final
3699 destination or resort hotels having a minimum of one hundred fifty
3700 (150) guest rooms, recreational facilities that impact tourism,
3701 movie industry studios, telecommunications enterprises, data or
3702 information processing enterprises or computer software
3703 development enterprises or any technology intensive facility or
3704 enterprise, in counties that have been designated by the Tax
3705 Commission as Tier Two areas are allowed a job tax credit for
3706 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
3707 (\$1,000.00) annually for each net new full-time employee job for



3708 five (5) years beginning with years two (2) through six (6) after
3709 the creation of the job; however, if the permanent business
3710 enterprise is located in an area that has been declared by the
3711 Governor to be a disaster area and as a direct result of the
3712 disaster the permanent business enterprise is unable to maintain
3713 the required number of jobs, the Chairman of the State Tax
3714 Commission may extend this time period for not more two (2) years.
3715 The number of new full-time jobs must be determined by comparing
3716 the monthly average number of full-time employees subject to
3717 Mississippi income tax withholding for the taxable year with the
3718 corresponding period of the prior taxable year. Only those
3719 permanent businesses that increase employment by fifteen (15) or
3720 more in Tier Two areas are eligible for the credit. The credit is
3721 not allowed during any of the five (5) years if the net employment
3722 increase falls below fifteen (15). The Tax Commission shall
3723 adjust the credit allowed each year for the net new employment
3724 fluctuations above the minimum level of fifteen (15).

3725 (4) Permanent business enterprises primarily engaged in
3726 manufacturing, processing, warehousing, distribution, wholesaling
3727 and research and development, or permanent business enterprises
3728 designated by rule and regulation of the Mississippi Development
3729 Authority as air transportation and maintenance facilities, final
3730 destination or resort hotels having a minimum of one hundred fifty
3731 (150) guest rooms, recreational facilities that impact tourism,
3732 movie industry studios, telecommunications enterprises, data or



3733 information processing enterprises or computer software
3734 development enterprises or any technology intensive facility or
3735 enterprise, in counties designated by the Tax Commission as Tier
3736 One areas are allowed a job tax credit for taxes imposed by
3737 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
3738 for each net new full-time employee job for five (5) years
3739 beginning with years two (2) through six (6) after the creation of
3740 the job; however, if the permanent business enterprise is located
3741 in an area that has been declared by the Governor to be a disaster
3742 area and as a direct result of the disaster the permanent business
3743 enterprise is unable to maintain the required number of jobs, the
3744 Chairman of the State Tax Commission may extend this time period
3745 for not more than two (2) years. The number of new full-time jobs
3746 must be determined by comparing the monthly average number of
3747 full-time employees subject to Mississippi income tax withholding
3748 for the taxable year with the corresponding period of the prior
3749 taxable year. Only those permanent businesses that increase
3750 employment by twenty (20) or more in Tier One areas are eligible
3751 for the credit. The credit is not allowed during any of the five
3752 (5) years if the net employment increase falls below twenty (20).
3753 The Tax Commission shall adjust the credit allowed each year for
3754 the net new employment fluctuations above the minimum level of
3755 twenty (20).

3756 (5) In addition to the credits authorized in subsections
3757 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)



3758 credit for each net new full-time employee or an additional One
3759 Thousand Dollars (\$1,000.00) credit for each net new full-time
3760 employee who is paid a salary, excluding benefits which are not
3761 subject to Mississippi income taxation, of at least one hundred
3762 twenty-five percent (125%) of the average annual wage of the state
3763 or an additional Two Thousand Dollars (\$2,000.00) credit for each
3764 net new full-time employee who is paid a salary, excluding
3765 benefits which are not subject to Mississippi income taxation, of
3766 at least two hundred percent (200%) of the average annual wage of
3767 the state, shall be allowed for any company establishing or
3768 transferring its national or regional headquarters from within or
3769 outside the State of Mississippi. A minimum of thirty-five (35)
3770 jobs must be created to qualify for the additional credit. The
3771 State Tax Commission shall establish criteria and prescribe
3772 procedures to determine if a company qualifies as a national or
3773 regional headquarters for purposes of receiving the credit awarded
3774 in this subsection. As used in this subsection, the average
3775 annual wage of the state is the most recently published average
3776 annual wage as determined by the Mississippi Department of
3777 Employment Security.

3778 (6) In addition to the credits authorized in subsections
3779 (2), (3), (4) and (5), any job requiring research and development
3780 skills (chemist, engineer, etc.) shall qualify for an additional
3781 One Thousand Dollars (\$1,000.00) credit for each net new full-time
3782 employee.



3783 (7) In lieu of the tax credits provided in subsections (2)
3784 through (6), any commercial or industrial property owner which
3785 remediates contaminated property in accordance with Sections
3786 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3787 imposed by Section 27-7-5 equal to the amounts provided in
3788 subsection (2), (3) or (4) for each net new full-time employee job
3789 for five (5) years beginning with years two (2) through six (6)
3790 after the creation of the job. The number of new full-time jobs
3791 must be determined by comparing the monthly average number of
3792 full-time employees subject to Mississippi income tax withholding
3793 for the taxable year with the corresponding period of the prior
3794 taxable year. This subsection shall be administered in the same
3795 manner as subsections (2), (3) and (4), except the landowner shall
3796 not be required to increase employment by the levels provided in
3797 subsections (2), (3) and (4) to be eligible for the tax credit.

3798 (8) Tax credits for five (5) years for the taxes imposed by
3799 Section 27-7-5 shall be awarded for additional net new full-time
3800 jobs created by business enterprises qualified under subsections
3801 (2), (3), (4), (5), (6) and (7) of this section. Except as
3802 otherwise provided, the Tax Commission shall adjust the credit
3803 allowed in the event of employment fluctuations during the
3804 additional five (5) years of credit.

3805 (9) (a) The sale, merger, acquisition, reorganization,
3806 bankruptcy or relocation from one (1) county to another county
3807 within the state of any business enterprise may not create new



3808 eligibility in any succeeding business entity, but any unused job
3809 tax credit may be transferred and continued by any transferee of
3810 the business enterprise. The Tax Commission shall determine
3811 whether or not qualifying net increases or decreases have occurred
3812 or proper transfers of credit have been made and may require
3813 reports, promulgate regulations, and hold hearings as needed for
3814 substantiation and qualification.

3815 (b) This subsection shall not apply in cases in which a
3816 business enterprise has ceased operation, laid off all its
3817 employees and is subsequently acquired by another unrelated
3818 business entity that continues operation of the enterprise in the
3819 same or a similar type of business. In such a case the succeeding
3820 business entity shall be eligible for the credit authorized by
3821 this section unless the cessation of operation of the business
3822 enterprise was for the purpose of obtaining new eligibility for
3823 the credit.

3824 (10) Any tax credit claimed under this section but not used
3825 in any taxable year may be carried forward for five (5) years from
3826 the close of the tax year in which the qualified jobs were
3827 established but the credit established by this section taken in
3828 any one (1) tax year must be limited to an amount not greater than
3829 fifty percent (50%) of the taxpayer's state income tax liability
3830 which is attributable to income derived from operations in the
3831 state for that year. If the permanent business enterprise is
3832 located in an area that has been declared by the Governor to be a



3833 disaster area and as a direct result of the disaster the business
3834 enterprise is unable to use the existing carryforward, the
3835 Chairman of the State Tax Commission may extend the period that
3836 the credit may be carried forward for a period of time not to
3837 exceed two (2) years.

3838 (11) No business enterprise for the transportation,
3839 handling, storage, processing or disposal of hazardous waste is
3840 eligible to receive the tax credits provided in this section.

3841 (12) The credits allowed under this section shall not be
3842 used by any business enterprise or corporation other than the
3843 business enterprise actually qualifying for the credits.

3844 (13) The tax credits provided for in this section shall be
3845 in addition to any tax credits described in Sections 57-51-13(b),
3846 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3847 action by the Mississippi Development Authority prior to July 1,
3848 1989, to any business enterprise determined prior to July 1, 1989,
3849 by the Mississippi Development Authority to be a qualified
3850 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3851 a qualified company as described in Section 57-53-1, as the case
3852 may be; however, from and after July 1, 1989, tax credits shall be
3853 allowed only under either this section or Sections 57-51-13(b),
3854 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
3855 employee.

3856 (14) As used in this section, the term "telecommunications
3857 enterprises" means entities engaged in the creation, display,



3858 management, storage, processing, transmission or distribution for
3859 compensation of images, text, voice, video or data by wire or by
3860 wireless means, or entities engaged in the construction, design,
3861 development, manufacture, maintenance or distribution for
3862 compensation of devices, products, software or structures used in
3863 the above activities. Companies organized to do business as
3864 commercial broadcast radio stations, television stations or news
3865 organizations primarily serving in-state markets shall not be
3866 included within the definition of the term "telecommunications
3867 enterprises."

3868 **[In cases involving business enterprises that apply for the**
3869 **job tax credit authorized by this section from and after January**
3870 **1, 2005, this section shall read as follows:]**

3871 57-73-21. (1) Annually by December 31, using the most
3872 current data available from the University Research Center,
3873 Mississippi Department of Employment Security and the United
3874 States Department of Commerce, the Department of Revenue shall
3875 rank and designate the state's counties as provided in this
3876 section. The twenty-eight (28) counties in this state having a
3877 combination of the highest unemployment rate and lowest per capita
3878 income for the most recent thirty-six-month period, with equal
3879 weight being given to each category, are designated Tier Three
3880 areas. The twenty-seven (27) counties in the state with a
3881 combination of the next highest unemployment rate and next lowest
3882 per capita income for the most recent thirty-six-month period,



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

3898 (2) Permanent business enterprises in counties designated by
3899 the Department of Revenue as Tier Three areas are allowed a job
3900 tax credit for taxes imposed by Section 27-7-5 equal to ten
3901 percent (10%) of the payroll of the enterprise for net new
3902 full-time employee jobs for five (5) years beginning with years
3903 two (2) through six (6) after the creation of the minimum number
3904 of jobs required by this subsection; however, if the permanent
3905 business enterprise is located in an area that has been declared
3906 by the Governor to be a disaster area and as a direct result of
3907 the disaster the permanent business enterprise is unable to



3908 maintain the required number of jobs, the Commissioner of Revenue
3909 may extend this time period for not more than two (2) years. The
3910 number of new full-time jobs must be determined by comparing the
3911 monthly average number of full-time employees subject to the
3912 Mississippi income tax withholding for the taxable year with the
3913 corresponding period of the prior taxable year. Only those
3914 permanent business enterprises that increase employment by ten
3915 (10) or more in a Tier Three area are eligible for the credit.
3916 Credit is not allowed during any of the five (5) years if the net
3917 employment increase falls below ten (10). The Department of
3918 Revenue shall adjust the credit allowed each year for the net new
3919 employment fluctuations above the minimum level of ten (10).
3920 Medical cannabis establishments as defined in the Mississippi
3921 Medical Cannabis Act shall not be eligible for the tax credit
3922 authorized in this subsection (2).

3923 (3) Permanent business enterprises in counties that have
3924 been designated by the Department of Revenue as Tier Two areas are
3925 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
3926 to five percent (5%) of the payroll of the enterprise for net new
3927 full-time employee jobs for five (5) years beginning with years
3928 two (2) through six (6) after the creation of the minimum number
3929 of jobs required by this subsection; however, if the permanent
3930 business enterprise is located in an area that has been declared
3931 by the Governor to be a disaster area and as a direct result of
3932 the disaster the permanent business enterprise is unable to



3933 maintain the required number of jobs, the Commissioner of Revenue
3934 may extend this time period for not more than two (2) years. The
3935 number of new full-time jobs must be determined by comparing the
3936 monthly average number of full-time employees subject to
3937 Mississippi income tax withholding for the taxable year with the
3938 corresponding period of the prior taxable year. Only those
3939 permanent business enterprises that increase employment by fifteen
3940 (15) or more in Tier Two areas are eligible for the credit. The
3941 credit is not allowed during any of the five (5) years if the net
3942 employment increase falls below fifteen (15). The Department of
3943 Revenue shall adjust the credit allowed each year for the net new
3944 employment fluctuations above the minimum level of fifteen (15).
3945 Medical cannabis establishments as defined in the Mississippi
3946 Medical Cannabis Act shall not be eligible for the tax credit
3947 authorized in this subsection (3).

3948 (4) Permanent business enterprises in counties designated by
3949 the Department of Revenue as Tier One areas are allowed a job tax
3950 credit for taxes imposed by Section 27-7-5 equal to two and
3951 one-half percent (2.5%) of the payroll of the enterprise for net
3952 new full-time employee jobs for five (5) years beginning with
3953 years two (2) through six (6) after the creation of the minimum
3954 number of jobs required by this subsection; however, if the
3955 permanent business enterprise is located in an area that has been
3956 declared by the Governor to be a disaster area and as a direct
3957 result of the disaster the permanent business enterprise is unable



3958 to maintain the required number of jobs, the Commissioner of
3959 Revenue may extend this time period for not more than two (2)
3960 years. The number of new full-time jobs must be determined by
3961 comparing the monthly average number of full-time employees
3962 subject to Mississippi income tax withholding for the taxable year
3963 with the corresponding period of the prior taxable year. Only
3964 those permanent business enterprises that increase employment by
3965 twenty (20) or more in Tier One areas are eligible for the credit.
3966 The credit is not allowed during any of the five (5) years if the
3967 net employment increase falls below twenty (20). The Department
3968 of Revenue shall adjust the credit allowed each year for the net
3969 new employment fluctuations above the minimum level of twenty
3970 (20). Medical cannabis establishments as defined in the
3971 Mississippi Medical Cannabis Act shall not be eligible for the tax
3972 credit authorized in this subsection (4).

