

By: Representatives Lamar, Anthony, Summers

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1985

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT AND AD VALOREM TAX
2 CREDIT FOR TAXPAYERS FOR EACH DEPENDENT CHILD RESIDING WITH HIS OR
3 HER PARENTS, LEGALLY MARRIED TO ONE ANOTHER; TO PROVIDE FOR THE
4 AMOUNT OF THE TAX CREDIT; TO BRING FORWARD SECTIONS 27-7-22,
5 27-7-22.3, 27-7-22.5, 27-7-22.7, 27-7-22.13, 27-7-22.15,
6 27-7-22.16, 27-7-22.17, 27-7-22.18, 27-7-22.19, 27-7-22.20,
7 27-7-22.21, 27-7-22.22, 27-7-22.23, 27-7-22.25, 27-7-22.27,
8 27-7-22.28, 27-7-22.29, 27-7-22.30, 27-7-22.31, 27-7-22.32,
9 27-7-22.33, 27-7-22.34, 27-7-22.35, 27-7-22.36, 27-7-22.37,
10 27-7-22.39, 27-7-22.40, 27-7-22.41, 27-7-22.42, 27-7-22.43,
11 27-7-22.44, 27-7-22.45, 27-7-22.46, 27-7-22.47, 27-7-22.48,
12 27-7-22.49, 27-7-205, 27-7-207, 27-7-209, 57-73-21, 57-73-23,
13 57-87-5, 57-87-7, 57-105-1, 57-10-409, 57-114-3, 57-114-7,
14 57-114-9, 57-115-3 AND 57-115-5, MISSISSIPPI CODE OF 1972, WHICH
15 AUTHORIZE VARIOUS TAX CREDITS, FOR THE PURPOSES OF POSSIBLE
16 AMENDMENT; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** (1) There shall be allowed as a credit against
19 the tax imposed by this chapter and against ad valorem taxes
20 assessed and levied on real property the annual amount of Five
21 Hundred Dollars (\$500.00) for each dependent child residing with
22 his or her parents, legally married to one another.

23 (2) A husband and wife who file separate returns for a
24 taxable year in which they could have filed a joint return may



25 each claim only one-half (1/2) of the tax credits allowed under
26 this section that would have been allowed for a joint return.

27 (3) (a) A taxpayer shall apply for credits with the
28 department on forms prescribed by the department. Within thirty
29 (30) days after the receipt of an application, the department
30 shall allocate credits based on the number of eligible children
31 indicated in the application. However, if the department cannot
32 allocate the full amount of credits certified in the application
33 due to the limit on the aggregate amount of credits that may be
34 awarded under this section in a calendar year, the department
35 shall so notify the applicant within thirty (30) days with the
36 amount of credits, if any, that may be allocated to the applicant
37 in the calendar year. Upon final documentation being provided by
38 the taxpayer, if the actual number of eligible children is lower
39 than the number originally indicated by the taxpayer, the
40 department shall adjust the tax credit allowed under this section.
41 A taxpayer who is allocated a tax credit under this section during
42 a calendar year may utilize the credit against the taxes imposed
43 by this chapter for the immediately preceding taxable year,
44 provided that the taxpayer has not already filed an annual return
45 for such taxes.

46 (b) In the application to the department, the taxpayer
47 shall certify the number of eligible dependent children residing
48 in the taxpayer's household for more than half of the taxable year
49 and shall include a notarized statement indicating the parents of



50 the children are legally married to one another in the taxable
51 year. An eligible dependent child is one (1) who has not attained
52 the age of nineteen (19) years, otherwise qualifies for federal
53 income tax purposes as a dependent of the taxpayer, and is a
54 natural child of both of the legally married parent filers.

55 (c) For the purposes of using a tax credit against ad
56 valorem taxes assessed and levied on real property, a taxpayer
57 shall present to the appropriate tax collector the tax credit
58 documentation provided to the taxpayer by the department, and the
59 tax collector shall apply the tax credit against such ad valorem
60 taxes. The tax collector shall forward the tax credit
61 documentation to the department along with the amount of the tax
62 credit applied against ad valorem taxes, and the department shall
63 disburse funds to the tax collector for the amount of the tax
64 credit applied against ad valorem taxes. Such payments by the
65 department shall be made from current tax collections.

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

69 **SECTION 2.** If any one (1) or more provision, section,
70 subsection, sentence, clause, phrase or word of this act or the
71 application thereof to any person or circumstance is found to be
72 unconstitutional, the same is hereby declared to be severable and
73 the balance shall remain effective notwithstanding such
74 unconstitutionality. The Legislature hereby declares that it



75 would have passed each provision, section, subsection, sentence,
76 clause, phrase or word thereof, irrespective of the fact that any
77 one (1) or more provision, section, subsection, sentence, clause,
78 phrase or word be declared unconstitutional.

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

81 27-7-22. (1) For any qualified business, as defined in
82 Section 57-51-5, which is located in a county, or portion thereof,
83 designated as an enterprise zone pursuant to Title 57, Chapter 51,
84 Mississippi Code of 1972, there shall be allowed as a credit
85 against the tax imposed by this chapter, an amount equal to One
86 Thousand Dollars (\$1,000.00) per net full-time employee as
87 determined by the average annual employment of the business
88 reported to the Employment Security Commission. Such credit shall
89 be allowed annually to each qualified business for a period not to
90 exceed ten (10) years. If the amount allowable as a credit
91 exceeds the tax imposed by this chapter, the amount of such excess
92 shall not be refundable or carried forward to any other taxable
93 year.

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



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

103 (2) For any qualified business, as defined in Section
104 57-54-5, there shall be allowed as a credit against the tax
105 imposed by this chapter, an amount equal to One Thousand Dollars
106 (\$1,000.00) per net full-time employee as determined by the
107 average annual employment of the business reported to the
108 Employment Security Commission. Such credit shall be allowed
109 annually to each qualified business for a period not to exceed ten
110 (10) years. If the amount allowable as a credit exceeds the tax
111 imposed by this chapter, the amount of such excess shall not be
112 refundable or carried forward to any other taxable year.

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

118 If the Mississippi Advanced Technology Initiative Act is
119 repealed, any qualified business which had been granted a tax
120 credit under this subsection prior to the date of such repeal
121 shall be entitled to such tax credit until the period for which it
122 was granted expires.



123 (3) For any qualified company, certified as such by the
124 Mississippi Board of Economic Development under Section 57-53-1,
125 there shall be allowed as a credit against the tax imposed by this
126 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per
127 net full-time employee in this state, provided there is a minimum
128 of seventy-five (75) net full-time employees, as determined by the
129 average annual employment of the company in this state reported to
130 the Employment Security Commission. Such credit shall be allowed
131 annually to each qualified company for a period not to exceed ten
132 (10) years. If the amount allowable as a credit exceeds the tax
133 imposed by this chapter, the amount of such excess shall not be
134 refundable or carried forward to any other taxable year.

135 For the purpose of determining the credit allowed to a
136 qualified company which has expanded its existing buildings and
137 facilities, the number of net full-time employees shall be the
138 difference between the average annual employment of such company
139 before and after such expansion.

140 (4) For any qualified business or industry which is
141 certified as such by the Mississippi Board of Economic Development
142 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
143 any mFlex tax incentive amount for such qualified business's or
144 industry's qualified economic development project, there shall be
145 allowed as a credit against the tax imposed by this chapter, an
146 amount prescribed by, and subject to, the Mississippi Flexible Tax
147 Incentive Act.



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

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

154 27-7-22.3. (1) For taxpayers who are required to pay a job
155 assessment fee as provided in Section 57-10-413, there shall be
156 allowed as a credit against the taxes imposed by this chapter, an
157 amount equal to the amount of the job assessment fee imposed upon
158 such taxpayer pursuant to Section 57-10-413. If the amount
159 allowable as a credit exceeds the tax imposed by this article and
160 Section 27-7-22.3, the amount of such excess shall not be
161 refundable or carried forward to any other taxable year.

162 (2) For any approved company as defined in Section
163 57-10-401, there shall be allowed against the taxes imposed by
164 this chapter on the income of the approved company generated by or
165 arising out of the economic development project (as defined in
166 Section 57-10-401), a credit in an amount not to exceed the total
167 debt service paid under a financing agreement entered into under
168 Section 57-10-409. The tax credit allowed in this subsection
169 shall not exceed the amount of taxes due the State of Mississippi.

170 **[In cases involving an economic development project for which**
171 **the Mississippi Business Finance Corporation has not issued bonds**
172 **for the purpose of financing the approved costs of such project**



173 prior to July 1, 1994, but has issued bonds for such project prior
174 to July 1, 1997, or in cases involving an economic development
175 project which has been induced by a resolution of the Board of
176 Directors of the Mississippi Business Finance Corporation that has
177 been filed with the State Tax Commission prior to July 1, 1997,
178 this section shall read as follows:]

179 27-7-22.3. (1) For taxpayers who are required to pay a job
180 assessment fee as provided in Section 57-10-413, there shall be
181 allowed as a credit against the taxes imposed by this chapter, an
182 amount equal to the amount of the job assessment fee imposed upon
183 such taxpayer pursuant to Section 57-10-413. If the amount
184 allowable as a credit exceeds the tax imposed by this article and
185 Section 27-7-22.3, the amount of such excess shall not be
186 refundable or carried forward to any other taxable year.

187 (2) For any approved company as defined in Section
188 57-10-401, there shall be allowed against the taxes imposed by
189 this chapter on the income of the approved company generated by or
190 arising out of the economic development project (as defined in
191 Section 57-10-401), a credit in an amount not to exceed the total
192 debt service paid under a financing agreement entered into under
193 Section 57-10-409. The tax credit allowed in this subsection
194 shall not exceed the amount of taxes due the State of Mississippi.
195 The amount of income of the approved company generated by or
196 arising out of the economic development project shall be



197 determined by a formula adopted by the Mississippi Business
198 Finance Corporation.

199 **[In cases involving an economic development project for which**
200 **the Mississippi Business Finance Corporation has not issued bonds**
201 **for the purpose of financing the approved costs of such project**
202 **prior to July 1, 1997, or in cases involving an economic**
203 **development project which has not been induced by a resolution of**
204 **the Board of Directors of the Mississippi Business Finance**
205 **Corporation that has been filed with the State Tax Commission**
206 **prior to July 1, 1997, this section shall read as follows:]**

207 27-7-22.3. For any approved company as defined in Section
208 57-10-401, there shall be allowed against the taxes imposed by
209 this chapter on the income of the approved company generated by or
210 arising out of the economic development project (as defined in
211 Section 57-10-401), a credit in an amount not to exceed the total
212 debt service paid under a financing agreement entered into under
213 Section 57-10-409; provided, however, that the tax credit allowed
214 in this subsection shall not exceed eighty percent (80%) of the
215 amount of taxes due the State of Mississippi prior to the
216 application of the credit. To the extent that financing agreement
217 annual payments exceed the amount of the credit authorized
218 pursuant to this section in any taxable year, such excess payment
219 may be recouped from excess credits in succeeding years not to
220 exceed three (3) years following the date upon which the credit
221 was earned. The amount of income of the approved company



222 generated by or arising out of the economic development project
223 shall be determined by a formula adopted by the Mississippi
224 Business Finance Corporation.

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

227 27-7-22.5. (1) (a) For any manufacturer, distributor,
228 wholesale or retail merchant who pays to a county, municipality,
229 school district, levee district or any other taxing authority of
230 the state or a political subdivision thereof, ad valorem taxes
231 imposed on commodities, raw materials, works-in-process, products,
232 goods, wares and merchandise held for resale, a credit against the
233 income taxes imposed under this chapter shall be allowed for the
234 portion of the ad valorem taxes so paid in the amounts prescribed
235 in subsection (2).

236 (b) (i) For any person, firm or corporation who pays
237 to a county, municipality, school district, levee district or any
238 other taxing authority of the state or a political subdivision
239 thereof, ad valorem taxes imposed on rental equipment, a credit
240 against the income taxes imposed under this chapter shall be
241 allowed for the portion of the ad valorem taxes so paid in the
242 amounts prescribed in subsection (2).

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



- 246 1. Under rental agreements with no specific
247 term;
248 2. Under at-will or open-ended agreements; or
249 3. Under rental agreements with terms
250 ordinarily of less than three hundred sixty-five (365) days; and
251 4. Is not subject to privilege taxes imposed
252 in Chapter 19, Title 27, Mississippi Code of 1972.

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

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

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

269 (b) For the 1995 taxable year, the tax credit for each
270 location of the taxpayer shall not exceed the lesser of Three



271 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
272 State of Mississippi that are attributable to such location.

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

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

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

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

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



295 (3) Any amount of ad valorem taxes paid by a taxpayer that
296 is applied toward the tax credit allowed in this section may not
297 be used as a deduction by the taxpayer for state income tax
298 purposes. In the case of a taxpayer that is a partnership,
299 limited liability company or S corporation, the credit may be
300 applied only to the tax attributable to partnership, limited
301 liability company or S corporation income derived from the
302 taxpayer.

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

305 27-7-22.7. (1) As used in this section, the term "port"
306 means a state, county or municipal port or harbor established
307 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
308 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
309 59-11-1 through 59-11-7.

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

315 (3) Except as otherwise provided by subsection (5) of this
316 section, the amount of the credit allowed pursuant to this section
317 shall be the total of the following charges on export cargo paid
318 by the corporation:

319 (a) Receiving into the port;



320 (b) Handling to a vessel; and

321 (c) Wharfage.

322 (4) The credit provided for in this section shall not exceed
323 fifty percent (50%) of the amount of tax imposed upon the taxpayer
324 for the taxable year reduced by the sum of all other credits
325 allowable to such taxpayer under this chapter, except credit for
326 tax payments made by or on behalf of the taxpayer. Any unused
327 portion of the credit may be carried forward for the succeeding
328 five (5) years. The maximum cumulative credit that may be claimed
329 by a taxpayer pursuant to this section and for the period of time
330 beginning on January 1, 1994, and ending on December 31, 2005, is
331 limited to One Million Two Hundred Thousand Dollars
332 (\$1,200,000.00).

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

338 (6) The purpose of the tax credit provided for in this
339 section is to promote the increased use of ports and related
340 facilities in this state, particularly by those taxpayers which
341 would not otherwise use such ports and related facilities without
342 the benefit of such tax credit, and increase the number of port
343 related jobs and other economic development benefits associated
344 with the increased use of such ports and related facilities. It



345 is the intent of the Legislature that in determining whether or
346 not such tax credit will be continued in future years, the
347 attainment of the purposes set forth in this subsection must be
348 demonstrated by the material contained in the reports prepared by
349 the Mississippi Development Authority under Section 27-7-22.9.

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

352 27-7-22.13. (1) For the purposes of this section, the term
353 "financial institution" shall have the meaning set forth in
354 Section 27-7-24.1(h) (i), (ii), (iii), (iv), or (viii).

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

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

362 (b) The purchase by a Mississippi domiciled financial
363 institution of all or substantially all of the assets (including
364 all or substantially all of the branches) of an out-of-state
365 financial institution;

366 (c) The purchase by an out-of-state financial
367 institution of all or substantially all of the assets (including
368 all or substantially all of the branches) of a Mississippi
369 domiciled financial institution;



370 (d) The purchase by a Mississippi domiciled financial
371 institution of all or substantially all of the assets (including
372 all or substantially all of the branches) of an out-of-state
373 financial institution in a state other than the State of
374 Mississippi even though:

375 (i) Two (2) or more financial institutions are not
376 merged or consolidated; or

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

379 (e) The purchase by an out-of-state financial
380 institution of all or substantially all of the assets (including
381 all or substantially all of the branches) in the State of
382 Mississippi of a financial institution even though:

383 (i) Two (2) or more financial institutions are not
384 merged or consolidated; or

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

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

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

393 (b) The number of employees listed on the Employer's
394 Quarterly Contribution Report filed with the Mississippi



395 Employment Security Commission by the financial institution for
396 the same month one (1) year following completion of the
397 transaction, exclusive of the number of employees gained in
398 connection with intervening transactions.

399 (4) The base amount of the credit provided in this section
400 shall be equal to the net gain in the number of employees
401 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The
402 financial institution may claim as a credit against income tax an
403 amount equal to one hundred percent (100%) of the base amount in
404 the tax year the determination is made, eighty percent (80%) in
405 the next year, sixty percent (60%) in the third year, forty
406 percent (40%) in the fourth year and twenty percent (20%) in the
407 fifth year. The credit allowed by this section shall not exceed
408 the amount of the taxes due to the State of Mississippi by the
409 financial institution. Any amount allowable as a credit pursuant
410 to this section that exceeds the financial institution's tax
411 liability shall not be refunded or carried forward to any other
412 taxable year.

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

416 (6) The commission may promulgate regulations to implement
417 this section.

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



420 27-7-22.15. (1) As used in this section, the following
421 words and phrases shall have the meanings ascribed to herein
422 unless the context clearly indicates otherwise:

423 (a) "Approved reforestation practices" means the
424 following practices for establishing a crop of trees suitable for
425 manufacturing into forest products:

426 (i) "Pine and hardwood tree planting practices"
427 including the cost of seedlings, planting by hand or machine, and
428 site preparation.

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

433 (iii) "Direct seeding practices" to establish a
434 crop of pine or oak trees by directly applying seed/acorns to the
435 site including the cost of seed/acorns, seeding and site
436 preparation.

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

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

442 (b) "Eligible tree species" means pine and hardwood
443 commercial tree species suitable for manufacturing into forest
444 products.



445 (c) "Cost-share assistance" means partial financial
446 payment for approved reforestation practices from the state
447 government as authorized under Sections 49-19-201 through
448 49-19-227, or the federal government.

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

453 (e) "Eligible lands" means nonindustrial private lands
454 owned by a private individual, group or association, but shall not
455 mean lands owned by private corporations which manufacture
456 products or provide public utility services of any type or any
457 subsidiary of such corporations.

458 (f) "Reforestation prescription or plan" means a
459 written description of the approved reforestation practices that
460 the eligible owner plans to use and includes a legal description
461 and map of the area to be reforested, a list of the tree seedling
462 or seed species to be used in the reforestation and the site
463 preparation practices that will be utilized.

464 (2) Subject to the limitations provided in subsection (3) of
465 this section, upon submission to the State Tax Commission of the
466 written verification provided for in subsection (5) of this
467 section and such other documentation as the State Tax Commission
468 may require, any eligible owner who incurs costs for approved
469 reforestation practices for eligible tree species on eligible



470 lands shall be allowed a credit, in an amount equal to the lesser
471 of fifty percent (50%) of the actual costs of the approved
472 reforestation practices or fifty percent (50%) of the average cost
473 of approved practices as established by the Mississippi Forestry
474 Commission under Section 49-19-219, against the taxes imposed
475 pursuant to this chapter for the tax year in which the costs are
476 incurred.

477 (3) The maximum amount of the credit provided for in
478 subsection (2) of this section that may be utilized in any one (1)
479 taxable year shall not exceed the lesser of Ten Thousand Dollars
480 (\$10,000.00) or the amount of income tax imposed upon the eligible
481 owner for the taxable year reduced by the sum of all other credits
482 allowable to the eligible owner under this chapter, except credit
483 for tax payments made by or on behalf of the eligible owner. Any
484 unused portion of the credit may be carried forward for succeeding
485 tax years. The maximum dollar amount of the credit provided for
486 in subsection (2) of this section that an eligible owner may
487 utilize during his lifetime shall be Seventy-five Thousand Dollars
488 (\$75,000.00) in the aggregate.

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



495 (5) To be eligible for the tax credit, an eligible owner
496 must have a reforestation prescription or plan prepared for the
497 eligible lands by a graduate forester of a college, school or
498 university accredited by the Society of American Foresters or by a
499 registered forester under the Foresters Registration Law of 1977.
500 The forester must verify in writing that the reforestation
501 practices were completed and that the reforestation prescription
502 or plan was followed.

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

505 27-7-22.16. (1) (a) Except as otherwise provided under
506 this subsection, the words and phrases used in this section shall
507 have the meanings ascribed to them in Section 49-35-5, Mississippi
508 Code of 1972.

509 (b) "Remediation costs" means reasonable costs paid for
510 the assessment, investigation, remediation, monitoring and related
511 activities at a brownfield agreement site which are consistent
512 with the remedy selected for the site, and costs paid to the
513 Department of Environmental Quality for the processing of the
514 brownfield agreement application and administration of a
515 brownfield agreement. Remediation costs shall not include (i)
516 costs incurred before June 24, 1999; (ii) costs incurred after the
517 issuance of a No Further Action letter under Section 49-35-15,
518 Mississippi Code of 1972; (iii) costs incurred before the
519 acceptance of a brownfield agreement site into the Mississippi



520 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
521 costs incurred for any legal services or litigation costs; and (v)
522 any funds provided by any federal, state or local governmental
523 agency or political subdivision.

524 (2) Subject to the limitations provided in subsection (4) of
525 this section, upon submission to the State Tax Commission of
526 information provided for in subsection (5) of this section and any
527 other documentation as the State Tax Commission may require, any
528 brownfield party who (a) has conducted remediation at a brownfield
529 agreement site in accordance with Sections 49-35-1 through
530 49-35-25 and (b) has incurred remediation costs for activities
531 under Sections 49-35-1 through 49-35-25, as approved by the
532 Commission on Environmental Quality, shall be allowed a credit in
533 an amount equal to twenty-five percent (25%) of the remediation
534 costs at the brownfield agreement site as approved by the
535 commission, against the taxes imposed under this chapter for the
536 tax year in which the costs are incurred.

537 (3) (a) Before applying for the tax credit authorized in
538 this section, a brownfield party shall submit an application to
539 the Department of Environmental Quality for certification that the
540 brownfield party has conducted remediation at a brownfield
541 agreement site in accordance with Sections 49-35-1 through
542 49-35-25 during the tax year(s) for which the credit is sought.
543 The application shall be on forms prescribed by the Commission on



544 Environmental Quality and provided by the Department. The
545 application shall include the following:

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

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

554 (iii) Any other information which the Commission
555 on Environmental Quality or the State Tax Commission deems
556 appropriate.

557 (b) Within sixty (60) days after receipt by the
558 Department of a completed application, the department shall
559 approve or disapprove the application. The Department shall
560 notify the brownfield party in writing of its decision. If the
561 department approves the application, the department shall provide
562 the brownfield party with certification that the brownfield party
563 has conducted remediation at a brownfield agreement site in
564 accordance with Sections 49-35-1 through 49-35-25 during the tax
565 year(s) for which the credit is sought. If the Department
566 disapproves the application, the Department shall notify the
567 brownfield party in writing and state the reasons for the
568 disapproval.



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

574 (d) The Department's review of the application under
575 this section shall be considered a part of the administration of
576 the brownfield agreement.

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

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

588 (b) The maximum total credit under this section for a
589 brownfield agreement site is One Hundred Fifty Thousand Dollars
590 (\$150,000.00).

591 (5) To be eligible for the tax credit, the brownfield party
592 must submit a copy of the letter from the commission stating the



593 amount of remediation costs approved by the commission for the
594 given tax year.

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

597 27-7-22.17. (1) Permanent business enterprises engaged in
598 operating a project and companies that are members of an
599 affiliated group that includes such permanent business enterprises
600 are allowed a job tax credit for taxes imposed by Section 27-7-5
601 equal to Five Thousand Dollars (\$5,000.00) annually for each net
602 new full-time employee job for a period of twenty (20) years from
603 the date the credit commences; however, if the permanent business
604 enterprise is located in an area that has been declared by the
605 Governor to be a disaster area and as a direct result of the
606 disaster the business enterprise is unable to maintain the
607 required number of employees, the commissioner may extend this
608 time period for not more than two (2) years. The credit shall
609 commence on the date selected by the permanent business
610 enterprise; however, the commencement date shall not be more than
611 five (5) years from the date the business enterprise commences
612 commercial production. For the year in which the commencement
613 date occurs, the number of new full-time jobs shall be determined
614 by using the monthly average number of full-time employees subject
615 to the Mississippi income tax withholding. Thereafter, the number
616 of new full-time jobs shall be determined by comparing the monthly
617 average number of full-time employees subject to the Mississippi



618 income tax withholding for the taxable year with the corresponding
619 period of the prior taxable year. Once a permanent business
620 enterprise creates or increases employment three thousand (3,000)
621 or more, such enterprise and the members of the affiliated group
622 that include such enterprise, shall be eligible for the credit.
623 The credit is not allowed for any year of the twenty-year period
624 in which the overall monthly average number of full-time employees
625 subject to the Mississippi income tax withholding falls below
626 three thousand (3,000); however, if the permanent business
627 enterprise is located in an area that has been declared by the
628 Governor to be a disaster area and as a direct result of the
629 disaster the business enterprise is unable to maintain the
630 required number of employees, the commissioner may waive the
631 employment requirement for a period of time not to exceed two (2)
632 years. The State Tax Commission shall adjust the credit allowed
633 each year for the net new employment fluctuations above three
634 thousand (3,000).

