

By: Representatives Lamar, Anthony

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1953

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

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

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

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



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

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



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

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



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

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

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

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

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

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

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



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

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

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



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

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

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



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

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



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

179           (1) **Business deductions.**

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

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





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

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



227 (d) **Business losses.**

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

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

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

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

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



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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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



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

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

363 (i) The plan or trust be irrevocable.

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

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

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



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

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

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

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





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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

513                   (v) "Related entity" means:

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

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



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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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





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

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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



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

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

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





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

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

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

803 1. Under rental agreements with no specific  
804 term;

805 2. Under at-will or open-ended agreements; or

806 3. Under rental agreements with terms  
807 ordinarily of less than three hundred sixty-five (365) days; and

808 4. Is not subject to privilege taxes imposed  
809 in Chapter 19, Title 27, Mississippi Code of 1972.

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

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



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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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





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

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

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

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

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

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

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



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

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

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



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

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

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

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

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



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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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





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

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

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

1212 (4) As used in this section:



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

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

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

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



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

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



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

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

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

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



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

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



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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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





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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

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





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

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

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



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

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

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

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

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



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

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

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



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

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

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

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



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

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

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

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

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

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

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

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

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

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



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



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

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

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

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

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



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

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

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

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

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

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

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





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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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



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

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



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

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

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

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

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

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

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

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





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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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



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

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

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



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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

2174                   (vi) Whole trees.

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





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

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

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

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

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



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

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

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



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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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



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

2338 (d) "Services" means:

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

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

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

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



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

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

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

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





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

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

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

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



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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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



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

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

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

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



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

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



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

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

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

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

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

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

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





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

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

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



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

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

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

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

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

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

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



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

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

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

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

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



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



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

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

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

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

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

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

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

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



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

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



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

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

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

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

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

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

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



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

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

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

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

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





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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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



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

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

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



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

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

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

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

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

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

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



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

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

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

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





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

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

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

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

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

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

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



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

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



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

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

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

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

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

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

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



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

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

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

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

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



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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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





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

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

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



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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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



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

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

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

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

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

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

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



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

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

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



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

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

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

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

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

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

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





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

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

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

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

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



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

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



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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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



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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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





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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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



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

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



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



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





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

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



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

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

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

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



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

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

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



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

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

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

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



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

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

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

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



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



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



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





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



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



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



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

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



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

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

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

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



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

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

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



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

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

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



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

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

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

4146           (14) As used in this section:

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





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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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





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

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

4369 (b) "Applicable percentage" means:

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



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

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

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

4383 (i) The later of:

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

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

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

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



4396 (d) "Qualified community development entity" shall have  
4397 the meaning ascribed to such term in Section 45D of the Internal  
4398 Revenue Code of 1986, as amended, if the entity has entered into  
4399 an Allocation Agreement with the Community Development Financial  
4400 Institutions Fund of the United States Department of the Treasury  
4401 with respect to credits authorized by Section 45D of the Internal  
4402 Revenue Code of 1986, as amended.

4403 (e) "Qualified active low-income community business"  
4404 shall have the meaning ascribed to such term in Section 45D of the  
4405 Internal Revenue Code of 1986, as amended.

4406 (f) "Qualified equity investment" shall have the  
4407 meaning ascribed to such term in Section 45D of the Internal  
4408 Revenue Code of 1986, as amended. The investment does not have to  
4409 be designated as a qualified equity investment by the Community  
4410 Development Financial Institutions Fund of the United States  
4411 Treasury to be considered a qualified equity investment under this  
4412 section but otherwise must meet the definition under the Internal  
4413 Revenue Code. In addition to meeting the definition in Section  
4414 45D of the Internal Revenue Code such investment must also:

4415 (i) Have been acquired after January 1, 2007, at  
4416 its original issuance solely in exchange for cash; and

4417 (ii) Have been allocated by the Mississippi  
4418 Development Authority.

4419 For the purposes of this section, such investment shall be  
4420 deemed a qualified equity investment on the later of the date such



4421 qualified equity investment is made or the date on which the  
4422 Mississippi Development Authority issues a certificate under  
4423 subsection (4) of this section allocating credits based on such  
4424 investment.

4425 (g) "Qualified low-income community investment" shall  
4426 have the meaning ascribed to such term in Section 45D of the  
4427 Internal Revenue Code of 1986, as amended; provided, however, that  
4428 the maximum amount of qualified low-income community investments  
4429 issued for a single qualified active low-income community  
4430 business, on an aggregate basis with all of its affiliates, that  
4431 may be included for purposes of allocating any credits under this  
4432 section shall not exceed Ten Million Dollars (\$10,000,000.00), in  
4433 the aggregate, whether issued by one (1) or several qualified  
4434 community development entities.

4435 (2) A taxpayer that holds a qualified equity investment on  
4436 the credit allowance date shall be entitled to a credit applicable  
4437 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109  
4438 and 27-15-123 during the taxable year that includes the credit  
4439 allowance date. The amount of the credit shall be equal to the  
4440 applicable percentage of the adjusted purchase price paid to the  
4441 qualified community development entity for the qualified equity  
4442 investment. The amount of the credit that may be utilized in any  
4443 one (1) tax year shall be limited to an amount not greater than  
4444 the total tax liability of the taxpayer for the taxes imposed by  
4445 the above-referenced sections. The credit shall not be refundable



4446 or transferable. Any unused portion of the credit may be carried  
4447 forward for seven (7) taxable years beyond the credit allowance  
4448 date on which the credit was earned. The maximum aggregate amount  
4449 of qualified equity investments that may be allocated by the  
4450 Mississippi Development Authority may not exceed an amount that  
4451 would result in taxpayers claiming in any one (1) state fiscal  
4452 year credits in excess of Fifteen Million Dollars  
4453 (\$15,000,000.00), exclusive of credits that might be carried  
4454 forward from previous taxable years; however, a maximum of  
4455 one-third (1/3) of this amount may be allocated as credits for  
4456 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any  
4457 taxpayer claiming a credit under this section against the taxes  
4458 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123  
4459 shall not be required to pay any additional tax under Section  
4460 27-15-123 as a result of claiming such credit. The Mississippi  
4461 Development Authority shall allocate credits within this limit as  
4462 provided for in subsection (4) of this section.

4463 (3) Tax credits authorized by this section that are earned  
4464 by a partnership, limited liability company, S corporation or  
4465 other similar pass-through entity, shall be allocated among all  
4466 partners, members or shareholders, respectively, either in  
4467 proportion to their ownership interest in such entity or as the  
4468 partners, members or shareholders mutually agree as provided in an  
4469 executed document. Such allocation shall be made each taxable



4470 year of such pass-through entity which contains a credit allowance  
4471 date.

4472 (4) The qualified community development entity shall apply  
4473 for credits with the Mississippi Development Authority on forms  
4474 prescribed by the Mississippi Development Authority. The  
4475 qualified community development entity must pay an application fee  
4476 of One Thousand Dollars (\$1,000.00) to the Mississippi Development  
4477 Authority at the time the application is submitted. In the  
4478 application the qualified community development entity shall  
4479 certify to the Mississippi Development Authority the dollar amount  
4480 of the qualified equity investments made or to be made in this  
4481 state, including in any federal Indian reservation located within  
4482 the state's geographical boundary, during the first twelve-month  
4483 period following the initial credit allowance date. The  
4484 Mississippi Development Authority shall allocate credits based on  
4485 the dollar amount of qualified equity investments as certified in  
4486 the application. Once the Mississippi Development Authority has  
4487 allocated credits to a qualified community development entity, if  
4488 the corresponding qualified equity investment has not been issued  
4489 as of the date of such allocation, then the corresponding  
4490 qualified equity investment must be issued not later than one  
4491 hundred twenty (120) days from the date of such allocation. If  
4492 the qualified equity investment is not issued within such time  
4493 period, the allocation shall be cancelled and returned to the  
4494 Mississippi Development Authority for reallocation. Upon final



4495 documentation of the qualified low-income community investments,  
4496 if the actual dollar amount of the investments is lower than the  
4497 amount estimated, the Mississippi Development Authority shall  
4498 adjust the tax credit allowed under this section. The Department  
4499 of Revenue may recapture all of the credit allowed under this  
4500 section if:

4501 (a) Any amount of federal tax credits available with  
4502 respect to a qualified equity investment that is eligible for a  
4503 tax credit under this section is recaptured under Section 45D of  
4504 the Internal Revenue Code of 1986, as amended; or

4505 (b) The qualified community development entity redeems  
4506 or makes any principal repayment with respect to a qualified  
4507 equity investment prior to the seventh anniversary of the issuance  
4508 of the qualified equity investment; or

4509 (c) The qualified community development entity fails to  
4510 maintain at least eighty-five percent (85%) of the proceeds of the  
4511 qualified equity investment in qualified low-income community  
4512 investments in Mississippi at any time prior to the seventh  
4513 anniversary of the issuance of the qualified equity investment.

4514 Any credits that are subject to recapture under this  
4515 subsection shall be recaptured from the taxpayer that actually  
4516 claimed the credit.

4517 The Mississippi Development Authority shall not allocate any  
4518 credits under this section after July 1, 2024.



4519           (5) Each qualified community development entity that  
4520 receives qualified equity investments to make qualified low-income  
4521 community investments in Mississippi must annually report to the  
4522 Mississippi Development Authority the North American Industry  
4523 Classification System Code, the county, the dollars invested, the  
4524 number of jobs assisted and the number of jobs assisted with wages  
4525 over one hundred percent (100%) of the federal poverty level for a  
4526 family of four (4) of each qualified low-income community  
4527 investment.

4528           (6) The Mississippi Development Authority shall file an  
4529 annual report on all qualified low-income community investments  
4530 with the Governor, the Clerk of the House of Representatives, the  
4531 Secretary of the Senate and the Secretary of State describing the  
4532 North American Industry Classification System Code, the county,  
4533 the dollars invested, the number of jobs assisted and the number  
4534 of jobs assisted with wages over one hundred percent (100%) of the  
4535 federal poverty level for a family of four (4) of each qualified  
4536 low-income community investment. The annual report will be posted  
4537 on the Mississippi Development Authority's Internet website.

4538           (7) (a) The purpose of this subsection is to authorize the  
4539 creation and establishment of public benefit corporations for  
4540 financing arrangements regarding public property and facilities.

4541           (b) As used in this subsection:





4542 (i) "New Markets Tax Credit transaction" means any  
4543 financing transaction which utilizes either this section or  
4544 Section 45D of the Internal Revenue Code of 1986, as amended.

4545 (ii) "Public benefit corporation" means a  
4546 nonprofit corporation formed or designated by a public entity to  
4547 carry out the purposes of this subsection.