3973 (5) (a) In addition to the other credits authorized in this
3974 section, an additional Five Hundred Dollars (\$500.00) credit for
3975 each net new full-time employee or an additional One Thousand
3976 Dollars (\$1,000.00) credit for each net new full-time employee who
3977 is paid a salary, excluding benefits which are not subject to
3978 Mississippi income taxation, of at least one hundred twenty-five
3979 percent (125%) of the average annual wage of the state or an
3980 additional Two Thousand Dollars (\$2,000.00) credit for each net
3981 new full-time employee who is paid a salary, excluding benefits
3982 which are not subject to Mississippi income taxation, of at least



3983 two hundred percent (200%) of the average annual wage of the
3984 state, shall be allowed for any company establishing or
3985 transferring its national or regional headquarters from within or
3986 outside the State of Mississippi. A minimum of twenty (20) jobs
3987 must be created to qualify for the additional credit. The
3988 Department of Revenue shall establish criteria and prescribe
3989 procedures to determine if a company qualifies as a national or
3990 regional headquarters for purposes of receiving the credit awarded
3991 in this paragraph (a). As used in this paragraph (a), the average
3992 annual wage of the state is the most recently published average
3993 annual wage as determined by the Mississippi Department of
3994 Employment Security. Medical cannabis establishments as defined
3995 in the Mississippi Medical Cannabis Act shall not be eligible for
3996 the tax credit authorized in this paragraph (a).

3997 (b) In addition to the other credits authorized in this
3998 section, an additional Five Hundred Dollars (\$500.00) credit for
3999 each net new full-time employee or an additional One Thousand
4000 Dollars (\$1,000.00) credit for each net new full-time employee who
4001 is paid a salary, excluding benefits which are not subject to
4002 Mississippi income taxation, of at least one hundred twenty-five
4003 percent (125%) of the average annual wage of the state or an
4004 additional Two Thousand Dollars (\$2,000.00) credit for each net
4005 new full-time employee who is paid a salary, excluding benefits
4006 which are not subject to Mississippi income taxation, of at least
4007 two hundred percent (200%) of the average annual wage of the



4008 state, shall be allowed for any company expanding or making
4009 additions after January 1, 2013, to its national or regional
4010 headquarters within the State of Mississippi. A minimum of twenty
4011 (20) new jobs must be created to qualify for the additional
4012 credit. The Department of Revenue shall establish criteria and
4013 prescribe procedures to determine if a company qualifies as a
4014 national or regional headquarters for purposes of receiving the
4015 credit awarded in this paragraph (b). As used in this paragraph
4016 (b), the average annual wage of the state is the most recently
4017 published average annual wage as determined by the Mississippi
4018 Department of Employment Security. Medical cannabis
4019 establishments as defined in the Mississippi Medical Cannabis Act
4020 shall not be eligible for the tax credit authorized in this
4021 paragraph (b).

4022 (6) In addition to the other credits authorized in this
4023 section, any job requiring research and development skills
4024 (chemist, engineer, etc.) shall qualify for an additional One
4025 Thousand Dollars (\$1,000.00) credit for each net new full-time
4026 employee. Medical cannabis establishments as defined in the
4027 Mississippi Medical Cannabis Act shall not be eligible for the tax
4028 credit authorized in this subsection (6).

4029 (7) (a) In addition to the other credits authorized in this
4030 section, any company that transfers or relocates its national or
4031 regional headquarters to the State of Mississippi from outside the
4032 State of Mississippi may receive a tax credit in an amount equal



4033 to the actual relocation costs paid by the company. A minimum of
4034 twenty (20) jobs must be created in order to qualify for the
4035 additional credit authorized under this subsection. Relocation
4036 costs for which a credit may be awarded shall be determined by the
4037 Department of Revenue and shall include those nondepreciable
4038 expenses that are necessary to relocate headquarters employees to
4039 the national or regional headquarters, including, but not limited
4040 to, costs such as travel expenses for employees and members of
4041 their households to and from Mississippi in search of homes and
4042 moving expenses to relocate furnishings, household goods and
4043 personal property of the employees and members of their
4044 households. Medical cannabis establishments as defined in the
4045 Mississippi Medical Cannabis Act shall not be eligible for the tax
4046 credit authorized in this subsection (7).

4047 (b) The tax credit authorized under this subsection
4048 shall be applied for the taxable year in which the relocation
4049 costs are paid. The maximum cumulative amount of tax credits that
4050 may be claimed by all taxpayers claiming a credit under this
4051 subsection in any one (1) state fiscal year shall not exceed One
4052 Million Dollars (\$1,000,000.00), exclusive of credits that might
4053 be carried forward from previous taxable years. A company may not
4054 receive a credit for the relocation of an employee more than one
4055 (1) time in a twelve-month period for that employee.

4056 (c) The Department of Revenue shall establish criteria
4057 and prescribe procedures to determine if a company creates the



4058 required number of jobs and qualifies as a national or regional
4059 headquarters for purposes of receiving the credit awarded in this
4060 subsection. A company desiring to claim a credit under this
4061 subsection must submit an application for such credit with the
4062 Department of Revenue in a manner prescribed by the department.

4063 (d) In order to participate in the provisions of this
4064 section, a company must certify to the Mississippi Department of
4065 Revenue that it complies with the equal pay provisions of the
4066 federal Equal Pay Act of 1963, the Americans with Disabilities Act
4067 of 1990 and the fair pay provisions of the Civil Rights Act of
4068 1964.

4069 (e) This subsection shall stand repealed on July 1,
4070 2025.

4071 (8) In lieu of the other tax credits provided in this
4072 section, any commercial or industrial property owner which
4073 remediates contaminated property in accordance with Sections
4074 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
4075 imposed by Section 27-7-5 equal to the percentage of payroll
4076 provided in subsection (2), (3) or (4) of this section for net new
4077 full-time employee jobs for five (5) years beginning with years
4078 two (2) through six (6) after the creation of the jobs. The
4079 number of new full-time jobs must be determined by comparing the
4080 monthly average number of full-time employees subject to
4081 Mississippi income tax withholding for the taxable year with the
4082 corresponding period of the prior taxable year. This subsection



4083 shall be administered in the same manner as subsections (2), (3)
4084 and (4), except the landowner shall not be required to increase
4085 employment by the levels provided in subsections (2), (3) and (4)
4086 to be eligible for the tax credit.

4087 (9) (a) Tax credits for five (5) years for the taxes
4088 imposed by Section 27-7-5 shall be awarded for increases in the
4089 annual payroll for net new full-time jobs created by business
4090 enterprises qualified under this section. The Department of
4091 Revenue shall adjust the credit allowed in the event of payroll
4092 fluctuations during the additional five (5) years of credit.

4093 (b) Tax credits for five (5) years for the taxes
4094 imposed by Section 27-7-5 shall be awarded for additional net new
4095 full-time jobs created by business enterprises qualified under
4096 subsections (5) and (6) of this section and for additional
4097 relocation costs paid by companies qualified under subsection (7)
4098 of this section. The Department of Revenue shall adjust the
4099 credit allowed in the event of employment fluctuations during the
4100 additional five (5) years of credit.

4101 (10) (a) The sale, merger, acquisition, reorganization,
4102 bankruptcy or relocation from one (1) county to another county
4103 within the state of any business enterprise may not create new
4104 eligibility in any succeeding business entity, but any unused job
4105 tax credit may be transferred and continued by any transferee of
4106 the business enterprise. The Department of Revenue shall
4107 determine whether or not qualifying net increases or decreases



4108 have occurred or proper transfers of credit have been made and may
4109 require reports, promulgate regulations, and hold hearings as
4110 needed for substantiation and qualification.

4111 (b) This subsection shall not apply in cases in which a
4112 business enterprise has ceased operation, laid off all its
4113 employees and is subsequently acquired by another unrelated
4114 business entity that continues operation of the enterprise in the
4115 same or a similar type of business. In such a case the succeeding
4116 business entity shall be eligible for the credit authorized by
4117 this section unless the cessation of operation of the business
4118 enterprise was for the purpose of obtaining new eligibility for
4119 the credit.

4120 (11) Any tax credit claimed under this section but not used
4121 in any taxable year may be carried forward for five (5) years from
4122 the close of the tax year in which the qualified jobs were
4123 established and/or headquarters relocation costs paid, as
4124 applicable, but the credit established by this section taken in
4125 any one (1) tax year must be limited to an amount not greater than
4126 fifty percent (50%) of the taxpayer's state income tax liability
4127 which is attributable to income derived from operations in the
4128 state for that year. If the permanent business enterprise is
4129 located in an area that has been declared by the Governor to be a
4130 disaster area and as a direct result of the disaster the business
4131 enterprise is unable to use the existing carryforward, the
4132 Commissioner of Revenue may extend the period that the credit may



4133 be carried forward for a period of time not to exceed two (2)
4134 years.

4135 (12) No business enterprise for the transportation,
4136 handling, storage, processing or disposal of hazardous waste is
4137 eligible to receive the tax credits provided in this section.

4138 (13) The credits allowed under this section shall not be
4139 used by any business enterprise or corporation other than the
4140 business enterprise actually qualifying for the credits.

4141 (14) As used in this section:

4142 (a) "Business enterprises" means entities primarily
4143 engaged in:

4144 (i) Manufacturing, processing, warehousing,
4145 warehousing activities, distribution, wholesaling and research and
4146 development, or

4147 (ii) Permanent business enterprises designated by
4148 rule and regulation of the Mississippi Development Authority as
4149 air transportation and maintenance facilities, final destination
4150 or resort hotels having a minimum of one hundred fifty (150) guest
4151 rooms, recreational facilities that impact tourism, movie industry
4152 studios, telecommunications enterprises, data or information
4153 processing enterprises or computer software development
4154 enterprises or any technology intensive facility or enterprise.

4155 (b) "Telecommunications enterprises" means entities
4156 engaged in the creation, display, management, storage, processing,
4157 transmission or distribution for compensation of images, text,



4158 voice, video or data by wire or by wireless means, or entities
4159 engaged in the construction, design, development, manufacture,
4160 maintenance or distribution for compensation of devices, products,
4161 software or structures used in the above activities. Companies
4162 organized to do business as commercial broadcast radio stations,
4163 television stations or news organizations primarily serving
4164 in-state markets shall not be included within the definition of
4165 the term "telecommunications enterprises."

4166 (c) "Warehousing activities" means entities that
4167 establish or expand facilities that service and support multiple
4168 retail or wholesale locations within and outside the state.
4169 Warehousing activities may be performed solely to support the
4170 primary activities of the entity, and credits generated shall
4171 offset the income of the entity based on an apportioned ratio of
4172 payroll for warehouse employees of the entity to total Mississippi
4173 payroll of the entity that includes the payroll of retail
4174 employees of the entity.

4175 (15) The tax credits provided for in this section shall be
4176 in addition to any tax credits described in Sections 57-51-13(b),
4177 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
4178 action by the Mississippi Development Authority prior to July 1,
4179 1989, to any business enterprise determined prior to July 1, 1989,
4180 by the Mississippi Development Authority to be a qualified
4181 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
4182 a qualified company as described in Section 57-53-1, as the case



4183 may be; however, from and after July 1, 1989, tax credits shall be
4184 allowed only under either this section or Sections 57-51-13(b),
4185 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time
4186 employee.

4187 (16) A business enterprise that chooses to receive job
4188 training assistance pursuant to Section 57-1-451 shall not be
4189 eligible for the tax credits provided for in this section.

4190 **SECTION 43.** Section 57-73-23, Mississippi Code of 1972, is
4191 brought forward as follows:

4192 57-73-23. (1) A fifty percent (50%) income tax credit shall
4193 be granted to any employer providing dependent care for employees
4194 during the employee's work hours, and to any employer who provides
4195 a child care stipend of at least Six Thousand Dollars (\$6,000.00)
4196 to a licensed or registered entity providing dependent child care
4197 in the State of Mississippi for an employee's children during the
4198 employee's work hours.

4199 (2) In order for an employer who provides a child care
4200 stipend under this section to be eligible for the tax credit, the
4201 employer shall certify to the Department of Revenue:

4202 (a) The names of the employees on whose behalf the
4203 stipend is paid; and

4204 (b) The amount of the stipend paid on behalf of each of
4205 those employees;

4206 (c) The licensed or registered entity receiving the
4207 child care stipend from the employer on behalf of the employee,



4208 including the entity's federal identification number and license
4209 and registration number; and

4210 (d) Such other information as may be required by the
4211 Department of Revenue to ensure that credits under this section
4212 are granted only to employers who provide stipends to a licensed
4213 or registered entity providing dependent care in the State of
4214 Mississippi for an employee's children during the employee's work
4215 hours.

4216 (3) For an employer contracting with a licensed or
4217 registered entity to provide dependent care for its employees
4218 during the employee's work hours, the credit is applied to the net
4219 cost of any contract executed by the employer for another entity
4220 to provide dependent care; or, if the employer elects to provide
4221 dependent care itself, the credit is applied to expenses of
4222 dependent care staff, learning and recreational materials and
4223 equipment, and the construction and maintenance of a facility; or,
4224 if the employer elects to provide a child care stipend to a
4225 licensed or registered entity providing dependent care in the
4226 State of Mississippi for the employee's children during the
4227 employee's work hours, the credit is applied to the amount of the
4228 stipend provided. Additional eligible expenses include net costs
4229 assumed by the employer which increase the quality, availability
4230 and affordability of dependent care in the community used by
4231 employees during the employee's work hours. This cost is net of
4232 any reimbursement. A deduction shall not be allowed for any



4233 expenses which serve as the basis for an income tax credit. The
4234 credits allowed under this section shall not be used by any
4235 business enterprise or corporation other than the business
4236 enterprise actually qualifying for the credits.

4237 Credit may be carried forward for the five (5) successive
4238 years if the amount allowable as credit exceeds income tax
4239 liability in a tax year; however, thereafter, if the amount
4240 allowable as a credit exceeds the tax liability, the amount of
4241 excess shall not be refundable or carried forward to any other
4242 taxable year.

4243 The facility must have an average daily enrollment for the
4244 taxable year of no less than six (6) children who are twelve (12)
4245 years of age or less and be licensed according to the regulations
4246 governing licensure of child care facilities in Mississippi; or
4247 must serve five (5) or fewer children and/or elderly adults in a
4248 family child care/elder care home approved by the Department of
4249 Health for participation in the United States Department of
4250 Agriculture child and adult nutrition program; or must serve
4251 children over twelve (12) years of age but less than eighteen (18)
4252 years of age in either a community-based facility or a facility at
4253 the employment site; or must serve adult relatives of employees in
4254 either a community-based elder care facility or a facility at the
4255 employment site; or must serve children or adult dependents having
4256 physical, emotional or mental disabilities in either a
4257 community-based facility or a facility at the employment site.



4258 Employers will be certified as eligible for the tax credit by
4259 the State Department of Health for programs serving children
4260 twelve (12) years of age or younger and for programs serving
4261 elderly adults and by the Department of Revenue for programs
4262 serving other dependents older than twelve (12) years of age.