635 (2) Any tax credit claimed under this section but not used
636 in any taxable year may be carried forward for five (5)
637 consecutive years from the close of the tax year in which the
638 credits were earned; however, if the permanent business enterprise
639 is located in an area that has been declared by the Governor to be
640 a disaster area and as a direct result of the disaster the
641 business enterprise is unable to use the existing carryforward,
642 the commissioner may extend the period that the credit may be



643 carried forward for a period of time not to exceed two (2) years.
644 The credit that may be utilized each year shall be limited to an
645 amount not greater than the total state income tax liability of
646 the permanent business enterprise and the state income tax
647 liability of any member of the affiliated group that includes such
648 enterprise that is generated by, or arises out of, the project.

649 (3) The tax credits provided for in this section shall be in
650 lieu of the tax credits provided for in Section 57-73-21 and any
651 permanent business enterprise or any member of the affiliated
652 group that includes such enterprise utilizing the tax credit
653 authorized in this section shall not utilize the tax credit
654 authorized in Section 57-73-21.

655 (4) As used in this section:

656 (a) "Project" means a project as defined in Section
657 57-75-5(f)(iv).

658 (b) "Affiliated group" means one or more corporations
659 connected through stock ownership with a common parent corporation
660 where at least eighty percent (80%) of the voting power of all
661 classes of stock and at least eighty percent (80%) of each class
662 of the nonvoting stock of each of the member corporations, except
663 the common parent corporation, is directly owned by one or more of
664 the other member corporations; and the common parent corporation
665 directly owns stock possessing at least eighty percent (80%) of
666 the voting power of all classes of stock and at least eighty
667 percent (80%) of each class of the nonvoting stock of at least one



668 (1) of the other member corporations. As used in this subsection,
669 the term "stock" does not include nonvoting stock that is limited
670 and preferred as to dividends.

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

673 27-7-22.18. (1) Any enterprise owning or operating a
674 project as defined in Section 57-75-5(f)(xviii) is allowed a job
675 tax credit for taxes imposed by Section 27-7-5 equal to Five
676 Thousand Dollars (\$5,000.00) annually for each net new full-time
677 employee job for a period of ten (10) years from the date the
678 credit commences. The credit shall commence on the date selected
679 by the enterprise; provided, however, that the commencement date
680 shall not be more than two (2) years from the date the project
681 becomes fully operational. For the year in which the commencement
682 date occurs, the enterprise must select a date on which it has at
683 least four hundred fifty (450) full-time employees subject to the
684 Mississippi income tax withholding. From that date to the end of
685 the year, the credit will be determined based on the remaining
686 monthly average of full-time employees subject to the Mississippi
687 income tax withholding. For each year thereafter, the number of
688 new full-time jobs created shall be determined by calculating the
689 monthly average number of full-time employees subject to the
690 Mississippi income tax withholding for the year. For every year
691 subsequent to the year the commencement date occurs, the credit is
692 not allowed for any year in which the overall monthly average



693 number of full-time employees subject to the Mississippi income
694 tax withholding falls below the minimum jobs requirement provided
695 in Section 57-75-5(f) (xviii). The State Tax Commission shall
696 adjust the credit allowed each year for the net new employment
697 fluctuations.

698 (2) For the first five (5) years in which a tax credit is
699 claimed under this section, any tax credit claimed but not used in
700 any taxable year may be carried forward for five (5) consecutive
701 years from the close of the tax year in which the credits were
702 earned. For the remainder of the ten-year period, any tax credit
703 claimed under this section but not used in any taxable year may be
704 carried forward for three (3) consecutive years from the close of
705 the tax year in which the credits were earned. The credit that
706 may be utilized each year shall be limited to an amount not
707 greater than the total state income tax liability of the
708 enterprise that is generated by, or arises out of, the project.

709 (3) The tax credits provided for in this section shall be in
710 lieu of the tax credits provided for in Section 57-73-21 and any
711 enterprise utilizing the tax credit authorized in this section
712 shall not utilize the tax credit authorized in Section 57-73-21.

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

715 27-7-22.19. (1) Integrated suppliers are allowed a job tax
716 credit for taxes imposed by Section 27-7-5 equal to One Thousand
717 Dollars (\$1,000.00) annually for each net new full-time employee



718 for five (5) years from the date the credit commences; however, if
719 the integrated supplier is located in an area that has been
720 declared by the Governor to be a disaster area and as a direct
721 result of the disaster the integrated supplier is unable to
722 maintain the required number of employees, the commissioner may
723 extend this time period for not more than two (2) years. The
724 credit shall commence on the date selected by the integrated
725 supplier; provided, however, that the commencement date shall not
726 be more than five (5) years from the date the integrated supplier
727 commences commercial production. For the year in which the
728 commencement date occurs, the number of new full-time jobs shall
729 be determined by using the monthly average number of full-time
730 employees subject to Mississippi income tax withholding.
731 Thereafter, the number of new full-time jobs shall be determined
732 by comparing the monthly average number of full-time employees
733 subject to Mississippi income tax withholding for the taxable year
734 with the corresponding period of the prior taxable year. Only
735 those integrated suppliers that increase employment by twenty (20)
736 or more are eligible for the credit. The credit is not allowed
737 during any of the five (5) years if the net employment increase
738 falls below twenty (20); however, if the integrated supplier is
739 located in an area that has been declared by the Governor to be a
740 disaster area and as a direct result of the disaster the
741 integrated supplier is unable to maintain the required number of
742 employees, the commissioner may waive the employment requirement



743 for a period of time not to exceed two (2) years. The State Tax
744 Commission shall adjust the credit allowed each year for the net
745 new employment fluctuations above the minimum level of twenty
746 (20).

747 (2) Any tax credit claimed under this section but not used
748 in any taxable year may be carried forward for five (5)
749 consecutive years from the close of the tax year in which the
750 credits were earned; however, if the integrated supplier is
751 located in an area that has been declared by the Governor to be a
752 disaster area and as a direct result of the disaster the
753 integrated supplier is unable to use the existing carryforward,
754 the commissioner may extend the period that the credit may be
755 carried forward for a period of time not to exceed two (2) years.
756 The credit that may be utilized each year shall be limited to an
757 amount not greater than fifty percent (50%) of the taxpayer's
758 state income tax liability which is attributable to income derived
759 from operation in the state for that year.

760 (3) The tax credits provided for in this section shall be in
761 lieu of the tax credits provided for in Section 57-73-21, and any
762 integrated supplier utilizing the tax credit authorized in this
763 section shall not utilize the tax credit authorized in Section
764 57-73-21.

765 (4) As used in this section the term "integrated supplier"
766 means a supplier located on the project site which provides goods



767 or services on the project site solely for a project as defined in
768 Section 57-75-5(f)(iv)1.

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

771 27-7-22.20. (1) An enterprise owning or operating a project
772 as defined in Section 57-75-5(f)(xviii) is allowed an annual
773 investment tax credit for taxes imposed by Section 27-7-5 equal to
774 seven and one-half percent (7-1/2%) of the eligible investments
775 made by the enterprise. The credit shall commence on the date
776 selected by the enterprise; provided, however, that the
777 commencement date shall not be more than two (2) years from the
778 date the project becomes fully operational. For the purposes of
779 this section, the term "eligible investment" means the amount of
780 investment in a project as defined in Section 57-75-5(f)(xviii)
781 that is greater than Four Hundred Million Dollars
782 (\$400,000,000.00) and used in the initial establishment of the
783 project.

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



791 (3) The credit received under this section is subject to
792 recapture if the property for which the tax credit was received is
793 disposed of, or converted to, other than business use. The amount
794 of the credit subject to recapture is one hundred percent (100%)
795 of the credit in the first year and fifty percent (50%) of the
796 credit in the second year. This subsection shall not apply in
797 cases in which an entire facility is sold.

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

800 27-7-22.21. (1) As used in this section, the following
801 words and phrases shall have the following meanings, unless the
802 context clearly indicates otherwise:

803 (a) "Eligible land" means nonindustrial private lands
804 in the state that are adjacent to and along a stream which is
805 fully nominated to the Mississippi Scenic Streams Stewardship
806 Program, or nonindustrial private lands in the state which are
807 considered to be priority sites for conservation under the
808 Mississippi Natural Heritage Program.

809 (b) "Eligible owner" means a private individual, group
810 or association other than a private corporation, or any subsidiary
811 thereof, which manufactures products or provides public utility
812 services of any type.

813 (c) "Interest in land" means any right in real
814 property, including access thereto or improvements thereon, or
815 water, including, but not limited to, a fee simple easement, a



816 conservation easement, provided such interest complies with the
817 requirements of the United States Internal Revenue Code Section
818 170(h), partial interest, mineral right, remainder or future
819 interest, or other interest or right in real property.

820 (d) "Land" or "lands" means real property, with or
821 without improvements thereon, rights-of-way, water and riparian
822 rights, easements, privileges and all other rights or interests of
823 any land or description in, relating to, or connected with real
824 property.

825 (e) "Allowable transaction costs" mean the costs of the
826 appraisal of the lands or interests in lands, including
827 conservation easements, that are being donated, of the baseline
828 survey of the natural features, animals and plants present on the
829 site, of engineering and surveying fees, of maintenance fees, of
830 monitoring fees and of legal fees, including the costs of document
831 preparation, title review and title insurance.

832 (f) "Specified conservation purposes" mean the
833 preservation of stream bank habitats and the stability of stream
834 banks, or the protection of land necessary because of high
835 biodiversity significance or high protection urgency due to the
836 presence of exemplary natural communities or species of special
837 concern, including threatened or endangered species.

838 (2) For the taxable years beginning on or after January 1,
839 2003, for any income taxpayer who is an eligible owner, a credit
840 against the taxes imposed by this chapter shall be allowed in the



841 amounts provided in this section upon the donation of land or an
842 interest in land for specified conservation purposes.

843 (3) The credit provided for in this section shall be fifty
844 percent (50%) of the allowable transaction costs involved in the
845 donation for the tax year in which the allowable transaction costs
846 occur. The aggregate amount of the credit provided in this
847 section for allowable transaction costs shall not exceed the
848 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
849 imposed upon the taxpayer for the taxable year reduced by the sum
850 of all other credits allowable to such taxpayer under this
851 chapter, except credit for tax payments made by or on behalf of
852 the taxpayer. Any unused portion of the credit may be carried
853 forward for ten (10) succeeding tax years. The maximum dollar
854 amount of the credit provided for in this section that an eligible
855 owner may utilize during his lifetime shall be Ten Thousand
856 Dollars (\$10,000.00) in the aggregate.

857 (4) To be eligible for the credit provided for in this
858 section, an eligible owner must demonstrate that the donation
859 qualifies as a conservation contribution under Section 170(h) of
860 the United States Internal Revenue Code of 1986, by means of being
861 a donation in perpetuity, for conservation purposes and made to a
862 qualified holder or donee. A letter from the donee indicating
863 acceptance and a completed copy of the appropriate United States
864 Internal Revenue Service form shall constitute proof of



865 acceptance. The eligible owner also must submit any other
866 documentation that the State Tax Commission may require.

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

869 27-7-22.22. (1) A credit is allowed against the taxes
870 imposed by this chapter to a taxpayer for allowing land owned by
871 the taxpayer to be used as a natural area preserve, a wildlife
872 refuge or habitat area, a wildlife management area, or for the
873 purpose of providing public outdoor recreational opportunities, as
874 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
875 the following conditions and limitations:

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

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

883 (c) In no event shall the amount of the tax credits
884 allowed by this section for a taxable year exceed the taxpayer's
885 liability for those taxes. Any unused credit amount shall be
886 allowed to be carried forward for five (5) years from the close of
887 the taxable year in which the land was approved for such a use.
888 No such credit shall be allowed the taxpayer against prior years'
889 tax liability.



890 (2) To claim a credit allowed by this section, the taxpayer
891 shall provide any information required by the Mississippi
892 Commission on Wildlife, Fisheries and Parks or the Mississippi
893 Commissioner of Revenue. Every taxpayer claiming a credit under
894 this section shall maintain and make available for inspection by
895 the Mississippi Commission on Wildlife, Fisheries and Parks or the
896 Mississippi Commissioner of Revenue any records that either entity
897 considers necessary to determine and verify the amount of the
898 credit to which the taxpayer is entitled. The burden of proving
899 eligibility for a credit and the amount of the credit rests upon
900 the taxpayer, and no credit may be allowed to a taxpayer that
901 fails to maintain adequate records or to make them available for
902 inspection.

903 (3) Upon approval of the Commission on Wildlife, Fisheries
904 and Parks under subsection (1) (a), a taxpayer seeking to claim any
905 tax credit provided for under this section must submit an
906 application to the Mississippi Commissioner of Revenue for
907 approval of the tax credit. The Mississippi Commissioner of
908 Revenue shall promulgate the rules and forms on which the
909 application is to be submitted. The Mississippi Commissioner of
910 Revenue shall review the application and may approve such
911 application upon determining that it meets the requirements of
912 this section within sixty (60) days after receiving the
913 application.



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

916 27-7-22.23. (1) As used in this section, the term "port"
917 means a state, county or municipal port or harbor established
918 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
919 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
920 59-11-1 through 59-11-7.

921 (2) Subject to the provisions of this section, for any
922 income taxpayer utilizing the port facilities at any port for the
923 import of cargo that is unloaded from a carrier calling at any
924 such port, a credit against the taxes imposed pursuant to this
925 chapter shall be allowed in the amounts provided in this section.
926 In order to be eligible for the credit authorized under this
927 section, a taxpayer must locate its United States headquarters in
928 Mississippi on or after July 1, 2004, employ at least five (5)
929 permanent full-time employees who actually work at such
930 headquarters and have a minimum capital investment of Two Million
931 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this
932 section, "full-time employee" shall mean an employee who works at
933 least thirty-five (35) hours per week.

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

938 (i) Receiving into the port;



939 (ii) Handling from a vessel; and

940 (iii) Wharfage.

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

944 (4) The credit provided for in this section shall not exceed
945 fifty percent (50%) of the amount of tax imposed upon the taxpayer
946 for the taxable year reduced by the sum of all other credits
947 allowable to such taxpayer under this chapter, except credit for
948 tax payments made by or on behalf of the taxpayer. Any unused
949 portion of the credit may be carried forward for the succeeding
950 five (5) years. The maximum cumulative credit that may be claimed
951 by a taxpayer under this section is limited to One Million Dollars
952 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
953 more than twenty-five (25) permanent full-time employees at its
954 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
955 if the taxpayer employs more than twenty-five (25), but not more
956 than one hundred (100) permanent full-time employees at its
957 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
958 if the taxpayer employs more than one hundred (100), but not more
959 than two hundred (200) permanent full-time employees at its
960 headquarters in Mississippi; and Four Million Dollars
961 (\$4,000,000.00) if the taxpayer employs more than two hundred
962 (200) permanent full-time employees at its headquarters in
963 Mississippi.



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

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

971 27-7-22.25. (1) As used in this section, the term "airport"
972 means an airport established pursuant to Chapters 3 and 5, Title
973 61, Mississippi Code of 1972.

974 (2) Subject to the provisions of this section, for any
975 income taxpayer utilizing the facilities at any airport for the
976 export or import of cargo that is unloaded from a carrier at any
977 such airport, a credit against the taxes imposed pursuant to this
978 chapter shall be allowed in the amounts provided in this section.
979 In order to be eligible for the credit authorized under this
980 section, a taxpayer must locate its United States headquarters in
981 Mississippi on or after July 1, 2005, employ at least five (5) new
982 permanent full-time employees who actually work at such
983 headquarters and, after July 1, 2005, invest a minimum of Two
984 Million Dollars (\$2,000,000.00), in the aggregate, in real
985 property and/or personal property in Mississippi. For the
986 purposes of this section, "full-time employee" shall mean an
987 employee who works at least thirty-five (35) hours per week.



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

- 992 (a) Receiving into the airport;
- 993 (b) Aircraft marshalling or handling fees; and
- 994 (c) Aircraft landing fees.

995 (4) The credit provided for in this section shall not exceed
996 fifty percent (50%) of the amount of tax imposed upon the taxpayer
997 for the taxable year reduced by the sum of all other credits
998 allowable to such taxpayer under this chapter, except credit for
999 tax payments made by or on behalf of the taxpayer. Any unused
1000 portion of the credit may be carried forward for the succeeding
1001 five (5) years. The maximum cumulative credit that may be claimed
1002 by a taxpayer under this section is limited to One Million Dollars
1003 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1004 more than twenty-five (25) permanent full-time employees at its
1005 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
1006 if the taxpayer employs more than twenty-five (25), but not more
1007 than one hundred (100) permanent full-time employees at its
1008 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1009 if the taxpayer employs more than one hundred (100), but not more
1010 than two hundred (200) permanent full-time employees at its
1011 headquarters in Mississippi; and Four Million Dollars
1012 (\$4,000,000.00) if the taxpayer employs more than two hundred



1013 (200) permanent full-time employees at its headquarters in
1014 Mississippi.

1015 (5) To obtain the credit provided for in this section, a
1016 taxpayer must provide to the Department of Revenue a statement
1017 from the governing authority of the airport certifying the amount
1018 of charges paid by the taxpayer for which a credit is claimed and
1019 any other information required by the Department of Revenue.

1020 (6) Any taxpayer who is eligible, before July 1, 2025, for
1021 the credit provided for in this section, shall remain eligible for
1022 such credit after July 1, 2025, notwithstanding the repeal of this
1023 section.

1024 **SECTION 18.** Section 27-7-22.27, Mississippi Code of 1972, is
1025 brought forward as follows:

1026 27-7-22.27. (1) As used in this section:

1027 (a) "Business enterprises" means entities primarily
1028 engaged in:

1029 (i) Manufacturing, processing, warehousing,
1030 distribution, wholesaling and research and development, or

1031 (ii) Permanent business enterprises designated by
1032 rule and regulation of the Mississippi Development Authority as
1033 air transportation and maintenance facilities, final destination
1034 or resort hotels having a minimum of one hundred fifty (150) guest
1035 rooms, recreational facilities that impact tourism, movie industry
1036 studios, telecommunications enterprises, data or information



1037 processing enterprises or computer software development
1038 enterprises or any technology intensive facility or enterprise.

1039 (b) "Economically distressed community" means an area
1040 within a municipality that contains groupings of census tracts
1041 that include and are contiguous to the central business district,
1042 where within such census tract groupings at least thirty percent
1043 (30%) of the residents have incomes that are less than the
1044 national poverty level as published by the United States Bureau of
1045 the Census in the most recent decennial census for which data is
1046 available; in which the unemployment rate is at least one and
1047 one-half (1-1/2) times greater than the national average, as
1048 determined by the most recent data from the United States Bureau
1049 of Labor Statistics, including estimates of unemployment developed
1050 using the calculation method of the United States Bureau of Labor
1051 Statistics Census Share; and

1052 (i) The municipal population of which is at least
1053 four thousand (4,000) if any portion of the municipality is
1054 located within a metropolitan area with a population of fifty
1055 thousand (50,000), or more; or

1056 (ii) The municipal population of which is at least
1057 one thousand (1,000) if no portion of the municipality is located
1058 within a metropolitan area with a population of fifty thousand
1059 (50,000), or more.

1060 (c) "Telecommunications enterprises" means entities
1061 engaged in the creation, display, management, storage, processing,



1062 transmission or distribution for compensation of images, text,
1063 voice, video or data by wire or by wireless means, or entities
1064 engaged in the construction, design, development, manufacture,
1065 maintenance or distribution for compensation of devices, products,
1066 software or structures used in the above activities. Companies
1067 organized to do business as commercial broadcast radio stations,
1068 television stations or news organizations primarily serving
1069 in-state markets shall not be included within the definition of
1070 the term "telecommunications enterprises."

1071 (2) The governing authorities of a municipality may
1072 designate an area within such municipality as an economically
1073 distressed community.

1074 (3) Upon designation of an area within a municipality as an
1075 economically distressed community, the governing authorities of a
1076 municipality shall apply to the State Tax Commission for
1077 certification of the area as an economically distressed community.
1078 Such application shall provide the information necessary to
1079 establish certification as an economically distressed community.
1080 The State Tax Commission shall certify an area within a
1081 municipality as an economically distressed community if it finds
1082 that the designation meets the criteria provided for in subsection
1083 (1)(b) of this section.

1084 (4) Permanent business enterprises in areas within
1085 municipalities certified by the State Tax Commission as
1086 economically distressed communities are allowed a job tax credit



1087 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of
1088 the payroll of the enterprise for net new full-time employee jobs
1089 for five (5) years beginning with years two (2) through six (6)
1090 after the creation of the minimum number of jobs required by this
1091 subsection. The number of new full-time jobs must be determined
1092 by comparing the monthly average number of full-time employees
1093 subject to the Mississippi income tax withholding for the taxable
1094 year with the corresponding period of the prior taxable year.
1095 Only those permanent business enterprises that increase employment
1096 by ten (10) or more in an economically distressed community are
1097 eligible for the credit. Credit is not allowed during any of the
1098 five (5) years if the net employment increase falls below ten
1099 (10). The State Tax Commission shall adjust the credit allowed
1100 each year for the net new employment fluctuations above the
1101 minimum level of ten (10).

1102 (5) Tax credits for five (5) years for the taxes imposed by
1103 Section 27-7-5 shall be awarded for additional net new full-time
1104 jobs created by business enterprises qualified under this section.
1105 The State Tax Commission shall adjust the credit allowed in the
1106 event of payroll fluctuations during the additional five (5) years
1107 of credit.

1108 (6) The sale, merger, acquisition, reorganization,
1109 bankruptcy or relocation from one (1) county to another county
1110 within the state of any business enterprise may not create new
1111 eligibility in any succeeding business entity, but any unused job



1112 tax credit may be transferred and continued by any transferee of
1113 the business enterprise. The State Tax Commission shall determine
1114 whether or not qualifying net increases or decreases have occurred
1115 or proper transfers of credit have been made and may require
1116 reports, promulgate regulations, and hold hearings as needed for
1117 substantiation and qualification.

1118 (7) Any tax credit claimed under this section but not used
1119 in any taxable year may be carried forward for five (5) years from
1120 the close of the tax year in which the qualified jobs were
1121 established but the credit established by this section taken in
1122 any one (1) tax year must be limited to an amount not greater than
1123 fifty percent (50%) of the taxpayer's state income tax liability
1124 which is attributable to income derived from operations in the
1125 state for that year.

1126 (8) No business enterprise for the transportation, handling,
1127 storage, processing or disposal of hazardous waste is eligible to
1128 receive the tax credits provided in this section.

1129 (9) The credits allowed under this section shall not be used
1130 by any business enterprise or corporation other than the business
1131 enterprise actually qualifying for the credits.

1132 (10) A business enterprise that receives a tax credit under
1133 this section shall not be eligible for the tax credit authorized
1134 in Section 57-73-21(2), (3) and (4).

1135 **SECTION 19.** Section 27-7-22.28, Mississippi Code of 1972, is
1136 brought forward as follows:



1137 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,
1138 the following terms and phrases shall have the meanings ascribed
1139 in this section unless the context clearly indicates otherwise:

1140 (a) "Alternative energy project" means a business
1141 enterprise engaged in manufacturing or producing alternative
1142 energy in this state with not less than fifty percent (50%) of the
1143 finished product being derived from resources or products from
1144 this state.

1145 (b) "Authority" means the Mississippi Development
1146 Authority.

1147 (c) "Producer" means a manufacturer or producer of
1148 alternative energy through an alternative fuels project.

1149 (d) "State" means the State of Mississippi.