4548 (iii) "Public entity or public entities" includes  
4549 utility districts, regional solid waste authorities, regional  
4550 utility authorities, community hospitals, regional airport  
4551 authorities, municipal airport authorities, community and junior  
4552 colleges, educational building corporations established by or on  
4553 behalf of the state institutions of higher learning, school  
4554 districts, planning and development districts, county economic  
4555 development districts, urban renewal agencies, any other regional  
4556 or local economic development authority, agency or governmental  
4557 entity, and any other regional or local industrial development  
4558 authority, agency or governmental entity.

4559 (iv) "Public property or facilities" means any  
4560 property or facilities owned or leased by a public entity or  
4561 public benefit corporation.

4562 (c) Notwithstanding any other provision of law to the  
4563 contrary, public entities are authorized pursuant to this  
4564 subsection to create one or more public benefit corporations or  
4565 designate an existing corporation as a public benefit corporation  
4566 for the purpose of entering into financing agreements and engaging



4567 in New Markets Tax Credit transactions, which shall include,  
4568 without limitation, arrangements to plan, acquire, renovate,  
4569 construct, lease, sublease, manage, operate and/or improve new or  
4570 existing public property or facilities located within the  
4571 boundaries or service area of the public entity. Any financing  
4572 arrangement authorized under this subsection shall further any  
4573 purpose of the public entity and may include a term of up to fifty  
4574 (50) years.

4575 (d) Notwithstanding any other provision of law to the  
4576 contrary and in order to facilitate the acquisition, renovation,  
4577 construction, leasing, subleasing, management, operating and/or  
4578 improvement of new or existing public property or facilities to  
4579 further any purpose of a public entity, public entities are  
4580 authorized to enter into financing arrangements in order to  
4581 transfer public property or facilities to and/or from public  
4582 benefit corporations, including, without limitation, sales,  
4583 sale-leasebacks, leases and lease-leasebacks, provided such  
4584 transfer is related to any New Markets Tax Credit transaction  
4585 furthering any purpose of the public entity. Any such transfer  
4586 under this paragraph (d) and the public property or facilities  
4587 transferred in connection therewith shall be exempted from any  
4588 limitation or requirements with respect to leasing, acquiring,  
4589 and/or constructing public property or facilities.

4590 (e) With respect to a New Markets Tax Credit  
4591 transaction, public entities and public benefit corporations are



4592 authorized to enter into financing arrangements with any  
4593 governmental, nonprofit or for-profit entity in order to leverage  
4594 funds not otherwise available to public entities for the  
4595 acquisition, construction and/or renovation of properties  
4596 transferred to such public benefit corporations. The use of any  
4597 funds loaned by or contributed by a public benefit corporation or  
4598 borrowed by or otherwise made available to a public benefit  
4599 corporation in such financing arrangement shall be dedicated  
4600 solely to (i) the development of new properties or facilities  
4601 and/or the renovation of existing properties or facilities or  
4602 operation of properties or facilities, and/or (ii) the payment of  
4603 costs and expenditures related to any such financing arrangements,  
4604 including, but not limited to, funding any reserves required in  
4605 connection therewith, the repayment of any indebtedness incurred  
4606 in connection therewith, and the payment of fees and expenses  
4607 incurred in connection with the closing, administration,  
4608 accounting and/or compliance with respect to the New Markets Tax  
4609 Credit transaction.

4610 (f) A public benefit corporation created pursuant to  
4611 this subsection shall not be a political subdivision of the state  
4612 but shall be a nonprofit corporation organized and governed under  
4613 the provisions of the laws of this state and shall be a special  
4614 purpose corporation established to facilitate New Markets Tax  
4615 Credit transactions consistent with the requirements of this  
4616 section.



4617 (g) Neither this subsection nor anything herein  
4618 contained is or shall be construed as a restriction or limitation  
4619 upon any powers which the public entity or public benefit  
4620 corporation might otherwise have under any laws of this state, and  
4621 this subsection is cumulative to any such powers. This subsection  
4622 does and shall be construed to provide a complete additional and  
4623 alternative method for the doing of the things authorized thereby  
4624 and shall be regarded as supplemental and additional to powers  
4625 conferred by other laws.

4626 (8) The Mississippi Development Authority shall promulgate  
4627 rules and regulations to implement the provisions of this section.

4628 **SECTION 47.** Section 57-10-409, Mississippi Code of 1972, is  
4629 brought forward as follows:

4630 **[In cases involving an economic development project for which**  
4631 **the Mississippi Business Finance Corporation has issued bonds for**  
4632 **the purpose of financing the approved costs of such project prior**  
4633 **to July 1, 1994, this section shall read as follows:]**

4634 57-10-409. The corporation may enter into, with any approved  
4635 company, a financing agreement with respect to its economic  
4636 development project. The terms and provisions of each financing  
4637 agreement shall be determined by negotiations between the  
4638 corporation and the approved company, except that each financing  
4639 agreement shall include the following provisions:

4640 (a) If the corporation issues any bonds in connection  
4641 with an economic development project, the term of the financing



4642 agreement shall not be less than the last maturity of the bonds  
4643 issued with respect to the economic development project, except  
4644 that the financing agreement may terminate upon the earlier  
4645 redemption of all of the bonds issued with respect to the economic  
4646 development project and may grant to the approved company an  
4647 option to purchase the economic development project from the  
4648 corporation upon the termination of the financing agreement for  
4649 such consideration and under such terms and conditions the  
4650 corporation may approve. Nothing in this paragraph shall limit  
4651 the extension of the term of a financing agreement if there is a  
4652 refunding of the correlative bonds or otherwise.

4653           (b) If the corporation issues any bonds in connection  
4654 with an economic development project, the financing agreement  
4655 shall specify that the annual obligations of the approved company  
4656 under Sections 57-10-401 through 57-10-445 shall equal in each  
4657 year at least the annual debt service for that year on the bonds  
4658 issued with respect to the economic development project; and the  
4659 approved company shall pay such obligation of the financing  
4660 agreement to the trustee for bonds issued for the benefit of the  
4661 approved company, at such time and in such amounts sufficient to  
4662 amortize such bonds.

4663           (c) If the corporation loans funds to an approved  
4664 company that is a private company under the Mississippi Small  
4665 Enterprise Development Finance Act, the financing agreement shall



4666 include the terms and conditions of the loan required by Section  
4667 57-71-1 et seq.

4668 (d) (i) In consideration for financing agreement  
4669 payment, the approved company may be permitted the following  
4670 during the period of time in which the financing agreement is in  
4671 effect, not to exceed twenty-five (25) years:

4672 1. A tax credit on the amount provided for in  
4673 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4674 2. The aggregate assessment withheld by the  
4675 approved company in each year.

4676 (ii) The income tax credited to the approved  
4677 company referred to herein shall be credited in the fiscal year of  
4678 the financing agreement in which the tax return of the approved  
4679 company is filed. The approved company shall not be required to  
4680 pay estimated tax payments under Section 27-7-319, Mississippi  
4681 Code of 1972.

4682 (e) (i) The financing agreement shall provide that the  
4683 assessments, when added to the credit for the state corporate  
4684 income tax herein granted, shall not exceed the total financing  
4685 agreement annual payment by the approved company in any year;  
4686 however, to the extent that financing agreement annual payments  
4687 exceed credits received and assessments collected in any year, the  
4688 excess payment may be recouped from excess credits or assessment  
4689 collections in succeeding years.



4690 (ii) If during any fiscal year of the financing  
4691 agreement the total of the income tax credit granted to the  
4692 approved company plus the assessment collected from the wages of  
4693 the employees equals the annual payment pursuant to the financing  
4694 agreement, and if all excess payments pursuant to the financing  
4695 agreement accumulated in prior years have been recouped, the  
4696 assessment collected from the wages of the employees shall cease  
4697 for the remainder of the fiscal year of the financing agreement.

4698 (f) The financing agreement shall provide that:

4699 (i) It may be assigned by the approved company  
4700 only upon the prior written consent of the corporation following  
4701 the adoption of a resolution by the corporation to such effect;  
4702 and

4703 (ii) Upon the default by the approved company in  
4704 the obligation to render its annual payment, the corporation shall  
4705 have the right, at its option, to declare the financing agreement  
4706 in default and to accelerate the total of all annual payments that  
4707 are to be made or to terminate the financing agreement and cause  
4708 to be sold the economic development project at public or private  
4709 sale, or to pursue any other remedies available under the Uniform  
4710 Commercial Code, as from time to time amended, or otherwise  
4711 available in law or equity.

4712 **[In cases involving an economic development project for which**  
4713 **the Mississippi Business Finance Corporation has not issued bonds**  
4714 **for the purpose of financing the approved costs of such project**



4715 prior to July 1, 1994, but has issued bonds for such project prior  
4716 to July 1, 1997, or in cases involving an economic development  
4717 project which has been induced by a resolution of the Board of  
4718 Directors of the Mississippi Business Finance Corporation that has  
4719 been filed with the State Tax Commission prior to July 1, 1997,  
4720 this section shall read as follows:]

4721 57-10-409. The corporation may enter into, with any approved  
4722 company, a financing agreement with respect to its economic  
4723 development project. The terms and provisions of each financing  
4724 agreement shall be determined by negotiations between the  
4725 corporation and the approved company, except that each financing  
4726 agreement shall include the following provisions:

4727 (a) If the corporation issues any bonds in connection  
4728 with an economic development project, the term of the financing  
4729 agreement shall not be less than the last maturity of the bonds  
4730 issued with respect to the economic development project, except  
4731 that the financing agreement may terminate upon the earlier  
4732 redemption of all of the bonds issued with respect to the economic  
4733 development project and may grant to the approved company an  
4734 option to purchase the economic development project from the  
4735 corporation upon the termination of the financing agreement for  
4736 such consideration and under such terms and conditions the  
4737 corporation may approve. Nothing in this paragraph shall limit  
4738 the extension of the term of a financing agreement if there is a  
4739 refunding of the correlative bonds or otherwise.





4740 (b) If the corporation issues any bonds in connection  
4741 with an economic development project, the financing agreement  
4742 shall specify that the annual obligations of the approved company  
4743 under Sections 57-10-401 through 57-10-445 shall equal in each  
4744 year at least the annual debt service for that year on the bonds  
4745 issued with respect to the economic development project; and the  
4746 approved company shall pay such obligation of the financing  
4747 agreement to the trustee for bonds issued for the benefit of the  
4748 approved company, at such time and in such amounts sufficient to  
4749 amortize such bonds.

4750 (c) If the corporation loans funds to an approved  
4751 company that is a private company under the Mississippi Small  
4752 Enterprise Development Finance Act, the financing agreement shall  
4753 include the terms and conditions of the loan required by Section  
4754 57-71-1 et seq.