4263 **SECTION 44.** Section 57-87-5, Mississippi Code of 1972, is
4264 brought forward as follows:

4265 57-87-5. (1) For purposes of this section:

4266 (a) "Telecommunications enterprises" shall have the
4267 meaning ascribed to such term in Section 57-73-21(14);

4268 (b) "Tier One areas" mean counties designated as Tier
4269 One areas pursuant to Section 57-73-21(1);

4270 (c) "Tier Two areas" mean counties designated as Tier
4271 Two areas pursuant to Section 57-73-21(1);

4272 (d) "Tier Three areas" mean counties designated as Tier
4273 Three areas pursuant to Section 57-73-21(1); and

4274 (e) "Equipment used in the deployment of broadband
4275 technologies" means any equipment capable of being used for or in
4276 connection with the transmission of information at a rate, prior
4277 to taking into account the effects of any signal degradation, that
4278 is not less than three hundred eighty-four (384) kilobits per
4279 second in at least one (1) direction, including, but not limited
4280 to, asynchronous transfer mode switches, digital subscriber line
4281 access multiplexers, routers, servers, multiplexers, fiber optics
4282 and related equipment.



4283 (2) With respect to the investment in each year by a
4284 telecommunications enterprise after June 30, 2003, and before July
4285 1, 2025, there shall be allowed annually as a credit against the
4286 aggregate tax imposed by Chapters 7 and 13 of Title 27,
4287 Mississippi Code of 1972, an amount equal to:

4288 (a) Five percent (5%) of the cost of equipment used in
4289 the deployment of broadband technologies in Tier One areas;

4290 (b) Ten percent (10%) of the cost of equipment used in
4291 the deployment of broadband technologies in Tier Two areas; and

4292 (c) Fifteen percent (15%) of the cost of equipment used
4293 in the deployment of broadband technologies in Tier Three areas.

4294 (3) Such annual credits shall be allowed commencing with the
4295 taxable year in which such property is placed in service and
4296 continue for nine (9) consecutive years thereafter. The aggregate
4297 credit established by this section taken in any one (1)
4298 tax year shall be limited to an amount not greater than fifty
4299 percent (50%) of the taxpayer's tax liabilities under Chapters 7
4300 and 13 of Title 27, Mississippi Code of 1972; however, any tax
4301 credit claimed under this section, but not used in any taxable
4302 year, may be carried forward for ten (10) consecutive years from
4303 the close of the tax year in which the credits were earned.

4304 (4) The maximum aggregate amount of credits that may be
4305 claimed under this section shall not exceed the original
4306 investment made by a telecommunications enterprise in the



4307 qualifying equipment used in the deployment of broadband
4308 technologies.

4309 (5) For purposes of this section, the tier in which
4310 broadband technology is deployed shall be determined in the year
4311 in which such technology is deployed in a county and such tier
4312 shall not change if the county is later designated in another
4313 tier.

4314 (6) There will be no credit allowed under this section if
4315 the equipment used in the deployment of broadband technologies was
4316 paid for, or its cost was reimbursed by, funds made available
4317 under the Coronavirus Aid, Relief, and Economic Security (CARES)
4318 Act.

4319 **SECTION 45.** Section 57-87-7, Mississippi Code of 1972, is
4320 brought forward as follows:

4321 57-87-7. Equipment used in the deployment of broadband
4322 technologies by a telecommunications enterprise (as defined in
4323 Section 57-73-21(14)), that is placed in service after June 30,
4324 2003, and before July 1, 2025, shall be exempt from ad valorem
4325 taxation for a period of ten (10) years after the date such
4326 equipment is placed in service. For purposes of this section,
4327 "equipment used in the deployment of broadband technologies" means
4328 any equipment capable of being used for or in connection with the
4329 transmission of information at a rate, prior to taking into
4330 account the effects of any signal degradation, that is not less
4331 than three hundred eighty-four (384) kilobits per second in at



4332 least one direction, including, but not limited to, asynchronous
4333 transfer mode switches, digital subscriber line access
4334 multiplexers, routers, servers, multiplexers, fiber optics and
4335 related equipment.

4336 **SECTION 46.** Section 57-105-1, Mississippi Code of 1972, is
4337 brought forward as follows:

4338 57-105-1. (1) As used in this section:

4339 (a) "Adjusted purchase price" means the investment in
4340 the qualified community development entity for the qualified
4341 equity investment, substantially all of the proceeds of which are
4342 used to make qualified low-income community investments in
4343 Mississippi.

4344 For the purposes of calculating the amount of qualified
4345 low-income community investments held by a qualified community
4346 development entity, an investment will be considered held by a
4347 qualified community development entity even if the investment has
4348 been sold or repaid; provided that the qualified community
4349 development entity reinvests an amount equal to the capital
4350 returned to or recovered by the qualified community development
4351 entity from the original investment, exclusive of any profits
4352 realized, in another qualified low-income community investment in
4353 Mississippi, including any federal Indian reservation located
4354 within the geographical boundary of Mississippi within twelve (12)
4355 months of the receipt of such capital. A qualified community
4356 development entity will not be required to reinvest capital



4357 returned from the qualified low-income community investments after
4358 the sixth anniversary of the issuance of the qualified equity
4359 investment, the proceeds of which were used to make the qualified
4360 low-income community investment, and the qualified low-income
4361 community investment will be considered held by the qualified
4362 community development entity through the seventh anniversary of
4363 the qualified equity investment's issuance.

4364 (b) "Applicable percentage" means:

4365 (i) For any equity investment issued prior to July
4366 1, 2008, four percent (4%) for each of the second through seventh
4367 credit allowance dates for purposes of the taxes imposed by
4368 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
4369 the second through seventh credit allowance dates for purposes of
4370 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

4371 (ii) For any equity investment issued from and
4372 after July 1, 2008, eight percent (8%) for each of the first
4373 through third credit allowance dates for purposes of the taxes
4374 imposed by Section 27-7-5 or the taxes imposed by Sections
4375 27-15-103, 27-15-109 and 27-15-123.

4376 (c) "Credit allowance date" means, with respect to any
4377 qualified equity investment:

4378 (i) The later of:

4379 1. The date upon which the qualified equity
4380 investment is initially made; or



4381 2. The date upon which the Mississippi
4382 Development Authority issues a certificate under subsection (4) of
4383 this section; and

4384 (ii) 1. For equity investments issued prior to
4385 July 1, 2008, each of the subsequent six (6) anniversary dates of
4386 the date upon which the investment is initially made; or

4387 2. For equity investments issued from and
4388 after July 1, 2008, each of the subsequent two (2) anniversary
4389 dates of the date determined as provided for in subparagraph (i)
4390 of this paragraph.

4391 (d) "Qualified community development entity" shall have
4392 the meaning ascribed to such term in Section 45D of the Internal
4393 Revenue Code of 1986, as amended, if the entity has entered into
4394 an Allocation Agreement with the Community Development Financial
4395 Institutions Fund of the United States Department of the Treasury
4396 with respect to credits authorized by Section 45D of the Internal
4397 Revenue Code of 1986, as amended.

4398 (e) "Qualified active low-income community business"
4399 shall have the meaning ascribed to such term in Section 45D of the
4400 Internal Revenue Code of 1986, as amended.

4401 (f) "Qualified equity investment" shall have the
4402 meaning ascribed to such term in Section 45D of the Internal
4403 Revenue Code of 1986, as amended. The investment does not have to
4404 be designated as a qualified equity investment by the Community
4405 Development Financial Institutions Fund of the United States



4406 Treasury to be considered a qualified equity investment under this
4407 section but otherwise must meet the definition under the Internal
4408 Revenue Code. In addition to meeting the definition in Section
4409 45D of the Internal Revenue Code such investment must also:

4410 (i) Have been acquired after January 1, 2007, at
4411 its original issuance solely in exchange for cash; and

4412 (ii) Have been allocated by the Mississippi
4413 Development Authority.

4414 For the purposes of this section, such investment shall be
4415 deemed a qualified equity investment on the later of the date such
4416 qualified equity investment is made or the date on which the
4417 Mississippi Development Authority issues a certificate under
4418 subsection (4) of this section allocating credits based on such
4419 investment.

4420 (g) "Qualified low-income community investment" shall
4421 have the meaning ascribed to such term in Section 45D of the
4422 Internal Revenue Code of 1986, as amended; provided, however, that
4423 the maximum amount of qualified low-income community investments
4424 issued for a single qualified active low-income community
4425 business, on an aggregate basis with all of its affiliates, that
4426 may be included for purposes of allocating any credits under this
4427 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
4428 the aggregate, whether issued by one (1) or several qualified
4429 community development entities.



4430 (2) A taxpayer that holds a qualified equity investment on
4431 the credit allowance date shall be entitled to a credit applicable
4432 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
4433 and 27-15-123 during the taxable year that includes the credit
4434 allowance date. The amount of the credit shall be equal to the
4435 applicable percentage of the adjusted purchase price paid to the
4436 qualified community development entity for the qualified equity
4437 investment. The amount of the credit that may be utilized in any
4438 one (1) tax year shall be limited to an amount not greater than
4439 the total tax liability of the taxpayer for the taxes imposed by
4440 the above-referenced sections. The credit shall not be refundable
4441 or transferable. Any unused portion of the credit may be carried
4442 forward for seven (7) taxable years beyond the credit allowance
4443 date on which the credit was earned. The maximum aggregate amount
4444 of qualified equity investments that may be allocated by the
4445 Mississippi Development Authority may not exceed an amount that
4446 would result in taxpayers claiming in any one (1) state fiscal
4447 year credits in excess of Fifteen Million Dollars
4448 (\$15,000,000.00), exclusive of credits that might be carried
4449 forward from previous taxable years; however, a maximum of
4450 one-third (1/3) of this amount may be allocated as credits for
4451 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4452 taxpayer claiming a credit under this section against the taxes
4453 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4454 shall not be required to pay any additional tax under Section



4455 27-15-123 as a result of claiming such credit. The Mississippi
4456 Development Authority shall allocate credits within this limit as
4457 provided for in subsection (4) of this section.

4458 (3) Tax credits authorized by this section that are earned
4459 by a partnership, limited liability company, S corporation or
4460 other similar pass-through entity, shall be allocated among all
4461 partners, members or shareholders, respectively, either in
4462 proportion to their ownership interest in such entity or as the
4463 partners, members or shareholders mutually agree as provided in an
4464 executed document. Such allocation shall be made each taxable
4465 year of such pass-through entity which contains a credit allowance
4466 date.

4467 (4) The qualified community development entity shall apply
4468 for credits with the Mississippi Development Authority on forms
4469 prescribed by the Mississippi Development Authority. The
4470 qualified community development entity must pay an application fee
4471 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4472 Authority at the time the application is submitted. In the
4473 application the qualified community development entity shall
4474 certify to the Mississippi Development Authority the dollar amount
4475 of the qualified equity investments made or to be made in this
4476 state, including in any federal Indian reservation located within
4477 the state's geographical boundary, during the first twelve-month
4478 period following the initial credit allowance date. The
4479 Mississippi Development Authority shall allocate credits based on



4480 the dollar amount of qualified equity investments as certified in
4481 the application. Once the Mississippi Development Authority has
4482 allocated credits to a qualified community development entity, if
4483 the corresponding qualified equity investment has not been issued
4484 as of the date of such allocation, then the corresponding
4485 qualified equity investment must be issued not later than one
4486 hundred twenty (120) days from the date of such allocation. If
4487 the qualified equity investment is not issued within such time
4488 period, the allocation shall be cancelled and returned to the
4489 Mississippi Development Authority for reallocation. Upon final
4490 documentation of the qualified low-income community investments,
4491 if the actual dollar amount of the investments is lower than the
4492 amount estimated, the Mississippi Development Authority shall
4493 adjust the tax credit allowed under this section. The Department
4494 of Revenue may recapture all of the credit allowed under this
4495 section if:

4496 (a) Any amount of federal tax credits available with
4497 respect to a qualified equity investment that is eligible for a
4498 tax credit under this section is recaptured under Section 45D of
4499 the Internal Revenue Code of 1986, as amended; or

4500 (b) The qualified community development entity redeems
4501 or makes any principal repayment with respect to a qualified
4502 equity investment prior to the seventh anniversary of the issuance
4503 of the qualified equity investment; or



4504 (c) The qualified community development entity fails to
4505 maintain at least eighty-five percent (85%) of the proceeds of the
4506 qualified equity investment in qualified low-income community
4507 investments in Mississippi at any time prior to the seventh
4508 anniversary of the issuance of the qualified equity investment.

4509 Any credits that are subject to recapture under this
4510 subsection shall be recaptured from the taxpayer that actually
4511 claimed the credit.

4512 The Mississippi Development Authority shall not allocate any
4513 credits under this section after July 1, 2024.

4514 (5) Each qualified community development entity that
4515 receives qualified equity investments to make qualified low-income
4516 community investments in Mississippi must annually report to the
4517 Mississippi Development Authority the North American Industry
4518 Classification System Code, the county, the dollars invested, the
4519 number of jobs assisted and the number of jobs assisted with wages
4520 over one hundred percent (100%) of the federal poverty level for a
4521 family of four (4) of each qualified low-income community
4522 investment.

4523 (6) The Mississippi Development Authority shall file an
4524 annual report on all qualified low-income community investments
4525 with the Governor, the Clerk of the House of Representatives, the
4526 Secretary of the Senate and the Secretary of State describing the
4527 North American Industry Classification System Code, the county,
4528 the dollars invested, the number of jobs assisted and the number



4529 of jobs assisted with wages over one hundred percent (100%) of the
4530 federal poverty level for a family of four (4) of each qualified
4531 low-income community investment. The annual report will be posted
4532 on the Mississippi Development Authority's Internet website.

4533 (7) (a) The purpose of this subsection is to authorize the
4534 creation and establishment of public benefit corporations for
4535 financing arrangements regarding public property and facilities.

4536 (b) As used in this subsection:

4537 (i) "New Markets Tax Credit transaction" means any
4538 financing transaction which utilizes either this section or
4539 Section 45D of the Internal Revenue Code of 1986, as amended.

4540 (ii) "Public benefit corporation" means a
4541 nonprofit corporation formed or designated by a public entity to
4542 carry out the purposes of this subsection.