1150 **SECTION 20.** Section 27-7-22.29, Mississippi Code of 1972, is
1151 brought forward as follows:

1152 27-7-22.29. (1) Producers are allowed a job tax credit for
1153 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
1154 (\$1,000.00) annually for each net new full-time employee job for a
1155 period of twenty (20) years from the date the credit begins;
1156 however, if the producer is located in an area that has been
1157 declared by the Governor to be a disaster area and as a direct
1158 result of the disaster the producer is unable to maintain the
1159 required number of employees, the commissioner may extend this
1160 time period for not more two (2) years. The credit shall begin on
1161 the date selected by the producer; however, the beginning date



1162 shall not be more than five (5) years from the date the producer
1163 begins manufacturing or producing alternative energy. For the
1164 year in which the beginning date occurs, the number of new
1165 full-time jobs shall be determined by using the monthly average
1166 number of full-time employees subject to the Mississippi income
1167 tax withholding. Thereafter, the number of new full-time jobs
1168 shall be determined by comparing the monthly average number of
1169 full-time employees subject to the Mississippi income tax
1170 withholding for the taxable year with the corresponding period of
1171 the prior taxable year. Once a producer creates twenty-five (25)
1172 or more new full-time employee jobs, the producer shall be
1173 eligible for the credit; however, if the producer is located in an
1174 area that has been declared by the Governor to be a disaster area
1175 and as a direct result of the disaster the producer is unable to
1176 maintain the required number of employees, the commissioner may
1177 waive the employment requirement for a period of time not to
1178 exceed two (2) years. The credit is not allowed for any year of
1179 the twenty-year period in which the overall monthly average number
1180 of full-time employees subject to the Mississippi income tax
1181 withholding falls below twenty-five (25). The State Tax
1182 Commission shall adjust the credit allowed each year for the net
1183 new employment fluctuations above twenty-five (25).

1184 (2) Any tax credit claimed under this section but not used
1185 in any taxable year may be carried forward for five (5)
1186 consecutive years from the close of the tax year in which the



1187 credits were earned; however, if the producer is located in an
1188 area that has been declared by the Governor to be a disaster area
1189 and as a direct result of the disaster the producer is unable to
1190 use the existing carryforward, the commissioner may extend the
1191 period that the credit may be carried forward for a period of time
1192 not to exceed two (2) years. The credit that may be utilized each
1193 year shall be limited to an amount not greater than the total
1194 state income tax liability of the producer that is generated by,
1195 or arises out of, the alternative energy project.

1196 (3) The tax credits provided for in this section shall be in
1197 lieu of the tax credits provided for in Section 57-73-21 and any
1198 producer utilizing the tax credit authorized in this section shall
1199 not utilize the tax credit authorized in Section 57-73-21.

1200 **SECTION 21.** Section 27-7-22.30, Mississippi Code of 1972, is
1201 brought forward as follows:

1202 27-7-22.30. (1) As used in this section:

1203 (a) "Manufacturing enterprise" means an enterprise
1204 that:

1205 (i) Falls within the definition of the term
1206 "manufacturer" in Section 27-65-11; and

1207 (ii) Has operated in this state for not less than
1208 two (2) years prior to application for the credit authorized by
1209 this section.



1210 The term "manufacturing enterprise" does not include any
1211 medical cannabis establishment as defined in the Mississippi
1212 Medical Cannabis Act.

1213 (b) "Eligible investment" means an investment of at
1214 least One Million Dollars (\$1,000,000.00) in buildings and/or
1215 equipment for the manufacturing enterprise.

1216 (2) A manufacturing enterprise is allowed a manufacturing
1217 investment tax credit for taxes imposed by Section 27-7-5 equal to
1218 five percent (5%) of the eligible investments made by the
1219 manufacturing enterprise.

1220 (3) Any tax credit claimed under this section but not used
1221 in any taxable year may be carried forward for five (5) years from
1222 the close of the tax year in which the eligible investment was
1223 made, but the credit established by this section taken in any one
1224 tax year shall not exceed fifty percent (50%) of the taxpayer's
1225 state income tax liability which is attributable to income derived
1226 from operations in the state for that year reduced by the sum of
1227 all other income tax credits allowable to the taxpayer, except
1228 credit for tax payments made by or on behalf of the taxpayer.

1229 (4) The maximum credit that may be claimed by a taxpayer on
1230 any project shall be limited to One Million Dollars
1231 (\$1,000,000.00).

1232 (5) The credit received under this section is subject to
1233 recapture if the property for which the tax credit was received is
1234 disposed of, or converted to, other than business use. The amount



1235 of the credit subject to recapture is one hundred percent (100%)
1236 of the credit in the first year and fifty percent (50%) of the
1237 credit in the second year. This subsection shall not apply in
1238 cases in which an entire facility is sold.

1239 (6) The sale, merger, acquisition, reorganization,
1240 bankruptcy or relocation from one (1) county to another county
1241 within the state of any manufacturing enterprise may not create
1242 new eligibility in any succeeding business entity, but any unused
1243 manufacturing investment tax credit may be transferred and
1244 continued by any transferee of the enterprise. The department
1245 shall determine whether or not qualifying net increases or
1246 decreases have occurred or proper transfers of credit have been
1247 made and may require reports, promulgate regulations, and hold
1248 hearings as needed for substantiation and qualification.

1249 (7) No manufacturing enterprise for the transportation,
1250 handling, storage, processing or disposal of hazardous waste is
1251 eligible to receive the tax credits provided in this section.

1252 (8) The credits allowed under this section shall not be used
1253 by any business enterprise or corporation other than the
1254 manufacturing enterprise actually qualifying for the credits.

1255 **SECTION 22.** Section 27-7-22.31, Mississippi Code of 1972, is
1256 brought forward as follows:

1257 27-7-22.31. (1) As used in this section:

1258 (a) "Certified historic structure" means a property
1259 located in Mississippi that has been:



1260 (i) Listed individually on the National Register
1261 of Historic Places; or

1262 (ii) Determined eligible for the National Register
1263 of Historic Places by the Secretary of the United States
1264 Department of the Interior and will be listed within thirty (30)
1265 months of claiming the rebate or credit authorized by this
1266 section; or

1267 (iii) Property designated a Mississippi Landmark
1268 by the Department of Archives and History pursuant to Section
1269 39-7-3 et seq.

1270 (b) "Eligible property" means property located in
1271 Mississippi and offered or used for residential or business
1272 purposes.

1273 (c) "Structure in a certified historic district" means
1274 a structure (and its structural components) located in Mississippi
1275 which:

1276 (i) Is listed in the National Register of Historic
1277 Places; or

1278 (ii) Has been determined eligible for the National
1279 Register of Historic Places by the Secretary of the United States
1280 Department of the Interior and will be listed within thirty (30)
1281 months of claiming the rebate or credit authorized by this
1282 section; or

1283 (iii) Is located in a registered historic district
1284 listed on the National Register of Historic Places or located in a



1285 potential district that has been determined eligible for the
1286 National Register of Historic Places by the Secretary of the
1287 United States Department of the Interior and will be listed within
1288 thirty (30) months of claiming the rebate or credit authorized by
1289 this section, and is certified by the Secretary of the United
1290 States Department of the Interior as being of historic
1291 significance to the district; or

1292 (iv) Is certified by the Mississippi Department of
1293 Archives and History as contributing to the historic significance
1294 of:

1295 1. A certified historic district listed on
1296 the National Register of Historic Places; or

1297 2. A potential district that has been
1298 determined eligible for the National Register of Historic Places
1299 by the Secretary of the United States Department of the Interior
1300 and will be listed within thirty (30) months of claiming the
1301 rebate or credit authorized by this section; or

1302 3. A local district that has been certified
1303 by the United States Department of the Interior.

1304 (d) "Department" means the Department of Archives and
1305 History.

1306 (2) Any taxpayer incurring costs and expenses for the
1307 rehabilitation of eligible property, which is a certified historic
1308 structure or a structure in a certified historic district, shall
1309 be entitled to a rebate or credit against the taxes imposed



1310 pursuant to this chapter in an amount equal to twenty-five percent
1311 (25%) of the total costs and expenses of rehabilitation incurred
1312 after January 1, 2006, which shall include, but not be limited to,
1313 qualified rehabilitation expenditures as defined under Section
1314 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
1315 the related regulations thereunder:

1316 (a) If the costs and expenses associated with
1317 rehabilitation exceed:

1318 (i) Five Thousand Dollars (\$5,000.00) in the case
1319 of an owner-occupied dwelling; or

1320 (ii) Fifty percent (50%) of the adjusted basis in
1321 the property in the case of all other properties; and

1322 (b) The rehabilitation is consistent with the standards
1323 of the Secretary of the United States Department of the Interior
1324 as determined by the department.

1325 (3) Any taxpayer eligible for the rebate or credit
1326 authorized by this section may claim the rebate or credit in
1327 phases if:

1328 (a) There is a written set of architectural plans and
1329 specifications for all phases of the rehabilitation (written plans
1330 outlining and describing all phases of the rehabilitation shall be
1331 accepted as written plans and specifications);

1332 (b) The written set of architectural plans and
1333 specifications are completed before the physical work on the
1334 rehabilitation begins; and



1335 (c) The project receives final certification by the
1336 department within sixty (60) months of the project start date
1337 certified in the first phase.

1338 (4) (a) (i) If the amount of the tax credit established by
1339 this section exceeds the total state income tax liability for the
1340 credit year, the amount that exceeds the total state income tax
1341 liability may be carried forward for the ten (10) succeeding tax
1342 years.

1343 (ii) In lieu of claiming a tax credit, the
1344 taxpayer may elect to claim a rebate in the amount of seventy-five
1345 percent (75%) of the amount that would be eligible to claim as a
1346 credit. The election may be made at any time after the
1347 certification of the rebate. If the taxpayer has utilized a tax
1348 credit on an income tax return prior to making an election to
1349 claim a rebate, then the available rebate will be reduced by the
1350 amount of credit utilized.

1351 (iii) Rebate requests shall be submitted to the
1352 department on forms prescribed by the department. The department
1353 will then provide the taxpayer with a voucher for the approved
1354 amount. Within twelve (12) months of the issuance of the voucher
1355 by the department, the taxpayer may submit the voucher to the
1356 Department of Revenue to receive payment. Rebates shall be made
1357 from current tax collections.

1358 (b) Not-for-profit entities, including, but not limited
1359 to, nonprofit corporations organized under Section 79-11-101 et



1360 seq., shall be ineligible for the rebate or credit authorized by
1361 this section. Credits granted to a partnership, a limited
1362 liability company taxed as a partnership or multiple owners of
1363 property shall be passed through to the partners, members or
1364 owners on a pro rata basis or pursuant to an executed agreement
1365 among the partners, members or owners documenting an alternative
1366 distribution method. Partners, members or other owners of a
1367 pass-through entity are not eligible to elect a refund of excess
1368 credit in lieu of a carryforward of the credit. However, a
1369 partnership or limited liability company taxed as a partnership
1370 may elect to claim a rebate at the entity level on a form
1371 prescribed by the department. Additionally, excess tax credits
1372 that are attributable to rehabilitated property that was placed in
1373 service by a pass-through entity prior to January 1, 2011, and
1374 that have previously been allocated to and are held by another
1375 pass-through entity prior to January 1, 2011, may be refunded to
1376 such other pass-through entity.

1377 (5) (a) (i) To claim the rebate or credit authorized
1378 pursuant to this section, the taxpayer shall apply to the
1379 department which shall determine the amount of eligible
1380 rehabilitation costs and expenses and whether the rehabilitation
1381 is consistent with the standards of the Secretary of the United
1382 States Department of the Interior. The department shall issue a
1383 certificate evidencing the date of the rebate or credit and amount
1384 of eligible rebate or credit if the taxpayer is found to be



1385 eligible for the tax rebate or credit. The taxpayer shall attach
1386 the certificate to all income tax returns on which the credit is
1387 claimed. Except as otherwise provided in this paragraph (a), the
1388 department shall not issue certificates evidencing the eligible
1389 rebate or credit which will result in rebates or credits being
1390 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
1391 any one (1) calendar year for projects with total qualified
1392 rehabilitation costs and expenses of One Million Seven Hundred
1393 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
1394 shall also not issue certificates evidencing the eligible rebate
1395 or credit which will result in rebates or credits being awarded in
1396 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
1397 calendar year for projects with total qualified rehabilitation
1398 costs and expenses of less than One Million Seven Hundred Fifty
1399 Thousand Dollars (\$1,750,000.00).

1400 (ii) If claiming a credit instead of a rebate, the
1401 taxpayer shall claim such credit on the income tax return for the
1402 tax year for which the credit is certified.

1403 (b) The date of the rebate or credit shall be certified
1404 in the following order:

1405 (i) The rebate or credit shall be certified based
1406 on the date of project completion.

1407 (ii) If the eligible rebate or credit exceeds the
1408 available limit in the year in which the project is completed, the
1409 rebate or credit shall be certified based on the date the



1410 certification is issued by the department. The department shall
1411 issue the certification in the first calendar year in which the
1412 requested rebate or credit would not exceed the calendar year
1413 limit.

1414 (c) The aggregate amount of tax rebates or credits that
1415 may be awarded under this section shall not exceed One Hundred
1416 Eighty Million Dollars (\$180,000,000.00).

1417 (6) (a) The rebate or credit received by a taxpayer
1418 pursuant to this section is subject to recapture if:

1419 (i) The property is one that has been determined
1420 eligible for the National Register of Historic Places but is not
1421 listed on the National Register of Historic Places within thirty
1422 (30) months of claiming the rebate or credit authorized by this
1423 section;

1424 (ii) The potential district in which the property
1425 is located is not listed on the National Register of Historic
1426 Places within thirty (30) months of claiming the rebate or credit
1427 authorized by this section; or

1428 (iii) The project has not received final
1429 certification by the department within sixty (60) months of the
1430 project start date certified in the first phase.

1431 (b) The taxpayer shall notify the department and the
1432 Department of Revenue if any of the situations that subject the
1433 credit to recapture occur.



1434 (7) (a) The board of trustees of the department shall
1435 establish fees to be charged for the services performed by the
1436 department under this section and shall publish the fee schedule.
1437 The fees contained in the schedule shall be in amounts reasonably
1438 calculated to recover the costs incurred by the department for the
1439 administration of this section. Any taxpayer desiring to
1440 participate in the tax credits authorized by this section shall
1441 pay the appropriate fee as contained in the fee schedule to the
1442 department, which shall be used by the department, without
1443 appropriation, to offset the administrative costs of the
1444 department associated with its duties under this section.

1445 (b) There is hereby created within the State Treasury a
1446 special fund into which shall be deposited all the fees collected
1447 by the department pursuant to this section. Money deposited into
1448 the fund shall not lapse at the end of any fiscal year and
1449 investment earnings on the proceeds in such special fund shall be
1450 deposited into such fund. Money from the fund shall be disbursed
1451 upon warrants issued by the State Fiscal Officer upon requisitions
1452 signed by the executive director of the department to assist the
1453 department in carrying out its duties under this section.

1454 (8) This section shall only apply to taxpayers:

1455 (a) Who have been issued a certificate evidencing the
1456 eligible credit before December 31, 2030; or

1457 (b) Who, before December 31, 2030, have received a
1458 determination in writing from the Mississippi Department of



1459 Archives and History, in accordance with the department's Historic
1460 Preservation Certificate Application, Part 2, that the
1461 rehabilitation is consistent with the historic character of the
1462 property and that the property meets the United States Secretary
1463 of the Interior's Standards for Rehabilitation, or will meet the
1464 standards if certain specified conditions are met, and, who are
1465 issued a certificate evidencing the eligible credit on or after
1466 December 31, 2030.

1467 **SECTION 23.** Section 27-7-22.32, Mississippi Code of 1972, is
1468 brought forward as follows:

1469 27-7-22.32. (1) (a) There shall be allowed as a credit
1470 against the tax imposed by this chapter the amount of the
1471 qualified adoption expenses paid or incurred, not to exceed Five
1472 Thousand Dollars (\$5,000.00), for each dependent child residing
1473 outside Mississippi but legally adopted by a taxpayer under the
1474 laws of this state during calendar year 2023 or during any
1475 calendar year thereafter. A taxpayer claiming a credit under this
1476 paragraph (a) may not claim a credit under paragraph (b) of this
1477 subsection for the adoption of the same child.

1478 (b) There shall be allowed as a credit against the tax
1479 imposed by this chapter the amount of Ten Thousand Dollars
1480 (\$10,000.00) for each dependent child residing in Mississippi and
1481 legally adopted by a taxpayer under the laws of this state during
1482 calendar year 2023 or during any calendar year thereafter. A
1483 taxpayer claiming a credit under this paragraph (b) may not claim



1484 a credit under paragraph (a) of this subsection for the adoption
1485 of the same child.

1486 (2) The tax credit under this section may be claimed for the
1487 taxable year in which the adoption becomes final under the laws of
1488 this state. Any tax credit claimed under this section but not
1489 used in any taxable year may be carried forward for the five (5)
1490 succeeding tax years. A tax credit is allowed under this section
1491 for any child for which an exemption is claimed during the same
1492 taxable year under Section 27-7-21(e). For the purposes of this
1493 section, the term "qualified adoption expenses" means and has the
1494 same definition as that term has in 26 USCA 23.

1495 **SECTION 24.** Section 27-7-22.33, Mississippi Code of 1972, is
1496 brought forward as follows:

1497 27-7-22.33. (1) A taxpayer shall be allowed a credit
1498 against the income taxes imposed under this chapter in an amount
1499 equal to twenty-five percent (25%) of the premium costs paid
1500 during the taxable year for a qualified long-term care insurance
1501 policy as defined in Section 7702B of the Internal Revenue Code
1502 that offers coverage to either the individual, the individual's
1503 spouse, the individual's parent or parent-in-law, or the
1504 individual's dependent as defined in Section 152 of the Internal
1505 Revenue Code.

1506 (2) No taxpayer shall be entitled to the credit with respect
1507 to the same expended amounts for qualified long-term care
1508 insurance which are claimed by another taxpayer.



1509 (3) The credit allowed by this section shall not exceed Five
1510 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
1511 whichever is less, for each qualified long-term care insurance
1512 policy. Any unused tax credit shall not be allowed to be carried
1513 forward to apply to the taxpayer's succeeding year's tax
1514 liability.

1515 (4) No credit shall be allowed under this section with
1516 respect to any premium for qualified long-term care insurance
1517 either deducted or subtracted by the taxpayer in arriving at his
1518 net taxable income under this section or with respect to any
1519 premiums for qualified long-term care insurance which were
1520 excluded from his net taxable income.

1521 **SECTION 25.** Section 27-7-22.34, Mississippi Code of 1972, is
1522 brought forward as follows:

1523 27-7-22.34. (1) As used in this section, "qualified
1524 business or industry" means any company that has been certified by
1525 the Mississippi Major Economic Impact Authority as a project as
1526 defined in Section 57-75-5(f)(xxii).

1527 (2) A qualified business or industry shall be allowed a job
1528 tax credit for taxes imposed by Section 27-7-5 equal to Five
1529 Thousand Dollars (\$5,000.00) annually for each net new full-time
1530 employee job for a period of twenty (20) years from the date the
1531 credit commences; however, if the qualified business or industry
1532 is located in an area that has been declared by the Governor to be
1533 a disaster area and as a direct result of the disaster the



1534 business or industry is unable to maintain the required number of
1535 employees, the commissioner may extend this time period for not
1536 more than two (2) years. The credit shall commence on the date
1537 selected by the business or industry; however, the commencement
1538 date shall not be more than six (6) years from the date the
1539 business or industry commences commercial production. For the
1540 year in which the commencement date occurs, the number of new
1541 full-time jobs shall be determined by using the monthly average
1542 number of full-time employees subject to the Mississippi income
1543 tax withholding. Thereafter, the number of new full-time jobs
1544 shall be determined by comparing the monthly average number of
1545 full-time employees subject to the Mississippi income tax
1546 withholding for the taxable year with the corresponding period of
1547 the prior taxable year. Once a qualified business or industry
1548 creates or increases employment by five hundred (500) or more,
1549 such business or industry shall be eligible for the credit. The
1550 credit is not allowed for any year of the twenty-year period in
1551 which the overall monthly average number of full-time employees
1552 subject to the Mississippi income tax withholding falls below five
1553 hundred (500); however, if the qualified business or industry is
1554 located in an area that has been declared by the Governor to be a
1555 disaster area and as a direct result of the disaster the business
1556 or industry is unable to maintain the required number of
1557 employees, the commissioner may waive the employment requirement
1558 for a period of time not to exceed two (2) years. The State Tax



1559 Commission shall adjust the credit allowed each year for the net
1560 new employment fluctuations above five hundred (500).

1561 (3) Any tax credit claimed under this section but not used
1562 in any taxable year may be carried forward for five (5)
1563 consecutive years from the close of the tax year in which the
1564 credits were earned; however, if the qualified business or
1565 industry is located in an area that has been declared by the
1566 Governor to be a disaster area and as a direct result of the
1567 disaster the business or industry is unable to use the existing
1568 carryforward, the commissioner may extend the period that the
1569 credit may be carried forward for a period of time not to exceed
1570 two (2) years. The credit that may be utilized each year shall be
1571 limited to an amount not greater than the total state income tax
1572 liability of the qualified business or industry that is generated
1573 by, or arises out of, the project.

1574 (4) The tax credits provided for in this section shall be in
1575 lieu of the tax credits provided for in Section 57-73-21 and any
1576 qualified business or industry utilizing the tax credit authorized
1577 in this section shall not utilize the tax credit authorized in
1578 Section 57-73-21.

1579 **SECTION 26.** Section 27-7-22.35, Mississippi Code of 1972, is
1580 brought forward as follows:

1581 27-7-22.35. (1) As used in this section:

1582 (a) "Eligible facility" means and includes a new
1583 facility that creates at least twenty (20) full-time jobs with a



1584 minimum capital investment from private sources of Fifty Million
1585 Dollars (\$50,000,000.00), that:

1586 (i) Consists of all components necessary for the
1587 production of electric energy from the direct firing or co-firing
1588 of biomass or waste heat recovery, and if applicable, other energy
1589 sources;

1590 (ii) Produces both electric energy and useful
1591 thermal energy, such as heat or steam, through the sequential use
1592 of energy (cogeneration); and

1593 (iii) Consists of all components necessary for the
1594 production of synfuel.

1595 An eligible facility includes all burners and boilers, any
1596 handling and delivery equipment that supplies fuel directly to and
1597 is integrated with such burners and boilers, steam headers,
1598 turbines, generators, property used for the collection, processing
1599 or storage of biomass or synfuel, transformers, pipelines and all
1600 other property used in the transmission of electricity or synfuel
1601 and related depreciable property.

1602 (b) "Biomass" means and includes any of the following:

1603 (i) Forest-related mill residues, pulping
1604 by-product and other by-products of wood processing, thinnings,
1605 slash, limbs, bark, brush and other cellulosic plant material or
1606 nonmerchantable forest-related products;



1607 (ii) Solid wood waste materials, including
1608 dunnage, manufacturing and construction wood wastes, demolition
1609 and storm debris and landscape or right-of-way trimmings;
1610 (iii) Agriculture wastes, including orchard tree
1611 crops, vineyard, grain, legumes, sugar and other crop by-products
1612 or residues and livestock waste nutrients;
1613 (iv) All plant and grass material that is grown
1614 exclusively as a fuel for the production of electricity;
1615 (v) Refuse derived fuels consisting of organic
1616 components and fibers of waste water treatment solids; or
1617 (vi) Whole trees.

1618 (c) "Synfuel" means any liquid or gaseous fuel obtained
1619 from biomass.

1620 (d) "Waste heat recovery" means systems that produce
1621 electricity from currently unused waste heat resulting from
1622 combustion or other processes and which do not use an additional
1623 combustion process. The term does not include any system whose
1624 primary purpose is the generation of electricity.

1625 (2) An enterprise owning or operating an eligible facility
1626 is allowed an annual investment tax credit for taxes imposed by
1627 Section 27-7-5 equal to five percent (5%) of investments made by
1628 the enterprise in the initial establishment of an eligible
1629 facility. The credit shall commence on the date selected by the
1630 enterprise; provided, however, that the commencement date shall



1631 not be more than two (2) years from the date the eligible facility
1632 becomes fully operational.

1633 (3) Any tax credit claimed under this section but not used
1634 in any taxable year may be carried forward for five (5)
1635 consecutive years from the close of the tax year in which the
1636 credits were earned. The credit that may be utilized in any one
1637 (1) tax year shall be limited to an amount not greater than fifty
1638 percent (50%) of the total state income tax liability of the
1639 enterprise for that year that is generated by, or arises out of,
1640 the eligible facility.

1641 **SECTION 27.** Section 27-7-22.36, Mississippi Code of 1972, is
1642 brought forward as follows:

1643 27-7-22.36. (1) As used in this section:

1644 (a) "Full-time employee" means an employee who works at
1645 least thirty-five (35) hours per week.