4755 (d) (i) In consideration for financing agreement  
4756 payment, the approved company may be permitted the following  
4757 during the period of time in which the financing agreement is in  
4758 effect, not to exceed twenty-five (25) years:

4759 1. A tax credit on the amount provided for in  
4760 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4761 2. The aggregate assessment withheld by the  
4762 approved company in each year.

4763 (ii) The income tax credited to the approved  
4764 company referred to herein shall be credited in the fiscal year of



4765 the financing agreement in which the tax return of the approved  
4766 company is filed. The approved company shall not be required to  
4767 pay estimated tax payments under Section 27-7-319, Mississippi  
4768 Code of 1972.

4769 (e) (i) The financing agreement shall provide that the  
4770 assessments, when added to the credit for the state corporate  
4771 income tax herein granted, shall not exceed the total financing  
4772 agreement annual payment by the approved company in any year;  
4773 however, to the extent that financing agreement annual payments  
4774 exceed credits received and assessments collected in any year, the  
4775 excess payment may be recouped from excess credits or assessment  
4776 collections in succeeding years not to exceed three (3) years  
4777 following the termination of the period of time during which the  
4778 financing agreement is in effect.

4779 (ii) If during any fiscal year of the financing  
4780 agreement the total of the income tax credit granted to the  
4781 approved company plus the assessment collected from the wages of  
4782 the employees equals the annual payment pursuant to the financing  
4783 agreement, and if all excess payments pursuant to the financing  
4784 agreement accumulated in prior years have been recouped, the  
4785 assessment collected from the wages of the employees shall cease  
4786 for the remainder of the fiscal year of the financing agreement.

4787 (f) The financing agreement shall provide that:

4788 (i) It may be assigned by the approved company  
4789 only upon the prior written consent of the corporation following



4790 the adoption of a resolution by the corporation to such effect;  
4791 and

4792 (ii) Upon the default by the approved company in  
4793 the obligation to render its annual payment, the corporation shall  
4794 have the right, at its option, to declare the financing agreement  
4795 in default and to accelerate the total of all annual payments that  
4796 are to be made or to terminate the financing agreement and cause  
4797 to be sold the economic development project at public or private  
4798 sale, or to pursue any other remedies available under the Uniform  
4799 Commercial Code, as from time to time amended, or otherwise  
4800 available in law or equity.

4801 **[In cases involving an economic development project for which**  
4802 **the Mississippi Business Finance Corporation has not issued bonds**  
4803 **for the purpose of financing the approved costs of such project**  
4804 **prior to July 1, 1997, or in cases involving an economic**  
4805 **development project which has not been induced by a resolution of**  
4806 **the Board of Directors of the Mississippi Business Finance**  
4807 **Corporation that has been filed with the State Tax Commission**  
4808 **prior to July 1, 1997, this section shall read as follows:]**

4809 57-10-409. The corporation may enter into, with any approved  
4810 company, a financing agreement with respect to its economic  
4811 development project. The terms and provisions of each financing  
4812 agreement shall be determined by negotiations between the  
4813 corporation and the approved company, except that each financing  
4814 agreement shall include the following provisions:



4815           (a) If the corporation issues any bonds in connection  
4816 with an economic development project, the term of the financing  
4817 agreement shall not be less than the last maturity of the bonds  
4818 issued with respect to the economic development project, except  
4819 that the financing agreement may terminate upon the earlier  
4820 redemption of all of the bonds issued with respect to the economic  
4821 development project and may grant to the approved company an  
4822 option to purchase the economic development project from the  
4823 corporation upon the termination of the financing agreement for  
4824 such consideration and under such terms and conditions the  
4825 corporation may approve. Nothing in this paragraph shall limit  
4826 the extension of the term of a financing agreement if there is a  
4827 refunding of the correlative bonds or otherwise.

4828           (b) If the corporation issues any bonds in connection  
4829 with an economic development project, the financing agreement  
4830 shall specify that the annual obligations of the approved company  
4831 under Sections 57-10-401 through 57-10-445 shall equal in each  
4832 year at least the annual debt service for that year on the bonds  
4833 issued with respect to the economic development project; and the  
4834 approved company shall pay such obligation of the financing  
4835 agreement to the trustee for bonds issued for the benefit of the  
4836 approved company, at such time and in such amounts sufficient to  
4837 amortize such bonds.

4838           (c) If the corporation loans funds to an approved  
4839 company that is a private company under the Mississippi Small



4840 Enterprise Development Finance Act, the financing agreement shall  
4841 include the terms and conditions of the loan required by Section  
4842 57-71-1 et seq.

4843 (d) (i) In consideration for financing agreement  
4844 payment, the approved company may be permitted a tax credit on the  
4845 amount provided for in Section 27-7-22.3(2), Mississippi Code of  
4846 1972, during the period of time in which the financing agreement  
4847 is in effect, not to exceed twenty-five (25) years.

4848 (ii) The income tax credited to the approved  
4849 company referred to herein shall be credited in the fiscal year of  
4850 the financing agreement in which the tax return of the approved  
4851 company is filed. The approved company shall not be required to  
4852 pay estimated tax payments under Section 27-7-319, Mississippi  
4853 Code of 1972.

4854 (e) The financing agreement shall provide that:

4855 (i) It may be assigned by the approved company  
4856 only upon the prior written consent of the corporation following  
4857 the adoption of a resolution by the corporation to such effect;  
4858 and

4859 (ii) Upon the default by the approved company in  
4860 the obligation to render its annual payment, the corporation shall  
4861 have the right, at its option, to declare the financing agreement  
4862 in default and to accelerate the total of all annual payments that  
4863 are to be made or to terminate the financing agreement and cause  
4864 to be sold the economic development project at public or private



4865 sale, or to pursue any other remedies available under the Uniform  
4866 Commercial Code, as from time to time amended, or otherwise  
4867 available in law or equity.

4868           **SECTION 48.** Section 57-114-3, Mississippi Code of 1972, is  
4869 brought forward as follows:

4870           57-114-3. For purposes of this chapter, the following words  
4871 shall have the meanings ascribed herein unless the context  
4872 otherwise requires:

4873           (a) "Affiliate" means, with respect to a specified  
4874 entity, (i) another person or entity that directly or indirectly,  
4875 through one or more intermediaries, controls or is controlled by  
4876 or is under common control with the specified person or entity,  
4877 where the term "control" means the ownership or possession,  
4878 directly or indirectly, of the power to direct more than fifty  
4879 percent (50%) of the voting equity securities or a similar  
4880 ownership interest in the specified controlled entity, or (ii) any  
4881 member of an affiliated group of corporations, of which the  
4882 specified entity is also a member, which are each subject to  
4883 income taxation in Mississippi and may elect to file a combined  
4884 Mississippi income tax return in accordance with state law.

4885           (b) "Authority" means the Mississippi Development  
4886 Authority.

4887           (c) "Annual report" means the report described in  
4888 Section 57-114-13.



4889           (d) "Applicable accounting rules" shall mean the  
4890 accounting principles generally recognized as applicable to a  
4891 qualified business or industry and pursuant to which such  
4892 qualified business or industry regularly prepares and maintains  
4893 its financial and accounting books and records, and which  
4894 specifically incorporate Generally Accepted Accounting Principles  
4895 or International Financial Reporting Standards, as appropriate.

4896           (e) "Applicant" means any corporation, limited  
4897 liability company, partnership, person or sole proprietorship,  
4898 business trust or other legal entity and subunit or affiliate  
4899 thereof that applies to the authority, in the manner prescribed by  
4900 this chapter, seeking (i) certification by the authority that such  
4901 applicant is a qualified business or industry and that its  
4902 proposed new project or expansion of an existing business or  
4903 industrial operation is a qualified economic development project,  
4904 and (ii) an award in connection therewith of an mFlex tax  
4905 incentive.

4906           (f) "Average state or county wage" shall mean, as of  
4907 the project certification date, the lesser of the most recently  
4908 published average annual wage per person as determined and  
4909 published by the Mississippi Department of Employment Security for  
4910 the state or the county in which the qualified project is or will  
4911 be located; provided that, if a qualified project is or will be  
4912 located in two (2) or more counties, the average state or county  
4913 wage, as used in this chapter, shall mean, as of the project



4914 certification date, only the most recently published average  
4915 annual wage per person as determined and published by the  
4916 Mississippi Department of Employment Security for the state.

4917 (g) "Average employer wage" means the qualified annual  
4918 payroll for all new full-time jobs created in the State of  
4919 Mississippi by a qualified business or industry divided by the  
4920 number of new full-time jobs thereof for which such qualified  
4921 annual payroll was paid or is otherwise payable.

4922 (h) "Base full-time job" means a job (i) for which an  
4923 employee was already hired by the qualified business or industry  
4924 before, and is employed as of, the project certification date;  
4925 (ii) that offers a minimum of one thousand eight hundred twenty  
4926 (1,820) hours of an employee's time per year (i.e., thirty-five  
4927 (35) hours per week on average) for a normal four (4) consecutive  
4928 quarter period of the qualified business or industry's operations  
4929 or a job for which the employee was hired before, and is employed  
4930 as of, the project certification date and is compensated based on  
4931 one thousand eight hundred twenty (1,820) hours for such annual  
4932 period (including in each case an employee who, after hiring,  
4933 elects to take unpaid time off or is on short-term or long-term  
4934 disability); and (iii) the employee holding such job receives  
4935 salary or wages subject to state income tax withholdings. The  
4936 term "base full-time job" also means a base-leased employee.  
4937 Part-time jobs may not be combined to add up to a base full-time  
4938 job.





4939                   (i) "Base-leased employee" means a nontemporary  
4940 employee:  
4941                   (i) Who was leased by the qualified business or  
4942 industry before the project certification date from another  
4943 business or enterprise that is 1. in the business of leasing  
4944 employees, and 2. is registered with the Office of the Secretary  
4945 of State and qualified to do business in the state;  
4946                   (ii) Who is leased as of the project certification  
4947 date;  
4948                   (iii) Who is not otherwise an employee of such  
4949 qualified business or industry;  
4950                   (iv) Who, as of the project certification date,  
4951 was already performing services for, and under the supervision of,  
4952 the qualified business or industry pursuant to a leasing agreement  
4953 between the qualified business or industry and such other employee  
4954 leasing firm;  
4955                   (v) Whose job-performing services for the  
4956 qualified business or industry offers a minimum of one thousand  
4957 eight hundred twenty (1,820) hours of an employee's time per year  
4958 (i.e., thirty-five (35) hours per week on average) for an entire  
4959 normal work year of the qualified business or industry's  
4960 operations or a job for which the employee is leased before the  
4961 project certification date and is compensated based on one  
4962 thousand eight hundred twenty (1,820) hours for such annual period  
4963 (including in each case an employee who, after being leased,



4964 elects to take unpaid time off or is on short-term or long-term  
4965 disability); and

4966                   (vi) Whose job receives salary or wages subject to  
4967 state income tax withholdings. Individuals employed by an  
4968 independent contractor performing one or more services for the  
4969 qualified business or industry pursuant to a services or  
4970 management agreement (e.g., security services, landscaping  
4971 services, and cafeteria management and food services) shall not be  
4972 considered as base-leased employees.