4543 (iii) "Public entity or public entities" includes
4544 utility districts, regional solid waste authorities, regional
4545 utility authorities, community hospitals, regional airport
4546 authorities, municipal airport authorities, community and junior
4547 colleges, educational building corporations established by or on
4548 behalf of the state institutions of higher learning, school
4549 districts, planning and development districts, county economic
4550 development districts, urban renewal agencies, any other regional
4551 or local economic development authority, agency or governmental
4552 entity, and any other regional or local industrial development
4553 authority, agency or governmental entity.



4554 (iv) "Public property or facilities" means any
4555 property or facilities owned or leased by a public entity or
4556 public benefit corporation.

4557 (c) Notwithstanding any other provision of law to the
4558 contrary, public entities are authorized pursuant to this
4559 subsection to create one or more public benefit corporations or
4560 designate an existing corporation as a public benefit corporation
4561 for the purpose of entering into financing agreements and engaging
4562 in New Markets Tax Credit transactions, which shall include,
4563 without limitation, arrangements to plan, acquire, renovate,
4564 construct, lease, sublease, manage, operate and/or improve new or
4565 existing public property or facilities located within the
4566 boundaries or service area of the public entity. Any financing
4567 arrangement authorized under this subsection shall further any
4568 purpose of the public entity and may include a term of up to fifty
4569 (50) years.

4570 (d) Notwithstanding any other provision of law to the
4571 contrary and in order to facilitate the acquisition, renovation,
4572 construction, leasing, subleasing, management, operating and/or
4573 improvement of new or existing public property or facilities to
4574 further any purpose of a public entity, public entities are
4575 authorized to enter into financing arrangements in order to
4576 transfer public property or facilities to and/or from public
4577 benefit corporations, including, without limitation, sales,
4578 sale-leasebacks, leases and lease-leasebacks, provided such



4579 transfer is related to any New Markets Tax Credit transaction
4580 furthering any purpose of the public entity. Any such transfer
4581 under this paragraph (d) and the public property or facilities
4582 transferred in connection therewith shall be exempted from any
4583 limitation or requirements with respect to leasing, acquiring,
4584 and/or constructing public property or facilities.

4585 (e) With respect to a New Markets Tax Credit
4586 transaction, public entities and public benefit corporations are
4587 authorized to enter into financing arrangements with any
4588 governmental, nonprofit or for-profit entity in order to leverage
4589 funds not otherwise available to public entities for the
4590 acquisition, construction and/or renovation of properties
4591 transferred to such public benefit corporations. The use of any
4592 funds loaned by or contributed by a public benefit corporation or
4593 borrowed by or otherwise made available to a public benefit
4594 corporation in such financing arrangement shall be dedicated
4595 solely to (i) the development of new properties or facilities
4596 and/or the renovation of existing properties or facilities or
4597 operation of properties or facilities, and/or (ii) the payment of
4598 costs and expenditures related to any such financing arrangements,
4599 including, but not limited to, funding any reserves required in
4600 connection therewith, the repayment of any indebtedness incurred
4601 in connection therewith, and the payment of fees and expenses
4602 incurred in connection with the closing, administration,



4603 accounting and/or compliance with respect to the New Markets Tax
4604 Credit transaction.

4605 (f) A public benefit corporation created pursuant to
4606 this subsection shall not be a political subdivision of the state
4607 but shall be a nonprofit corporation organized and governed under
4608 the provisions of the laws of this state and shall be a special
4609 purpose corporation established to facilitate New Markets Tax
4610 Credit transactions consistent with the requirements of this
4611 section.

4612 (g) Neither this subsection nor anything herein
4613 contained is or shall be construed as a restriction or limitation
4614 upon any powers which the public entity or public benefit
4615 corporation might otherwise have under any laws of this state, and
4616 this subsection is cumulative to any such powers. This subsection
4617 does and shall be construed to provide a complete additional and
4618 alternative method for the doing of the things authorized thereby
4619 and shall be regarded as supplemental and additional to powers
4620 conferred by other laws.

4621 (8) The Mississippi Development Authority shall promulgate
4622 rules and regulations to implement the provisions of this section.

4623 **SECTION 47.** Section 57-10-409, Mississippi Code of 1972, is
4624 brought forward as follows:

4625 **[In cases involving an economic development project for which**
4626 **the Mississippi Business Finance Corporation has issued bonds for**



4627 **the purpose of financing the approved costs of such project prior**
4628 **to July 1, 1994, this section shall read as follows:]**

4629 57-10-409. The corporation may enter into, with any approved
4630 company, a financing agreement with respect to its economic
4631 development project. The terms and provisions of each financing
4632 agreement shall be determined by negotiations between the
4633 corporation and the approved company, except that each financing
4634 agreement shall include the following provisions:

4635 (a) If the corporation issues any bonds in connection
4636 with an economic development project, the term of the financing
4637 agreement shall not be less than the last maturity of the bonds
4638 issued with respect to the economic development project, except
4639 that the financing agreement may terminate upon the earlier
4640 redemption of all of the bonds issued with respect to the economic
4641 development project and may grant to the approved company an
4642 option to purchase the economic development project from the
4643 corporation upon the termination of the financing agreement for
4644 such consideration and under such terms and conditions the
4645 corporation may approve. Nothing in this paragraph shall limit
4646 the extension of the term of a financing agreement if there is a
4647 refunding of the correlative bonds or otherwise.

4648 (b) If the corporation issues any bonds in connection
4649 with an economic development project, the financing agreement
4650 shall specify that the annual obligations of the approved company
4651 under Sections 57-10-401 through 57-10-445 shall equal in each



4652 year at least the annual debt service for that year on the bonds
4653 issued with respect to the economic development project; and the
4654 approved company shall pay such obligation of the financing
4655 agreement to the trustee for bonds issued for the benefit of the
4656 approved company, at such time and in such amounts sufficient to
4657 amortize such bonds.

4658 (c) If the corporation loans funds to an approved
4659 company that is a private company under the Mississippi Small
4660 Enterprise Development Finance Act, the financing agreement shall
4661 include the terms and conditions of the loan required by Section
4662 57-71-1 et seq.

4663 (d) (i) In consideration for financing agreement
4664 payment, the approved company may be permitted the following
4665 during the period of time in which the financing agreement is in
4666 effect, not to exceed twenty-five (25) years:

4667 1. A tax credit on the amount provided for in
4668 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4669 2. The aggregate assessment withheld by the
4670 approved company in each year.

4671 (ii) The income tax credited to the approved
4672 company referred to herein shall be credited in the fiscal year of
4673 the financing agreement in which the tax return of the approved
4674 company is filed. The approved company shall not be required to
4675 pay estimated tax payments under Section 27-7-319, Mississippi
4676 Code of 1972.



4677 (e) (i) The financing agreement shall provide that the
4678 assessments, when added to the credit for the state corporate
4679 income tax herein granted, shall not exceed the total financing
4680 agreement annual payment by the approved company in any year;
4681 however, to the extent that financing agreement annual payments
4682 exceed credits received and assessments collected in any year, the
4683 excess payment may be recouped from excess credits or assessment
4684 collections in succeeding years.

4685 (ii) If during any fiscal year of the financing
4686 agreement the total of the income tax credit granted to the
4687 approved company plus the assessment collected from the wages of
4688 the employees equals the annual payment pursuant to the financing
4689 agreement, and if all excess payments pursuant to the financing
4690 agreement accumulated in prior years have been recouped, the
4691 assessment collected from the wages of the employees shall cease
4692 for the remainder of the fiscal year of the financing agreement.

4693 (f) The financing agreement shall provide that:

4694 (i) It may be assigned by the approved company
4695 only upon the prior written consent of the corporation following
4696 the adoption of a resolution by the corporation to such effect;
4697 and

4698 (ii) Upon the default by the approved company in
4699 the obligation to render its annual payment, the corporation shall
4700 have the right, at its option, to declare the financing agreement
4701 in default and to accelerate the total of all annual payments that



4702 are to be made or to terminate the financing agreement and cause
4703 to be sold the economic development project at public or private
4704 sale, or to pursue any other remedies available under the Uniform
4705 Commercial Code, as from time to time amended, or otherwise
4706 available in law or equity.

4707 **[In cases involving an economic development project for which**
4708 **the Mississippi Business Finance Corporation has not issued bonds**
4709 **for the purpose of financing the approved costs of such project**
4710 **prior to July 1, 1994, but has issued bonds for such project prior**
4711 **to July 1, 1997, or in cases involving an economic development**
4712 **project which has been induced by a resolution of the Board of**
4713 **Directors of the Mississippi Business Finance Corporation that has**
4714 **been filed with the State Tax Commission prior to July 1, 1997,**
4715 **this section shall read as follows:]**

4716 57-10-409. The corporation may enter into, with any approved
4717 company, a financing agreement with respect to its economic
4718 development project. The terms and provisions of each financing
4719 agreement shall be determined by negotiations between the
4720 corporation and the approved company, except that each financing
4721 agreement shall include the following provisions:

4722 (a) If the corporation issues any bonds in connection
4723 with an economic development project, the term of the financing
4724 agreement shall not be less than the last maturity of the bonds
4725 issued with respect to the economic development project, except
4726 that the financing agreement may terminate upon the earlier



4727 redemption of all of the bonds issued with respect to the economic
4728 development project and may grant to the approved company an
4729 option to purchase the economic development project from the
4730 corporation upon the termination of the financing agreement for
4731 such consideration and under such terms and conditions the
4732 corporation may approve. Nothing in this paragraph shall limit
4733 the extension of the term of a financing agreement if there is a
4734 refunding of the correlative bonds or otherwise.

4735 (b) If the corporation issues any bonds in connection
4736 with an economic development project, the financing agreement
4737 shall specify that the annual obligations of the approved company
4738 under Sections 57-10-401 through 57-10-445 shall equal in each
4739 year at least the annual debt service for that year on the bonds
4740 issued with respect to the economic development project; and the
4741 approved company shall pay such obligation of the financing
4742 agreement to the trustee for bonds issued for the benefit of the
4743 approved company, at such time and in such amounts sufficient to
4744 amortize such bonds.

4745 (c) If the corporation loans funds to an approved
4746 company that is a private company under the Mississippi Small
4747 Enterprise Development Finance Act, the financing agreement shall
4748 include the terms and conditions of the loan required by Section
4749 57-71-1 et seq.

4750 (d) (i) In consideration for financing agreement
4751 payment, the approved company may be permitted the following



4752 during the period of time in which the financing agreement is in
4753 effect, not to exceed twenty-five (25) years:

4754 1. A tax credit on the amount provided for in
4755 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4756 2. The aggregate assessment withheld by the
4757 approved company in each year.

4758 (ii) The income tax credited to the approved
4759 company referred to herein shall be credited in the fiscal year of
4760 the financing agreement in which the tax return of the approved
4761 company is filed. The approved company shall not be required to
4762 pay estimated tax payments under Section 27-7-319, Mississippi
4763 Code of 1972.

4764 (e) (i) The financing agreement shall provide that the
4765 assessments, when added to the credit for the state corporate
4766 income tax herein granted, shall not exceed the total financing
4767 agreement annual payment by the approved company in any year;
4768 however, to the extent that financing agreement annual payments
4769 exceed credits received and assessments collected in any year, the
4770 excess payment may be recouped from excess credits or assessment
4771 collections in succeeding years not to exceed three (3) years
4772 following the termination of the period of time during which the
4773 financing agreement is in effect.

4774 (ii) If during any fiscal year of the financing
4775 agreement the total of the income tax credit granted to the
4776 approved company plus the assessment collected from the wages of



4777 the employees equals the annual payment pursuant to the financing
4778 agreement, and if all excess payments pursuant to the financing
4779 agreement accumulated in prior years have been recouped, the
4780 assessment collected from the wages of the employees shall cease
4781 for the remainder of the fiscal year of the financing agreement.

4782 (f) The financing agreement shall provide that:

4783 (i) It may be assigned by the approved company
4784 only upon the prior written consent of the corporation following
4785 the adoption of a resolution by the corporation to such effect;
4786 and

4787 (ii) Upon the default by the approved company in
4788 the obligation to render its annual payment, the corporation shall
4789 have the right, at its option, to declare the financing agreement
4790 in default and to accelerate the total of all annual payments that
4791 are to be made or to terminate the financing agreement and cause
4792 to be sold the economic development project at public or private
4793 sale, or to pursue any other remedies available under the Uniform
4794 Commercial Code, as from time to time amended, or otherwise
4795 available in law or equity.

4796 **[In cases involving an economic development project for which**
4797 **the Mississippi Business Finance Corporation has not issued bonds**
4798 **for the purpose of financing the approved costs of such project**
4799 **prior to July 1, 1997, or in cases involving an economic**
4800 **development project which has not been induced by a resolution of**
4801 **the Board of Directors of the Mississippi Business Finance**



4802 **Corporation that has been filed with the State Tax Commission**
4803 **prior to July 1, 1997, this section shall read as follows:]**

4804 57-10-409. The corporation may enter into, with any approved
4805 company, a financing agreement with respect to its economic
4806 development project. The terms and provisions of each financing
4807 agreement shall be determined by negotiations between the
4808 corporation and the approved company, except that each financing
4809 agreement shall include the following provisions:

4810 (a) If the corporation issues any bonds in connection
4811 with an economic development project, the term of the financing
4812 agreement shall not be less than the last maturity of the bonds
4813 issued with respect to the economic development project, except
4814 that the financing agreement may terminate upon the earlier
4815 redemption of all of the bonds issued with respect to the economic
4816 development project and may grant to the approved company an
4817 option to purchase the economic development project from the
4818 corporation upon the termination of the financing agreement for
4819 such consideration and under such terms and conditions the
4820 corporation may approve. Nothing in this paragraph shall limit
4821 the extension of the term of a financing agreement if there is a
4822 refunding of the correlative bonds or otherwise.

4823 (b) If the corporation issues any bonds in connection
4824 with an economic development project, the financing agreement
4825 shall specify that the annual obligations of the approved company
4826 under Sections 57-10-401 through 57-10-445 shall equal in each



4827 year at least the annual debt service for that year on the bonds
4828 issued with respect to the economic development project; and the
4829 approved company shall pay such obligation of the financing
4830 agreement to the trustee for bonds issued for the benefit of the
4831 approved company, at such time and in such amounts sufficient to
4832 amortize such bonds.

4833 (c) If the corporation loans funds to an approved
4834 company that is a private company under the Mississippi Small
4835 Enterprise Development Finance Act, the financing agreement shall
4836 include the terms and conditions of the loan required by Section
4837 57-71-1 et seq.