1646 (b) "New cut and sew job" means a job in which the
1647 employee cuts and sews upholstery for upholstered household
1648 furniture and which job did not exist in this state before January
1649 1, 2010.

1650 (2) Any enterprise owning or operating an upholstered
1651 household furniture manufacturing facility is allowed a job tax
1652 credit for taxes imposed by this chapter equal to Two Thousand
1653 Dollars (\$2,000.00) annually for each full-time employee employed
1654 in a new cut and sew job for a period of five (5) years from the
1655 date the credit commences. The credit shall commence on the date



1656 selected by the enterprise. For the year in which the
1657 commencement date occurs, the credit will be determined based on
1658 the monthly average number of full-time employees employed in new
1659 cut and sew jobs subject to the Mississippi income tax withholding
1660 who are employed by the enterprise. For each year thereafter, the
1661 number of new cut and sew jobs shall be determined by comparing
1662 the monthly average number of full-time employees employed in new
1663 cut and sew jobs subject to the Mississippi income tax withholding
1664 for the taxable year with the corresponding period of the prior
1665 taxable year. The Department of Revenue shall verify that the
1666 jobs claimed by enterprises to obtain the credit meet the
1667 definition of the term "new cut and sew job." The Department of
1668 Revenue shall adjust the credit allowed each year for employment
1669 fluctuations.

1670 (3) The credit that may be used each year shall be limited
1671 to an amount not greater than the total state income tax liability
1672 of the enterprise. Any tax credit claimed under this section but
1673 not used in any taxable year may be carried forward for five (5)
1674 consecutive years from the close of the tax year in which the
1675 credits were earned.

1676 (4) The tax credits provided for in this section shall be in
1677 lieu of the tax credits provided for in Section 57-73-21 and any
1678 enterprise using the tax credit authorized in this section shall
1679 not use the tax credit authorized in Section 57-73-21.



1680 (5) Any taxpayer who is eligible for the credit authorized
1681 in this section prior to January 1, 2026, shall be eligible for
1682 the credit authorized in this section, notwithstanding the repeal
1683 of this section, and shall be allowed to carry forward the credit
1684 after January 1, 2026, as provided for in subsection (3) of this
1685 section.

1686 (6) This section shall be repealed from and after January 1,
1687 2026.

1688 **SECTION 28.** Section 27-7-22.37, Mississippi Code of 1972, is
1689 brought forward as follows:

1690 27-7-22.37. (1) There shall be allowed as a credit against
1691 the tax imposed by Section 27-7-5 the amount of the qualified
1692 prekindergarten program support contributions paid to approved
1693 providers, lead partners or collaboratives, not to exceed One
1694 Million Dollars (\$1,000,000.00), by any individual, corporation or
1695 other entity having taxable income under the laws of this state
1696 during calendar year 2013 or during any calendar year thereafter.
1697 In order to qualify for a tax credit, such contributions may
1698 support the local match requirement of approved providers, lead
1699 partners or collaboratives as is necessary to match
1700 state-appropriated funds, and any such providers, lead partners or
1701 collaboratives shall be approved by the State Department of
1702 Education.

1703 (2) Any unused portion of the credit may be carried forward
1704 for three (3) tax years.



1705 (3) Any prekindergarten program support contribution shall
1706 be verified by submission to the Mississippi Department of Revenue
1707 of a copy of the receipt provided to the donor taxpayer by the
1708 prekindergarten program recipient or such other written
1709 verification as may be required by the Department of Revenue.

1710 (4) The maximum amount of donations accepted by the
1711 Department of Revenue in calendar year 2014 shall not exceed Eight
1712 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
1713 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
1714 year 2016 and calendar years thereafter shall not exceed
1715 Thirty-two Million Dollars (\$32,000,000.00), or what is
1716 appropriated by the Legislature to fund Chapter 493, Laws of 2013
1717 each year.

1718 (5) The Mississippi Department of Revenue shall promulgate
1719 rules necessary to effectuate the purposes of Chapter 493, Laws of
1720 2013. Such rules shall include a means of informing the public of
1721 the existence of the prekindergarten support program and the
1722 application process for provider, lead partner and collaborative
1723 candidates.

1724 **SECTION 29.** Section 27-7-22.39, Mississippi Code of 1972, is
1725 brought forward as follows:

1726 27-7-22.39. (1) As used in this section:

1727 (a) "Low-income residents" means persons whose
1728 household income is less than one hundred fifty percent (150%) of
1729 the federal poverty level.



1730 (b) "Qualifying charitable organization" means a
1731 charitable organization that is exempt from federal income
1732 taxation under Section 501(c)(3) of the Internal Revenue Code or
1733 is a designated community action agency that receives community
1734 services block grant program monies pursuant to 42 USC 9901. The
1735 organization must spend at least fifty percent (50%) of its budget
1736 on services to residents of this state who receive temporary
1737 assistance for needy families benefits or low-income residents of
1738 this state and their households or to children who have a chronic
1739 illness or physical, intellectual, developmental or emotional
1740 disability who are residents of this state. A charitable
1741 organization that is exempt from federal income tax under Section
1742 501(c)(3) of the Internal Revenue Code and that meets all other
1743 requirements of this paragraph except that it does not spend at
1744 least fifty percent (50%) of its overall budget in Mississippi may
1745 be a qualifying charitable organization if it spends at least
1746 fifty percent (50%) of its Mississippi budget on services to
1747 qualified individuals in Mississippi and it certifies to the
1748 department that one hundred percent (100%) of the voluntary cash
1749 contributions from the taxpayer will be spent on services to
1750 qualified individuals in Mississippi. Taxpayers choosing to make
1751 donations through an umbrella charitable organization that
1752 collects donations on behalf of member charities shall designate
1753 that the donation be directed to a member charitable organization
1754 that would qualify under this section on a stand-alone basis.



1755 Qualifying charitable organization does not include any entity
1756 that provides, pays for or provides coverage of abortions or that
1757 financially supports any other entity that provides, pays for or
1758 provides coverage of abortions.

1759 (c) "Qualifying foster care charitable organization"
1760 means a qualifying charitable organization that each operating
1761 year provides services to at least one hundred (100) qualified
1762 individuals in this state and spends at least fifty percent (50%)
1763 of its budget on services to qualified individuals in this state.
1764 A charitable organization that is exempt from federal income tax
1765 under Section 501(c)(3) of the Internal Revenue Code and that
1766 meets all other requirements of this paragraph except that it does
1767 not spend at least fifty percent (50%) of its overall budget in
1768 Mississippi may be a qualifying foster care charitable
1769 organization if it spends at least fifty percent (50%) of its
1770 Mississippi budget on services to qualified individuals in
1771 Mississippi and it certifies to the department that one hundred
1772 percent (100%) of the voluntary cash contributions from the
1773 taxpayer will be spent on services to qualified individuals in
1774 Mississippi. For the purposes of this paragraph, "qualified
1775 individual" means a child in a foster care placement program
1776 established by the Department of Child Protection Services, a
1777 child placed under the Safe Families for Children model, or a
1778 child at significant risk of entering a foster care placement



1779 program established by the Department of Child Protection
1780 Services.

1781 (d) "Services" means:

1782 (i) Cash assistance, medical care, child care,
1783 food, clothing, shelter, and job-placement services or any other
1784 assistance that is reasonably necessary to meet immediate basic
1785 needs and that is provided and used in this state;

1786 (ii) Job-training or education services or funding
1787 for parents, foster parents or guardians; or

1788 (iii) Job-training or education services or
1789 funding provided as part of a foster care independent living
1790 program.

1791 (2) (a) Except as provided in subsections (3) and (4) of
1792 this section, a credit is allowed against the taxes imposed by
1793 this chapter for voluntary cash contributions by the taxpayer
1794 during the taxable year to a qualifying charitable organization,
1795 other than a qualifying foster care charitable organization, not
1796 to exceed:

1797 (i) Through calendar year 2022, the lesser of Four
1798 Hundred Dollars (\$400.00) or the amount of the contribution in any
1799 taxable year for a single individual or a head of household; and
1800 for calendar year 2023 and each calendar year thereafter, the
1801 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the
1802 amount of the contribution in any taxable year for a single
1803 individual or a head of household.



1804 (ii) Through calendar year 2022, the lesser of
1805 Eight Hundred Dollars (\$800.00) or the amount of the contribution
1806 in any taxable year for a married couple filing a joint return;
1807 and for calendar year 2023 and each calendar year thereafter, the
1808 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the
1809 amount of the contribution in any taxable year for a married
1810 couple filing a joint return.

1811 (b) From and after January 1, 2023, a credit is also
1812 allowed against ad valorem taxes assessed and levied on real
1813 property for voluntary cash contributions made by the individual
1814 taxpayer during the taxable year to a qualifying charitable
1815 organization, other than a qualifying foster care charitable
1816 organization. The amount of credit that may be utilized by a
1817 taxpayer in a taxable year shall be limited to an amount not to
1818 exceed fifty percent (50%) of the total tax liability of the
1819 taxpayer for ad valorem taxes assessed and levied on real
1820 property. Any tax credit claimed under this paragraph but not
1821 used in any taxable year may be carried forward for five (5)
1822 consecutive years from the close of the tax year in which the
1823 credits were earned.

1824 (3) (a) A separate credit is allowed against the taxes
1825 imposed by this chapter for voluntary cash contributions during
1826 the taxable year to a qualifying foster care charitable
1827 organization. A contribution to a qualifying foster care
1828 charitable organization does not qualify for, and shall not be



1829 included in, any credit amount under subsection (2) of this
1830 section. If the voluntary cash contribution by the taxpayer is to
1831 a qualifying foster care charitable organization, the credit shall
1832 not exceed:

1833 (i) Through calendar year 2022, the lesser of Five
1834 Hundred Dollars (\$500.00) or the amount of the contribution in any
1835 taxable year for a single individual or a head of household; and
1836 for calendar year 2023 and each calendar year thereafter, the
1837 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the
1838 amount of the contribution in any taxable year for a single
1839 individual or a head of household.

1840 (ii) Through calendar year 2022, the lesser of One
1841 Thousand Dollars (\$1,000.00) or the amount of the contribution in
1842 any taxable year for a married couple filing a joint return; and
1843 for calendar year 2023 and each calendar year thereafter, the
1844 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the
1845 contribution in any taxable year for a married couple filing a
1846 joint return.

1847 (b) From and after January 1, 2023, a credit is also
1848 allowed against ad valorem taxes assessed and levied on real
1849 property for voluntary cash contributions made by the individual
1850 taxpayer during the taxable year to a qualifying foster care
1851 charitable organization. The amount of credit that may be
1852 utilized by a taxpayer in a taxable year shall be limited to an
1853 amount not to exceed fifty percent (50%) of the total tax



1854 liability of the taxpayer for ad valorem taxes assessed and levied
1855 on real property. Any tax credit claimed under this paragraph but
1856 not used in any taxable year may be carried forward for five (5)
1857 consecutive years from the close of the tax year in which the
1858 credits were earned.

1859 (4) Subsections (2) and (3) of this section provide separate
1860 credits against taxes imposed by this chapter depending on the
1861 recipients of the contributions. A taxpayer, including a married
1862 couple filing a joint return, in the same taxable year, may either
1863 or both:

1864 (a) Contribute to a qualifying charitable organization,
1865 other than a qualifying foster care charitable organization, and
1866 claim a credit under subsection (2) of this section.

1867 (b) Contribute to a qualifying foster care charitable
1868 organization and claim a credit under subsection (3) of this
1869 section.

1870 (5) A husband and wife who file separate returns for a
1871 taxable year in which they could have filed a joint return may
1872 each claim only one-half (1/2) of the tax credit that would have
1873 been allowed for a joint return.

1874 (6) Except as otherwise provided in subsections (2) and (3)
1875 of this section, if the allowable tax credit exceeds the taxes
1876 otherwise due under this chapter on the claimant's income, or if
1877 there are no taxes due under this chapter, the taxpayer may carry
1878 forward the amount of the claim not used to offset the taxes under



1879 this chapter for not more than five (5) consecutive taxable years'
1880 income tax liability.

1881 (7) The credit allowed by this section is in lieu of a
1882 deduction pursuant to Section 170 of the Internal Revenue Code and
1883 taken for state tax purposes.

1884 (8) Taxpayers taking a credit authorized by this section
1885 shall provide the name of the qualifying charitable organization
1886 and the amount of the contribution to the department on forms
1887 provided by the department.

1888 (9) A qualifying charitable organization shall provide the
1889 department with a written certification that it meets all criteria
1890 to be considered a qualifying charitable organization. The
1891 organization shall also notify the department of any changes that
1892 may affect the qualifications under this section.

1893 (10) The charitable organization's written certification
1894 must be signed by an officer of the organization under penalty of
1895 perjury. The written certification shall include the following:

1896 (a) Verification of the organization's status under
1897 Section 501(c)(3) of the Internal Revenue Code or verification
1898 that the organization is a designated community action agency that
1899 receives community services block grant program monies pursuant to
1900 42 USC 9901.

1901 (b) Financial data indicating the organization's budget
1902 for the organization's prior operating year and the amount of that
1903 budget spent on services to residents of this state who either:



1904 (i) Receive temporary assistance for needy
1905 families benefits;
1906 (ii) Are low-income residents of this state;
1907 (iii) Are children who have a chronic illness or
1908 physical, intellectual, developmental or emotional disability; or
1909 (iv) Are children in a foster care placement
1910 program established by the Department of Child Protection
1911 Services, children placed under the Safe Families for Children
1912 model or children at significant risk of entering a foster care
1913 placement program established by the Department of Child
1914 Protection Services.

1915 (c) A statement that the organization plans to continue
1916 spending at least fifty percent (50%) of its budget on services to
1917 residents of this state who receive temporary assistance for needy
1918 families benefits, who are low-income residents of this state, who
1919 are children who have a chronic illness or physical, intellectual,
1920 developmental or emotional disability or who are children in a
1921 foster care placement program established by the Department of
1922 Child Protection Services, children placed under the Safe Families
1923 for Children model or children at significant risk of entering a
1924 foster care placement program established by the Department of
1925 Child Protection Services. A charitable organization that is
1926 exempt from federal income tax under Section 501(c)(3) of the
1927 Internal Revenue Code and that meets all other requirements for a
1928 qualifying charitable organization or qualifying foster care



1929 charitable organization except that it does not spend at least
1930 fifty percent (50%) of its overall budget in Mississippi shall
1931 submit a statement that it spends at least fifty percent (50%) of
1932 its Mississippi budget on services to qualified individuals in
1933 Mississippi and that one hundred percent (100%) of the voluntary
1934 cash contributions it receives from Mississippi taxpayers will be
1935 spent on services to qualified individuals in Mississippi.

1936 (d) In the case of a foster care charitable
1937 organization, a statement that each operating year it provides
1938 services to at least one hundred (100) qualified individuals in
1939 this state.

1940 (e) A statement that the organization does not provide,
1941 pay for or provide coverage of abortions and does not financially
1942 support any other entity that provides, pays for or provides
1943 coverage of abortions.

1944 (f) Any other information that the department requires
1945 to administer this section.

1946 (11) The department shall review each written certification
1947 and determine whether the organization meets all the criteria to
1948 be considered a qualifying charitable organization and notify the
1949 organization of its determination. The department may also
1950 periodically request recertification from the organization. The
1951 department shall compile and make available to the public a list
1952 of the qualifying charitable organizations.



1953 (12) The aggregate amount of tax credits that may be awarded
1954 under this section in any calendar year shall not exceed Three
1955 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
1956 and for each calendar year thereafter, the aggregate amount of tax
1957 credits that may be awarded under this section in any calendar
1958 year shall not exceed One Million Dollars (\$1,000,000.00). In
1959 addition, any tax credits not awarded under this section before
1960 June 1, 2020, may be allocated during calendar year 2020 under
1961 Section 27-7-22.41 for contributions by taxpayers to eligible
1962 charitable organizations described in Section
1963 27-7-22.41(1)(b)(ii) as provided under such section,
1964 notwithstanding any limitation on the percentage of tax credits
1965 that may be allocated for such contributions.

1966 (13) A taxpayer shall apply for credits with the department
1967 on forms prescribed by the department. In the application the
1968 taxpayer shall certify to the department the dollar amount of the
1969 contributions made or to be made during the calendar year. Within
1970 thirty (30) days after the receipt of an application, the
1971 department shall allocate credits based on the dollar amount of
1972 contributions as certified in the application. However, if the
1973 department cannot allocate the full amount of credits certified in
1974 the application due to the limit on the aggregate amount of
1975 credits that may be awarded under this section in a calendar year,
1976 the department shall so notify the applicant within thirty (30)
1977 days with the amount of credits, if any, that may be allocated to



1978 the applicant in the calendar year. Once the department has
1979 allocated credits to a taxpayer, if the contribution for which a
1980 credit is allocated has not been made as of the date of the
1981 allocation, then the contribution must be made not later than
1982 sixty (60) days from the date of the allocation. If the
1983 contribution is not made within such time period, the allocation
1984 shall be cancelled and returned to the department for
1985 reallocation. Upon final documentation of the contributions, if
1986 the actual dollar amount of the contributions is lower than the
1987 amount estimated, the department shall adjust the tax credit
1988 allowed under this section.

1989 (14) This section shall be repealed from and after January
1990 1, 2025.

1991 **SECTION 30.** Section 27-7-22.40, Mississippi Code of 1972, is
1992 brought forward as follows:

1993 27-7-22.40. (1) The following words and phrases shall have
1994 the meanings ascribed in this section unless the context clearly
1995 indicates:

1996 (a) "Water transportation enterprise" means an
1997 enterprise or establishment primarily engaged in providing inland
1998 water transportation of cargo on lakes, rivers and/or intracoastal
1999 waterways, except on the Great Lakes System.

2000 (b) "Mississippi full-time job" means a job created in
2001 the State of Mississippi on or after January 1, 2019, and filled



2002 by a Mississippi resident who works at least thirty-five (35)
2003 hours per week.

2004 (2) Subject to the provisions of this section, any water
2005 transportation enterprise is allowed a job tax credit for taxes
2006 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
2007 annually for each Mississippi full-time job created for a period
2008 of five (5) years from the date the credit commences. A water
2009 transportation enterprise may not claim a tax credit for the
2010 reemployment of a person whose employment with the enterprise is
2011 terminated by the enterprise if the reemployment by the enterprise
2012 occurs within twelve (12) months from the date of the termination.
2013 The credit shall commence on the date selected by the enterprise.
2014 For the year in which the commencement date occurs, the credit
2015 will be determined based on the monthly average number of
2016 full-time employees employed by the water transportation
2017 enterprise in Mississippi full-time jobs subject to the
2018 Mississippi income tax withholding. For each year thereafter, the
2019 number of Mississippi full-time jobs shall be determined by
2020 comparing the monthly average number of full-time employees
2021 employed at the water transportation enterprise in Mississippi
2022 full-time jobs subject to the Mississippi income tax withholding
2023 for the taxable year with the corresponding period of the prior
2024 taxable year. The Department of Revenue shall adjust the credit
2025 allowed each year for employment fluctuations.



2026 (3) The credit that may be used each year shall be limited
2027 to an amount not greater than the total state income tax liability
2028 of the water transportation enterprise. Any tax credit claimed
2029 under this section but not used in any taxable year may be carried
2030 forward for five (5) consecutive years from the close of the tax
2031 year in which the credits were earned.

2032 (4) The sale, merger, acquisition, reorganization,
2033 bankruptcy or relocation from one (1) county to another county
2034 within the state of any water transportation enterprise may not
2035 create new eligibility in any succeeding business entity, but any
2036 unused job tax credit may be transferred and continued by any
2037 transferee of the water transportation enterprise. The Department
2038 of Revenue shall determine whether or not qualifying net increases
2039 or decreases have occurred or proper transfers of credit have been
2040 made and may require reports, promulgate regulations, and hold
2041 hearings as needed for substantiation and qualification.

2042 (5) The credits allowed under this section shall not be used
2043 by any business enterprise or corporation other than the water
2044 transportation enterprise actually qualifying for the credits.

2045 (6) The maximum aggregate amount of tax credits that may be
2046 claimed by all taxpayers claiming a credit under this section in a
2047 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

2048 (7) Any water transportation enterprise that is eligible for
2049 the credit authorized in this section before January 1, 2026,
2050 shall be eligible for the credit authorized in this section,



2051 notwithstanding the repeal of this section, and shall be allowed
2052 to carry forward the credit after January 1, 2026, as provided
2053 for in subsection (3) of this section.

2054 (8) This section shall be repealed from and after January 1,
2055 2026.

2056 **SECTION 31.** Section 27-7-22.41, Mississippi Code of 1972, is
2057 brought forward as follows:

2058 27-7-22.41. (1) For the purposes of this section, the
2059 following words and phrases shall have the meanings ascribed in
2060 this section unless the context clearly indicates otherwise:

2061 (a) "Department" means the Department of Revenue.

2062 (b) "Eligible charitable organization" means an
2063 organization that is exempt from federal income taxation under
2064 Section 501(c)(3) of the Internal Revenue Code and is:

2065 (i) Licensed by or under contract with the
2066 Mississippi Department of Child Protection Services and provides
2067 services for:

2068 1. The prevention and diversion of children
2069 from custody with the Department of Child Protection Services,

2070 2. The safety, care and well-being of
2071 children in custody with the Department of Child Protection
2072 Services, or

2073 3. The express purpose of creating permanency
2074 for children through adoption; or



2075 (ii) Certified by the department as an educational
2076 services charitable organization that is accredited by a regional
2077 accrediting organization and provides services to:

2078 1. Children in a foster care placement
2079 program established by the Department of Child Protection
2080 Services, children placed under the Safe Families for Children
2081 model, or children at significant risk of entering a foster care
2082 placement program established by the Department of Child
2083 Protection Services,

2084 2. Children who have a chronic illness or
2085 physical, intellectual, developmental or emotional disability, or

2086 3. Children eligible for free or reduced
2087 price meals programs under Section 37-11-7, or selected for
2088 participation in the Promise Neighborhoods Program sponsored by
2089 the U.S. Department of Education.

2090 (2) (a) The tax credit authorized in this section shall be
2091 available only to a taxpayer who is a business enterprise engaged
2092 in commercial, industrial or professional activities and operating
2093 as a corporation, limited liability company, partnership or sole
2094 proprietorship. Except as otherwise provided in this section, a
2095 credit is allowed against the taxes imposed by Sections 27-7-5,
2096 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2097 contributions made by a taxpayer during the taxable year to an
2098 eligible charitable organization. From and after January 1, 2022,
2099 for a taxpayer that is not operating as a corporation, a credit is



2100 also allowed against ad valorem taxes assessed and levied on real
2101 property for voluntary cash contributions made by the taxpayer
2102 during the taxable year to an eligible charitable organization.
2103 The amount of credit that may be utilized by a taxpayer in a
2104 taxable year shall be limited to (i) an amount not to exceed fifty
2105 percent (50%) of the total tax liability of the taxpayer for the
2106 taxes imposed by such sections of law and (ii) an amount not to
2107 exceed fifty percent (50%) of the total tax liability of the
2108 taxpayer for ad valorem taxes assessed and levied on real
2109 property. Any tax credit claimed under this section but not used
2110 in any taxable year may be carried forward for five (5)
2111 consecutive years from the close of the tax year in which the
2112 credits were earned.

2113 (b) A contribution to an eligible charitable
2114 organization for which a credit is claimed under this section does
2115 not qualify for and shall not be included in any credit that may
2116 be claimed under Section 27-7-22.39.

2117 (c) A contribution for which a credit is claimed under
2118 this section may not be used as a deduction by the taxpayer for
2119 state income tax purposes.

2120 (3) Taxpayers taking a credit authorized by this section
2121 shall provide the name of the eligible charitable organization and
2122 the amount of the contribution to the department on forms provided
2123 by the department.



2124 (4) An eligible charitable organization shall provide the
2125 department with a written certification that it meets all criteria
2126 to be considered an eligible charitable organization. An eligible
2127 charitable organization must also provide the department with
2128 written documented proof of its license and/or written contract
2129 with the Mississippi Department of Child Protection Services. The
2130 organization shall also notify the department of any changes that
2131 may affect eligibility under this section.