4973                   (j) "Contractor tax" shall mean the tax levied by  
4974 Section 27-65-21, except for the tax upon the sale of  
4975 manufacturing or processing machinery for a manufacturer or custom  
4976 processor.

4977                   (k) "Construction contract" shall mean any contract or  
4978 portion of any contract for any one or more of the activities  
4979 described in Section 27-65-21 for which the contractor tax applies  
4980 and is payable by the contractor that is party thereto.

4981                   (l) "Manufacturing machinery," as used in this chapter,  
4982 shall have the same meaning ascribed to such term in Section  
4983 27-65-11, as interpreted by any regulations promulgated by the  
4984 Department of Revenue with respect to such section.

4985                   (m) "mFlex agreement" means the written agreement  
4986 entered into between a qualified business or industry and the  
4987 authority in accordance with Section 57-114-7(4)(c).



4988           (n) "mFlex tax incentive" means the tax incentive  
4989 authorized by this chapter to be calculated and awarded by the  
4990 authority, and thereafter applied as a credit to offset state  
4991 taxes, in accordance with, and subject to, this chapter.

4992           (o) "Minimum job creation requirement" means the  
4993 creation by the qualified business or industry, following the  
4994 project certification date, of at least ten (10) new full-time  
4995 jobs in the state.

4996           (p) "Minimum qualified investment" means a qualified  
4997 investment of not less than Two Million Five Hundred Thousand  
4998 Dollars (\$2,500,000.00).

4999           (q) "New full-time job" means a job:

5000                   (i) For which an employee is hired by the  
5001 qualified business or industry after the project certification  
5002 date;

5003                   (ii) That offers a minimum of one thousand eight  
5004 hundred twenty (1,820) hours of an employee's time per year (i.e.,  
5005 thirty-five (35) hours per week on average) for a normal four (4)  
5006 consecutive quarter period of the qualified business or industry's  
5007 operations or a job for which the employee is hired after the  
5008 project certification date and is compensated based on one  
5009 thousand eight hundred twenty (1,820) hours for such annual period  
5010 (including in each case an employee who, after hiring, elects to  
5011 take unpaid time off or is on short-term or long-term disability);  
5012 and



5013 (iii) The employee holding such job receives  
5014 salary or wages subject to state income tax withholdings. The  
5015 term "new full-time job" also means new-leased employee.  
5016 Part-time jobs may not be combined to add up to a new full-time  
5017 job.

5018 (r) "New-leased employee" means a nontemporary  
5019 employee:

5020 (i) Who is leased by the qualified business or  
5021 industry after the project certification date from another  
5022 business or enterprise that is 1. in the business of leasing  
5023 employees, and 2. is registered with the Office of the Secretary  
5024 of State and qualified to do business in the state;

5025 (ii) Who is not otherwise an employee of such  
5026 qualified business or industry;

5027 (iii) Who performs services for the qualified  
5028 business or industry pursuant to a leasing agreement between the  
5029 qualified business or industry and such other employee-leasing  
5030 firm;

5031 (iv) Whose job-performing services for the  
5032 qualified business or industry offers a minimum of one thousand  
5033 eight hundred twenty (1,820) hours of an employee's time per year  
5034 (i.e., thirty-five (35) hours per week on average) for an entire  
5035 normal work year of the qualified business or industry's  
5036 operations or a job for which the employee is leased after the  
5037 project certification date and is compensated based on one



5038 thousand eight hundred twenty (1,820) hours for such annual period  
5039 (including in each case an employee who, after being leased,  
5040 elects to take unpaid time off or is on short-term or long-term  
5041 disability); and

5042 (v) Whose job receives salary or wages subject to  
5043 state income tax withholdings. Individuals employed by an  
5044 independent contractor performing one or more services for the  
5045 qualified business or industry pursuant to a services or  
5046 management agreement (e.g., security services, landscaping  
5047 services, and cafeteria management and food services) shall not be  
5048 considered as a new-leased employees.

5049 (s) "Nonmanufacturing equipment" means all tangible  
5050 personal property that is not manufacturing machinery, including,  
5051 but not limited to, office furniture, fixtures, office computers  
5052 and communications equipment, and warehouse equipment such as  
5053 racking and shelving.

5054 (t) "Part-time job" means a job (i) for which an  
5055 employee is hired by the qualified business or industry that  
5056 requires fewer than one thousand eight hundred twenty (1,820)  
5057 hours of an employee's time per year (i.e., requires fewer than  
5058 thirty-five (35) hours per week on average) for an entire normal  
5059 work year of the qualified business or industry's operations or a  
5060 job for which the employee is hired and is compensated based on  
5061 fewer than one thousand eight hundred twenty (1,820) hours for  
5062 such annual period; and (iii) for which the employee holding such



5063 job receives salary or wages subject to state income tax  
5064 withholdings.

5065 (u) "Project certification date" means the actual date  
5066 of the authority's certification, or the effective date of  
5067 certification determined and prescribed by the authority, of the  
5068 qualified business or industry and its qualified economic  
5069 development project as eligible for the state tax credits  
5070 determined and awarded by the authority, as authorized by, and in  
5071 accordance with, this chapter.

5072 (v) "Qualified annual payroll" means the sum of the  
5073 annual salary and wages for new full-time jobs of the qualified  
5074 business or industry, excluding the amount or value of any  
5075 benefits that are not subject to state income taxes.

5076 (w) "Qualified business or industry" means any  
5077 corporation, limited liability company, partnership, person or  
5078 sole proprietorship, business trust or other legal entity and  
5079 subunit or affiliate thereof, which makes a qualified minimum  
5080 investment in a qualified economic development project.

5081 (x) "Qualified economic development project" or  
5082 "qualified project" means the location in the state of one or more  
5083 of the following enumerated enterprises for which a corporation,  
5084 limited liability company, partnership, sole proprietorship,  
5085 business trust or other legal entity, or subunit or affiliate  
5086 thereof, makes or causes to be made from the minimum qualified



5087 investment and/or satisfies or causes to be satisfied the minimum  
5088 job creation requirement:

5089 (i) A new warehouse and/or distribution enterprise  
5090 or an expansion of an existing warehouse and/or distribution  
5091 enterprise; provided that, in any such instance, such warehouse  
5092 and/or distribution enterprise or expansion thereof is certified  
5093 by the authority to qualify as such;

5094 (ii) A new manufacturing, remanufacturing,  
5095 assembly, processing and/or refinery enterprise or an expansion of  
5096 an existing manufacturing, remanufacturing, assembly, processing  
5097 and/or refinery enterprise; provided that, in any such instance,  
5098 such manufacturing, remanufacturing, assembly, processing and/or  
5099 refinery enterprise or expansion thereof is certified by the  
5100 authority to qualify as such;

5101 (iii) A new research or research and development  
5102 enterprise or an expansion of an existing research or research and  
5103 development enterprise; provided that, in any such instance, such  
5104 research and development enterprise or an expansion thereof is  
5105 certified by the authority to qualify as such;

5106 (iv) A new regional or national headquarters of  
5107 the qualified business or industry or an expansion of an existing  
5108 regional or national headquarters of the qualified business or  
5109 industry; provided that, in any such instance, such regional or  
5110 national headquarters or expansion thereof is certified by the  
5111 authority to qualify as such;



5112 (v) An air transportation, repair and/or  
5113 maintenance enterprise or an expansion of an existing air  
5114 transportation, repair and/or maintenance enterprise; provided  
5115 that, in either instance, such air transportation, repair and/or  
5116 maintenance enterprise or expansion thereof is certified by the  
5117 authority to qualify as such;

5118 (vi) A ship or other maritime vessel or barge  
5119 transportation, repair and/or maintenance enterprise or an  
5120 expansion of an existing ship or other maritime vessel or barge  
5121 transportation, repair and/or maintenance enterprise; provided  
5122 that, in either instance, the ship or other maritime vessel or  
5123 barge transportation, repair and/or maintenance enterprise or  
5124 expansion thereof is certified by the authority to qualify as  
5125 such;

5126 (vii) A new data/information processing enterprise  
5127 or an expansion of an existing new data/information processing  
5128 enterprise; provided that, in any such instance such  
5129 data/information processing enterprise or expansion thereof is  
5130 certified by the authority to qualify as such;

5131 (viii) A new technology intensive enterprise or an  
5132 expansion of an existing technology intensive enterprise; provided  
5133 that, in either instance, the technology intensive enterprise or  
5134 expansion thereof is certified by the authority to qualify as  
5135 such; provided further, that a business or enterprise primarily  
5136 engaged in creating computer programming codes to develop





5137 applications, websites and/or software shall qualify as a  
5138 technology intensive enterprise;

5139           (ix) A new telecommunications enterprise  
5140 principally engaged in the creation, display, management, storage,  
5141 processing, transmission and/or distribution, for compensation, of  
5142 images, text, voice, video or data by wire or by wireless means,  
5143 or engaged in the construction, design, development, manufacture,  
5144 maintenance or distribution for compensation of devices, products,  
5145 software or structures used in the above activities, or an  
5146 expansion of an existing telecommunications enterprise as herein  
5147 described; provided that, in any such instance, any such  
5148 telecommunications enterprise or expansion thereof is certified by  
5149 the authority to qualify as such; provided further, that  
5150 commercial broadcast radio stations, television stations or news  
5151 organizations primarily serving in-state markets shall not be  
5152 included within the definition of the term "telecommunications  
5153 enterprise";

5154           (x) A new data center enterprise principally  
5155 engaged in the utilization of hardware, software, technology,  
5156 infrastructure and/or workforce, to store, manage or manipulate  
5157 digital data, or an expansion of an existing data center  
5158 enterprise as herein described; provided that, in such instance,  
5159 any such data center enterprise or expansion thereof is certified  
5160 by the authority to qualify as such.



5161           (y) "Qualified investment" means any expenditures made  
5162 or caused to be made by the qualified business or industry  
5163 following the project certification date for construction,  
5164 installation, equipping and operation of a qualified economic  
5165 development project from any source or combination of sources,  
5166 excluding any funds contributed by the state or any agency or  
5167 other political subdivision thereof, or by any local government or  
5168 any agency or other political subdivision thereof, to the extent  
5169 such expenditures can be capitalized under applicable accounting  
5170 rules or otherwise by the Internal Revenue Code, whether or not  
5171 the qualified business or industry elects to capitalize the same,  
5172 as reflected in its financial statements, including, but not  
5173 limited to, all costs associated with the acquisition,  
5174 installation and/or construction of, or capital leasehold interest  
5175 in, any buildings and other real property improvements, fixtures,  
5176 equipment, machinery, landscaping, fire protection, depreciable  
5177 fixed assets, engineering and design costs.