4838 (d) (i) In consideration for financing agreement
4839 payment, the approved company may be permitted a tax credit on the
4840 amount provided for in Section 27-7-22.3(2), Mississippi Code of
4841 1972, during the period of time in which the financing agreement
4842 is in effect, not to exceed twenty-five (25) years.

4843 (ii) The income tax credited to the approved
4844 company referred to herein shall be credited in the fiscal year of
4845 the financing agreement in which the tax return of the approved
4846 company is filed. The approved company shall not be required to
4847 pay estimated tax payments under Section 27-7-319, Mississippi
4848 Code of 1972.

4849 (e) The financing agreement shall provide that:

4850 (i) It may be assigned by the approved company
4851 only upon the prior written consent of the corporation following



4852 the adoption of a resolution by the corporation to such effect;
4853 and

4854 (ii) Upon the default by the approved company in
4855 the obligation to render its annual payment, the corporation shall
4856 have the right, at its option, to declare the financing agreement
4857 in default and to accelerate the total of all annual payments that
4858 are to be made or to terminate the financing agreement and cause
4859 to be sold the economic development project at public or private
4860 sale, or to pursue any other remedies available under the Uniform
4861 Commercial Code, as from time to time amended, or otherwise
4862 available in law or equity.

4863 **SECTION 48.** Section 57-114-3, Mississippi Code of 1972, is
4864 brought forward as follows:

4865 57-114-3. For purposes of this chapter, the following words
4866 shall have the meanings ascribed herein unless the context
4867 otherwise requires:

4868 (a) "Affiliate" means, with respect to a specified
4869 entity, (i) another person or entity that directly or indirectly,
4870 through one or more intermediaries, controls or is controlled by
4871 or is under common control with the specified person or entity,
4872 where the term "control" means the ownership or possession,
4873 directly or indirectly, of the power to direct more than fifty
4874 percent (50%) of the voting equity securities or a similar
4875 ownership interest in the specified controlled entity, or (ii) any
4876 member of an affiliated group of corporations, of which the



4877 specified entity is also a member, which are each subject to
4878 income taxation in Mississippi and may elect to file a combined
4879 Mississippi income tax return in accordance with state law.

4880 (b) "Authority" means the Mississippi Development
4881 Authority.

4882 (c) "Annual report" means the report described in
4883 Section 57-114-13.

4884 (d) "Applicable accounting rules" shall mean the
4885 accounting principles generally recognized as applicable to a
4886 qualified business or industry and pursuant to which such
4887 qualified business or industry regularly prepares and maintains
4888 its financial and accounting books and records, and which
4889 specifically incorporate Generally Accepted Accounting Principles
4890 or International Financial Reporting Standards, as appropriate.

4891 (e) "Applicant" means any corporation, limited
4892 liability company, partnership, person or sole proprietorship,
4893 business trust or other legal entity and subunit or affiliate
4894 thereof that applies to the authority, in the manner prescribed by
4895 this chapter, seeking (i) certification by the authority that such
4896 applicant is a qualified business or industry and that its
4897 proposed new project or expansion of an existing business or
4898 industrial operation is a qualified economic development project,
4899 and (ii) an award in connection therewith of an mFlex tax
4900 incentive.



4901 (f) "Average state or county wage" shall mean, as of
4902 the project certification date, the lesser of the most recently
4903 published average annual wage per person as determined and
4904 published by the Mississippi Department of Employment Security for
4905 the state or the county in which the qualified project is or will
4906 be located; provided that, if a qualified project is or will be
4907 located in two (2) or more counties, the average state or county
4908 wage, as used in this chapter, shall mean, as of the project
4909 certification date, only the most recently published average
4910 annual wage per person as determined and published by the
4911 Mississippi Department of Employment Security for the state.

4912 (g) "Average employer wage" means the qualified annual
4913 payroll for all new full-time jobs created in the State of
4914 Mississippi by a qualified business or industry divided by the
4915 number of new full-time jobs thereof for which such qualified
4916 annual payroll was paid or is otherwise payable.

4917 (h) "Base full-time job" means a job (i) for which an
4918 employee was already hired by the qualified business or industry
4919 before, and is employed as of, the project certification date;
4920 (ii) that offers a minimum of one thousand eight hundred twenty
4921 (1,820) hours of an employee's time per year (i.e., thirty-five
4922 (35) hours per week on average) for a normal four (4) consecutive
4923 quarter period of the qualified business or industry's operations
4924 or a job for which the employee was hired before, and is employed
4925 as of, the project certification date and is compensated based on



4926 one thousand eight hundred twenty (1,820) hours for such annual
4927 period (including in each case an employee who, after hiring,
4928 elects to take unpaid time off or is on short-term or long-term
4929 disability); and (iii) the employee holding such job receives
4930 salary or wages subject to state income tax withholdings. The
4931 term "base full-time job" also means a base-leased employee.
4932 Part-time jobs may not be combined to add up to a base full-time
4933 job.

4934 (i) "Base-leased employee" means a nontemporary
4935 employee:

4936 (i) Who was leased by the qualified business or
4937 industry before the project certification date from another
4938 business or enterprise that is 1. in the business of leasing
4939 employees, and 2. is registered with the Office of the Secretary
4940 of State and qualified to do business in the state;

4941 (ii) Who is leased as of the project certification
4942 date;

4943 (iii) Who is not otherwise an employee of such
4944 qualified business or industry;

4945 (iv) Who, as of the project certification date,
4946 was already performing services for, and under the supervision of,
4947 the qualified business or industry pursuant to a leasing agreement
4948 between the qualified business or industry and such other employee
4949 leasing firm;



4950 (v) Whose job-performing services for the
4951 qualified business or industry offers a minimum of one thousand
4952 eight hundred twenty (1,820) hours of an employee's time per year
4953 (i.e., thirty-five (35) hours per week on average) for an entire
4954 normal work year of the qualified business or industry's
4955 operations or a job for which the employee is leased before the
4956 project certification date and is compensated based on one
4957 thousand eight hundred twenty (1,820) hours for such annual period
4958 (including in each case an employee who, after being leased,
4959 elects to take unpaid time off or is on short-term or long-term
4960 disability); and

4961 (vi) Whose job receives salary or wages subject to
4962 state income tax withholdings. Individuals employed by an
4963 independent contractor performing one or more services for the
4964 qualified business or industry pursuant to a services or
4965 management agreement (e.g., security services, landscaping
4966 services, and cafeteria management and food services) shall not be
4967 considered as base-leased employees.

4968 (j) "Contractor tax" shall mean the tax levied by
4969 Section 27-65-21, except for the tax upon the sale of
4970 manufacturing or processing machinery for a manufacturer or custom
4971 processor.

4972 (k) "Construction contract" shall mean any contract or
4973 portion of any contract for any one or more of the activities



4974 described in Section 27-65-21 for which the contractor tax applies
4975 and is payable by the contractor that is party thereto.

4976 (l) "Manufacturing machinery," as used in this chapter,
4977 shall have the same meaning ascribed to such term in Section
4978 27-65-11, as interpreted by any regulations promulgated by the
4979 Department of Revenue with respect to such section.

4980 (m) "mFlex agreement" means the written agreement
4981 entered into between a qualified business or industry and the
4982 authority in accordance with Section 57-114-7(4)(c).

4983 (n) "mFlex tax incentive" means the tax incentive
4984 authorized by this chapter to be calculated and awarded by the
4985 authority, and thereafter applied as a credit to offset state
4986 taxes, in accordance with, and subject to, this chapter.

4987 (o) "Minimum job creation requirement" means the
4988 creation by the qualified business or industry, following the
4989 project certification date, of at least ten (10) new full-time
4990 jobs in the state.

4991 (p) "Minimum qualified investment" means a qualified
4992 investment of not less than Two Million Five Hundred Thousand
4993 Dollars (\$2,500,000.00).

4994 (q) "New full-time job" means a job:

4995 (i) For which an employee is hired by the
4996 qualified business or industry after the project certification
4997 date;



4998 (ii) That offers a minimum of one thousand eight
4999 hundred twenty (1,820) hours of an employee's time per year (i.e.,
5000 thirty-five (35) hours per week on average) for a normal four (4)
5001 consecutive quarter period of the qualified business or industry's
5002 operations or a job for which the employee is hired after the
5003 project certification date and is compensated based on one
5004 thousand eight hundred twenty (1,820) hours for such annual period
5005 (including in each case an employee who, after hiring, elects to
5006 take unpaid time off or is on short-term or long-term disability);
5007 and

5008 (iii) The employee holding such job receives
5009 salary or wages subject to state income tax withholdings. The
5010 term "new full-time job" also means new-leased employee.
5011 Part-time jobs may not be combined to add up to a new full-time
5012 job.

5013 (r) "New-leased employee" means a nontemporary
5014 employee:

5015 (i) Who is leased by the qualified business or
5016 industry after the project certification date from another
5017 business or enterprise that is 1. in the business of leasing
5018 employees, and 2. is registered with the Office of the Secretary
5019 of State and qualified to do business in the state;

5020 (ii) Who is not otherwise an employee of such
5021 qualified business or industry;



5022 (iii) Who performs services for the qualified
5023 business or industry pursuant to a leasing agreement between the
5024 qualified business or industry and such other employee-leasing
5025 firm;

5026 (iv) Whose job-performing services for the
5027 qualified business or industry offers a minimum of one thousand
5028 eight hundred twenty (1,820) hours of an employee's time per year
5029 (i.e., thirty-five (35) hours per week on average) for an entire
5030 normal work year of the qualified business or industry's
5031 operations or a job for which the employee is leased after the
5032 project certification date and is compensated based on one
5033 thousand eight hundred twenty (1,820) hours for such annual period
5034 (including in each case an employee who, after being leased,
5035 elects to take unpaid time off or is on short-term or long-term
5036 disability); and

5037 (v) Whose job receives salary or wages subject to
5038 state income tax withholdings. Individuals employed by an
5039 independent contractor performing one or more services for the
5040 qualified business or industry pursuant to a services or
5041 management agreement (e.g., security services, landscaping
5042 services, and cafeteria management and food services) shall not be
5043 considered as a new-leased employees.

5044 (s) "Nonmanufacturing equipment" means all tangible
5045 personal property that is not manufacturing machinery, including,
5046 but not limited to, office furniture, fixtures, office computers



5047 and communications equipment, and warehouse equipment such as
5048 racking and shelving.

5049 (t) "Part-time job" means a job (i) for which an
5050 employee is hired by the qualified business or industry that
5051 requires fewer than one thousand eight hundred twenty (1,820)
5052 hours of an employee's time per year (i.e., requires fewer than
5053 thirty-five (35) hours per week on average) for an entire normal
5054 work year of the qualified business or industry's operations or a
5055 job for which the employee is hired and is compensated based on
5056 fewer than one thousand eight hundred twenty (1,820) hours for
5057 such annual period; and (iii) for which the employee holding such
5058 job receives salary or wages subject to state income tax
5059 withholdings.

5060 (u) "Project certification date" means the actual date
5061 of the authority's certification, or the effective date of
5062 certification determined and prescribed by the authority, of the
5063 qualified business or industry and its qualified economic
5064 development project as eligible for the state tax credits
5065 determined and awarded by the authority, as authorized by, and in
5066 accordance with, this chapter.

5067 (v) "Qualified annual payroll" means the sum of the
5068 annual salary and wages for new full-time jobs of the qualified
5069 business or industry, excluding the amount or value of any
5070 benefits that are not subject to state income taxes.



5071 (w) "Qualified business or industry" means any
5072 corporation, limited liability company, partnership, person or
5073 sole proprietorship, business trust or other legal entity and
5074 subunit or affiliate thereof, which makes a qualified minimum
5075 investment in a qualified economic development project.

5076 (x) "Qualified economic development project" or
5077 "qualified project" means the location in the state of one or more
5078 of the following enumerated enterprises for which a corporation,
5079 limited liability company, partnership, sole proprietorship,
5080 business trust or other legal entity, or subunit or affiliate
5081 thereof, makes or causes to be made from the minimum qualified
5082 investment and/or satisfies or causes to be satisfied the minimum
5083 job creation requirement:

5084 (i) A new warehouse and/or distribution enterprise
5085 or an expansion of an existing warehouse and/or distribution
5086 enterprise; provided that, in any such instance, such warehouse
5087 and/or distribution enterprise or expansion thereof is certified
5088 by the authority to qualify as such;

5089 (ii) A new manufacturing, remanufacturing,
5090 assembly, processing and/or refinery enterprise or an expansion of
5091 an existing manufacturing, remanufacturing, assembly, processing
5092 and/or refinery enterprise; provided that, in any such instance,
5093 such manufacturing, remanufacturing, assembly, processing and/or
5094 refinery enterprise or expansion thereof is certified by the
5095 authority to qualify as such;



5096 (iii) A new research or research and development
5097 enterprise or an expansion of an existing research or research and
5098 development enterprise; provided that, in any such instance, such
5099 research and development enterprise or an expansion thereof is
5100 certified by the authority to qualify as such;

5101 (iv) A new regional or national headquarters of
5102 the qualified business or industry or an expansion of an existing
5103 regional or national headquarters of the qualified business or
5104 industry; provided that, in any such instance, such regional or
5105 national headquarters or expansion thereof is certified by the
5106 authority to qualify as such;

5107 (v) An air transportation, repair and/or
5108 maintenance enterprise or an expansion of an existing air
5109 transportation, repair and/or maintenance enterprise; provided
5110 that, in either instance, such air transportation, repair and/or
5111 maintenance enterprise or expansion thereof is certified by the
5112 authority to qualify as such;

5113 (vi) A ship or other maritime vessel or barge
5114 transportation, repair and/or maintenance enterprise or an
5115 expansion of an existing ship or other maritime vessel or barge
5116 transportation, repair and/or maintenance enterprise; provided
5117 that, in either instance, the ship or other maritime vessel or
5118 barge transportation, repair and/or maintenance enterprise or
5119 expansion thereof is certified by the authority to qualify as
5120 such;



5121 (vii) A new data/information processing enterprise
5122 or an expansion of an existing new data/information processing
5123 enterprise; provided that, in any such instance such
5124 data/information processing enterprise or expansion thereof is
5125 certified by the authority to qualify as such;

5126 (viii) A new technology intensive enterprise or an
5127 expansion of an existing technology intensive enterprise; provided
5128 that, in either instance, the technology intensive enterprise or
5129 expansion thereof is certified by the authority to qualify as
5130 such; provided further, that a business or enterprise primarily
5131 engaged in creating computer programming codes to develop
5132 applications, websites and/or software shall qualify as a
5133 technology intensive enterprise;

5134 (ix) A new telecommunications enterprise
5135 principally engaged in the creation, display, management, storage,
5136 processing, transmission and/or distribution, for compensation, of
5137 images, text, voice, video or data by wire or by wireless means,
5138 or engaged in the construction, design, development, manufacture,
5139 maintenance or distribution for compensation of devices, products,
5140 software or structures used in the above activities, or an
5141 expansion of an existing telecommunications enterprise as herein
5142 described; provided that, in any such instance, any such
5143 telecommunications enterprise or expansion thereof is certified by
5144 the authority to qualify as such; provided further, that
5145 commercial broadcast radio stations, television stations or news



5146 organizations primarily serving in-state markets shall not be
5147 included within the definition of the term "telecommunications
5148 enterprise";

5149 (x) A new data center enterprise principally
5150 engaged in the utilization of hardware, software, technology,
5151 infrastructure and/or workforce, to store, manage or manipulate
5152 digital data, or an expansion of an existing data center
5153 enterprise as herein described; provided that, in such instance,
5154 any such data center enterprise or expansion thereof is certified
5155 by the authority to qualify as such.