2132 (5) The eligible charitable organization's written
2133 certification must be signed by an officer of the organization
2134 under penalty of perjury. The written certification shall include
2135 the following:

2136 (a) Verification of the organization's status under
2137 Section 501(c)(3) of the Internal Revenue Code;

2138 (b) A statement that the organization does not provide,
2139 pay for or provide coverage of abortions and does not financially
2140 support any other entity that provides, pays for or provides
2141 coverage of abortions;

2142 (c) A statement that the funds generated from the tax
2143 credit shall be used for educational resources, staff and
2144 expenditures and/or other purposes described in this section.

2145 (d) Any other information that the department requires
2146 to administer this section.

2147 (6) The department shall review each written certification
2148 and determine whether the organization meets all the criteria to



2149 be considered an eligible charitable organization and notify the
2150 organization of its determination. The department may also
2151 periodically request recertification from the organization. The
2152 department shall compile and make available to the public a list
2153 of eligible charitable organizations.

2154 (7) Tax credits authorized by this section that are earned
2155 by a partnership, limited liability company, S corporation or
2156 other similar pass-through entity, shall be allocated among all
2157 partners, members or shareholders, respectively, either in
2158 proportion to their ownership interest in such entity or as the
2159 partners, members or shareholders mutually agree as provided in an
2160 executed document.

2161 (8) (a) A taxpayer shall apply for credits with the
2162 department on forms prescribed by the department. In the
2163 application the taxpayer shall certify to the department the
2164 dollar amount of the contributions made or to be made during the
2165 calendar year. Within thirty (30) days after the receipt of an
2166 application, the department shall allocate credits based on the
2167 dollar amount of contributions as certified in the application.
2168 However, if the department cannot allocate the full amount of
2169 credits certified in the application due to the limit on the
2170 aggregate amount of credits that may be awarded under this section
2171 in a calendar year, the department shall so notify the applicant
2172 within thirty (30) days with the amount of credits, if any, that
2173 may be allocated to the applicant in the calendar year. Once the



2174 department has allocated credits to a taxpayer, if the
2175 contribution for which a credit is allocated has not been made as
2176 of the date of the allocation, then the contribution must be made
2177 not later than sixty (60) days from the date of the allocation.
2178 If the contribution is not made within such time period, the
2179 allocation shall be cancelled and returned to the department for
2180 reallocation. Upon final documentation of the contributions, if
2181 the actual dollar amount of the contributions is lower than the
2182 amount estimated, the department shall adjust the tax credit
2183 allowed under this section.

2184 (b) A taxpayer who applied for a tax credit under this
2185 section during calendar year 2020, but who was unable to be
2186 awarded the credit due to the limit on the aggregate amount of
2187 credits authorized for calendar year 2020, shall be given priority
2188 for tax credits authorized to be allocated to taxpayers under this
2189 section by Section 27-7-22.39.

2190 (c) For the purposes of using a tax credit against ad
2191 valorem taxes assessed and levied on real property, a taxpayer
2192 shall present to the appropriate tax collector the tax credit
2193 documentation provided to the taxpayer by the Department of
2194 Revenue, and the tax collector shall apply the tax credit against
2195 such ad valorem taxes. The tax collector shall forward the tax
2196 credit documentation to the Department of Revenue along with the
2197 amount of the tax credit applied against ad valorem taxes, and the
2198 department shall disburse funds to the tax collector for the



2199 amount of the tax credit applied against ad valorem taxes. Such
2200 payments by the Department of Revenue shall be made from current
2201 tax collections.

2202 (9) The aggregate amount of tax credits that may be
2203 allocated by the department under this section during a calendar
2204 year shall not exceed Five Million Dollars (\$5,000,000.00), and
2205 not more than fifty percent (50%) of tax credits allocated during
2206 a calendar year may be allocated for contributions to eligible
2207 charitable organizations described in subsection (1)(b)(ii) of
2208 this section. However, for calendar year 2021, the aggregate
2209 amount of tax credits that may be allocated by the department
2210 under this section during a calendar year shall not exceed Ten
2211 Million Dollars (\$10,000,000.00), for calendar year 2022, the
2212 aggregate amount of tax credits that may be allocated by the
2213 department under this section during a calendar year shall not
2214 exceed Sixteen Million Dollars (\$16,000,000.00), and for calendar
2215 year 2023, and for each calendar year thereafter, the aggregate
2216 amount of tax credits that may be allocated by the department
2217 under this section during a calendar year shall not exceed
2218 Eighteen Million Dollars (\$18,000,000.00). For calendar year
2219 2021, and for each calendar year thereafter, fifty percent (50%)
2220 of the tax credits allocated during a calendar year shall be
2221 allocated for contributions to eligible charitable organizations
2222 described in subsection (1)(b)(i) of this section and fifty
2223 percent (50%) of the tax credits allocated during a calendar year



2224 shall be allocated for contributions to eligible charitable
2225 organizations described in subsection (1)(b)(ii) of this section.
2226 For calendar year 2021, and for each calendar year thereafter, for
2227 credits allocated during a calendar year for contributions to
2228 eligible charitable organizations described in subsection
2229 (1)(b)(i) of this section, no more than twenty-five percent (25%)
2230 of such credits may be allocated for contributions to a single
2231 eligible charitable organization. Except as otherwise provided in
2232 this section, for calendar year 2021, and for each calendar year
2233 thereafter, for credits allocated during a calendar year for
2234 contributions to eligible charitable organizations described in
2235 subsection (1)(b)(ii) of this section, no more than four and
2236 one-half percent (4-1/2%) of such credits may be allocated for
2237 contributions to a single eligible charitable organization.

2238 **SECTION 32.** Section 27-7-22.42, Mississippi Code of 1972, is
2239 brought forward as follows:

2240 27-7-22.42. (1) The following words and phrases shall have
2241 the meanings as defined in this section unless the context clearly
2242 indicates otherwise:

2243 (a) "Eligible taxpayer" means any railroad that is
2244 classified by the United States Surface Transportation Board as a
2245 Class II or Class III railroad.

2246 (b) "Eligible transferee" means any taxpayer having a
2247 liability for taxes under this chapter.



2248 (c) "Qualified railroad reconstruction or replacement
2249 expenditures" means gross expenditures for maintenance,
2250 reconstruction or replacement of railroad infrastructure,
2251 including track, roadbed, bridges, industrial leads and sidings,
2252 and track-related structures owned or leased by a Class II or
2253 Class III railroad in Mississippi as of January 1, 2022.

2254 (d) "Qualified new rail infrastructure expenditures"
2255 means gross expenditures for new construction of industrial leads,
2256 switches, spurs and sidings and extensions of existing sidings,
2257 for serving new customer locations or expansions in Mississippi,
2258 by a Class II or Class III railroad located in Mississippi.

2259 (2) Subject to the provisions of this section, an eligible
2260 taxpayer making qualified railroad reconstruction or replacement
2261 expenditures shall be allowed a credit against the taxes imposed
2262 under this chapter. The credit shall be for an amount equal to
2263 the lesser of fifty percent (50%) of an eligible taxpayer's
2264 qualified railroad reconstruction or replacement expenditures for
2265 the taxable year or the product of Five Thousand Dollars
2266 (\$5,000.00) multiplied by the number of miles of railroad track
2267 owned or leased within the State of Mississippi by the eligible
2268 taxpayer as of the close of the taxable year. For qualified new
2269 rail infrastructure expenditures, the credit shall be for an
2270 amount equal to the lesser of fifty percent (50%) of an eligible
2271 taxpayer's qualified new rail infrastructure expenditures for the
2272 taxable year, capped at One Million Dollars (\$1,000,000.00) per



2273 new rail-served customer project. However, the tax credit shall
2274 not exceed the amount of tax imposed upon the taxpayer for the
2275 taxable year reduced by the sum of all other credits allowable to
2276 the taxpayer under this chapter, except credit for tax payments
2277 made by or on behalf of the taxpayer. Any tax credit claimed
2278 under this section but not used in any taxable year may be carried
2279 forward for five (5) consecutive years from the close of the
2280 taxable year in which the credit was earned. The aggregate amount
2281 of credits that may be claimed by all taxpayers claiming a credit
2282 under this section during a calendar year shall not exceed Eight
2283 Million Dollars (\$8,000,000.00). In addition, an eligible
2284 taxpayer may transfer by written agreement any unused tax credit
2285 to an eligible transferee at any time during the year in which the
2286 credit is earned and the five (5) years following the taxable year
2287 in which the qualified railroad reconstruction or replacement
2288 expenditures or the qualified new rail infrastructure expenditures
2289 are made. The eligible taxpayer and the eligible transferee must
2290 jointly file a copy of the written transfer agreement with the
2291 Department of Revenue within thirty (30) days of the transfer.
2292 The written agreement must contain the: (a) name, address, and
2293 taxpayer identification number of the parties to the transfer; (b)
2294 taxable year the eligible taxpayer incurred the qualified railroad
2295 reconstruction or replacement expenditures or the qualified new
2296 rail infrastructure expenditures; (c) amount of credit being



2297 transferred; and (d) taxable year or years for which the credit
2298 may be claimed by the eligible transferee.

2299 This section shall stand repealed on January 1, 2024.

2300 **SECTION 33.** Section 27-7-22.43, Mississippi Code of 1972, is
2301 brought forward as follows:

2302 27-7-22.43. (1) This section shall be known and may be
2303 cited as the "Pregnancy Resource Act."

2304 (2) For the purposes of this section, the following words
2305 and phrases shall have the meanings ascribed in this section
2306 unless the context clearly indicates otherwise:

2307 (a) "Department" means the Department of Revenue.

2308 (b) "Eligible charitable organization" means an
2309 organization that is exempt from federal income taxation under
2310 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy
2311 resource center or crisis pregnancy center. To be considered an
2312 "eligible charitable organization" a pregnancy resource center or
2313 crisis pregnancy center must meet the following criteria:

2314 (i) Certify that no more than twenty percent (20%)
2315 of the contributions received under this section will be spent on
2316 administrative purposes;

2317 (ii) File annually with the Secretary of State the
2318 organization's publicly available Internal Revenue Service
2319 filings.

2320 (3) (a) The tax credit authorized in this section shall be
2321 available only to a taxpayer who is a business enterprise engaged



2322 in commercial, industrial or professional activities and operating
2323 as a corporation, limited liability company, partnership or sole
2324 proprietorship. Except as otherwise provided in this section, a
2325 credit is allowed against the taxes imposed by Sections 27-7-5,
2326 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2327 contributions made by a taxpayer during the taxable year to an
2328 eligible charitable organization. For calendar year 2022, for a
2329 taxpayer that is not operating as a corporation, a credit is also
2330 allowed against ad valorem taxes assessed and levied on real
2331 property for voluntary cash contributions made by the taxpayer
2332 during the taxable year to an eligible charitable organization.
2333 From and after January 1, 2023, a credit is also allowed against
2334 ad valorem taxes assessed and levied on real property for
2335 voluntary cash contributions made by a taxpayer during the taxable
2336 year to an eligible charitable organization. The amount of credit
2337 that may be utilized by a taxpayer in a taxable year shall be
2338 limited to (i) an amount not to exceed fifty percent (50%) of the
2339 total tax liability of the taxpayer for the taxes imposed by such
2340 sections of law and (ii) an amount not to exceed fifty percent
2341 (50%) of the total tax liability of the taxpayer for ad valorem
2342 taxes assessed and levied on real property. Any tax credit
2343 claimed under this section but not used in any taxable year may be
2344 carried forward for five (5) consecutive years from the close of
2345 the tax year in which the credits were earned.



2346 (b) A contribution for which a credit is claimed under
2347 this section may not be used as a deduction by the taxpayer for
2348 state income tax purposes.

2349 (4) Taxpayers taking a credit authorized by this section
2350 shall provide the name of the eligible charitable organization and
2351 the amount of the contribution to the department on forms provided
2352 by the department.

2353 (5) An eligible charitable organization shall provide the
2354 department with a written certification that it meets all criteria
2355 to be considered an eligible charitable organization. The
2356 organization shall also notify the department of any changes that
2357 may affect eligibility under this section.

2358 (6) The eligible charitable organization's written
2359 certification must be signed by an officer of the organization
2360 under penalty of perjury. The written certification shall include
2361 the following:

2362 (a) Verification of the organization's status under
2363 Section 501(c)(3) of the Internal Revenue Code;

2364 (b) A statement that the organization does not provide,
2365 pay for or provide coverage of abortions and does not financially
2366 support any other entity that provides, pays for or provides
2367 coverage of abortions;

2368 (c) Any other information that the department requires
2369 to administer this section.



2370 (7) The department shall review each written certification
2371 and determine whether the organization meets all the criteria to
2372 be considered an eligible charitable organization and notify the
2373 organization of its determination. The department may also
2374 periodically request recertification from the organization. The
2375 department shall compile and make available to the public a list
2376 of eligible charitable organizations.

2377 (8) Tax credits authorized by this section that are earned
2378 by a partnership, limited liability company, S corporation or
2379 other similar pass-through entity, shall be allocated among all
2380 partners, members or shareholders, respectively, either in
2381 proportion to their ownership interest in such entity or as the
2382 partners, members or shareholders mutually agree as provided in an
2383 executed document.

2384 (9) (a) A taxpayer shall apply for credits with the
2385 department on forms prescribed by the department. In the
2386 application the taxpayer shall certify to the department the
2387 dollar amount of the contributions made or to be made during the
2388 calendar year. Within thirty (30) days after the receipt of an
2389 application, the department shall allocate credits based on the
2390 dollar amount of contributions as certified in the application.
2391 However, if the department cannot allocate the full amount of
2392 credits certified in the application due to the limit on the
2393 aggregate amount of credits that may be awarded under this section
2394 in a calendar year, the department shall so notify the applicant



2395 within thirty (30) days with the amount of credits, if any, that
2396 may be allocated to the applicant in the calendar year. Once the
2397 department has allocated credits to a taxpayer, if the
2398 contribution for which a credit is allocated has not been made as
2399 of the date of the allocation, then the contribution must be made
2400 not later than sixty (60) days from the date of the allocation.
2401 If the contribution is not made within such time period, the
2402 allocation shall be cancelled and returned to the department for
2403 reallocation. Upon final documentation of the contributions, if
2404 the actual dollar amount of the contributions is lower than the
2405 amount estimated, the department shall adjust the tax credit
2406 allowed under this section.

2407 (b) For the purposes of using a tax credit against ad
2408 valorem taxes assessed and levied on real property, a taxpayer
2409 shall present to the appropriate tax collector the tax credit
2410 documentation provided to the taxpayer by the Department of
2411 Revenue, and the tax collector shall apply the tax credit against
2412 such ad valorem taxes. The tax collector shall forward the tax
2413 credit documentation to the Department of Revenue along with the
2414 amount of the tax credit applied against ad valorem taxes, and the
2415 department shall disburse funds to the tax collector for the
2416 amount of the tax credit applied against ad valorem taxes. Such
2417 payments by the Department of Revenue shall be made from current
2418 tax collections.



2419 (10) The aggregate amount of tax credits that may be
2420 allocated by the department under this section during a calendar
2421 year shall not exceed Three Million Five Hundred Thousand Dollars
2422 (\$3,500,000.00). However, for calendar year 2023, and for each
2423 calendar year thereafter, the aggregate amount of tax credits that
2424 may be allocated by the department under this section during a
2425 calendar year shall not exceed Ten Million Dollars
2426 (\$10,000,000.00). For credits allocated during a calendar year
2427 for contributions to eligible charitable organizations, no more
2428 than twenty-five percent (25%) of such credits may be allocated
2429 for contributions to a single eligible charitable organization;
2430 however, credits not allocated before June 1, may be allocated
2431 without regard to such restriction for the same calendar year.

2432 **SECTION 34.** Section 27-7-22.44, Mississippi Code of 1972, is
2433 brought forward as follows:

2434 27-7-22.44. (1) As used in this section, the following
2435 words shall have the meanings ascribed herein unless the context
2436 clearly requires otherwise:

2437 (a) "Blood donation" means the voluntary and
2438 uncompensated donation of whole blood, or specific components of
2439 blood, by an employee, drawn for use by a nonprofit blood bank
2440 organization as part of a blood drive.

2441 (b) "Blood drive" means a function held at a specific
2442 date and time which is organized by a nonprofit blood bank



2443 organization in coordination with an employer or group of
2444 employers and is closed to nonemployees.

2445 (c) "Employee" means an individual employed by an
2446 employer authorized to claim a tax credit under this section.

2447 (d) "Employer" means a sole proprietor, general
2448 partnership, limited partnership, limited liability company,
2449 corporation or other legally recognized business entity.

2450 (e) "Verified donation" means a blood donation by an
2451 employee, made during a blood drive, which can be documented by an
2452 employer.

2453 (2) Subject to the provisions of this section, for calendar
2454 year 2022 and for calendar year 2023, a taxpayer that is an
2455 employer shall be allowed a credit against the taxes imposed under
2456 this chapter for each verified blood donation made by an employee
2457 as part of a blood drive. The credit shall be for an amount equal
2458 to Twenty Dollars (\$20.00) for each verified donation. However,
2459 the tax credit shall not exceed the amount of tax imposed upon the
2460 taxpayer for the taxable year reduced by the sum of all other
2461 credits allowable to the taxpayer under this chapter, except
2462 credit for tax payments made by or on behalf of the taxpayer. The
2463 maximum aggregate amount of tax credits that may be claimed by all
2464 taxpayers claiming a credit under this section in a taxable year
2465 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The
2466 department shall annually calculate and publish a percentage by
2467 which the tax credit authorized by this section shall be reduced



2468 so the maximum aggregate amount of tax credits claimed by all
2469 taxpayers claiming a credit in a taxable year does not exceed One
2470 Hundred Thousand Dollars (\$100,000.00).

2471 **SECTION 35.** Section 27-7-22.45, Mississippi Code of 1972, is
2472 brought forward as follows:

2473 27-7-22.45. (1) As used in this section,

2474 (a) "Affiliated enterprise" or an "affiliate" shall
2475 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2476 (b) "Authority" shall have the meaning ascribed to such
2477 term in Section 57-75-5(b);

2478 (c) "Project" shall have the meaning ascribed to such
2479 term in Section 57-75-5(f)(xxxi); and

2480 (d) "Qualified business or industry" shall mean any
2481 company that has been certified by the Major Economic Impact
2482 Authority as a project as defined in Section 57-75-5(f)(xxxi), or
2483 any other company which becomes subject to the tax levied by this
2484 chapter because it is an affiliate of the company that has been
2485 certified by the Major Economic Impact Authority as a project as
2486 defined in Section 57-75-5(f)(xxxi).

2487 (2) Each qualified business or industry shall be allowed an
2488 annual credit, for a period of fifteen (15) successive years,
2489 against the tax imposed by this chapter upon such qualified
2490 business or industry in each such year, in an annual amount equal
2491 to the amount of the qualified business's or industry's tax
2492 imposed by this chapter for each such year during the fifteen (15)



2493 year period on income derived thereby from any project, as defined
2494 by Section 57-75-5(f) (xxxi).

2495 (3) The tax credit authorized by this section may be
2496 utilized by any qualified business or industry and by any
2497 affiliates thereof that file a combined tax return for the tax
2498 imposed by this chapter. The credit shall not apply to offset tax
2499 on income derived from activities subject to Mississippi income
2500 tax prior to certification of the project.

2501 (4) A qualified business or industry may elect the date upon
2502 which the fifteen (15) year period will begin; however, the date
2503 may not be later than twenty-four (24) months after the date the
2504 qualified business or industry begins commercial production of the
2505 project or such earlier date prescribed by a definitive written
2506 agreement between the authority and the qualified business or
2507 industry and/or an affiliate thereof.

2508 (5) In the event that the annual number of full-time jobs
2509 maintained or caused to be maintained by the qualified business or
2510 industry and/or any affiliate thereof falls below the minimum
2511 annual number of full-time jobs required by the authority pursuant
2512 to a written agreement between the authority and the qualified
2513 business or industry and/or any affiliate thereof for one or more
2514 years, the annual tax credit granted by this section may be
2515 reduced or suspended by the authority until the first tax year
2516 during which the annual number of full-time jobs maintained or
2517 caused to be maintained by the qualified business or industry



2518 and/or any affiliate thereof reaches the minimum annual number of
2519 full-time jobs required by the authority pursuant to a written
2520 agreement between the authority and the qualified business or
2521 industry and/or any affiliate thereof.

2522 (6) A qualified business or industry that utilizes the
2523 annual tax credits authorized by this section shall not be
2524 eligible for the credits authorized in Sections 57-73-21 through
2525 57-73-29.

2526 (7) A qualified business or industry shall be entitled to
2527 utilize a single sales apportionment factor in the calculation of
2528 its liability for income tax imposed by this chapter for any year
2529 for which it files a Mississippi income tax return. The qualified
2530 business or industry shall be entitled to continue to utilize such
2531 single sales apportionment factor notwithstanding a suspension of
2532 the income tax credit pursuant to subsection (5) of this section.
2533 In no event shall a qualified business or industry be entitled to
2534 utilize a single sales apportionment factor for purposes of
2535 calculating its liability for income tax imposed by this chapter
2536 on any income derived from any operations or activities thereof
2537 subject to tax liability imposed by this chapter prior to January
2538 1, 2023, except to the extent that the qualified business or
2539 industry is entitled to utilize a single sales apportionment
2540 factor in the calculation of its liability for income tax on
2541 income derived from any operations or activities thereof subject
2542 to tax liability imposed by this chapter prior to January 1, 2023,



2543 pursuant to any other section of law or regulation duly adopted by
2544 the department.

2545 (8) The Mississippi Development Authority may promulgate
2546 rules and regulations necessary to administer the provisions of
2547 this section.

2548 **SECTION 36.** Section 27-7-22.46, Mississippi Code of 1972, is
2549 brought forward as follows:

2550 27-7-22.46. (1) For the purposes of this section, the
2551 following words and phrases shall have the meanings ascribed in
2552 this section unless the context clearly indicates otherwise:

2553 (a) "Department" means the Department of Revenue.

2554 (b) "Eligible charitable organization" means an
2555 organization that is exempt from federal income taxation under
2556 Section 501(c)(3) of the Internal Revenue Code and is purchasing,
2557 warehousing and delivering food directly to food pantries or soup
2558 kitchens in more than five (5) Mississippi counties on a monthly
2559 basis.

2560 (2) (a) The tax credit authorized in this section shall be
2561 available only to a taxpayer that is a business enterprise engaged
2562 in commercial, industrial or professional activities and operating
2563 as a corporation, limited liability company, partnership or sole
2564 proprietorship. Except as otherwise provided in this section, a
2565 credit is allowed against the taxes imposed by Sections 27-7-5,
2566 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2567 contributions made by a taxpayer during the taxable year to an



2568 eligible charitable organization. A credit is also allowed
2569 against ad valorem taxes assessed and levied on real property for
2570 voluntary cash contributions made by the taxpayer during the
2571 taxable year to an eligible charitable organization. The amount
2572 of credit that may be utilized by a taxpayer in a taxable year
2573 shall be limited to (i) an amount not to exceed fifty percent
2574 (50%) of the total tax liability of the taxpayer for the taxes
2575 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
2576 and (ii) an amount not to exceed fifty percent (50%) of the total
2577 tax liability of the taxpayer for ad valorem taxes assessed and
2578 levied on real property. Any credit claimed under this section
2579 but not used in the tax year in which it was earned may be carried
2580 forward for five (5) consecutive years from the close of the tax
2581 year in which it was earned.

2582 (b) A contribution for which a credit is claimed under
2583 this section may not be used as a deduction by the taxpayer for
2584 state income tax purposes.

2585 (3) A taxpayer taking a credit authorized by this section
2586 shall provide the name of the eligible charitable organization and
2587 the amount of the contribution to the department on forms provided
2588 by the department.

2589 (4) To be considered an eligible charitable organization
2590 under this section, an organization shall provide the department
2591 with a written certification that it meets all criteria. The



2592 organization shall also notify the department of any changes that
2593 may affect eligibility under this section.

2594 (5) The eligible charitable organization's written
2595 certification must be signed by an officer of the organization
2596 under penalty of perjury. The written certification shall include
2597 the following:

2598 (a) Verification of the organization's status under
2599 Section 501(c) (3) of the Internal Revenue Code;

2600 (b) A statement that the organization will use the
2601 contribution only for the purchasing of food and will deliver the
2602 food to food pantries and soup kitchens in the state; and

2603 (c) Any other information that the department requires
2604 in order to administer this section.

2605 (6) The department shall review each written certification
2606 and determine whether the organization meets all the criteria to
2607 be considered an eligible charitable organization and shall notify
2608 the organization of its determination. The department may also
2609 periodically request recertification from the organization. The
2610 department shall compile and make available to the public a list
2611 of eligible charitable organizations.