5178           (z) "Reporting year" means the twelve-month period  
5179 ending on the last day of the month during which the annual  
5180 anniversary of a project certification date occurs, and for which  
5181 an annual report must be filed with the authority by a qualified  
5182 business or industry in accordance with Section 57-114-13.

5183           (aa) "State" means the State of Mississippi.

5184           (bb) "State tax" means:



5185 (i) Any sales and use tax imposed on, and payable  
5186 directly to the Department of Revenue by, the qualified business  
5187 or industry in accordance with state law, except for contractor's  
5188 tax and the taxes levied by Section 27-65-24(1)(b);

5189 (ii) All income tax imposed pursuant to law on  
5190 income earned by the qualified business or industry pursuant to  
5191 state law;

5192 (iii) Franchise tax imposed pursuant to state law  
5193 on the value of capital used, invested or employed by the business  
5194 enterprise certified by the Mississippi Development Authority; and

5195 (iv) Withholding tax required to be deducted and  
5196 withheld from employee wages pursuant to Section 27-7-301 et seq.

5197 **SECTION 49.** Section 57-114-7, Mississippi Code of 1972, is  
5198 brought forward as follows:

5199 57-114-7. (1) The authority shall evaluate an application  
5200 to determine whether the applicant's proposed project is a  
5201 qualified economic development project and whether it is therefore  
5202 eligible for an award by the authority of an mFlex tax incentive,  
5203 as calculated in accordance with Section 57-114-9.

5204 (2) Upon approval of an applicant's application, the  
5205 authority shall issue a certification (a) designating the  
5206 applicant's project as a "qualified economic development project"  
5207 and eligible for the mFlex tax incentive authorized by this  
5208 chapter; (b) awarding the initial mFlex tax incentive calculated  
5209 pursuant to Section 57-114-9; and (c) imposing those mandatory



5210 conditions pursuant to subsection (4) of this section and any  
5211 discretionary conditions otherwise imposed by the authority.

5212 (3) Upon the issuance of the certification and execution of  
5213 the mFlex agreement by a qualified business or industry and the  
5214 authority, the qualified business or industry may apply the amount  
5215 of its mFlex tax incentive as a credit to offset (a) any state  
5216 taxes (except for withholding tax required to be deducted and  
5217 withheld from employee wages pursuant to Section 27-7-301 et  
5218 seq.), as incurred thereby, up to the full amount of the mFlex tax  
5219 incentive awarded by the authority for the associated qualified  
5220 economic development project, and (b) only up to twenty percent  
5221 (20%) of the mFlex tax incentive amount may be applied as a credit  
5222 during the course of any reporting year to offset withholding tax  
5223 deducted and withheld from employee wages pursuant to Section  
5224 27-7-301 et seq.; provided that the amount of the mFlex tax  
5225 incentive available to be applied as a credit to offset such state  
5226 taxes shall be subject to any subsequent adjustments made by the  
5227 authority to such award pursuant to Section 57-114-13, and any  
5228 performance requirements set out in the mFlex agreement. The  
5229 amount of the mFlex tax incentive available to be applied as a  
5230 credit to offset any state taxes described in Section  
5231 57-114-3(bb) (i) shall be limited to those such taxes payable  
5232 directly by the qualified business or industry to the Department  
5233 of Revenue pursuant to a direct pay permit issued by the  
5234 Department of Revenue under Section 27-65-93. The amount of the



5235 mFlex tax incentive available to be applied as a credit to offset  
5236 any state taxes may not be applied as a credit to offset any state  
5237 taxes incurred prior to the issuance of the certification by the  
5238 authority and execution of the mFlex agreement by the qualified  
5239 business or industry and the authority.

5240 (4) The following conditions shall apply to each such  
5241 certification made, and each mFlex tax incentive awarded, by the  
5242 authority in accordance with this chapter:

5243 (a) Any certification and mFlex tax incentive award  
5244 issued by the authority under this chapter is nontransferable and  
5245 cannot be applied, used or assigned to any other person or  
5246 business or tax account without prior approval by the authority,  
5247 except for one or more affiliates of the qualified business or  
5248 industry disclosed thereby on its application or in a subsequent  
5249 annual report submitted to the authority in accordance with this  
5250 chapter;

5251 (b) No qualified business or industry may claim or use  
5252 the mFlex tax incentive awarded thereto under this chapter unless  
5253 the qualified business or industry is in full compliance with all  
5254 state and local tax laws, and related ordinances, permits and  
5255 other applicable governmental approvals; and

5256 (c) Each qualified business or industry must enter into  
5257 an mFlex agreement with the authority which sets out, at a  
5258 minimum, (i) the obligation of the business or industry to provide  
5259 an annual report to the authority pursuant to Section 57-114-13



5260 that demonstrates the actual amount of its qualified investment,  
5261 including actual expenditures on manufacturing machinery,  
5262 nonmanufacturing equipment and component building materials, the  
5263 number of new full-time jobs created and maintained as a result of  
5264 the project, and any other relevant information as may be required  
5265 by the authority; and (ii) terms for readjustment or recapture of  
5266 all or a portion of the mFlex tax incentive awarded thereto  
5267 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy  
5268 the minimum job creation requirement if certification of the  
5269 project is predicated on satisfaction of the minimum job creation  
5270 requirement and not the minimum qualified investment, or 2. fails  
5271 to satisfy the minimum qualified investment if certification of  
5272 the project is predicated on satisfaction of the minimum job  
5273 creation requirement and not the minimum qualified investment,  
5274 and/or 3. fails to otherwise satisfy any other additional  
5275 performance requirements of the qualified business or industry or  
5276 its qualified economic development project that are imposed by the  
5277 authority.

5278 (5) In addition to those mandatory conditions prescribed by  
5279 this chapter that apply to each certification and award of an  
5280 mFlex tax incentive made by the authority in accordance herewith,  
5281 the authority is authorized to impose any other conditions upon  
5282 any certification and award of an mFlex tax incentive made by the  
5283 authority as it shall find best promotes economic development in  
5284 the state.



5285           (6) Upon certifying a qualified business or industry as  
5286 eligible for, and awarding, an mFlex tax incentive under this  
5287 chapter, the authority shall forward the certification along with  
5288 any other necessary information to the Department of Revenue so  
5289 that the mFlex tax incentive awarded to the qualified business or  
5290 industry can be recorded by the Department of Revenue and used to  
5291 verify each state tax credit subsequently applied by the qualified  
5292 business or industry.

5293           (7) Within thirty (30) days following the end of each  
5294 calendar quarter, the authority shall provide to the Governor,  
5295 Lieutenant Governor and the Speaker of the House of  
5296 Representatives a copy of each certification made, together with a  
5297 copy of each mFlex agreement approved and executed, during the  
5298 immediately preceding calendar quarter.

5299           **SECTION 50.** Section 57-114-9, Mississippi Code of 1972, is  
5300 brought forward as follows:

5301           57-114-9. **Calculation and application of an mFlex tax**  
5302 **incentive award.** The total amount of the initial mFlex tax  
5303 incentive determined and awarded by the authority to the certified  
5304 applicant shall be calculated by the authority as follows:

5305           (a) Subject to paragraph (f) below, one and one-half  
5306 percent (1.5%) of the total purchase or sales price, or value,  
5307 including any installation costs thereof, as applicable, of all  
5308 manufacturing or processing machinery acquired, leased or  
5309 otherwise moved into the state following the project certification



5310 date to establish and equip the qualified economic development  
5311 project; plus

5312 (b) Subject to paragraph (f) below, seven percent (7%)  
5313 of the total purchase or sales price, or value, including any  
5314 installation costs thereof, as applicable, of all nonmanufacturing  
5315 equipment, other than tagged over-the-road vehicles, acquired,  
5316 leased or otherwise moved into the state following the project  
5317 certification date to establish and equip the qualified economic  
5318 development project; plus

5319 (c) Subject to paragraph (f) below, two percent (2%) of  
5320 the total contract price or compensation paid to any contractor  
5321 pursuant to any construction contract entered into following the  
5322 project certification date by the qualified business or industry  
5323 or any affiliate thereof, to construct, build, erect, repair or  
5324 add to any building, facility, structure or other improvement to  
5325 real property described in Section 27-65-21(1)(a)(i) to establish  
5326 and construct the qualified economic development project; plus, if  
5327 applicable;

5328 (d) To the extent that the average employer wage is  
5329 equal to or more than seventy-five percent (75%) of the average  
5330 state or county wage, then an additional fifteen percent (15%) of  
5331 the product derived by multiplying the average employer wage by  
5332 the number of new full-time jobs; plus, if applicable;

5333 (e) (i) To the extent that 1. the qualified economic  
5334 development project is an enterprise enumerated in Section





5335 57-114-3(x) (i) or (x) (ii); 2. the number of new full-time jobs  
5336 totals fifty (50) or more; 3. the qualified investment totals Ten  
5337 Million Dollars (\$10,000,000) or more; 4. the average employer  
5338 wage is equal to or more than one hundred ten percent (110%) of  
5339 the average state or county wage; and 5. all full-time employees  
5340 are eligible for and offered health insurance coverage funded in  
5341 whole or at least fifty percent (50%) by the qualified business or  
5342 industry (or by a leasing company with respect to leased  
5343 employees), then an additional thirty percent (30%) of the product  
5344 derived by multiplying the average employer wage by the number of  
5345 new full-time jobs; or

5346 (ii) To the extent that subparagraph (i) of this  
5347 paragraph (e) does not apply, but 1. the number of new full-time  
5348 jobs totals twenty-five (25) or more; 2. the average employer wage  
5349 is equal to or more than one hundred twenty-five percent (125%) of  
5350 the average state or county wage; and 3. all full-time employees  
5351 are eligible for and offered health insurance coverage funded in  
5352 whole or at least fifty percent (50%) by the qualified business or  
5353 industry (or by a leasing company with respect to leased  
5354 employees), then an additional thirty percent (30%) of the product  
5355 derived by multiplying the average employer wage by the number of  
5356 new full-time jobs; provided, however, that the initial mFlex tax  
5357 incentive award amount determined by the authority and awarded on  
5358 the project certification date shall be based upon estimates  
5359 provided by the qualified business or industry to the authority



5360 with respect to paragraphs (a) through (d) of this section, which  
5361 estimates shall be memorialized as project performance measures  
5362 agreed to by the qualified business or industry in the mFlex  
5363 agreement; provided, further, that such initial award amount shall  
5364 be subject to any subsequent adjustments made by the authority  
5365 pursuant to Section 57-114-13;

5366 (f) To the extent that all or any portion of the  
5367 purchases to establish a qualified economic development project  
5368 which are financed by proceeds from bonds issued pursuant to  
5369 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex  
5370 tax incentive determined in accordance with this section shall  
5371 exclude the amount calculated in accordance with paragraphs (a),  
5372 (b) and (c) above; provided that, this paragraph (f) shall not  
5373 apply in determining the mFlex tax incentive for a qualified  
5374 economic development project to the extent that (i) the qualified  
5375 economic development project is an expansion of an existing  
5376 project, (ii) all or any portion of the purchases to establish the  
5377 existing project were financed by proceeds from bonds issued  
5378 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et  
5379 seq., and (iii) no purchases to establish the expansion  
5380 constituting a qualified economic development project are financed  
5381 by proceeds from bonds issued pursuant to Section 57-10-201 et  
5382 seq. or Section 57-10-401 et seq.