5156 (y) "Qualified investment" means any expenditures made
5157 or caused to be made by the qualified business or industry
5158 following the project certification date for construction,
5159 installation, equipping and operation of a qualified economic
5160 development project from any source or combination of sources,
5161 excluding any funds contributed by the state or any agency or
5162 other political subdivision thereof, or by any local government or
5163 any agency or other political subdivision thereof, to the extent
5164 such expenditures can be capitalized under applicable accounting
5165 rules or otherwise by the Internal Revenue Code, whether or not
5166 the qualified business or industry elects to capitalize the same,
5167 as reflected in its financial statements, including, but not
5168 limited to, all costs associated with the acquisition,
5169 installation and/or construction of, or capital leasehold interest
5170 in, any buildings and other real property improvements, fixtures,



5171 equipment, machinery, landscaping, fire protection, depreciable
5172 fixed assets, engineering and design costs.

5173 (z) "Reporting year" means the twelve-month period
5174 ending on the last day of the month during which the annual
5175 anniversary of a project certification date occurs, and for which
5176 an annual report must be filed with the authority by a qualified
5177 business or industry in accordance with Section 57-114-13.

5178 (aa) "State" means the State of Mississippi.

5179 (bb) "State tax" means:

5180 (i) Any sales and use tax imposed on, and payable
5181 directly to the Department of Revenue by, the qualified business
5182 or industry in accordance with state law, except for contractor's
5183 tax and the taxes levied by Section 27-65-24(1)(b);

5184 (ii) All income tax imposed pursuant to law on
5185 income earned by the qualified business or industry pursuant to
5186 state law;

5187 (iii) Franchise tax imposed pursuant to state law
5188 on the value of capital used, invested or employed by the business
5189 enterprise certified by the Mississippi Development Authority; and

5190 (iv) Withholding tax required to be deducted and
5191 withheld from employee wages pursuant to Section 27-7-301 et seq.

5192 **SECTION 49.** Section 57-114-7, Mississippi Code of 1972, is
5193 brought forward as follows:

5194 57-114-7. (1) The authority shall evaluate an application
5195 to determine whether the applicant's proposed project is a



5196 qualified economic development project and whether it is therefore
5197 eligible for an award by the authority of an mFlex tax incentive,
5198 as calculated in accordance with Section 57-114-9.

5199 (2) Upon approval of an applicant's application, the
5200 authority shall issue a certification (a) designating the
5201 applicant's project as a "qualified economic development project"
5202 and eligible for the mFlex tax incentive authorized by this
5203 chapter; (b) awarding the initial mFlex tax incentive calculated
5204 pursuant to Section 57-114-9; and (c) imposing those mandatory
5205 conditions pursuant to subsection (4) of this section and any
5206 discretionary conditions otherwise imposed by the authority.

5207 (3) Upon the issuance of the certification and execution of
5208 the mFlex agreement by a qualified business or industry and the
5209 authority, the qualified business or industry may apply the amount
5210 of its mFlex tax incentive as a credit to offset (a) any state
5211 taxes (except for withholding tax required to be deducted and
5212 withheld from employee wages pursuant to Section 27-7-301 et
5213 seq.), as incurred thereby, up to the full amount of the mFlex tax
5214 incentive awarded by the authority for the associated qualified
5215 economic development project, and (b) only up to twenty percent
5216 (20%) of the mFlex tax incentive amount may be applied as a credit
5217 during the course of any reporting year to offset withholding tax
5218 deducted and withheld from employee wages pursuant to Section
5219 27-7-301 et seq.; provided that the amount of the mFlex tax
5220 incentive available to be applied as a credit to offset such state



5221 taxes shall be subject to any subsequent adjustments made by the
5222 authority to such award pursuant to Section 57-114-13, and any
5223 performance requirements set out in the mFlex agreement. The
5224 amount of the mFlex tax incentive available to be applied as a
5225 credit to offset any state taxes described in Section
5226 57-114-3(bb) (i) shall be limited to those such taxes payable
5227 directly by the qualified business or industry to the Department
5228 of Revenue pursuant to a direct pay permit issued by the
5229 Department of Revenue under Section 27-65-93. The amount of the
5230 mFlex tax incentive available to be applied as a credit to offset
5231 any state taxes may not be applied as a credit to offset any state
5232 taxes incurred prior to the issuance of the certification by the
5233 authority and execution of the mFlex agreement by the qualified
5234 business or industry and the authority.

5235 (4) The following conditions shall apply to each such
5236 certification made, and each mFlex tax incentive awarded, by the
5237 authority in accordance with this chapter:

5238 (a) Any certification and mFlex tax incentive award
5239 issued by the authority under this chapter is nontransferable and
5240 cannot be applied, used or assigned to any other person or
5241 business or tax account without prior approval by the authority,
5242 except for one or more affiliates of the qualified business or
5243 industry disclosed thereby on its application or in a subsequent
5244 annual report submitted to the authority in accordance with this
5245 chapter;



5246 (b) No qualified business or industry may claim or use
5247 the mFlex tax incentive awarded thereto under this chapter unless
5248 the qualified business or industry is in full compliance with all
5249 state and local tax laws, and related ordinances, permits and
5250 other applicable governmental approvals; and

5251 (c) Each qualified business or industry must enter into
5252 an mFlex agreement with the authority which sets out, at a
5253 minimum, (i) the obligation of the business or industry to provide
5254 an annual report to the authority pursuant to Section 57-114-13
5255 that demonstrates the actual amount of its qualified investment,
5256 including actual expenditures on manufacturing machinery,
5257 nonmanufacturing equipment and component building materials, the
5258 number of new full-time jobs created and maintained as a result of
5259 the project, and any other relevant information as may be required
5260 by the authority; and (ii) terms for readjustment or recapture of
5261 all or a portion of the mFlex tax incentive awarded thereto
5262 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy
5263 the minimum job creation requirement if certification of the
5264 project is predicated on satisfaction of the minimum job creation
5265 requirement and not the minimum qualified investment, or 2. fails
5266 to satisfy the minimum qualified investment if certification of
5267 the project is predicated on satisfaction of the minimum job
5268 creation requirement and not the minimum qualified investment,
5269 and/or 3. fails to otherwise satisfy any other additional
5270 performance requirements of the qualified business or industry or



5271 its qualified economic development project that are imposed by the
5272 authority.

5273 (5) In addition to those mandatory conditions prescribed by
5274 this chapter that apply to each certification and award of an
5275 mFlex tax incentive made by the authority in accordance herewith,
5276 the authority is authorized to impose any other conditions upon
5277 any certification and award of an mFlex tax incentive made by the
5278 authority as it shall find best promotes economic development in
5279 the state.

5280 (6) Upon certifying a qualified business or industry as
5281 eligible for, and awarding, an mFlex tax incentive under this
5282 chapter, the authority shall forward the certification along with
5283 any other necessary information to the Department of Revenue so
5284 that the mFlex tax incentive awarded to the qualified business or
5285 industry can be recorded by the Department of Revenue and used to
5286 verify each state tax credit subsequently applied by the qualified
5287 business or industry.

5288 (7) Within thirty (30) days following the end of each
5289 calendar quarter, the authority shall provide to the Governor,
5290 Lieutenant Governor and the Speaker of the House of
5291 Representatives a copy of each certification made, together with a
5292 copy of each mFlex agreement approved and executed, during the
5293 immediately preceding calendar quarter.

5294 **SECTION 50.** Section 57-114-9, Mississippi Code of 1972, is
5295 brought forward as follows:



5296 57-114-9. **Calculation and application of an mFlex tax**
5297 **incentive award.** The total amount of the initial mFlex tax
5298 incentive determined and awarded by the authority to the certified
5299 applicant shall be calculated by the authority as follows:

5300 (a) Subject to paragraph (f) below, one and one-half
5301 percent (1.5%) of the total purchase or sales price, or value,
5302 including any installation costs thereof, as applicable, of all
5303 manufacturing or processing machinery acquired, leased or
5304 otherwise moved into the state following the project certification
5305 date to establish and equip the qualified economic development
5306 project; plus

5307 (b) Subject to paragraph (f) below, seven percent (7%)
5308 of the total purchase or sales price, or value, including any
5309 installation costs thereof, as applicable, of all nonmanufacturing
5310 equipment, other than tagged over-the-road vehicles, acquired,
5311 leased or otherwise moved into the state following the project
5312 certification date to establish and equip the qualified economic
5313 development project; plus

5314 (c) Subject to paragraph (f) below, two percent (2%) of
5315 the total contract price or compensation paid to any contractor
5316 pursuant to any construction contract entered into following the
5317 project certification date by the qualified business or industry
5318 or any affiliate thereof, to construct, build, erect, repair or
5319 add to any building, facility, structure or other improvement to
5320 real property described in Section 27-65-21(1) (a) (i) to establish



5321 and construct the qualified economic development project; plus, if
5322 applicable;

5323 (d) To the extent that the average employer wage is
5324 equal to or more than seventy-five percent (75%) of the average
5325 state or county wage, then an additional fifteen percent (15%) of
5326 the product derived by multiplying the average employer wage by
5327 the number of new full-time jobs; plus, if applicable;

5328 (e) (i) To the extent that 1. the qualified economic
5329 development project is an enterprise enumerated in Section
5330 57-114-3(x)(i) or (x)(ii); 2. the number of new full-time jobs
5331 totals fifty (50) or more; 3. the qualified investment totals Ten
5332 Million Dollars (\$10,000,000) or more; 4. the average employer
5333 wage is equal to or more than one hundred ten percent (110%) of
5334 the average state or county wage; and 5. all full-time employees
5335 are eligible for and offered health insurance coverage funded in
5336 whole or at least fifty percent (50%) by the qualified business or
5337 industry (or by a leasing company with respect to leased
5338 employees), then an additional thirty percent (30%) of the product
5339 derived by multiplying the average employer wage by the number of
5340 new full-time jobs; or

5341 (ii) To the extent that subparagraph (i) of this
5342 paragraph (e) does not apply, but 1. the number of new full-time
5343 jobs totals twenty-five (25) or more; 2. the average employer wage
5344 is equal to or more than one hundred twenty-five percent (125%) of
5345 the average state or county wage; and 3. all full-time employees



5346 are eligible for and offered health insurance coverage funded in
5347 whole or at least fifty percent (50%) by the qualified business or
5348 industry (or by a leasing company with respect to leased
5349 employees), then an additional thirty percent (30%) of the product
5350 derived by multiplying the average employer wage by the number of
5351 new full-time jobs; provided, however, that the initial mFlex tax
5352 incentive award amount determined by the authority and awarded on
5353 the project certification date shall be based upon estimates
5354 provided by the qualified business or industry to the authority
5355 with respect to paragraphs (a) through (d) of this section, which
5356 estimates shall be memorialized as project performance measures
5357 agreed to by the qualified business or industry in the mFlex
5358 agreement; provided, further, that such initial award amount shall
5359 be subject to any subsequent adjustments made by the authority
5360 pursuant to Section 57-114-13;

5361 (f) To the extent that all or any portion of the
5362 purchases to establish a qualified economic development project
5363 which are financed by proceeds from bonds issued pursuant to
5364 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex
5365 tax incentive determined in accordance with this section shall
5366 exclude the amount calculated in accordance with paragraphs (a),
5367 (b) and (c) above; provided that, this paragraph (f) shall not
5368 apply in determining the mFlex tax incentive for a qualified
5369 economic development project to the extent that (i) the qualified
5370 economic development project is an expansion of an existing



5371 project, (ii) all or any portion of the purchases to establish the
5372 existing project were financed by proceeds from bonds issued
5373 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et
5374 seq., and (iii) no purchases to establish the expansion
5375 constituting a qualified economic development project are financed
5376 by proceeds from bonds issued pursuant to Section 57-10-201 et
5377 seq. or Section 57-10-401 et seq.

5378 **SECTION 51.** Section 57-115-3, Mississippi Code of 1972, is
5379 brought forward as follows:

5380 57-115-3. As used in this chapter, the following terms and
5381 phrases shall have the meanings ascribed in this section unless
5382 the context clearly indicates otherwise:

5383 (a) "Affiliate" means:

5384 (i) Any person who, directly or indirectly,
5385 beneficially owns, controls, or holds power to vote fifteen
5386 percent (15%) or more of the outstanding voting securities or
5387 other voting ownership interest of a Mississippi small business
5388 investment company or insurance company; and

5389 (ii) Any person, fifteen percent (15%) or more of
5390 whose outstanding voting securities or other voting ownership
5391 interests are directly or indirectly beneficially owned,
5392 controlled, or held, with power to vote by a Mississippi small
5393 business investment company or insurance company. Notwithstanding
5394 this paragraph (a), an investment by a participating investor in a
5395 Mississippi small business investment company pursuant to an



5396 allocation of tax credits under this chapter does not cause that
5397 Mississippi small business investment company to become an
5398 affiliate of that participating investor.