2612 (7) Tax credits authorized by this section that are earned
2613 by a partnership, limited liability company, S corporation or
2614 other similar pass-through entity, shall be allocated among all
2615 partners, members or shareholders, respectively, either in
2616 proportion to their ownership interest in such entity or as the



2617 partners, members or shareholders mutually agree as provided in an
2618 executed document.

2619 (8) (a) A taxpayer shall apply for credits with the
2620 department on forms prescribed by the department. In the
2621 application, the taxpayer shall certify to the department the
2622 dollar amount of the contributions made or to be made during the
2623 calendar year. Within thirty (30) days after the receipt of an
2624 application, the department shall allocate credits based on the
2625 dollar amount of contributions as certified in the application.
2626 However, if the department cannot allocate the full amount of
2627 credits certified in the application due to the limit on the
2628 aggregate amount of credits that may be awarded under this section
2629 in a calendar year, the department shall so notify the applicant
2630 within thirty (30) days with the amount of credits, if any, that
2631 may be allocated to the applicant in the calendar year. Once the
2632 department has allocated credits to a taxpayer, if the
2633 contribution for which a credit is allocated has not been made as
2634 of the date of the allocation, then the contribution must be made
2635 not later than sixty (60) days from the date of the allocation.
2636 If the contribution is not made within such time period, the
2637 allocation shall be cancelled and returned to the department for
2638 reallocation. Upon final documentation of the contribution, if
2639 the actual dollar amount of the contribution is lower than the
2640 amount estimated, the department shall adjust the tax credit
2641 allowed under this section.



2642 (b) For the purposes of using a tax credit against ad
2643 valorem taxes assessed and levied on real property, a taxpayer
2644 shall present to the appropriate tax collector the tax credit
2645 documentation provided to the taxpayer by the department, and the
2646 tax collector shall apply the tax credit against such ad valorem
2647 taxes. The tax collector shall forward the tax credit
2648 documentation to the department along with the amount of the tax
2649 credit applied against ad valorem taxes, and the department shall
2650 disburse funds to the tax collector for the amount of the tax
2651 credit applied against ad valorem taxes. Such payments by the
2652 department shall be made from current tax collections.

2653 (9) The aggregate amount of tax credits that may be
2654 allocated by the department under this section during a calendar
2655 year shall not exceed One Million Dollars (\$1,000,000.00).

2656 **SECTION 37.** Section 27-7-22.47, Mississippi Code of 1972, is
2657 brought forward as follows:

2658 27-7-22.47. (1) For the purposes of this section, the
2659 following words and phrases shall have the meanings ascribed in
2660 this section unless the context clearly indicates otherwise:

2661 (a) "Department" means the Department of Revenue.

2662 (b) "Eligible transitional home organization" means an
2663 organization that is exempt from federal income taxation under
2664 Section 501(c)(3) of the Internal Revenue Code that provides
2665 transitional housing for homeless persons age twenty-five (25) and



2666 under, homeless families and/or homeless and/or referred unwed
2667 pregnant women.

2668 "Eligible transitional home organization" does not include
2669 any entity that provides, pays for or provides coverage of
2670 abortions or that financially supports any other entity that
2671 provides, pays for or provides coverage of abortions.

2672 "Eligible transitional home organization" does not include
2673 any entity that charges a fee for the services and/or benefits it
2674 provides as an eligible transitional home organization. The
2675 prohibition against charging a fee for services and/or benefits is
2676 limited to services and benefits the entity provides as an
2677 eligible transitional home organization and does not apply to any
2678 other services and/or benefits the entity may provide to persons
2679 not being served by the entity's transitional home services.

2680 (c) "Transitional housing" means temporary housing the
2681 purpose of which is to provide homeless persons age twenty-five
2682 (25) and under, homeless families and/or homeless and/or referred
2683 unwed pregnant women with temporary shelter and facilitate their
2684 movement to permanent housing within an amount of time that the
2685 eligible transitional home organization determines to be
2686 appropriate.

2687 "Transitional housing" includes a program designed by the
2688 eligible transitional home organization that offers structure,
2689 supervision, support, life skills, education and training as the
2690 eligible transitional home organization determines to be



2691 appropriate for each individual and/or family to achieve and/or
2692 maintain independence.

2693 (2) (a) (i) The tax credit authorized in this subsection
2694 shall be available only to a taxpayer who is a business enterprise
2695 engaged in commercial, industrial or professional activities and
2696 operating as a corporation, limited liability company, partnership
2697 or sole proprietorship. Except as otherwise provided in this
2698 subsection, a credit is allowed against the taxes imposed by
2699 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2700 cash contributions made by a taxpayer during the taxable year to
2701 an eligible transitional home organization. A credit is also
2702 allowed against ad valorem taxes assessed and levied on real
2703 property for voluntary cash contributions made by the taxpayer
2704 during the taxable year to an eligible transitional home
2705 organization. The amount of credit that may be utilized by a
2706 taxpayer in a taxable year shall be limited to an amount not to
2707 exceed fifty percent (50%) of the total tax liability of the
2708 taxpayer for the taxes imposed by such sections of law and an
2709 amount not to exceed fifty percent (50%) of the total tax
2710 liability of the taxpayer for ad valorem taxes assessed and levied
2711 on real property. Any tax credit claimed under this subsection
2712 but not used in any taxable year may be carried forward for five
2713 (5) consecutive years from the close of the tax year in which the
2714 credits were earned.



2715 (ii) A contribution to an eligible transitional
2716 home organization for which a credit is claimed under this
2717 subsection does not qualify for and shall not be included in any
2718 credit that may be claimed under subsection (3) of this section.

2719 (iii) A contribution for which a credit is claimed
2720 under this subsection may not be used as a deduction by the
2721 taxpayer for state income tax purposes.

2722 (b) Taxpayers taking a credit authorized by this
2723 subsection shall provide the name of the eligible transitional
2724 home organization and the amount of the contribution to the
2725 department on forms provided by the department.

2726 (c) An eligible transitional home organization shall
2727 provide the department with a written certification that it meets
2728 all criteria to be considered an eligible transitional home
2729 organization. The organization shall also notify the department
2730 of any changes that may affect eligibility under this section.

2731 (d) The eligible transitional home organization's
2732 written certification must be signed by an officer of the
2733 organization under penalty of perjury. The written certification
2734 shall include the following:

2735 (i) Verification of the organization's status
2736 under Section 501(c)(3) of the Internal Revenue Code;

2737 (ii) Information about the facilities that
2738 demonstrate the applicant's ability to provide housing for



2739 homeless persons age twenty-five (25) and under, homeless
2740 families, and/or homeless and/or referred unwed pregnant women;

2741 (iii) Sufficient materials to document the program
2742 of the applicant that demonstrate that the applicant has and runs
2743 a program that offers structure, supervision, support, life
2744 skills, education and training as the eligible transitional home
2745 organization determines to be appropriate for each individual
2746 and/or family to achieve and/or maintain independence;

2747 (iv) A statement that the organization does not
2748 charge a fee for services or benefits provided in whole or in part
2749 by its transitional housing program; and

2750 (v) Any other information that the department
2751 requires to administer this section.

2752 (e) The department shall review each written
2753 certification and determine whether the organization meets all the
2754 criteria to be considered an eligible transitional home
2755 organization and notify the organization of its determination.

2756 The department may also periodically request recertification from
2757 the organization. The department shall compile and make available
2758 to the public a list of eligible transitional home organizations.

2759 (f) Tax credits authorized by this subsection that are
2760 earned by a partnership, limited liability company, S corporation
2761 or other similar pass-through entity, shall be allocated among all
2762 partners, members or shareholders, respectively, either in
2763 proportion to their ownership interest in such entity or as the



2764 partners, members or shareholders mutually agree as provided in an
2765 executed document.

2766 (g) (i) A taxpayer shall apply for credits with the
2767 department on forms prescribed by the department. In the
2768 application the taxpayer shall certify to the department the
2769 dollar amount of the contributions made or to be made during the
2770 calendar year. Within thirty (30) days after the receipt of an
2771 application, the department shall allocate credits based on the
2772 dollar amount of contributions as certified in the application.
2773 However, if the department cannot allocate the full amount of
2774 credits certified in the application due to the limit on the
2775 aggregate amount of credits that may be awarded under this
2776 subsection in a calendar year, the department shall so notify the
2777 applicant within thirty (30) days with the amount of credits, if
2778 any, that may be allocated to the applicant in the calendar year.
2779 Once the department has allocated credits to a taxpayer, if the
2780 contribution for which a credit is allocated has not been made as
2781 of the date of the allocation, then the contribution must be made
2782 not later than sixty (60) days from the date of the allocation.
2783 If the contribution is not made within such time period, the
2784 allocation shall be cancelled and returned to the department for
2785 reallocation. Upon final documentation of the contributions, if
2786 the actual dollar amount of the contributions is lower than the
2787 amount estimated, the department shall adjust the tax credit
2788 allowed under this subsection.



2789 (ii) For the purposes of using a tax credit
2790 against ad valorem taxes assessed and levied on real property, a
2791 taxpayer shall present to the appropriate tax collector the tax
2792 credit documentation provided to the taxpayer by the Department of
2793 Revenue, and the tax collector shall apply the tax credit against
2794 such ad valorem taxes. The tax collector shall forward the tax
2795 credit documentation to the Department of Revenue along with the
2796 amount of the tax credit applied against ad valorem taxes, and the
2797 department shall disburse funds to the tax collector for the
2798 amount of the tax credit applied against ad valorem taxes. Such
2799 payments by the Department of Revenue shall be made from current
2800 tax collections.

2801 (h) The aggregate amount of tax credits that may be
2802 allocated by the department under this subsection during a
2803 calendar year shall not exceed Ten Million Dollars
2804 (\$10,000,000.00). For credits allocated during a calendar year
2805 for contributions to eligible transitional home organizations, no
2806 more than twenty-five percent (25%) of such credits may be
2807 allocated for contributions to a single eligible transitional home
2808 organization.

2809 (3) (a) (i) Except as otherwise provided in this
2810 subsection, a credit is allowed against the taxes imposed by this
2811 chapter for voluntary cash contributions by an individual taxpayer
2812 during the taxable year to an eligible transitional home
2813 organization. A credit is also allowed against ad valorem taxes



2814 assessed and levied on real property for voluntary cash
2815 contributions made by an individual taxpayer during the taxable
2816 year to an eligible transitional home organization. The amount of
2817 credit that may be utilized by a taxpayer in a taxable year shall
2818 be limited to an amount not to exceed fifty percent (50%) of the
2819 total tax liability of the taxpayer for the taxes imposed by this
2820 chapter and an amount not to exceed fifty percent (50%) of the
2821 total tax liability of the taxpayer for ad valorem taxes assessed
2822 and levied on real property. Any tax credit claimed under this
2823 subsection but not used in any taxable year may be carried forward
2824 for five (5) consecutive years from the close of the tax year in
2825 which the credits were earned.

2826 (ii) A husband and wife who file separate returns
2827 for a taxable year in which they could have filed a joint return
2828 may each claim only one-half (1/2) of the tax credit that would
2829 have been allowed for a joint return.

2830 (iii) A contribution to an eligible transitional
2831 home organization for which a credit is claimed under this
2832 subsection does not qualify for and shall not be included in any
2833 credit that may be claimed under subsection (2) of this section.

2834 (iv) A contribution for which a credit is claimed
2835 under this subsection may not be used as a deduction by the
2836 taxpayer for state income tax purposes.

2837 (b) Taxpayers taking a credit authorized by this
2838 subsection shall provide the name of the eligible transitional



2839 home organization and the amount of the contribution to the
2840 department on forms provided by the department.

2841 (c) An eligible transitional home organization shall
2842 provide the department with a written certification that it meets
2843 all criteria to be considered an eligible transitional home
2844 organization. The organization shall also notify the department
2845 of any changes that may affect eligibility under this section.

2846 (d) The eligible transitional housing organization's
2847 written certification must be signed by an officer of the
2848 organization under penalty of perjury. The written certification
2849 shall include the following:

2850 (i) Verification of the organization's status
2851 under Section 501(c)(3) of the Internal Revenue Code;

2852 (ii) Information about the facilities that
2853 demonstrate the applicant's ability to provide housing for
2854 homeless persons age twenty-five (25) and under, homeless
2855 families, and/or homeless and/or referred unwed pregnant women;

2856 (iii) Sufficient materials to document the program
2857 of the applicant that demonstrate that the applicant has and runs
2858 a program that offers structure, supervision, support, life
2859 skills, education and training as the eligible transitional home
2860 organization determines to be appropriate for each individual
2861 and/or family to achieve and/or maintain independence;



2862 (iv) A statement that the organization does not
2863 charge a fee for services or benefits provided in whole or in part
2864 by its transitional housing program; and

2865 (v) Any other information that the department
2866 requires to administer this section.

2867 (e) The department shall review each written
2868 certification and determine whether the organization meets all the
2869 criteria to be considered an eligible transitional home
2870 organization and notify the organization of its determination.
2871 The department may also periodically request recertification from
2872 the organization. The department shall compile and make available
2873 to the public a list of eligible transitional home organizations.

2874 (f) (i) A taxpayer shall apply for credits with the
2875 department on forms prescribed by the department. In the
2876 application the taxpayer shall certify to the department the
2877 dollar amount of the contributions made or to be made during the
2878 calendar year. Within thirty (30) days after the receipt of an
2879 application, the department shall allocate credits based on the
2880 dollar amount of contributions as certified in the application.
2881 However, if the department cannot allocate the full amount of
2882 credits certified in the application due to the limit on the
2883 aggregate amount of credits that may be awarded under this
2884 subsection in a calendar year, the department shall so notify the
2885 applicant within thirty (30) days with the amount of credits, if
2886 any, that may be allocated to the applicant in the calendar year.



2887 Once the department has allocated credits to a taxpayer, if the
2888 contribution for which a credit is allocated has not been made as
2889 of the date of the allocation, then the contribution must be made
2890 not later than sixty (60) days from the date of the allocation.
2891 If the contribution is not made within such time period, the
2892 allocation shall be cancelled and returned to the department for
2893 reallocation. Upon final documentation of the contributions, if
2894 the actual dollar amount of the contributions is lower than the
2895 amount estimated, the department shall adjust the tax credit
2896 allowed under this subsection.

2897 (ii) For the purposes of using a tax credit
2898 against ad valorem taxes assessed and levied on real property, a
2899 taxpayer shall present to the appropriate tax collector the tax
2900 credit documentation provided to the taxpayer by the Department of
2901 Revenue, and the tax collector shall apply the tax credit against
2902 such ad valorem taxes. The tax collector shall forward the tax
2903 credit documentation to the Department of Revenue along with the
2904 amount of the tax credit applied against ad valorem taxes, and the
2905 department shall disburse funds to the tax collector for the
2906 amount of the tax credit applied against ad valorem taxes. Such
2907 payments by the Department of Revenue shall be made from current
2908 tax collections.

2909 (g) The aggregate amount of tax credits that may be
2910 allocated by the department under this subsection during a



2911 calendar year shall not exceed One Million Dollars
2912 (\$1,000,000.00).

2913 **SECTION 38.** Section 27-7-22.48, Mississippi Code of 1972, is
2914 brought forward as follows:

2915 27-7-22.48. (1) (a) For the purposes of this section, the
2916 following words and phrases shall have the meanings ascribed in
2917 this section unless the context clearly indicates otherwise:

2918 (i) "Department" means the Department of Revenue.

2919 (ii) "Eligible charitable organization" means an
2920 organization that is exempt from federal income taxation under
2921 Section 501(c)(3) of the Internal Revenue Code and spends at least
2922 fifty percent (50%) of its budget on contracting or making other
2923 agreements or arrangements with physicians and/or nurse
2924 practitioners to provide health care services to low-income
2925 residents of this state including those who are mothers and to
2926 their households.

2927 "Eligible charitable organization" does not include any
2928 entity that provides, pays for or provides coverage of abortions
2929 or that financially supports any other entity that provides, pays
2930 for or provides coverage of abortions.

2931 (iii) "Low-income residents" means persons whose
2932 household income does not exceed one hundred eighty-five percent
2933 (185%) of the federal poverty level converted to a modified
2934 adjusted gross income equivalent standard.



2935 (iv) "Nurse practitioner" means a nurse
2936 practitioner certified under Section 73-15-20, Mississippi Code of
2937 1972.

2938 (v) "Physician" means an individual licensed to
2939 practice medicine or osteopathic medicine under Section 73-25-1 et
2940 seq., Mississippi Code of 1972.

2941 (2) (a) (i) The tax credit authorized in this subsection
2942 shall be available only to a taxpayer who is a business enterprise
2943 engaged in commercial, industrial or professional activities and
2944 operating as a corporation, limited liability company, partnership
2945 or sole proprietorship. Except as otherwise provided in this
2946 subsection, a credit is allowed against the taxes imposed by
2947 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2948 cash contributions made by a taxpayer during the taxable year to
2949 an eligible charitable organization. A credit is also allowed
2950 against ad valorem taxes assessed and levied on real property for
2951 voluntary cash contributions made by the taxpayer during the
2952 taxable year to an eligible charitable organization. The amount
2953 of credit that may be utilized by a taxpayer in a taxable year
2954 shall be limited to an amount not to exceed fifty percent (50%) of
2955 the total tax liability of the taxpayer for the taxes imposed by
2956 such sections of law and an amount not to exceed fifty percent
2957 (50%) of the total tax liability of the taxpayer for ad valorem
2958 taxes assessed and levied on real property. Any tax credit
2959 claimed under this subsection but not used in any taxable year may



2960 be carried forward for five (5) consecutive years from the close
2961 of the tax year in which the credits were earned.

2962 (ii) A contribution to an eligible charitable
2963 organization for which a credit is claimed under this subsection
2964 does not qualify for and shall not be included in any credit that
2965 may be claimed under subsection (3) of this section.

2966 (iii) A contribution for which a credit is claimed
2967 under this subsection may not be used as a deduction by the
2968 taxpayer for state income tax purposes.

2969 (b) Taxpayers taking a credit authorized by this
2970 subsection shall provide the name of the eligible charitable
2971 organization and the amount of the contribution to the department
2972 on forms provided by the department.

2973 (c) An eligible charitable organization shall provide
2974 the department with a written certification that it meets all
2975 criteria to be considered an eligible charitable organization.
2976 The organization shall also notify the department of any changes
2977 that may affect eligibility under this subsection.

2978 (d) The eligible charitable organization's written
2979 certification must be signed by an officer of the organization
2980 under penalty of perjury. The written certification shall include
2981 the following:

2982 (i) Verification of the organization's status
2983 under Section 501(c)(3) of the Internal Revenue Code;



2984 (ii) A statement that the organization does not
2985 provide, pay for or provide coverage of abortions and does not
2986 financially support any other entity that provides, pays for or
2987 provides coverage of abortions;

2988 (iii) Any other information that the department
2989 requires to administer this subsection.

2990 (e) The department shall review each written
2991 certification and determine whether the organization meets all the
2992 criteria to be considered an eligible charitable organization and
2993 notify the organization of its determination. The department may
2994 also periodically request recertification from the organization.
2995 The department shall compile and make available to the public a
2996 list of eligible charitable organizations.

2997 (f) Tax credits authorized by this subsection that are
2998 earned by a partnership, limited liability company, S corporation
2999 or other similar pass-through entity, shall be allocated among all
3000 partners, members or shareholders, respectively, either in
3001 proportion to their ownership interest in such entity or as the
3002 partners, members or shareholders mutually agree as provided in an
3003 executed document.

3004 (g) (i) A taxpayer shall apply for credits with the
3005 department on forms prescribed by the department. In the
3006 application the taxpayer shall certify to the department the
3007 dollar amount of the contributions made or to be made during the
3008 calendar year. Within thirty (30) days after the receipt of an



3009 application, the department shall allocate credits based on the
3010 dollar amount of contributions as certified in the application.
3011 However, if the department cannot allocate the full amount of
3012 credits certified in the application due to the limit on the
3013 aggregate amount of credits that may be awarded under this
3014 subsection in a calendar year, the department shall so notify the
3015 applicant within thirty (30) days with the amount of credits, if
3016 any, that may be allocated to the applicant in the calendar year.
3017 Once the department has allocated credits to a taxpayer, if the
3018 contribution for which a credit is allocated has not been made as
3019 of the date of the allocation, then the contribution must be made
3020 not later than sixty (60) days from the date of the allocation.
3021 If the contribution is not made within such time period, the
3022 allocation shall be cancelled and returned to the department for
3023 reallocation. Upon final documentation of the contributions, if
3024 the actual dollar amount of the contributions is lower than the
3025 amount estimated, the department shall adjust the tax credit
3026 allowed under this subsection.

3027 (ii) For the purposes of using a tax credit
3028 against ad valorem taxes assessed and levied on real property, a
3029 taxpayer shall present to the appropriate tax collector the tax
3030 credit documentation provided to the taxpayer by the Department of
3031 Revenue, and the tax collector shall apply the tax credit against
3032 such ad valorem taxes. The tax collector shall forward the tax
3033 credit documentation to the Department of Revenue along with the



3034 amount of the tax credit applied against ad valorem taxes, and the
3035 department shall disburse funds to the tax collector for the
3036 amount of the tax credit applied against ad valorem taxes. Such
3037 payments by the Department of Revenue shall be made from current
3038 tax collections.

3039 (h) The aggregate amount of tax credits that may be
3040 allocated by the department under this subsection during a
3041 calendar year shall not exceed Three Million Dollars
3042 (\$3,000,000.00).

3043 (3) (a) (i) Except as otherwise provided in this
3044 subsection, a credit is allowed against the taxes imposed by this
3045 chapter for voluntary cash contributions by an individual taxpayer
3046 during the taxable year to an eligible charitable organization. A
3047 credit is also allowed against ad valorem taxes assessed and
3048 levied on real property for voluntary cash contributions made by
3049 the taxpayer during the taxable year to an eligible charitable
3050 organization. The amount of credit that may be utilized by a
3051 taxpayer in a taxable year shall be limited to an amount not to
3052 exceed fifty percent (50%) of the total tax liability of the
3053 taxpayer for the taxes imposed by this chapter and an amount not
3054 to exceed fifty percent (50%) of the total tax liability of the
3055 taxpayer for ad valorem taxes assessed and levied on real
3056 property. Any tax credit claimed under this subsection but not
3057 used in any taxable year may be carried forward for five (5)



3058 consecutive years from the close of the tax year in which the
3059 credits were earned.

3060 (ii) A husband and wife who file separate returns
3061 for a taxable year in which they could have filed a joint return
3062 may each claim only one-half (1/2) of the tax credit that would
3063 have been allowed for a joint return.

3064 (iii) A contribution to an eligible charitable
3065 organization for which a credit is claimed under this subsection
3066 does not qualify for and shall not be included in any credit that
3067 may be claimed under subsection (2) of this section.

3068 (iv) A contribution for which a credit is claimed
3069 under this subsection may not be used as a deduction by the
3070 taxpayer for state income tax purposes.

3071 (b) Taxpayers taking a credit authorized by this
3072 subsection shall provide the name of the eligible charitable
3073 organization and the amount of the contribution to the department
3074 on forms provided by the department.

3075 (c) An eligible charitable organization shall provide
3076 the department with a written certification that it meets all
3077 criteria to be considered an eligible charitable organization.
3078 The organization shall also notify the department of any changes
3079 that may affect eligibility under this subsection.

3080 (d) The eligible charitable organization's written
3081 certification must be signed by an officer of the organization



3082 under penalty of perjury. The written certification shall include
3083 the following:

3084 (i) Verification of the organization's status
3085 under Section 501(c)(3) of the Internal Revenue Code;

3086 (ii) A statement that the organization does not
3087 provide, pay for or provide coverage of abortions and does not
3088 financially support any other entity that provides, pays for or
3089 provides coverage of abortions;

3090 (iii) Any other information that the department
3091 requires to administer this subsection.

3092 (e) The department shall review each written
3093 certification and determine whether the organization meets all the
3094 criteria to be considered an eligible charitable organization and
3095 notify the organization of its determination. The department may
3096 also periodically request recertification from the organization.
3097 The department shall compile and make available to the public a
3098 list of eligible charitable organizations.