5383 **SECTION 51.** Section 57-115-3, Mississippi Code of 1972, is  
5384 brought forward as follows:



5385           57-115-3. As used in this chapter, the following terms and  
5386 phrases shall have the meanings ascribed in this section unless  
5387 the context clearly indicates otherwise:

5388           (a) "Affiliate" means:

5389                   (i) Any person who, directly or indirectly,  
5390 beneficially owns, controls, or holds power to vote fifteen  
5391 percent (15%) or more of the outstanding voting securities or  
5392 other voting ownership interest of a Mississippi small business  
5393 investment company or insurance company; and

5394                   (ii) Any person, fifteen percent (15%) or more of  
5395 whose outstanding voting securities or other voting ownership  
5396 interests are directly or indirectly beneficially owned,  
5397 controlled, or held, with power to vote by a Mississippi small  
5398 business investment company or insurance company. Notwithstanding  
5399 this paragraph (a), an investment by a participating investor in a  
5400 Mississippi small business investment company pursuant to an  
5401 allocation of tax credits under this chapter does not cause that  
5402 Mississippi small business investment company to become an  
5403 affiliate of that participating investor.

5404           (b) "Allocation date" means the date on which credits  
5405 are allocated to the participating investors of a Mississippi  
5406 small business investment company under this chapter.

5407           (c) "MDA" means the Mississippi Development Authority.

5408           (d) "Department" means the Mississippi Department of  
5409 Banking and Consumer Finance.



5410 (e) "Designated capital" means an amount of money that:

5411 (i) Is invested by a participating investor in a  
5412 Mississippi small business investment company; and

5413 (ii) Fully funds the purchase price of a  
5414 participating investor's equity interest in a Mississippi small  
5415 business investment company or a qualified debt instrument issued  
5416 by a Mississippi small business investment company, or both.

5417 (f) "Mississippi small business investment company"  
5418 means a partnership, corporation, trust, or limited liability  
5419 company, organized on a for-profit basis, that:

5420 (i) Has its principal office located in  
5421 Mississippi or is headquartered in Mississippi;

5422 (ii) Has as its primary business activity the  
5423 investment of cash in qualified businesses; and

5424 (iii) Is certified by the MDA as meeting the  
5425 criteria described in this section to qualify as either a primary  
5426 or secondary Mississippi small business investment company.

5427 (g) "Participating investor" means any insurer that  
5428 contributes designated capital pursuant to this chapter.

5429 (h) "Person" means any natural person or entity,  
5430 including, but not limited to, a corporation, general or limited  
5431 partnership, trust, or limited liability company.

5432 (i) "Qualified business" means a business that is  
5433 independently owned and operated and meets all of the following  
5434 requirements:



5435 (i) It is headquartered in Mississippi, its  
5436 principal business operations are located in Mississippi and at  
5437 least eighty percent (80%) of its employees are located in  
5438 Mississippi;

5439 (ii) It has not more than one hundred (100)  
5440 employees at the time of the first qualified investment in the  
5441 business;

5442 (iii) It is not more than ten percent (10%)  
5443 engaged in:

5444 1. Professional services provided by  
5445 accountants, doctors, or lawyers;

5446 2. Banking or lending;

5447 3. Real estate development;

5448 4. Retail;

5449 5. Insurance; or

5450 6. Making loans to or investments in a  
5451 Mississippi small business investment company or an affiliate; and

5452 (iv) It is not a franchise of and has no financial  
5453 relationship with a Mississippi small business investment company  
5454 or any affiliate of a Mississippi small business investment  
5455 company prior to a Mississippi small business investment company's  
5456 first qualified investment in the business.

5457 A business classified as a qualified business at the time of  
5458 the first qualified investment in the business will remain  
5459 classified as a qualified business and may receive continuing



5460 qualified investments from any Mississippi small business  
5461 investment company. Continuing investments will constitute  
5462 qualified investments even though the business may not meet the  
5463 definition of a qualified business at the time of such continuing  
5464 investments; however, the business cannot fail to satisfy  
5465 subparagraph (iii) and (iv) of this paragraph (i).

5466 (j) "Qualified debt instrument" means a debt instrument  
5467 issued by a Mississippi small business investment company that  
5468 meets all of the following criteria:

5469 (i) It is issued at par value or a premium;

5470 (ii) It has an original maturity date of at least  
5471 four (4) years from the date of issuance and a repayment schedule  
5472 that is not faster than a level principal amortization over four  
5473 (4) years; and

5474 (iii) Has no interest or payment features that  
5475 allow for the prepayment of interest or are tied to the  
5476 profitability of the Mississippi small business investment company  
5477 or the success of its investments.

5478 (k) "Qualified distribution" means any distribution or  
5479 payment by a Mississippi small business investment company in  
5480 connection with the following:

5481 (i) Reasonable costs and expenses of forming,  
5482 syndicating and organizing the Mississippi small business  
5483 investment company, including fees paid for professional services  
5484 and the costs of financing and insuring the obligations of a



5485 Mississippi small business investment company, provided no such  
5486 payment is made to more than one (1) participating investor or an  
5487 affiliate or related party of a participating investor;

5488 (ii) An annual management fee not to exceed two  
5489 percent (2%) of designated capital on an annual basis to offset  
5490 the costs and expenses of managing and operating a Mississippi  
5491 small business investment company;

5492 (iii) Any projected increase in federal or state  
5493 taxes, including penalties and interest related to state and  
5494 federal income taxes, or to the equity owners of the company  
5495 resulting from the earnings or other tax liability of the company  
5496 to the extent that the increase is related to the ownership,  
5497 management, or operation of the company;

5498 (iv) Reasonable and necessary fees in accordance  
5499 with industry custom for ongoing professional services, including,  
5500 but not limited to, legal and accounting services related to the  
5501 operation of a Mississippi small business investment company, not  
5502 including lobbying or governmental relations; and

5503 (v) Payments of principal and interest to holders  
5504 of qualified debt instruments issued by a Mississippi small  
5505 business investment company which may be made without restriction.

5506 (1) "Qualified investment" means the investment of  
5507 money by a Mississippi small business investment company in a  
5508 qualified business for the purchase of any debt, debt  
5509 participation, equity, or hybrid security of any nature and



5510 description, including a debt instrument or security that has the  
5511 characteristics of debt but which provides for conversion into  
5512 equity or equity participation instruments such as options or  
5513 warrants; provided that any debt, debt participation or other debt  
5514 instrument or security shall have a maturity of at least three (3)  
5515 years. Any repayment of a qualified investment prior to one (1)  
5516 year from the date of issuance shall result in the amount of the  
5517 qualified investment being reduced by fifty percent (50%) for  
5518 purposes of the cumulative investment requirement set forth in  
5519 Section 57-115-9(1)(c).

5520 (m) "State premium tax liability" means any liability  
5521 incurred by an insurance company under the provisions of Section  
5522 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a  
5523 reduction by the state of the liability imposed by Section  
5524 27-15-103, 27-15-109 or 27-15-123.

5525 **SECTION 52.** Section 57-115-5, Mississippi Code of 1972, is  
5526 brought forward as follows:

5527 57-115-5. (1) (a) The MDA must provide a standardized  
5528 format for applying for the Mississippi small business investment  
5529 credit authorized under this chapter, and for certification as a  
5530 Mississippi small business investment company.

5531 (b) An applicant for certification as a primary  
5532 Mississippi small business investment company must:

5533 (i) File an application with the MDA which shall  
5534 include a business plan detailing:





5535                   1. The approximate percentage of designated  
5536 capital the applicant will invest in qualified businesses by the  
5537 second, fourth and sixth anniversaries of its allocation date;

5538                   2. The industry segments listed by the North  
5539 American Industrial Classification System code and percentage of  
5540 designated capital in which the applicant will invest; and

5541                   3. The number of jobs that will be created or  
5542 retained as a result of the applicant's investments once all  
5543 designated capital has been invested. A job shall be considered  
5544 created or retained if the job pays one hundred twenty-five  
5545 percent (125%) of the state average annual wage and is maintained  
5546 for at least three (3) years. The application shall project, at a  
5547 minimum, that one (1) job shall be created or maintained for each  
5548 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits  
5549 awarded to the participating investors of the Mississippi small  
5550 business investment company;

5551                   (ii) Pay a nonrefundable application fee of Seven  
5552 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing  
5553 the application;

5554                   (iii) Submit as part of its application an audited  
5555 balance sheet that contains an unqualified opinion of an  
5556 independent certified public accountant issued not more than  
5557 thirty-five (35) days before the application date that states that  
5558 the applicant has an equity capitalization of Five Hundred



5559 Thousand Dollars (\$500,000.00) or more in the form of unencumbered  
5560 cash, marketable securities or other liquid assets; and

5561 (iv) Have at least two (2) principals or persons,  
5562 at least one (1) of which is primarily located in Mississippi,  
5563 employed or engaged to manage the funds who each have a minimum of  
5564 five (5) years of money management experience in the venture  
5565 capital or private equity or lending industry.