5399 (b) "Allocation date" means the date on which credits
5400 are allocated to the participating investors of a Mississippi
5401 small business investment company under this chapter.

5402 (c) "MDA" means the Mississippi Development Authority.

5403 (d) "Department" means the Mississippi Department of
5404 Banking and Consumer Finance.

5405 (e) "Designated capital" means an amount of money that:

5406 (i) Is invested by a participating investor in a
5407 Mississippi small business investment company; and

5408 (ii) Fully funds the purchase price of a
5409 participating investor's equity interest in a Mississippi small
5410 business investment company or a qualified debt instrument issued
5411 by a Mississippi small business investment company, or both.

5412 (f) "Mississippi small business investment company"
5413 means a partnership, corporation, trust, or limited liability
5414 company, organized on a for-profit basis, that:

5415 (i) Has its principal office located in
5416 Mississippi or is headquartered in Mississippi;

5417 (ii) Has as its primary business activity the
5418 investment of cash in qualified businesses; and



5419 (iii) Is certified by the MDA as meeting the
5420 criteria described in this section to qualify as either a primary
5421 or secondary Mississippi small business investment company.

5422 (g) "Participating investor" means any insurer that
5423 contributes designated capital pursuant to this chapter.

5424 (h) "Person" means any natural person or entity,
5425 including, but not limited to, a corporation, general or limited
5426 partnership, trust, or limited liability company.

5427 (i) "Qualified business" means a business that is
5428 independently owned and operated and meets all of the following
5429 requirements:

5430 (i) It is headquartered in Mississippi, its
5431 principal business operations are located in Mississippi and at
5432 least eighty percent (80%) of its employees are located in
5433 Mississippi;

5434 (ii) It has not more than one hundred (100)
5435 employees at the time of the first qualified investment in the
5436 business;

5437 (iii) It is not more than ten percent (10%)
5438 engaged in:

- 5439 1. Professional services provided by
5440 accountants, doctors, or lawyers;
5441 2. Banking or lending;
5442 3. Real estate development;
5443 4. Retail;



5444 5. Insurance; or
5445 6. Making loans to or investments in a
5446 Mississippi small business investment company or an affiliate; and
5447 (iv) It is not a franchise of and has no financial
5448 relationship with a Mississippi small business investment company
5449 or any affiliate of a Mississippi small business investment
5450 company prior to a Mississippi small business investment company's
5451 first qualified investment in the business.

5452 A business classified as a qualified business at the time of
5453 the first qualified investment in the business will remain
5454 classified as a qualified business and may receive continuing
5455 qualified investments from any Mississippi small business
5456 investment company. Continuing investments will constitute
5457 qualified investments even though the business may not meet the
5458 definition of a qualified business at the time of such continuing
5459 investments; however, the business cannot fail to satisfy
5460 subparagraph (iii) and (iv) of this paragraph (i).

5461 (j) "Qualified debt instrument" means a debt instrument
5462 issued by a Mississippi small business investment company that
5463 meets all of the following criteria:

5464 (i) It is issued at par value or a premium;
5465 (ii) It has an original maturity date of at least
5466 four (4) years from the date of issuance and a repayment schedule
5467 that is not faster than a level principal amortization over four
5468 (4) years; and



5469 (iii) Has no interest or payment features that
5470 allow for the prepayment of interest or are tied to the
5471 profitability of the Mississippi small business investment company
5472 or the success of its investments.

5473 (k) "Qualified distribution" means any distribution or
5474 payment by a Mississippi small business investment company in
5475 connection with the following:

5476 (i) Reasonable costs and expenses of forming,
5477 syndicating and organizing the Mississippi small business
5478 investment company, including fees paid for professional services
5479 and the costs of financing and insuring the obligations of a
5480 Mississippi small business investment company, provided no such
5481 payment is made to more than one (1) participating investor or an
5482 affiliate or related party of a participating investor;

5483 (ii) An annual management fee not to exceed two
5484 percent (2%) of designated capital on an annual basis to offset
5485 the costs and expenses of managing and operating a Mississippi
5486 small business investment company;

5487 (iii) Any projected increase in federal or state
5488 taxes, including penalties and interest related to state and
5489 federal income taxes, or to the equity owners of the company
5490 resulting from the earnings or other tax liability of the company
5491 to the extent that the increase is related to the ownership,
5492 management, or operation of the company;



5493 (iv) Reasonable and necessary fees in accordance
5494 with industry custom for ongoing professional services, including,
5495 but not limited to, legal and accounting services related to the
5496 operation of a Mississippi small business investment company, not
5497 including lobbying or governmental relations; and

5498 (v) Payments of principal and interest to holders
5499 of qualified debt instruments issued by a Mississippi small
5500 business investment company which may be made without restriction.

5501 (1) "Qualified investment" means the investment of
5502 money by a Mississippi small business investment company in a
5503 qualified business for the purchase of any debt, debt
5504 participation, equity, or hybrid security of any nature and
5505 description, including a debt instrument or security that has the
5506 characteristics of debt but which provides for conversion into
5507 equity or equity participation instruments such as options or
5508 warrants; provided that any debt, debt participation or other debt
5509 instrument or security shall have a maturity of at least three (3)
5510 years. Any repayment of a qualified investment prior to one (1)
5511 year from the date of issuance shall result in the amount of the
5512 qualified investment being reduced by fifty percent (50%) for
5513 purposes of the cumulative investment requirement set forth in
5514 Section 57-115-9(1) (c).

5515 (m) "State premium tax liability" means any liability
5516 incurred by an insurance company under the provisions of Section
5517 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a



5518 reduction by the state of the liability imposed by Section
5519 27-15-103, 27-15-109 or 27-15-123.

5520 **SECTION 52.** Section 57-115-5, Mississippi Code of 1972, is
5521 brought forward as follows:

5522 57-115-5. (1) (a) The MDA must provide a standardized
5523 format for applying for the Mississippi small business investment
5524 credit authorized under this chapter, and for certification as a
5525 Mississippi small business investment company.

5526 (b) An applicant for certification as a primary
5527 Mississippi small business investment company must:

5528 (i) File an application with the MDA which shall
5529 include a business plan detailing:

5530 1. The approximate percentage of designated
5531 capital the applicant will invest in qualified businesses by the
5532 second, fourth and sixth anniversaries of its allocation date;

5533 2. The industry segments listed by the North
5534 American Industrial Classification System code and percentage of
5535 designated capital in which the applicant will invest; and

5536 3. The number of jobs that will be created or
5537 retained as a result of the applicant's investments once all
5538 designated capital has been invested. A job shall be considered
5539 created or retained if the job pays one hundred twenty-five
5540 percent (125%) of the state average annual wage and is maintained
5541 for at least three (3) years. The application shall project, at a
5542 minimum, that one (1) job shall be created or maintained for each



5543 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5544 awarded to the participating investors of the Mississippi small
5545 business investment company;

5546 (ii) Pay a nonrefundable application fee of Seven
5547 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing
5548 the application;

5549 (iii) Submit as part of its application an audited
5550 balance sheet that contains an unqualified opinion of an
5551 independent certified public accountant issued not more than
5552 thirty-five (35) days before the application date that states that
5553 the applicant has an equity capitalization of Five Hundred
5554 Thousand Dollars (\$500,000.00) or more in the form of unencumbered
5555 cash, marketable securities or other liquid assets; and

5556 (iv) Have at least two (2) principals or persons,
5557 at least one (1) of which is primarily located in Mississippi,
5558 employed or engaged to manage the funds who each have a minimum of
5559 five (5) years of money management experience in the venture
5560 capital or private equity or lending industry.

5561 (c) An applicant for certification as a secondary
5562 Mississippi small business investment company must:

5563 (i) File an application with the MDA which shall
5564 include a business plan detailing:

5565 1. The approximate percentage of designated
5566 capital the applicant will invest in qualified businesses by the
5567 second, fourth and sixth anniversaries of its allocation date;



5568 2. The industry segments listed by the North
5569 American Industrial Classification System code and percentage of
5570 designated capital in which the applicant will invest; and

5571 3. The number of jobs that will be crested or
5572 retained as a result of the applicant's investments once all
5573 designated capital has been invested. A job shall be considered
5574 created or retained if the job pays one hundred twenty-five
5575 percent (125%) of the state average annual wage and is maintained
5576 for at least three (3) years. The application shall project, at a
5577 minimum, that one (1) job shall be created or maintained for each
5578 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5579 awarded to the participating investors of the Mississippi small
5580 business investment company;

5581 (ii) Pay a nonrefundable application fee of Three
5582 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of
5583 filing the application;

5584 (iii) Submit as part of its application an audited
5585 balance sheet that contains an unqualified opinion of an
5586 independent certified public accountant issued not more than
5587 thirty-five (35) days before the application date that states that
5588 the applicant has an equity capitalization of One Hundred Fifty
5589 Thousand Dollars (\$150,000.00) or more in the form of unencumbered
5590 cash, marketable securities or other liquid assets;

5591 (iv) Demonstrate that fifty percent (50%) of all
5592 secondary investment company investments have been in Mississippi,



5593 and all of the applicant's employees have lived in Mississippi for
5594 at least two (2) years prior to the application being filed, and
5595 that those who are employed or engaged to manage the funds have a
5596 minimum of three (3) years of money management experience in the
5597 venture capital or private equity or lending industry; and

5598 (v) Submit as part of its application a signed and
5599 notarized partnership agreement letter with a certified primary
5600 Mississippi small business investment company.

5601 (d) (i) Any participating partner or individual in a
5602 certified secondary small business investment company that
5603 successfully participated in the initial authorization and
5604 allocation of credits in 2012, and which is a partner in a
5605 submitted application for credits allocated in subsection (4) (b)
5606 of this section, while partnered with the same primary small
5607 business investment company from the previous 2012 allocation,
5608 shall have the requirements in paragraph (c) (iii) and (iv) of this
5609 subsection waived as having been completed through the previous
5610 allocation.

5611 (ii) Any participating partner or individual in a
5612 certified secondary small business investment company that
5613 successfully participated in the authorization and allocation of
5614 credits in 2018, and which is a partner in a submitted application
5615 for credits allocated in subsection (4) (c) of this section, while
5616 partnered with the same primary small business investment company
5617 from the previous 2018 allocation, shall have the requirements in



5618 paragraph (c)(iii) and (iv) of this subsection waived as having
5619 been completed through the previous allocation.

5620 (e) The MDA may certify partnerships, corporations,
5621 trusts, or limited liability companies, organized on a for-profit
5622 basis, which submit an application to be designated as a
5623 Mississippi small business investment company if the applicant is
5624 located, headquartered, and licensed or registered to conduct
5625 business in Mississippi, has as its primary business activity the
5626 investment of cash in qualified businesses, and meets all of the
5627 criteria of this section.

5628 (f) The MDA must:

5629 (i) Review the organizational documents of each
5630 applicant for certification and the business history of each
5631 applicant;

5632 (ii) Determine whether the applicant has satisfied
5633 all of the requirements of this section; and

5634 (iii) Determine whether the officers and the board
5635 of directors, general partners, trustees, managers or members are
5636 trustworthy and are thoroughly acquainted with the requirements of
5637 this chapter.

5638 (g) Within forty-five (45) days after the receipt of an
5639 application, the MDA may issue the certification or refuse the
5640 certification and may communicate in detail to the applicant the
5641 grounds for refusal, including suggestions for the removal of the
5642 grounds.



5643 (h) The MDA must begin accepting applications to become
5644 a Mississippi small business investment company not later than
5645 August 1, 2012, for credits allocated in subsection (4)(a) of this
5646 section, not later than August 1, 2018, for credits allocated in
5647 subsection (4)(b) of this section, and not later than August 1,
5648 2023, for credits allocated in subsection (4)(c) of this section.

5649 (i) Certification by the MDA and operation of a primary
5650 Mississippi small business investment company is not subject to
5651 completion of any relationship or agreement with a secondary
5652 Mississippi small business investment company, and it is not the
5653 intent of this chapter to compel any such agreement.

5654 (2) (a) An insurance company or affiliate of an insurance
5655 company must not, directly or indirectly:

5656 (i) Beneficially own, whether through rights,
5657 options, convertible interest, or otherwise, fifteen percent (15%)
5658 or more of the voting securities or other voting ownership
5659 interest of a Mississippi small business investment company;

5660 (ii) Manage a Mississippi small business
5661 investment company; or

5662 (iii) Control the direction of investments for a
5663 Mississippi small business investment company.

5664 (b) A Mississippi small business investment company may
5665 obtain one or more guaranties, indemnities, bonds, insurance
5666 policies, or other payment undertakings for the benefit of its
5667 participating investors from any entity, except that in no case



5668 can more than one (1) participating investor of a Mississippi
5669 small business investment company on an aggregate basis with all
5670 affiliates of the participating investor, be entitled to provide
5671 guaranties, indemnities, bonds, insurance policies, or other
5672 payment undertakings in favor of the participating investors of a
5673 Mississippi small business investment company and its affiliates
5674 in this state.

5675 (c) This subsection (2) does not preclude a
5676 participating investor, insurance company or other party from
5677 exercising its legal rights and remedies, including, without
5678 limitation, interim management of a Mississippi small business
5679 investment company, in the event that a Mississippi small business
5680 investment company is in default of its statutory obligations or
5681 its contractual obligations to a participating investor, insurance
5682 company, or other party, or from monitoring a Mississippi small
5683 business investment company to ensure its compliance with this
5684 chapter or disallowing any investments that have not been approved
5685 by the MDA.

5686 (d) The MDA may contract with an independent third
5687 party to review, investigate, and certify that the applications
5688 comply with the provisions of this chapter.

5689 (3) (a) At the time of its investment of designated capital
5690 a participating investor shall earn a vested credit against the
5691 participating investor's state premium tax liability in an amount
5692 equal to one hundred percent (100%) of the participating



5693 investor's investment of designated capital in a Mississippi small
5694 business investment company, subject to the limits imposed by this
5695 section.

5696 (b) From and after January 1, 2015, a participating
5697 investor may claim the credit allocated in subsection (4)(a) of
5698 this section as follows: For each taxable year from 2015 through
5699 2019, an amount equal to twenty percent (20%) of the participating
5700 investor's investment of designated capital.