3099 (f) (i) A taxpayer shall apply for credits with the
3100 department on forms prescribed by the department. In the
3101 application the taxpayer shall certify to the department the
3102 dollar amount of the contributions made or to be made during the
3103 calendar year. Within thirty (30) days after the receipt of an
3104 application, the department shall allocate credits based on the
3105 dollar amount of contributions as certified in the application.
3106 However, if the department cannot allocate the full amount of



3107 credits certified in the application due to the limit on the
3108 aggregate amount of credits that may be awarded under this
3109 subsection in a calendar year, the department shall so notify the
3110 applicant within thirty (30) days with the amount of credits, if
3111 any, that may be allocated to the applicant in the calendar year.
3112 Once the department has allocated credits to a taxpayer, if the
3113 contribution for which a credit is allocated has not been made as
3114 of the date of the allocation, then the contribution must be made
3115 not later than sixty (60) days from the date of the allocation.
3116 If the contribution is not made within such time period, the
3117 allocation shall be cancelled and returned to the department for
3118 reallocation. Upon final documentation of the contributions, if
3119 the actual dollar amount of the contributions is lower than the
3120 amount estimated, the department shall adjust the tax credit
3121 allowed under this subsection.

3122 (ii) For the purposes of using a tax credit
3123 against ad valorem taxes assessed and levied on real property, a
3124 taxpayer shall present to the appropriate tax collector the tax
3125 credit documentation provided to the taxpayer by the Department of
3126 Revenue, and the tax collector shall apply the tax credit against
3127 such ad valorem taxes. The tax collector shall forward the tax
3128 credit documentation to the Department of Revenue along with the
3129 amount of the tax credit applied against ad valorem taxes, and the
3130 department shall disburse funds to the tax collector for the
3131 amount of the tax credit applied against ad valorem taxes. Such



3132 payments by the Department of Revenue shall be made from current
3133 tax collections.

3134 (g) The aggregate amount of tax credits that may be
3135 allocated by the department under this subsection during a
3136 calendar year shall not exceed One Million Dollars
3137 (\$1,000,000.00).

3138 **SECTION 39.** Section 27-7-22.49, Mississippi Code of 1972, is
3139 brought forward as follows:

3140 27-7-22.49. (1) As used in this section, the following
3141 words and phrases shall have the meanings ascribed in this section
3142 unless the context clearly indicates otherwise:

3143 (a) "Employment-related expenses" means and has the
3144 same definition as such term has in 26 USCS Section 21.

3145 (b) "Qualifying individual" means and has the same
3146 definition as such term has in 26 USCS Section 21(b)(1)(A).

3147 (2) Subject to the provisions of this section, any taxpayer
3148 allowed to claim a federal income tax credit under 26 USCS Section
3149 21 for employment-related expenses incurred related to one (1) or
3150 more qualifying individuals shall be allowed a credit against the
3151 taxes imposed under this chapter in the manner prescribed in this
3152 section. The amount of the credit shall be equal to twenty-five
3153 percent (25%) of the amount of the federal income tax credit
3154 lawfully claimed by the taxpayer for such employment-related
3155 expenses on the taxpayer's federal income tax return. However,
3156 the amount of credit that may be utilized by a taxpayer in a



3157 taxable year shall be limited to an amount not to exceed the total
3158 tax liability of the taxpayer for the taxes imposed under this
3159 chapter. In order to claim the credit provided for in this
3160 section, a taxpayer must claim the federal income tax credit on
3161 the taxpayer's federal income tax return and have an adjusted
3162 gross income for such return of not more than Fifty Thousand
3163 Dollars (\$50,000.00). A taxpayer must provide a copy of such
3164 return and any other information required by the department.

3165 **SECTION 40.** Section 27-7-205, Mississippi Code of 1972, is
3166 brought forward as follows:

3167 27-7-205. As used in this article:

3168 (a) "Qualified community foundation" means an entity
3169 that is exempt from federal income taxation under Section
3170 501(c)(3) of the Internal Revenue Code that is recognized by the
3171 Mississippi Association of Grantmakers as meeting the following
3172 requirements:

3173 (i) It is organized by articles of incorporation
3174 in the State of Mississippi to serve the State of Mississippi, or
3175 one or more Mississippi counties or municipalities, or a
3176 combination thereof;

3177 (ii) It is comprised of permanent, component funds
3178 established by multiple separate donors;

3179 (iii) It supports broad-based charitable interests
3180 that benefit the residents of a defined geographic area, no larger
3181 than the State of Mississippi;



3182 (iv) It is directed by a board of directors that
3183 is comprised of community representatives and is independent in
3184 that it is not subject to the control of another entity;

3185 (v) It actively engages in charitable activities,
3186 including, but not limited to, supporting two (2) or more
3187 unaffiliated tax-exempt organizations through grants or other
3188 professionally accepted means of charitable support, and serving
3189 in leadership roles on important community issues;

3190 (vi) It complies with the guidelines of the
3191 Mississippi Association of Grantmakers, or its successor entity,
3192 for membership by a community foundation; and

3193 (vii) It is in good standing with having complied
3194 with Endow Mississippi certification, reporting, and data privacy
3195 requirements.

3196 (b) "Endowment gift" means an irrevocable contribution
3197 to an endowed fund held by a qualified community foundation.

3198 (c) "Qualified contribution" means an endowment gift of
3199 at least One Thousand Dollars (\$1,000.00) made to a qualified
3200 community foundation for an endowed fund established to
3201 substantially benefit charitable causes in this state, and that is
3202 a charitable gift as defined in Section 170(c) of the Internal
3203 Revenue Code. A qualified contribution may take any form, subject
3204 to the giving policies of the qualified community foundation
3205 receiving it.



3206 (d) "Endowed fund" means a fund held in a qualified
3207 community foundation that provides benefit to charitable causes in
3208 Mississippi that is intended to exist in perpetuity. An endowed
3209 fund may include, but is not limited to, donor-advised funds,
3210 community foundation affiliate funds, field-of-interest funds,
3211 agency funds and designated organizational funds.

3212 **SECTION 41.** Section 27-7-207, Mississippi Code of 1972, is
3213 brought forward as follows:

3214 27-7-207. (1) Subject to the limitations provided for in
3215 this section, through calendar year 2028, a taxpayer shall be
3216 allowed a credit against the tax imposed by Chapter 7, Title 27,
3217 in an amount equal to twenty-five percent (25%) of a qualified
3218 contribution to an endowed fund at a qualified community
3219 foundation, subject to the following:

3220 (a) The minimum amount of a qualified contribution
3221 shall be One Thousand Dollars (\$1,000.00).

3222 (b) The maximum amount of a qualified contribution
3223 shall be Five Hundred Thousand Dollars (\$500,000.00).

3224 (c) The total qualified contributions from any
3225 qualified taxpayer eligible for the tax credit authorized under
3226 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
3227 per year.

3228 (2) Except as otherwise provided in this subsection, the
3229 aggregate amount of tax credits authorized under this article
3230 shall not exceed One Million Dollars (\$1,000,000.00) in any one



3231 (1) calendar year. The credits shall be awarded on a first-come,
3232 first-served basis. If the tax credits authorized for any
3233 calendar year are not utilized, the amount not utilized may be
3234 awarded or carried forward in up to five (5) subsequent calendar
3235 years from the year in which such credits are made available.

3236 (3) If the amount allowable as a credit exceeds the tax
3237 imposed by Chapter 7, Title 27, the amount of such excess may be
3238 carried forward for not more than five (5) subsequent taxable
3239 years.

3240 (4) From and after January 1, 2029, no additional credits
3241 shall be authorized under this section; however, any tax credits
3242 authorized prior to January 1, 2029, and not used, may be carried
3243 forward for not more than five (5) taxable years subsequent to
3244 calendar year 2028.

3245 **SECTION 42.** Section 27-7-209, Mississippi Code of 1972, is
3246 brought forward as follows:

3247 27-7-209. For each calendar year, a total of ten percent
3248 (10%) of the authorized tax credits shall be reserved for
3249 qualified contributions to each of the qualified community
3250 foundations in Mississippi for a period of nine (9) months. Any
3251 credits that are not utilized within the nine-month period shall
3252 be utilized for qualified contributions to any qualified community
3253 foundation on a first-come, first-served basis. Any credits not
3254 specifically reserved under this section shall also be available
3255 to any qualified community foundation on a first-come,



3256 first-served basis. The Mississippi Association of Grantmakers,
3257 or its successor entity, shall, in cooperation with qualified
3258 community foundations, develop, establish and maintain records
3259 that determine the priority for the awarding of tax credits under
3260 this article.

3261 **SECTION 43.** Section 57-73-21, Mississippi Code of 1972, is
3262 brought forward as follows:

3263 **[In cases involving business enterprises that received or**
3264 **applied for the job tax credit authorized by this section prior to**
3265 **January 1, 2005, this section shall read as follows:]**

3266 57-73-21. (1) Annually by December 31, using the most
3267 current data available from the University Research Center,
3268 Mississippi Department of Employment Security and the United
3269 States Department of Commerce, the State Tax Commission shall rank
3270 and designate the state's counties as provided in this section.
3271 The twenty-eight (28) counties in this state having a combination
3272 of the highest unemployment rate and lowest per capita income for
3273 the most recent thirty-six-month period, with equal weight being
3274 given to each category, are designated Tier Three areas. The
3275 twenty-seven (27) counties in the state with a combination of the
3276 next highest unemployment rate and next lowest per capita income
3277 for the most recent thirty-six-month period, with equal weight
3278 being given to each category, are designated Tier Two areas. The
3279 twenty-seven (27) counties in the state with a combination of the
3280 lowest unemployment rate and the highest per capita income for the



3281 most recent thirty-six-month period, with equal weight being given
3282 to each category, are designated Tier One areas. Counties
3283 designated by the Tax Commission qualify for the appropriate tax
3284 credit for jobs as provided in subsections (2), (3) and (4) of
3285 this section. The designation by the Tax Commission is effective
3286 for the tax years of permanent business enterprises which begin
3287 after the date of designation. For companies which plan an
3288 expansion in their labor forces, the Tax Commission shall
3289 prescribe certification procedures to ensure that the companies
3290 can claim credits in future years without regard to whether or not
3291 a particular county is removed from the list of Tier Three or Tier
3292 Two areas.

3293 (2) Permanent business enterprises primarily engaged in
3294 manufacturing, processing, warehousing, distribution, wholesaling
3295 and research and development, or permanent business enterprises
3296 designated by rule and regulation of the Mississippi Development
3297 Authority as air transportation and maintenance facilities, final
3298 destination or resort hotels having a minimum of one hundred fifty
3299 (150) guest rooms, recreational facilities that impact tourism,
3300 movie industry studios, telecommunications enterprises, data or
3301 information processing enterprises or computer software
3302 development enterprises or any technology intensive facility or
3303 enterprise, in counties designated by the Tax Commission as Tier
3304 Three areas are allowed a job tax credit for taxes imposed by
3305 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually



3306 for each net new full-time employee job for five (5) years
3307 beginning with years two (2) through six (6) after the creation of
3308 the job; however, if the permanent business enterprise is located
3309 in an area that has been declared by the Governor to be a disaster
3310 area and as a direct result of the disaster the permanent business
3311 enterprise is unable to maintain the required number of jobs, the
3312 Chairman of the State Tax Commission may extend this time period
3313 for not more two (2) years. The number of new full-time jobs must
3314 be determined by comparing the monthly average number of full-time
3315 employees subject to the Mississippi income tax withholding for
3316 the taxable year with the corresponding period of the prior
3317 taxable year. Only those permanent businesses that increase
3318 employment by ten (10) or more in a Tier Three area are eligible
3319 for the credit. Credit is not allowed during any of the five (5)
3320 years if the net employment increase falls below ten (10). The
3321 Tax Commission shall adjust the credit allowed each year for the
3322 net new employment fluctuations above the minimum level of ten
3323 (10).

3324 (3) Permanent business enterprises primarily engaged in
3325 manufacturing, processing, warehousing, distribution, wholesaling
3326 and research and development, or permanent business enterprises
3327 designated by rule and regulation of the Mississippi Development
3328 Authority as air transportation and maintenance facilities, final
3329 destination or resort hotels having a minimum of one hundred fifty
3330 (150) guest rooms, recreational facilities that impact tourism,



3331 movie industry studios, telecommunications enterprises, data or
3332 information processing enterprises or computer software
3333 development enterprises or any technology intensive facility or
3334 enterprise, in counties that have been designated by the Tax
3335 Commission as Tier Two areas are allowed a job tax credit for
3336 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
3337 (\$1,000.00) annually for each net new full-time employee job for
3338 five (5) years beginning with years two (2) through six (6) after
3339 the creation of the job; however, if the permanent business
3340 enterprise is located in an area that has been declared by the
3341 Governor to be a disaster area and as a direct result of the
3342 disaster the permanent business enterprise is unable to maintain
3343 the required number of jobs, the Chairman of the State Tax
3344 Commission may extend this time period for not more two (2) years.
3345 The number of new full-time jobs must be determined by comparing
3346 the monthly average number of full-time employees subject to
3347 Mississippi income tax withholding for the taxable year with the
3348 corresponding period of the prior taxable year. Only those
3349 permanent businesses that increase employment by fifteen (15) or
3350 more in Tier Two areas are eligible for the credit. The credit is
3351 not allowed during any of the five (5) years if the net employment
3352 increase falls below fifteen (15). The Tax Commission shall
3353 adjust the credit allowed each year for the net new employment
3354 fluctuations above the minimum level of fifteen (15).



3355 (4) Permanent business enterprises primarily engaged in
3356 manufacturing, processing, warehousing, distribution, wholesaling
3357 and research and development, or permanent business enterprises
3358 designated by rule and regulation of the Mississippi Development
3359 Authority as air transportation and maintenance facilities, final
3360 destination or resort hotels having a minimum of one hundred fifty
3361 (150) guest rooms, recreational facilities that impact tourism,
3362 movie industry studios, telecommunications enterprises, data or
3363 information processing enterprises or computer software
3364 development enterprises or any technology intensive facility or
3365 enterprise, in counties designated by the Tax Commission as Tier
3366 One areas are allowed a job tax credit for taxes imposed by
3367 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
3368 for each net new full-time employee job for five (5) years
3369 beginning with years two (2) through six (6) after the creation of
3370 the job; however, if the permanent business enterprise is located
3371 in an area that has been declared by the Governor to be a disaster
3372 area and as a direct result of the disaster the permanent business
3373 enterprise is unable to maintain the required number of jobs, the
3374 Chairman of the State Tax Commission may extend this time period
3375 for not more than two (2) years. The number of new full-time jobs
3376 must be determined by comparing the monthly average number of
3377 full-time employees subject to Mississippi income tax withholding
3378 for the taxable year with the corresponding period of the prior
3379 taxable year. Only those permanent businesses that increase



3380 employment by twenty (20) or more in Tier One areas are eligible
3381 for the credit. The credit is not allowed during any of the five
3382 (5) years if the net employment increase falls below twenty (20).
3383 The Tax Commission shall adjust the credit allowed each year for
3384 the net new employment fluctuations above the minimum level of
3385 twenty (20).

3386 (5) In addition to the credits authorized in subsections
3387 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
3388 credit for each net new full-time employee or an additional One
3389 Thousand Dollars (\$1,000.00) credit for each net new full-time
3390 employee who is paid a salary, excluding benefits which are not
3391 subject to Mississippi income taxation, of at least one hundred
3392 twenty-five percent (125%) of the average annual wage of the state
3393 or an additional Two Thousand Dollars (\$2,000.00) credit for each
3394 net new full-time employee who is paid a salary, excluding
3395 benefits which are not subject to Mississippi income taxation, of
3396 at least two hundred percent (200%) of the average annual wage of
3397 the state, shall be allowed for any company establishing or
3398 transferring its national or regional headquarters from within or
3399 outside the State of Mississippi. A minimum of thirty-five (35)
3400 jobs must be created to qualify for the additional credit. The
3401 State Tax Commission shall establish criteria and prescribe
3402 procedures to determine if a company qualifies as a national or
3403 regional headquarters for purposes of receiving the credit awarded
3404 in this subsection. As used in this subsection, the average



3405 annual wage of the state is the most recently published average
3406 annual wage as determined by the Mississippi Department of
3407 Employment Security.

3408 (6) In addition to the credits authorized in subsections
3409 (2), (3), (4) and (5), any job requiring research and development
3410 skills (chemist, engineer, etc.) shall qualify for an additional
3411 One Thousand Dollars (\$1,000.00) credit for each net new full-time
3412 employee.

3413 (7) In lieu of the tax credits provided in subsections (2)
3414 through (6), any commercial or industrial property owner which
3415 remediates contaminated property in accordance with Sections
3416 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3417 imposed by Section 27-7-5 equal to the amounts provided in
3418 subsection (2), (3) or (4) for each net new full-time employee job
3419 for five (5) years beginning with years two (2) through six (6)
3420 after the creation of the job. The number of new full-time jobs
3421 must be determined by comparing the monthly average number of
3422 full-time employees subject to Mississippi income tax withholding
3423 for the taxable year with the corresponding period of the prior
3424 taxable year. This subsection shall be administered in the same
3425 manner as subsections (2), (3) and (4), except the landowner shall
3426 not be required to increase employment by the levels provided in
3427 subsections (2), (3) and (4) to be eligible for the tax credit.

3428 (8) Tax credits for five (5) years for the taxes imposed by
3429 Section 27-7-5 shall be awarded for additional net new full-time



3430 jobs created by business enterprises qualified under subsections
3431 (2), (3), (4), (5), (6) and (7) of this section. Except as
3432 otherwise provided, the Tax Commission shall adjust the credit
3433 allowed in the event of employment fluctuations during the
3434 additional five (5) years of credit.

3435 (9) (a) The sale, merger, acquisition, reorganization,
3436 bankruptcy or relocation from one (1) county to another county
3437 within the state of any business enterprise may not create new
3438 eligibility in any succeeding business entity, but any unused job
3439 tax credit may be transferred and continued by any transferee of
3440 the business enterprise. The Tax Commission shall determine
3441 whether or not qualifying net increases or decreases have occurred
3442 or proper transfers of credit have been made and may require
3443 reports, promulgate regulations, and hold hearings as needed for
3444 substantiation and qualification.

3445 (b) This subsection shall not apply in cases in which a
3446 business enterprise has ceased operation, laid off all its
3447 employees and is subsequently acquired by another unrelated
3448 business entity that continues operation of the enterprise in the
3449 same or a similar type of business. In such a case the succeeding
3450 business entity shall be eligible for the credit authorized by
3451 this section unless the cessation of operation of the business
3452 enterprise was for the purpose of obtaining new eligibility for
3453 the credit.



3454 (10) Any tax credit claimed under this section but not used
3455 in any taxable year may be carried forward for five (5) years from
3456 the close of the tax year in which the qualified jobs were
3457 established but the credit established by this section taken in
3458 any one (1) tax year must be limited to an amount not greater than
3459 fifty percent (50%) of the taxpayer's state income tax liability
3460 which is attributable to income derived from operations in the
3461 state for that year. If the permanent business enterprise is
3462 located in an area that has been declared by the Governor to be a
3463 disaster area and as a direct result of the disaster the business
3464 enterprise is unable to use the existing carryforward, the
3465 Chairman of the State Tax Commission may extend the period that
3466 the credit may be carried forward for a period of time not to
3467 exceed two (2) years.

3468 (11) No business enterprise for the transportation,
3469 handling, storage, processing or disposal of hazardous waste is
3470 eligible to receive the tax credits provided in this section.

3471 (12) The credits allowed under this section shall not be
3472 used by any business enterprise or corporation other than the
3473 business enterprise actually qualifying for the credits.

3474 (13) The tax credits provided for in this section shall be
3475 in addition to any tax credits described in Sections 57-51-13(b),
3476 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3477 action by the Mississippi Development Authority prior to July 1,
3478 1989, to any business enterprise determined prior to July 1, 1989,



3479 by the Mississippi Development Authority to be a qualified
3480 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3481 a qualified company as described in Section 57-53-1, as the case
3482 may be; however, from and after July 1, 1989, tax credits shall be
3483 allowed only under either this section or Sections 57-51-13(b),
3484 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time
3485 employee.

3486 (14) As used in this section, the term "telecommunications
3487 enterprises" means entities engaged in the creation, display,
3488 management, storage, processing, transmission or distribution for
3489 compensation of images, text, voice, video or data by wire or by
3490 wireless means, or entities engaged in the construction, design,
3491 development, manufacture, maintenance or distribution for
3492 compensation of devices, products, software or structures used in
3493 the above activities. Companies organized to do business as
3494 commercial broadcast radio stations, television stations or news
3495 organizations primarily serving in-state markets shall not be
3496 included within the definition of the term "telecommunications
3497 enterprises."

3498 **[In cases involving business enterprises that apply for the**
3499 **job tax credit authorized by this section from and after January**
3500 **1, 2005, this section shall read as follows:]**

3501 57-73-21. (1) Annually by December 31, using the most
3502 current data available from the University Research Center,
3503 Mississippi Department of Employment Security and the United



3504 States Department of Commerce, the Department of Revenue shall
3505 rank and designate the state's counties as provided in this
3506 section. The twenty-eight (28) counties in this state having a
3507 combination of the highest unemployment rate and lowest per capita
3508 income for the most recent thirty-six-month period, with equal
3509 weight being given to each category, are designated Tier Three
3510 areas. The twenty-seven (27) counties in the state with a
3511 combination of the next highest unemployment rate and next lowest
3512 per capita income for the most recent thirty-six-month period,
3513 with equal weight being given to each category, are designated
3514 Tier Two areas. The twenty-seven (27) counties in the state with
3515 a combination of the lowest unemployment rate and the highest per
3516 capita income for the most recent thirty-six-month period, with
3517 equal weight being given to each category, are designated Tier One
3518 areas. Counties designated by the Department of Revenue qualify
3519 for the appropriate tax credit for jobs as provided in this
3520 section. The designation by the Department of Revenue is
3521 effective for the tax years of permanent business enterprises
3522 which begin after the date of designation. For companies which
3523 plan an expansion in their labor forces, the Department of Revenue
3524 shall prescribe certification procedures to ensure that the
3525 companies can claim credits in future years without regard to
3526 whether or not a particular county is removed from the list of
3527 Tier Three or Tier Two areas.



3528 (2) Permanent business enterprises in counties designated by
3529 the Department of Revenue as Tier Three areas are allowed a job
3530 tax credit for taxes imposed by Section 27-7-5 equal to ten
3531 percent (10%) of the payroll of the enterprise for net new
3532 full-time employee jobs for five (5) years beginning with years
3533 two (2) through six (6) after the creation of the minimum number
3534 of jobs required by this subsection; however, if the permanent
3535 business enterprise is located in an area that has been declared
3536 by the Governor to be a disaster area and as a direct result of
3537 the disaster the permanent business enterprise is unable to
3538 maintain the required number of jobs, the Commissioner of Revenue
3539 may extend this time period for not more than two (2) years. The
3540 number of new full-time jobs must be determined by comparing the
3541 monthly average number of full-time employees subject to the
3542 Mississippi income tax withholding for the taxable year with the
3543 corresponding period of the prior taxable year. Only those
3544 permanent business enterprises that increase employment by ten
3545 (10) or more in a Tier Three area are eligible for the credit.
3546 Credit is not allowed during any of the five (5) years if the net
3547 employment increase falls below ten (10). The Department of
3548 Revenue shall adjust the credit allowed each year for the net new
3549 employment fluctuations above the minimum level of ten (10).
3550 Medical cannabis establishments as defined in the Mississippi
3551 Medical Cannabis Act shall not be eligible for the tax credit
3552 authorized in this subsection (2).



3553 (3) Permanent business enterprises in counties that have
3554 been designated by the Department of Revenue as Tier Two areas are
3555 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
3556 to five percent (5%) of the payroll of the enterprise for net new
3557 full-time employee jobs for five (5) years beginning with years
3558 two (2) through six (6) after the creation of the minimum number
3559 of jobs required by this subsection; however, if the permanent
3560 business enterprise is located in an area that has been declared
3561 by the Governor to be a disaster area and as a direct result of
3562 the disaster the permanent business enterprise is unable to
3563 maintain the required number of jobs, the Commissioner of Revenue
3564 may extend this time period for not more than two (2) years. The
3565 number of new full-time jobs must be determined by comparing the
3566 monthly average number of full-time employees subject to
3567 Mississippi income tax withholding for the taxable year with the
3568 corresponding period of the prior taxable year. Only those
3569 permanent business enterprises that increase employment by fifteen
3570 (15) or more in Tier Two areas are eligible for the credit. The
3571 credit is not allowed during any of the five (5) years if the net
3572 employment increase falls below fifteen (15). The Department of
3573 Revenue shall adjust the credit allowed each year for the net new
3574 employment fluctuations above the minimum level of fifteen (15).
3575 Medical cannabis establishments as defined in the Mississippi
3576 Medical Cannabis Act shall not be eligible for the tax credit
3577 authorized in this subsection (3).