5566 (c) An applicant for certification as a secondary  
5567 Mississippi small business investment company must:

5568 (i) File an application with the MDA which shall  
5569 include a business plan detailing:

5570 1. The approximate percentage of designated  
5571 capital the applicant will invest in qualified businesses by the  
5572 second, fourth and sixth anniversaries of its allocation date;

5573 2. The industry segments listed by the North  
5574 American Industrial Classification System code and percentage of  
5575 designated capital in which the applicant will invest; and

5576 3. The number of jobs that will be created or  
5577 retained as a result of the applicant's investments once all  
5578 designated capital has been invested. A job shall be considered  
5579 created or retained if the job pays one hundred twenty-five  
5580 percent (125%) of the state average annual wage and is maintained  
5581 for at least three (3) years. The application shall project, at a  
5582 minimum, that one (1) job shall be created or maintained for each  
5583 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits



5584 awarded to the participating investors of the Mississippi small  
5585 business investment company;

5586 (ii) Pay a nonrefundable application fee of Three  
5587 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of  
5588 filing the application;

5589 (iii) Submit as part of its application an audited  
5590 balance sheet that contains an unqualified opinion of an  
5591 independent certified public accountant issued not more than  
5592 thirty-five (35) days before the application date that states that  
5593 the applicant has an equity capitalization of One Hundred Fifty  
5594 Thousand Dollars (\$150,000.00) or more in the form of unencumbered  
5595 cash, marketable securities or other liquid assets;

5596 (iv) Demonstrate that fifty percent (50%) of all  
5597 secondary investment company investments have been in Mississippi,  
5598 and all of the applicant's employees have lived in Mississippi for  
5599 at least two (2) years prior to the application being filed, and  
5600 that those who are employed or engaged to manage the funds have a  
5601 minimum of three (3) years of money management experience in the  
5602 venture capital or private equity or lending industry; and

5603 (v) Submit as part of its application a signed and  
5604 notarized partnership agreement letter with a certified primary  
5605 Mississippi small business investment company.

5606 (d) (i) Any participating partner or individual in a  
5607 certified secondary small business investment company that  
5608 successfully participated in the initial authorization and



5609 allocation of credits in 2012, and which is a partner in a  
5610 submitted application for credits allocated in subsection (4) (b)  
5611 of this section, while partnered with the same primary small  
5612 business investment company from the previous 2012 allocation,  
5613 shall have the requirements in paragraph (c) (iii) and (iv) of this  
5614 subsection waived as having been completed through the previous  
5615 allocation.

5616                   (ii) Any participating partner or individual in a  
5617 certified secondary small business investment company that  
5618 successfully participated in the authorization and allocation of  
5619 credits in 2018, and which is a partner in a submitted application  
5620 for credits allocated in subsection (4) (c) of this section, while  
5621 partnered with the same primary small business investment company  
5622 from the previous 2018 allocation, shall have the requirements in  
5623 paragraph (c) (iii) and (iv) of this subsection waived as having  
5624 been completed through the previous allocation.

5625                   (e) The MDA may certify partnerships, corporations,  
5626 trusts, or limited liability companies, organized on a for-profit  
5627 basis, which submit an application to be designated as a  
5628 Mississippi small business investment company if the applicant is  
5629 located, headquartered, and licensed or registered to conduct  
5630 business in Mississippi, has as its primary business activity the  
5631 investment of cash in qualified businesses, and meets all of the  
5632 criteria of this section.

5633                   (f) The MDA must:



5634 (i) Review the organizational documents of each  
5635 applicant for certification and the business history of each  
5636 applicant;

5637 (ii) Determine whether the applicant has satisfied  
5638 all of the requirements of this section; and

5639 (iii) Determine whether the officers and the board  
5640 of directors, general partners, trustees, managers or members are  
5641 trustworthy and are thoroughly acquainted with the requirements of  
5642 this chapter.

5643 (g) Within forty-five (45) days after the receipt of an  
5644 application, the MDA may issue the certification or refuse the  
5645 certification and may communicate in detail to the applicant the  
5646 grounds for refusal, including suggestions for the removal of the  
5647 grounds.

5648 (h) The MDA must begin accepting applications to become  
5649 a Mississippi small business investment company not later than  
5650 August 1, 2012, for credits allocated in subsection (4)(a) of this  
5651 section, not later than August 1, 2018, for credits allocated in  
5652 subsection (4)(b) of this section, and not later than August 1,  
5653 2023, for credits allocated in subsection (4)(c) of this section.

5654 (i) Certification by the MDA and operation of a primary  
5655 Mississippi small business investment company is not subject to  
5656 completion of any relationship or agreement with a secondary  
5657 Mississippi small business investment company, and it is not the  
5658 intent of this chapter to compel any such agreement.



5659 (2) (a) An insurance company or affiliate of an insurance  
5660 company must not, directly or indirectly:

5661 (i) Beneficially own, whether through rights,  
5662 options, convertible interest, or otherwise, fifteen percent (15%)  
5663 or more of the voting securities or other voting ownership  
5664 interest of a Mississippi small business investment company;

5665 (ii) Manage a Mississippi small business  
5666 investment company; or

5667 (iii) Control the direction of investments for a  
5668 Mississippi small business investment company.

5669 (b) A Mississippi small business investment company may  
5670 obtain one or more guaranties, indemnities, bonds, insurance  
5671 policies, or other payment undertakings for the benefit of its  
5672 participating investors from any entity, except that in no case  
5673 can more than one (1) participating investor of a Mississippi  
5674 small business investment company on an aggregate basis with all  
5675 affiliates of the participating investor, be entitled to provide  
5676 guaranties, indemnities, bonds, insurance policies, or other  
5677 payment undertakings in favor of the participating investors of a  
5678 Mississippi small business investment company and its affiliates  
5679 in this state.

5680 (c) This subsection (2) does not preclude a  
5681 participating investor, insurance company or other party from  
5682 exercising its legal rights and remedies, including, without  
5683 limitation, interim management of a Mississippi small business



5684 investment company, in the event that a Mississippi small business  
5685 investment company is in default of its statutory obligations or  
5686 its contractual obligations to a participating investor, insurance  
5687 company, or other party, or from monitoring a Mississippi small  
5688 business investment company to ensure its compliance with this  
5689 chapter or disallowing any investments that have not been approved  
5690 by the MDA.

5691 (d) The MDA may contract with an independent third  
5692 party to review, investigate, and certify that the applications  
5693 comply with the provisions of this chapter.

5694 (3) (a) At the time of its investment of designated capital  
5695 a participating investor shall earn a vested credit against the  
5696 participating investor's state premium tax liability in an amount  
5697 equal to one hundred percent (100%) of the participating  
5698 investor's investment of designated capital in a Mississippi small  
5699 business investment company, subject to the limits imposed by this  
5700 section.

5701 (b) From and after January 1, 2015, a participating  
5702 investor may claim the credit allocated in subsection (4)(a) of  
5703 this section as follows: For each taxable year from 2015 through  
5704 2019, an amount equal to twenty percent (20%) of the participating  
5705 investor's investment of designated capital.

5706 (c) From and after January 1, 2021, a participating  
5707 investor may claim the credit allocated in subsection (4)(b) of  
5708 this section as follows:



5709 (i) For each taxable year from 2021 through 2025,  
5710 an amount equal to sixteen and sixty-six one-hundredths percent  
5711 (16.66%) of the participating investor's investment of designated  
5712 capital; and

5713 (ii) For the 2026 taxable year, an amount equal to  
5714 sixteen and seven-tenths percent (16.7%) of the participating  
5715 investor's investment of designated capital.

5716 (d) From and after January 1, 2027, a participating  
5717 investor may claim the credit allocated in subsection (4)(c) of  
5718 this section as follows:

5719 (i) For each taxable year from 2027 through 2031,  
5720 an amount equal to sixteen and sixty-six one-hundredths percent  
5721 (16.66%) of the participating investor's investment of designated  
5722 capital; and

5723 (ii) For the 2032 taxable year, an amount equal to  
5724 sixteen and seven-tenths percent (16.7%) of the participating  
5725 investor's investment of designated capital.

5726 (e) The credit for any taxable year cannot exceed the  
5727 state premium tax liability of the participating investor for the  
5728 taxable year. If the amount of the credit exceeds the state  
5729 premium tax liability of the participating investor for the  
5730 taxable year, the excess is an investment tax credit carryover for  
5731 five (5) years from the date the credit is first able to be  
5732 utilized in accordance with paragraph (a) of this subsection (3).





5733           (f) Notwithstanding any provision of this chapter to  
5734 the contrary, the granting of any credits against the insurance  
5735 premium tax shall not affect the insurance premium tax receipts  
5736 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,  
5737 45-11-5 and 21-29-233, which shall take priority over all other  
5738 distributions of premium tax receipts and shall be calculated  
5739 based upon gross insurance premium tax liability before the  
5740 application of the tax credits.

5741           (g) A participating investor claiming a credit under  
5742 this chapter is not required to pay any additional retaliatory tax  
5743 under Section 27-15-123 levied as a result of claiming the credit.

5744           (h) A participating investor is not required to reduce  
5745 the amount of tax pursuant to the state premium tax liability  
5746 included by the participating investor in connection with  
5747 ratemaking for any insurance contract written in this state  
5748 because of a reduction in the participating investor's tax  
5749 liability based on the tax credit allowed under this chapter.

5750           (i) If the taxes paid by a participating investor with  
5751 respect to its state premium tax liability constitute a credit  
5752 against any other tax that is imposed by this state, the  
5753 participating investor's credit against the other tax shall not be  
5754 reduced by virtue of the reduction in the participating investor's  
5755 tax liability based on the tax credit allowed under this chapter.

5756           (j) Final decertification of a Mississippi small  
5757 business investment company under this chapter prior to such



5758 Mississippi small business investment company meeting the  
5759 requirements of Section 57-115-7(1)(a)(ii), shall result in the  
5760 disallowance and the recapture of all of the credits allocated to  
5761 its participating investors under this chapter. Once a  
5762 Mississippi small business investment company has satisfied the  
5763 requirements of Section 57-115-7(1)(a)(ii), any subsequent  
5764 decertification shall not cause the disallowance or recapture of  
5765 any credits allocated to its participating investors under this  
5766 chapter.

5767           (k) The credits allowed under this chapter are not  
5768 transferable; however, a participating investor may transfer  
5769 credits to an affiliated insurance company provided it gives prior  
5770 written notice of such transfer to the MDA and the Department of  
5771 Revenue.

5772           (4) (a) (i) Through January 1, 2018, the aggregate amount  
5773 of investment tax credits that may be allocated to all  
5774 participating investors of Mississippi small business investment  
5775 companies under this section shall not exceed Fifty Million  
5776 Dollars (\$50,000,000.00), and no Mississippi small business  
5777 investment company, on an aggregate basis with its affiliates, may  
5778 file credit allocation claims that exceed Fifty Million Dollars  
5779 (\$50,000,000.00).

5780                   (ii) The Fifty Million Dollars (\$50,000,000.00)  
5781 aggregate amount of investment tax credits allocated in this  
5782 paragraph (a) shall be divided into a primary tax credit pool



5783 which may be applied for by certified primary Mississippi small  
5784 business investment companies and a secondary tax credit pool  
5785 which may be applied for by certified secondary Mississippi small  
5786 business investment companies. The secondary tax credit pool  
5787 shall be Three Million Five Hundred Thousand Dollars  
5788 (\$3,500,000.00) of the total Fifty Million Dollars  
5789 (\$50,000,000.00) aggregate amount of investment tax credits.  
5790 Secondary Mississippi small business investment companies may not  
5791 apply for more than One Million Seven Hundred Fifty Thousand  
5792 Dollars (\$1,750,000.00) worth of credits on a single application.  
5793 A certified secondary Mississippi small business investment  
5794 company may apply for additional tax credit allocation from the  
5795 secondary tax credit pool, if the credits are available, after  
5796 fifty percent (50%) of its previously allocated credits are used  
5797 in qualified investments.