5701 (c) From and after January 1, 2021, a participating
5702 investor may claim the credit allocated in subsection (4)(b) of
5703 this section as follows:

5704 (i) For each taxable year from 2021 through 2025,
5705 an amount equal to sixteen and sixty-six one-hundredths percent
5706 (16.66%) of the participating investor's investment of designated
5707 capital; and

5708 (ii) For the 2026 taxable year, an amount equal to
5709 sixteen and seven-tenths percent (16.7%) of the participating
5710 investor's investment of designated capital.

5711 (d) From and after January 1, 2027, a participating
5712 investor may claim the credit allocated in subsection (4)(c) of
5713 this section as follows:

5714 (i) For each taxable year from 2027 through 2031,
5715 an amount equal to sixteen and sixty-six one-hundredths percent
5716 (16.66%) of the participating investor's investment of designated
5717 capital; and



5718 (ii) For the 2032 taxable year, an amount equal to
5719 sixteen and seven-tenths percent (16.7%) of the participating
5720 investor's investment of designated capital.

5721 (e) The credit for any taxable year cannot exceed the
5722 state premium tax liability of the participating investor for the
5723 taxable year. If the amount of the credit exceeds the state
5724 premium tax liability of the participating investor for the
5725 taxable year, the excess is an investment tax credit carryover for
5726 five (5) years from the date the credit is first able to be
5727 utilized in accordance with paragraph (a) of this subsection (3).

5728 (f) Notwithstanding any provision of this chapter to
5729 the contrary, the granting of any credits against the insurance
5730 premium tax shall not affect the insurance premium tax receipts
5731 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,
5732 45-11-5 and 21-29-233, which shall take priority over all other
5733 distributions of premium tax receipts and shall be calculated
5734 based upon gross insurance premium tax liability before the
5735 application of the tax credits.

5736 (g) A participating investor claiming a credit under
5737 this chapter is not required to pay any additional retaliatory tax
5738 under Section 27-15-123 levied as a result of claiming the credit.

5739 (h) A participating investor is not required to reduce
5740 the amount of tax pursuant to the state premium tax liability
5741 included by the participating investor in connection with
5742 ratemaking for any insurance contract written in this state



5743 because of a reduction in the participating investor's tax
5744 liability based on the tax credit allowed under this chapter.

5745 (i) If the taxes paid by a participating investor with
5746 respect to its state premium tax liability constitute a credit
5747 against any other tax that is imposed by this state, the
5748 participating investor's credit against the other tax shall not be
5749 reduced by virtue of the reduction in the participating investor's
5750 tax liability based on the tax credit allowed under this chapter.

5751 (j) Final decertification of a Mississippi small
5752 business investment company under this chapter prior to such
5753 Mississippi small business investment company meeting the
5754 requirements of Section 57-115-7(1)(a)(ii), shall result in the
5755 disallowance and the recapture of all of the credits allocated to
5756 its participating investors under this chapter. Once a
5757 Mississippi small business investment company has satisfied the
5758 requirements of Section 57-115-7(1)(a)(ii), any subsequent
5759 decertification shall not cause the disallowance or recapture of
5760 any credits allocated to its participating investors under this
5761 chapter.

5762 (k) The credits allowed under this chapter are not
5763 transferable; however, a participating investor may transfer
5764 credits to an affiliated insurance company provided it gives prior
5765 written notice of such transfer to the MDA and the Department of
5766 Revenue.



5767 (4) (a) (i) Through January 1, 2018, the aggregate amount
5768 of investment tax credits that may be allocated to all
5769 participating investors of Mississippi small business investment
5770 companies under this section shall not exceed Fifty Million
5771 Dollars (\$50,000,000.00), and no Mississippi small business
5772 investment company, on an aggregate basis with its affiliates, may
5773 file credit allocation claims that exceed Fifty Million Dollars
5774 (\$50,000,000.00).

5775 (ii) The Fifty Million Dollars (\$50,000,000.00)
5776 aggregate amount of investment tax credits allocated in this
5777 paragraph (a) shall be divided into a primary tax credit pool
5778 which may be applied for by certified primary Mississippi small
5779 business investment companies and a secondary tax credit pool
5780 which may be applied for by certified secondary Mississippi small
5781 business investment companies. The secondary tax credit pool
5782 shall be Three Million Five Hundred Thousand Dollars
5783 (\$3,500,000.00) of the total Fifty Million Dollars
5784 (\$50,000,000.00) aggregate amount of investment tax credits.
5785 Secondary Mississippi small business investment companies may not
5786 apply for more than One Million Seven Hundred Fifty Thousand
5787 Dollars (\$1,750,000.00) worth of credits on a single application.
5788 A certified secondary Mississippi small business investment
5789 company may apply for additional tax credit allocation from the
5790 secondary tax credit pool, if the credits are available, after



5791 fifty percent (50%) of its previously allocated credits are used
5792 in qualified investments.

5793 (iii) If there are any tax credits remaining
5794 available for allocation in the secondary tax credit pool on
5795 August 1, 2013, those available tax credits shall revert to the
5796 primary tax credit pool and be made available to primary
5797 Mississippi small business investment companies according to rules
5798 and regulations promulgated by the MDA. Prior to August 1, 2013,
5799 primary Mississippi small business investment companies, including
5800 any wholly owned subsidiary company, shall be prohibited from
5801 making application to the MDA to be additionally certified as a
5802 secondary Mississippi small business investment company for
5803 purposes of the tax credits allocated in this paragraph (a) and
5804 prohibited from applying for any tax credit allocation from the
5805 secondary tax credit pool. A certified primary Mississippi small
5806 business investment company may have ownership equity in a
5807 certified secondary Mississippi small business investment company,
5808 but the equity interest owned by the certified primary Mississippi
5809 small business investment company shall not exceed forty percent
5810 (40%).

5811 (b) (i) From and after July 1, 2018, through January
5812 1, 2023, an additional aggregate amount of investment tax credits
5813 may be allocated to all participating investors of Mississippi
5814 small business investment companies under this section. The
5815 amount so allocated shall not exceed Forty-five Million Dollars



5816 (\$45,000,000.00), and no Mississippi small business investment
5817 company, on an aggregate basis with its affiliates, may file
5818 credit allocation claims on the additional aggregate amount of tax
5819 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5820 (ii) The Forty-five Million Dollars
5821 (\$45,000,000.00) aggregate amount of investment tax credits
5822 allocated in this paragraph (b) shall be divided into a primary
5823 tax credit pool which may be applied for by certified primary
5824 Mississippi small business investment companies and a secondary
5825 tax credit pool which may be applied for by certified secondary
5826 Mississippi small business investment companies. The secondary
5827 tax credit pool shall be Three Million Five Hundred Thousand
5828 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5829 (\$45,000,000.00) aggregate amount of investment tax credits.
5830 Secondary Mississippi small business investment companies may not
5831 apply for more than One Million Seven Hundred Fifty Thousand
5832 Dollars (\$1,750,000.00) worth of credits on a single application.
5833 A certified secondary Mississippi small business investment
5834 company may apply for additional tax credit allocation from the
5835 secondary tax credit pool, if the credits are available, after
5836 fifty percent (50%) of its previously allocated credits are used
5837 in qualified investments.

5838 (iii) If there are any tax credits remaining
5839 available for allocation in the secondary tax credit pool on
5840 August 1, 2019, those available tax credits shall revert to the



5841 primary tax credit pool and be made available to primary
5842 Mississippi small business investment companies according to rules
5843 and regulations promulgated by the MDA. Prior to August 1, 2022,
5844 primary Mississippi small business investment companies, including
5845 any wholly owned subsidiary company, shall be prohibited from
5846 making application to the MDA to be additionally certified as a
5847 secondary Mississippi small business investment company for
5848 purposes of the tax credits allocated in this paragraph (b) and
5849 prohibited from applying for any tax credit allocation from the
5850 secondary tax credit pool. A certified primary Mississippi small
5851 business investment company may have ownership equity in a
5852 certified secondary Mississippi small business investment company,
5853 but the equity interest owned by the certified primary Mississippi
5854 small business investment company shall not exceed forty percent
5855 (40%).

5856 (c) (i) From and after July 1, 2023, an additional
5857 aggregate amount of investment tax credits may be allocated to all
5858 participating investors of Mississippi small business investment
5859 companies under this section. The amount so allocated shall not
5860 exceed Forty-five Million Dollars (\$45,000,000.00), and no
5861 Mississippi small business investment company, on an aggregate
5862 basis with its affiliates, may file credit allocation claims on
5863 the additional aggregate amount of tax credits that exceed
5864 Forty-five Million Dollars (\$45,000,000.00).



5865 (ii) The Forty-five Million Dollars
5866 (\$45,000,000.00) aggregate amount of investment tax credits
5867 allocated in this paragraph (c) shall be divided into a primary
5868 tax credit pool which may be applied for by certified primary
5869 Mississippi small business investment companies and a secondary
5870 tax credit pool which may be applied for by certified secondary
5871 Mississippi small business investment companies. The secondary
5872 tax credit pool shall be Three Million Five Hundred Thousand
5873 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5874 (\$45,000,000.00) aggregate amount of investment tax credits.
5875 Secondary Mississippi small business investment companies may not
5876 apply for more than One Million Seven Hundred Fifty Thousand
5877 Dollars (\$1,750,000.00) worth of credits on a single application.
5878 A certified secondary Mississippi small business investment
5879 company may apply for additional tax credit allocation from the
5880 secondary tax credit pool, if the credits are available, after
5881 fifty percent (50%) of its previously allocated credits are used
5882 in qualified investments.

5883 (iii) If there are any tax credits remaining
5884 available for allocation in the secondary tax credit pool on
5885 August 1, 2024, those available tax credits shall revert to the
5886 primary tax credit pool and be made available to primary
5887 Mississippi small business investment companies according to rules
5888 and regulations promulgated by the MDA. Prior to August 1, 2027,
5889 primary Mississippi small business investment companies, including



5890 any wholly owned subsidiary company, shall be prohibited from
5891 making application to the MDA to be additionally certified as a
5892 secondary Mississippi small business investment company for
5893 purposes of the tax credits allocated in this paragraph (c) and
5894 prohibited from applying for any tax credit allocation from the
5895 secondary tax credit pool. A certified primary Mississippi small
5896 business investment company may have ownership equity in a
5897 certified secondary Mississippi small business investment company,
5898 but the equity interest owned by the certified primary Mississippi
5899 small business investment company shall not exceed forty percent
5900 (40%).

5901 (d) Credits must be allocated to investors in the order
5902 that the credit allocation claims are filed with the MDA.

5903 (e) Any credit allocation claims filed with the MDA
5904 before the initial credit allocation claim filing date will be
5905 deemed to have been filed on the initial credit allocation claim
5906 filing date. The MDA will set the initial credit allocation claim
5907 filing date to be not less than one hundred twenty (120) days and
5908 not more than one hundred fifty (150) days after the date the MDA
5909 begins accepting applications for certification. Credit
5910 allocation claims filed on the same day with the MDA must be
5911 treated as having been filed contemporaneously.

5912 (f) If two (2) or more Mississippi small business
5913 investment companies file credit allocation claims with the MDA on
5914 behalf of their respective participating investors on the same day



5915 and the aggregate amount of credit allocation claims exceeds the
5916 aggregate limit of credits authorized under this subsection (4) or
5917 the lesser amount of credits that remain unallocated on that day,
5918 then the credits shall be allocated among the participating
5919 investors who filed on that day on a pro rata basis with respect
5920 to the amounts claimed. The pro rata allocation for any one (1)
5921 participating investor is the product obtained by multiplying a
5922 fraction, the numerator of which is the amount of the credit
5923 allocation claim filed on behalf of a participating investor and
5924 the denominator of which is the total of all credit allocation
5925 claims filed on behalf of all participating investors on that day,
5926 by the aggregate limit of credits authorized under this subsection
5927 (4) or the lesser amount of credits that remain unallocated on
5928 that day.

5929 (g) Within ten (10) business days after the MDA
5930 receives a credit allocation claim filed by a Mississippi small
5931 business investment company on behalf of one or more of its
5932 participating investors, the MDA may notify the Mississippi small
5933 business investment company of the amount of credits allocated to
5934 each of the participating investors of that Mississippi small
5935 business investment company. In the event a Mississippi small
5936 business investment company does not receive an investment of
5937 designated capital from each participating investor required to
5938 earn the amount of credits allocated to the participating investor
5939 within ten (10) business days of the Mississippi small business



5940 investment company's receipt of notice of allocation, then it
5941 shall notify the MDA on or before the next business day, and the
5942 credits allocated to the participating investor of the Mississippi
5943 small business investment company will be forfeited. The MDA may
5944 then reallocate those forfeited credits among the participating
5945 investors of the other Mississippi small business investment
5946 companies on a pro rata basis with respect to the credit
5947 allocation claims filed on behalf of the participating investors.
5948 The MDA may levy a fine of not more than Fifty Thousand Dollars
5949 (\$50,000.00) on any participating investor that does not invest
5950 the full amount of designated capital required to fund the credits
5951 allocated to it by the MDA in accordance with the credit
5952 allocation claim filed on its behalf.

5953 (h) No participating investor, on an aggregate basis
5954 with its affiliates, may file an allocation claim for more than
5955 twenty-five percent (25%) of the maximum amount of investment tax
5956 credits authorized under this subsection (4), regardless of
5957 whether the claim is made in connection with one or more
5958 Mississippi small business investment companies.

5959 **SECTION 53.** Section 1 of this act shall be codified as a new
5960 section in Chapter 7, Title 27, Mississippi Code of 1972.

5961 **SECTION 54.** Nothing in this act shall affect or defeat any
5962 claim, assessment, appeal, suit, right or cause of action for
5963 taxes due or accrued under the income tax laws, insurance premium
5964 tax laws or ad valorem tax laws before the date on which this act



5965 becomes effective, whether such claims, assessments, appeals,
5966 suits or actions have been begun before the date on which this act
5967 becomes effective or are begun thereafter; and the provisions of
5968 the income tax laws, insurance premium tax laws and ad valorem tax
5969 laws are expressly continued in full force, effect and operation
5970 for the purpose of the assessment, collection and enrollment of
5971 liens for any taxes due or accrued and the execution of any
5972 warrant under such laws before the date on which this act becomes
5973 effective, and for the imposition of any penalties, forfeitures or
5974 claims for failure to comply with such laws.

5975 **SECTION 55.** Sections 1 and 4 of this act shall take effect
5976 and be in force from and after January 1, 2024. The remainder of
5977 this act shall take effect and be in force from and after July 1,
5978 2024.