5798 (iii) If there are any tax credits remaining  
5799 available for allocation in the secondary tax credit pool on  
5800 August 1, 2013, those available tax credits shall revert to the  
5801 primary tax credit pool and be made available to primary  
5802 Mississippi small business investment companies according to rules  
5803 and regulations promulgated by the MDA. Prior to August 1, 2013,  
5804 primary Mississippi small business investment companies, including  
5805 any wholly owned subsidiary company, shall be prohibited from  
5806 making application to the MDA to be additionally certified as a  
5807 secondary Mississippi small business investment company for



5808 purposes of the tax credits allocated in this paragraph (a) and  
5809 prohibited from applying for any tax credit allocation from the  
5810 secondary tax credit pool. A certified primary Mississippi small  
5811 business investment company may have ownership equity in a  
5812 certified secondary Mississippi small business investment company,  
5813 but the equity interest owned by the certified primary Mississippi  
5814 small business investment company shall not exceed forty percent  
5815 (40%).

5816 (b) (i) From and after July 1, 2018, through January  
5817 1, 2023, an additional aggregate amount of investment tax credits  
5818 may be allocated to all participating investors of Mississippi  
5819 small business investment companies under this section. The  
5820 amount so allocated shall not exceed Forty-five Million Dollars  
5821 (\$45,000,000.00), and no Mississippi small business investment  
5822 company, on an aggregate basis with its affiliates, may file  
5823 credit allocation claims on the additional aggregate amount of tax  
5824 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5825 (ii) The Forty-five Million Dollars  
5826 (\$45,000,000.00) aggregate amount of investment tax credits  
5827 allocated in this paragraph (b) shall be divided into a primary  
5828 tax credit pool which may be applied for by certified primary  
5829 Mississippi small business investment companies and a secondary  
5830 tax credit pool which may be applied for by certified secondary  
5831 Mississippi small business investment companies. The secondary  
5832 tax credit pool shall be Three Million Five Hundred Thousand



5833 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars  
5834 (\$45,000,000.00) aggregate amount of investment tax credits.  
5835 Secondary Mississippi small business investment companies may not  
5836 apply for more than One Million Seven Hundred Fifty Thousand  
5837 Dollars (\$1,750,000.00) worth of credits on a single application.  
5838 A certified secondary Mississippi small business investment  
5839 company may apply for additional tax credit allocation from the  
5840 secondary tax credit pool, if the credits are available, after  
5841 fifty percent (50%) of its previously allocated credits are used  
5842 in qualified investments.

5843                   (iii) If there are any tax credits remaining  
5844 available for allocation in the secondary tax credit pool on  
5845 August 1, 2019, those available tax credits shall revert to the  
5846 primary tax credit pool and be made available to primary  
5847 Mississippi small business investment companies according to rules  
5848 and regulations promulgated by the MDA. Prior to August 1, 2022,  
5849 primary Mississippi small business investment companies, including  
5850 any wholly owned subsidiary company, shall be prohibited from  
5851 making application to the MDA to be additionally certified as a  
5852 secondary Mississippi small business investment company for  
5853 purposes of the tax credits allocated in this paragraph (b) and  
5854 prohibited from applying for any tax credit allocation from the  
5855 secondary tax credit pool. A certified primary Mississippi small  
5856 business investment company may have ownership equity in a  
5857 certified secondary Mississippi small business investment company,



5858 but the equity interest owned by the certified primary Mississippi  
5859 small business investment company shall not exceed forty percent  
5860 (40%).

5861 (c) (i) From and after July 1, 2023, an additional  
5862 aggregate amount of investment tax credits may be allocated to all  
5863 participating investors of Mississippi small business investment  
5864 companies under this section. The amount so allocated shall not  
5865 exceed Forty-five Million Dollars (\$45,000,000.00), and no  
5866 Mississippi small business investment company, on an aggregate  
5867 basis with its affiliates, may file credit allocation claims on  
5868 the additional aggregate amount of tax credits that exceed  
5869 Forty-five Million Dollars (\$45,000,000.00).

5870 (ii) The Forty-five Million Dollars  
5871 (\$45,000,000.00) aggregate amount of investment tax credits  
5872 allocated in this paragraph (c) shall be divided into a primary  
5873 tax credit pool which may be applied for by certified primary  
5874 Mississippi small business investment companies and a secondary  
5875 tax credit pool which may be applied for by certified secondary  
5876 Mississippi small business investment companies. The secondary  
5877 tax credit pool shall be Three Million Five Hundred Thousand  
5878 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars  
5879 (\$45,000,000.00) aggregate amount of investment tax credits.  
5880 Secondary Mississippi small business investment companies may not  
5881 apply for more than One Million Seven Hundred Fifty Thousand  
5882 Dollars (\$1,750,000.00) worth of credits on a single application.



5883 A certified secondary Mississippi small business investment  
5884 company may apply for additional tax credit allocation from the  
5885 secondary tax credit pool, if the credits are available, after  
5886 fifty percent (50%) of its previously allocated credits are used  
5887 in qualified investments.

5888 (iii) If there are any tax credits remaining  
5889 available for allocation in the secondary tax credit pool on  
5890 August 1, 2024, those available tax credits shall revert to the  
5891 primary tax credit pool and be made available to primary  
5892 Mississippi small business investment companies according to rules  
5893 and regulations promulgated by the MDA. Prior to August 1, 2027,  
5894 primary Mississippi small business investment companies, including  
5895 any wholly owned subsidiary company, shall be prohibited from  
5896 making application to the MDA to be additionally certified as a  
5897 secondary Mississippi small business investment company for  
5898 purposes of the tax credits allocated in this paragraph (c) and  
5899 prohibited from applying for any tax credit allocation from the  
5900 secondary tax credit pool. A certified primary Mississippi small  
5901 business investment company may have ownership equity in a  
5902 certified secondary Mississippi small business investment company,  
5903 but the equity interest owned by the certified primary Mississippi  
5904 small business investment company shall not exceed forty percent  
5905 (40%).

5906 (d) Credits must be allocated to investors in the order  
5907 that the credit allocation claims are filed with the MDA.



5908           (e) Any credit allocation claims filed with the MDA  
5909 before the initial credit allocation claim filing date will be  
5910 deemed to have been filed on the initial credit allocation claim  
5911 filing date. The MDA will set the initial credit allocation claim  
5912 filing date to be not less than one hundred twenty (120) days and  
5913 not more than one hundred fifty (150) days after the date the MDA  
5914 begins accepting applications for certification. Credit  
5915 allocation claims filed on the same day with the MDA must be  
5916 treated as having been filed contemporaneously.

5917           (f) If two (2) or more Mississippi small business  
5918 investment companies file credit allocation claims with the MDA on  
5919 behalf of their respective participating investors on the same day  
5920 and the aggregate amount of credit allocation claims exceeds the  
5921 aggregate limit of credits authorized under this subsection (4) or  
5922 the lesser amount of credits that remain unallocated on that day,  
5923 then the credits shall be allocated among the participating  
5924 investors who filed on that day on a pro rata basis with respect  
5925 to the amounts claimed. The pro rata allocation for any one (1)  
5926 participating investor is the product obtained by multiplying a  
5927 fraction, the numerator of which is the amount of the credit  
5928 allocation claim filed on behalf of a participating investor and  
5929 the denominator of which is the total of all credit allocation  
5930 claims filed on behalf of all participating investors on that day,  
5931 by the aggregate limit of credits authorized under this subsection





5932 (4) or the lesser amount of credits that remain unallocated on  
5933 that day.

5934 (g) Within ten (10) business days after the MDA  
5935 receives a credit allocation claim filed by a Mississippi small  
5936 business investment company on behalf of one or more of its  
5937 participating investors, the MDA may notify the Mississippi small  
5938 business investment company of the amount of credits allocated to  
5939 each of the participating investors of that Mississippi small  
5940 business investment company. In the event a Mississippi small  
5941 business investment company does not receive an investment of  
5942 designated capital from each participating investor required to  
5943 earn the amount of credits allocated to the participating investor  
5944 within ten (10) business days of the Mississippi small business  
5945 investment company's receipt of notice of allocation, then it  
5946 shall notify the MDA on or before the next business day, and the  
5947 credits allocated to the participating investor of the Mississippi  
5948 small business investment company will be forfeited. The MDA may  
5949 then reallocate those forfeited credits among the participating  
5950 investors of the other Mississippi small business investment  
5951 companies on a pro rata basis with respect to the credit  
5952 allocation claims filed on behalf of the participating investors.  
5953 The MDA may levy a fine of not more than Fifty Thousand Dollars  
5954 (\$50,000.00) on any participating investor that does not invest  
5955 the full amount of designated capital required to fund the credits



5956 allocated to it by the MDA in accordance with the credit  
5957 allocation claim filed on its behalf.

5958 (h) No participating investor, on an aggregate basis  
5959 with its affiliates, may file an allocation claim for more than  
5960 twenty-five percent (25%) of the maximum amount of investment tax  
5961 credits authorized under this subsection (4), regardless of  
5962 whether the claim is made in connection with one or more  
5963 Mississippi small business investment companies.

5964 **SECTION 53.** Section 1 of this act shall be codified as a new  
5965 section in Chapter 7, Title 27, Mississippi Code of 1972.

5966 **SECTION 54.** Nothing in this act shall affect or defeat any  
5967 claim, assessment, appeal, suit, right or cause of action for  
5968 taxes due or accrued under the income tax laws, insurance premium  
5969 tax laws or ad valorem tax laws before the date on which this act  
5970 becomes effective, whether such claims, assessments, appeals,  
5971 suits or actions have been begun before the date on which this act  
5972 becomes effective or are begun thereafter; and the provisions of  
5973 the income tax laws, insurance premium tax laws and ad valorem tax  
5974 laws are expressly continued in full force, effect and operation  
5975 for the purpose of the assessment, collection and enrollment of  
5976 liens for any taxes due or accrued and the execution of any  
5977 warrant under such laws before the date on which this act becomes  
5978 effective, and for the imposition of any penalties, forfeitures or  
5979 claims for failure to comply with such laws.



5980           **SECTION 55.** Sections 1 and 54 of this act shall take effect  
5981 and be in force from and after January 1, 2024. The remainder of  
5982 this act shall take effect and be in force from and after July 1,  
5983 2024.