3578 (4) Permanent business enterprises in counties designated by
3579 the Department of Revenue as Tier One areas are allowed a job tax
3580 credit for taxes imposed by Section 27-7-5 equal to two and
3581 one-half percent (2.5%) of the payroll of the enterprise for net
3582 new full-time employee jobs for five (5) years beginning with
3583 years two (2) through six (6) after the creation of the minimum
3584 number of jobs required by this subsection; however, if the
3585 permanent business enterprise is located in an area that has been
3586 declared by the Governor to be a disaster area and as a direct
3587 result of the disaster the permanent business enterprise is unable
3588 to maintain the required number of jobs, the Commissioner of
3589 Revenue may extend this time period for not more than two (2)
3590 years. The number of new full-time jobs must be determined by
3591 comparing the monthly average number of full-time employees
3592 subject to Mississippi income tax withholding for the taxable year
3593 with the corresponding period of the prior taxable year. Only
3594 those permanent business enterprises that increase employment by
3595 twenty (20) or more in Tier One areas are eligible for the credit.
3596 The credit is not allowed during any of the five (5) years if the
3597 net employment increase falls below twenty (20). The Department
3598 of Revenue shall adjust the credit allowed each year for the net
3599 new employment fluctuations above the minimum level of twenty
3600 (20). Medical cannabis establishments as defined in the
3601 Mississippi Medical Cannabis Act shall not be eligible for the tax
3602 credit authorized in this subsection (4).



3603 (5) (a) In addition to the other credits authorized in this
3604 section, an additional Five Hundred Dollars (\$500.00) credit for
3605 each net new full-time employee or an additional One Thousand
3606 Dollars (\$1,000.00) credit for each net new full-time employee who
3607 is paid a salary, excluding benefits which are not subject to
3608 Mississippi income taxation, of at least one hundred twenty-five
3609 percent (125%) of the average annual wage of the state or an
3610 additional Two Thousand Dollars (\$2,000.00) credit for each net
3611 new full-time employee who is paid a salary, excluding benefits
3612 which are not subject to Mississippi income taxation, of at least
3613 two hundred percent (200%) of the average annual wage of the
3614 state, shall be allowed for any company establishing or
3615 transferring its national or regional headquarters from within or
3616 outside the State of Mississippi. A minimum of twenty (20) jobs
3617 must be created to qualify for the additional credit. The
3618 Department of Revenue shall establish criteria and prescribe
3619 procedures to determine if a company qualifies as a national or
3620 regional headquarters for purposes of receiving the credit awarded
3621 in this paragraph (a). As used in this paragraph (a), the average
3622 annual wage of the state is the most recently published average
3623 annual wage as determined by the Mississippi Department of
3624 Employment Security. Medical cannabis establishments as defined
3625 in the Mississippi Medical Cannabis Act shall not be eligible for
3626 the tax credit authorized in this paragraph (a).



3627 (b) In addition to the other credits authorized in this
3628 section, an additional Five Hundred Dollars (\$500.00) credit for
3629 each net new full-time employee or an additional One Thousand
3630 Dollars (\$1,000.00) credit for each net new full-time employee who
3631 is paid a salary, excluding benefits which are not subject to
3632 Mississippi income taxation, of at least one hundred twenty-five
3633 percent (125%) of the average annual wage of the state or an
3634 additional Two Thousand Dollars (\$2,000.00) credit for each net
3635 new full-time employee who is paid a salary, excluding benefits
3636 which are not subject to Mississippi income taxation, of at least
3637 two hundred percent (200%) of the average annual wage of the
3638 state, shall be allowed for any company expanding or making
3639 additions after January 1, 2013, to its national or regional
3640 headquarters within the State of Mississippi. A minimum of twenty
3641 (20) new jobs must be created to qualify for the additional
3642 credit. The Department of Revenue shall establish criteria and
3643 prescribe procedures to determine if a company qualifies as a
3644 national or regional headquarters for purposes of receiving the
3645 credit awarded in this paragraph (b). As used in this paragraph
3646 (b), the average annual wage of the state is the most recently
3647 published average annual wage as determined by the Mississippi
3648 Department of Employment Security. Medical cannabis
3649 establishments as defined in the Mississippi Medical Cannabis Act
3650 shall not be eligible for the tax credit authorized in this
3651 paragraph (b).



3652 (6) In addition to the other credits authorized in this
3653 section, any job requiring research and development skills
3654 (chemist, engineer, etc.) shall qualify for an additional One
3655 Thousand Dollars (\$1,000.00) credit for each net new full-time
3656 employee. Medical cannabis establishments as defined in the
3657 Mississippi Medical Cannabis Act shall not be eligible for the tax
3658 credit authorized in this subsection (6).

3659 (7) (a) In addition to the other credits authorized in this
3660 section, any company that transfers or relocates its national or
3661 regional headquarters to the State of Mississippi from outside the
3662 State of Mississippi may receive a tax credit in an amount equal
3663 to the actual relocation costs paid by the company. A minimum of
3664 twenty (20) jobs must be created in order to qualify for the
3665 additional credit authorized under this subsection. Relocation
3666 costs for which a credit may be awarded shall be determined by the
3667 Department of Revenue and shall include those nondepreciable
3668 expenses that are necessary to relocate headquarters employees to
3669 the national or regional headquarters, including, but not limited
3670 to, costs such as travel expenses for employees and members of
3671 their households to and from Mississippi in search of homes and
3672 moving expenses to relocate furnishings, household goods and
3673 personal property of the employees and members of their
3674 households. Medical cannabis establishments as defined in the
3675 Mississippi Medical Cannabis Act shall not be eligible for the tax
3676 credit authorized in this subsection (7).



3677 (b) The tax credit authorized under this subsection
3678 shall be applied for the taxable year in which the relocation
3679 costs are paid. The maximum cumulative amount of tax credits that
3680 may be claimed by all taxpayers claiming a credit under this
3681 subsection in any one (1) state fiscal year shall not exceed One
3682 Million Dollars (\$1,000,000.00), exclusive of credits that might
3683 be carried forward from previous taxable years. A company may not
3684 receive a credit for the relocation of an employee more than one
3685 (1) time in a twelve-month period for that employee.

3686 (c) The Department of Revenue shall establish criteria
3687 and prescribe procedures to determine if a company creates the
3688 required number of jobs and qualifies as a national or regional
3689 headquarters for purposes of receiving the credit awarded in this
3690 subsection. A company desiring to claim a credit under this
3691 subsection must submit an application for such credit with the
3692 Department of Revenue in a manner prescribed by the department.

3693 (d) In order to participate in the provisions of this
3694 section, a company must certify to the Mississippi Department of
3695 Revenue that it complies with the equal pay provisions of the
3696 federal Equal Pay Act of 1963, the Americans with Disabilities Act
3697 of 1990 and the fair pay provisions of the Civil Rights Act of
3698 1964.

3699 (e) This subsection shall stand repealed on July 1,
3700 2025.



3701 (8) In lieu of the other tax credits provided in this
3702 section, any commercial or industrial property owner which
3703 remediates contaminated property in accordance with Sections
3704 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3705 imposed by Section 27-7-5 equal to the percentage of payroll
3706 provided in subsection (2), (3) or (4) of this section for net new
3707 full-time employee jobs for five (5) years beginning with years
3708 two (2) through six (6) after the creation of the jobs. The
3709 number of new full-time jobs must be determined by comparing the
3710 monthly average number of full-time employees subject to
3711 Mississippi income tax withholding for the taxable year with the
3712 corresponding period of the prior taxable year. This subsection
3713 shall be administered in the same manner as subsections (2), (3)
3714 and (4), except the landowner shall not be required to increase
3715 employment by the levels provided in subsections (2), (3) and (4)
3716 to be eligible for the tax credit.

3717 (9) (a) Tax credits for five (5) years for the taxes
3718 imposed by Section 27-7-5 shall be awarded for increases in the
3719 annual payroll for net new full-time jobs created by business
3720 enterprises qualified under this section. The Department of
3721 Revenue shall adjust the credit allowed in the event of payroll
3722 fluctuations during the additional five (5) years of credit.

3723 (b) Tax credits for five (5) years for the taxes
3724 imposed by Section 27-7-5 shall be awarded for additional net new
3725 full-time jobs created by business enterprises qualified under



3726 subsections (5) and (6) of this section and for additional
3727 relocation costs paid by companies qualified under subsection (7)
3728 of this section. The Department of Revenue shall adjust the
3729 credit allowed in the event of employment fluctuations during the
3730 additional five (5) years of credit.

3731 (10) (a) The sale, merger, acquisition, reorganization,
3732 bankruptcy or relocation from one (1) county to another county
3733 within the state of any business enterprise may not create new
3734 eligibility in any succeeding business entity, but any unused job
3735 tax credit may be transferred and continued by any transferee of
3736 the business enterprise. The Department of Revenue shall
3737 determine whether or not qualifying net increases or decreases
3738 have occurred or proper transfers of credit have been made and may
3739 require reports, promulgate regulations, and hold hearings as
3740 needed for substantiation and qualification.

3741 (b) This subsection shall not apply in cases in which a
3742 business enterprise has ceased operation, laid off all its
3743 employees and is subsequently acquired by another unrelated
3744 business entity that continues operation of the enterprise in the
3745 same or a similar type of business. In such a case the succeeding
3746 business entity shall be eligible for the credit authorized by
3747 this section unless the cessation of operation of the business
3748 enterprise was for the purpose of obtaining new eligibility for
3749 the credit.



3750 (11) Any tax credit claimed under this section but not used
3751 in any taxable year may be carried forward for five (5) years from
3752 the close of the tax year in which the qualified jobs were
3753 established and/or headquarters relocation costs paid, as
3754 applicable, but the credit established by this section taken in
3755 any one (1) tax year must be limited to an amount not greater than
3756 fifty percent (50%) of the taxpayer's state income tax liability
3757 which is attributable to income derived from operations in the
3758 state for that year. If the permanent business enterprise is
3759 located in an area that has been declared by the Governor to be a
3760 disaster area and as a direct result of the disaster the business
3761 enterprise is unable to use the existing carryforward, the
3762 Commissioner of Revenue may extend the period that the credit may
3763 be carried forward for a period of time not to exceed two (2)
3764 years.

3765 (12) No business enterprise for the transportation,
3766 handling, storage, processing or disposal of hazardous waste is
3767 eligible to receive the tax credits provided in this section.

3768 (13) The credits allowed under this section shall not be
3769 used by any business enterprise or corporation other than the
3770 business enterprise actually qualifying for the credits.

3771 (14) As used in this section:

3772 (a) "Business enterprises" means entities primarily
3773 engaged in:



3774 (i) Manufacturing, processing, warehousing,
3775 warehousing activities, distribution, wholesaling and research and
3776 development, or

3777 (ii) Permanent business enterprises designated by
3778 rule and regulation of the Mississippi Development Authority as
3779 air transportation and maintenance facilities, final destination
3780 or resort hotels having a minimum of one hundred fifty (150) guest
3781 rooms, recreational facilities that impact tourism, movie industry
3782 studios, telecommunications enterprises, data or information
3783 processing enterprises or computer software development
3784 enterprises or any technology intensive facility or enterprise.

3785 (b) "Telecommunications enterprises" means entities
3786 engaged in the creation, display, management, storage, processing,
3787 transmission or distribution for compensation of images, text,
3788 voice, video or data by wire or by wireless means, or entities
3789 engaged in the construction, design, development, manufacture,
3790 maintenance or distribution for compensation of devices, products,
3791 software or structures used in the above activities. Companies
3792 organized to do business as commercial broadcast radio stations,
3793 television stations or news organizations primarily serving
3794 in-state markets shall not be included within the definition of
3795 the term "telecommunications enterprises."

3796 (c) "Warehousing activities" means entities that
3797 establish or expand facilities that service and support multiple
3798 retail or wholesale locations within and outside the state.



3799 Warehousing activities may be performed solely to support the
3800 primary activities of the entity, and credits generated shall
3801 offset the income of the entity based on an apportioned ratio of
3802 payroll for warehouse employees of the entity to total Mississippi
3803 payroll of the entity that includes the payroll of retail
3804 employees of the entity.

3805 (15) The tax credits provided for in this section shall be
3806 in addition to any tax credits described in Sections 57-51-13(b),
3807 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3808 action by the Mississippi Development Authority prior to July 1,
3809 1989, to any business enterprise determined prior to July 1, 1989,
3810 by the Mississippi Development Authority to be a qualified
3811 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3812 a qualified company as described in Section 57-53-1, as the case
3813 may be; however, from and after July 1, 1989, tax credits shall be
3814 allowed only under either this section or Sections 57-51-13(b),
3815 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
3816 employee.

3817 (16) A business enterprise that chooses to receive job
3818 training assistance pursuant to Section 57-1-451 shall not be
3819 eligible for the tax credits provided for in this section.

3820 **SECTION 44.** Section 57-73-23, Mississippi Code of 1972, is
3821 brought forward as follows:

3822 57-73-23. (1) A fifty percent (50%) income tax credit shall
3823 be granted to any employer providing dependent care for employees



3824 during the employee's work hours, and to any employer who provides
3825 a child care stipend of at least Six Thousand Dollars (\$6,000.00)
3826 to a licensed or registered entity providing dependent child care
3827 in the State of Mississippi for an employee's children during the
3828 employee's work hours.

3829 (2) In order for an employer who provides a child care
3830 stipend under this section to be eligible for the tax credit, the
3831 employer shall certify to the Department of Revenue:

3832 (a) The names of the employees on whose behalf the
3833 stipend is paid; and

3834 (b) The amount of the stipend paid on behalf of each of
3835 those employees;

3836 (c) The licensed or registered entity receiving the
3837 child care stipend from the employer on behalf of the employee,
3838 including the entity's federal identification number and license
3839 and registration number; and

3840 (d) Such other information as may be required by the
3841 Department of Revenue to ensure that credits under this section
3842 are granted only to employers who provide stipends to a licensed
3843 or registered entity providing dependent care in the State of
3844 Mississippi for an employee's children during the employee's work
3845 hours.

3846 (3) For an employer contracting with a licensed or
3847 registered entity to provide dependent care for its employees
3848 during the employee's work hours, the credit is applied to the net



3849 cost of any contract executed by the employer for another entity
3850 to provide dependent care; or, if the employer elects to provide
3851 dependent care itself, the credit is applied to expenses of
3852 dependent care staff, learning and recreational materials and
3853 equipment, and the construction and maintenance of a facility; or,
3854 if the employer elects to provide a child care stipend to a
3855 licensed or registered entity providing dependent care in the
3856 State of Mississippi for the employee's children during the
3857 employee's work hours, the credit is applied to the amount of the
3858 stipend provided. Additional eligible expenses include net costs
3859 assumed by the employer which increase the quality, availability
3860 and affordability of dependent care in the community used by
3861 employees during the employee's work hours. This cost is net of
3862 any reimbursement. A deduction shall not be allowed for any
3863 expenses which serve as the basis for an income tax credit. The
3864 credits allowed under this section shall not be used by any
3865 business enterprise or corporation other than the business
3866 enterprise actually qualifying for the credits.

3867 Credit may be carried forward for the five (5) successive
3868 years if the amount allowable as credit exceeds income tax
3869 liability in a tax year; however, thereafter, if the amount
3870 allowable as a credit exceeds the tax liability, the amount of
3871 excess shall not be refundable or carried forward to any other
3872 taxable year.



3873 The facility must have an average daily enrollment for the
3874 taxable year of no less than six (6) children who are twelve (12)
3875 years of age or less and be licensed according to the regulations
3876 governing licensure of child care facilities in Mississippi; or
3877 must serve five (5) or fewer children and/or elderly adults in a
3878 family child care/elder care home approved by the Department of
3879 Health for participation in the United States Department of
3880 Agriculture child and adult nutrition program; or must serve
3881 children over twelve (12) years of age but less than eighteen (18)
3882 years of age in either a community-based facility or a facility at
3883 the employment site; or must serve adult relatives of employees in
3884 either a community-based elder care facility or a facility at the
3885 employment site; or must serve children or adult dependents having
3886 physical, emotional or mental disabilities in either a
3887 community-based facility or a facility at the employment site.

3888 Employers will be certified as eligible for the tax credit by
3889 the State Department of Health for programs serving children
3890 twelve (12) years of age or younger and for programs serving
3891 elderly adults and by the Department of Revenue for programs
3892 serving other dependents older than twelve (12) years of age.

3893 **SECTION 45.** Section 57-87-5, Mississippi Code of 1972, is
3894 brought forward as follows:

3895 57-87-5. (1) For purposes of this section:

3896 (a) "Telecommunications enterprises" shall have the
3897 meaning ascribed to such term in Section 57-73-21(14);



3898 (b) "Tier One areas" mean counties designated as Tier
3899 One areas pursuant to Section 57-73-21(1);

3900 (c) "Tier Two areas" mean counties designated as Tier
3901 Two areas pursuant to Section 57-73-21(1);

3902 (d) "Tier Three areas" mean counties designated as Tier
3903 Three areas pursuant to Section 57-73-21(1); and

3904 (e) "Equipment used in the deployment of broadband
3905 technologies" means any equipment capable of being used for or in
3906 connection with the transmission of information at a rate, prior
3907 to taking into account the effects of any signal degradation, that
3908 is not less than three hundred eighty-four (384) kilobits per
3909 second in at least one (1) direction, including, but not limited
3910 to, asynchronous transfer mode switches, digital subscriber line
3911 access multiplexers, routers, servers, multiplexers, fiber optics
3912 and related equipment.

3913 (2) With respect to the investment in each year by a
3914 telecommunications enterprise after June 30, 2003, and before July
3915 1, 2025, there shall be allowed annually as a credit against the
3916 aggregate tax imposed by Chapters 7 and 13 of Title 27,
3917 Mississippi Code of 1972, an amount equal to:

3918 (a) Five percent (5%) of the cost of equipment used in
3919 the deployment of broadband technologies in Tier One areas;

3920 (b) Ten percent (10%) of the cost of equipment used in
3921 the deployment of broadband technologies in Tier Two areas; and



3922 (c) Fifteen percent (15%) of the cost of equipment used
3923 in the deployment of broadband technologies in Tier Three areas.

3924 (3) Such annual credits shall be allowed commencing with the
3925 taxable year in which such property is placed in service and
3926 continue for nine (9) consecutive years thereafter. The aggregate
3927 credit established by this section taken in any one (1)
3928 tax year shall be limited to an amount not greater than fifty
3929 percent (50%) of the taxpayer's tax liabilities under Chapters 7
3930 and 13 of Title 27, Mississippi Code of 1972; however, any tax
3931 credit claimed under this section, but not used in any taxable
3932 year, may be carried forward for ten (10) consecutive years from
3933 the close of the tax year in which the credits were earned.

3934 (4) The maximum aggregate amount of credits that may be
3935 claimed under this section shall not exceed the original
3936 investment made by a telecommunications enterprise in the
3937 qualifying equipment used in the deployment of broadband
3938 technologies.

3939 (5) For purposes of this section, the tier in which
3940 broadband technology is deployed shall be determined in the year
3941 in which such technology is deployed in a county and such tier
3942 shall not change if the county is later designated in another
3943 tier.

3944 (6) There will be no credit allowed under this section if
3945 the equipment used in the deployment of broadband technologies was
3946 paid for, or its cost was reimbursed by, funds made available



3947 under the Coronavirus Aid, Relief, and Economic Security (CARES)
3948 Act.

3949 **SECTION 46.** Section 57-87-7, Mississippi Code of 1972, is
3950 brought forward as follows:

3951 57-87-7. Equipment used in the deployment of broadband
3952 technologies by a telecommunications enterprise (as defined in
3953 Section 57-73-21(14)), that is placed in service after June 30,
3954 2003, and before July 1, 2025, shall be exempt from ad valorem
3955 taxation for a period of ten (10) years after the date such
3956 equipment is placed in service. For purposes of this section,
3957 "equipment used in the deployment of broadband technologies" means
3958 any equipment capable of being used for or in connection with the
3959 transmission of information at a rate, prior to taking into
3960 account the effects of any signal degradation, that is not less
3961 than three hundred eighty-four (384) kilobits per second in at
3962 least one direction, including, but not limited to, asynchronous
3963 transfer mode switches, digital subscriber line access
3964 multiplexers, routers, servers, multiplexers, fiber optics and
3965 related equipment.

3966 **SECTION 47.** Section 57-105-1, Mississippi Code of 1972, is
3967 brought forward as follows:

3968 57-105-1. (1) As used in this section:

3969 (a) "Adjusted purchase price" means the investment in
3970 the qualified community development entity for the qualified
3971 equity investment, substantially all of the proceeds of which are



3972 used to make qualified low-income community investments in
3973 Mississippi.

3974 For the purposes of calculating the amount of qualified
3975 low-income community investments held by a qualified community
3976 development entity, an investment will be considered held by a
3977 qualified community development entity even if the investment has
3978 been sold or repaid; provided that the qualified community
3979 development entity reinvests an amount equal to the capital
3980 returned to or recovered by the qualified community development
3981 entity from the original investment, exclusive of any profits
3982 realized, in another qualified low-income community investment in
3983 Mississippi, including any federal Indian reservation located
3984 within the geographical boundary of Mississippi within twelve (12)
3985 months of the receipt of such capital. A qualified community
3986 development entity will not be required to reinvest capital
3987 returned from the qualified low-income community investments after
3988 the sixth anniversary of the issuance of the qualified equity
3989 investment, the proceeds of which were used to make the qualified
3990 low-income community investment, and the qualified low-income
3991 community investment will be considered held by the qualified
3992 community development entity through the seventh anniversary of
3993 the qualified equity investment's issuance.

3994 (b) "Applicable percentage" means:

3995 (i) For any equity investment issued prior to July
3996 1, 2008, four percent (4%) for each of the second through seventh



3997 credit allowance dates for purposes of the taxes imposed by
3998 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
3999 the second through seventh credit allowance dates for purposes of
4000 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

4001 (ii) For any equity investment issued from and
4002 after July 1, 2008, eight percent (8%) for each of the first
4003 through third credit allowance dates for purposes of the taxes
4004 imposed by Section 27-7-5 or the taxes imposed by Sections
4005 27-15-103, 27-15-109 and 27-15-123.

4006 (c) "Credit allowance date" means, with respect to any
4007 qualified equity investment:

4008 (i) The later of:

4009 1. The date upon which the qualified equity
4010 investment is initially made; or

4011 2. The date upon which the Mississippi
4012 Development Authority issues a certificate under subsection (4) of
4013 this section; and

4014 (ii) 1. For equity investments issued prior to
4015 July 1, 2008, each of the subsequent six (6) anniversary dates of
4016 the date upon which the investment is initially made; or

4017 2. For equity investments issued from and
4018 after July 1, 2008, each of the subsequent two (2) anniversary
4019 dates of the date determined as provided for in subparagraph (i)
4020 of this paragraph.



4021 (d) "Qualified community development entity" shall have
4022 the meaning ascribed to such term in Section 45D of the Internal
4023 Revenue Code of 1986, as amended, if the entity has entered into
4024 an Allocation Agreement with the Community Development Financial
4025 Institutions Fund of the United States Department of the Treasury
4026 with respect to credits authorized by Section 45D of the Internal
4027 Revenue Code of 1986, as amended.

4028 (e) "Qualified active low-income community business"
4029 shall have the meaning ascribed to such term in Section 45D of the
4030 Internal Revenue Code of 1986, as amended.

4031 (f) "Qualified equity investment" shall have the
4032 meaning ascribed to such term in Section 45D of the Internal
4033 Revenue Code of 1986, as amended. The investment does not have to
4034 be designated as a qualified equity investment by the Community
4035 Development Financial Institutions Fund of the United States
4036 Treasury to be considered a qualified equity investment under this
4037 section but otherwise must meet the definition under the Internal
4038 Revenue Code. In addition to meeting the definition in Section
4039 45D of the Internal Revenue Code such investment must also:

4040 (i) Have been acquired after January 1, 2007, at
4041 its original issuance solely in exchange for cash; and

4042 (ii) Have been allocated by the Mississippi
4043 Development Authority.

4044 For the purposes of this section, such investment shall be
4045 deemed a qualified equity investment on the later of the date such



4046 qualified equity investment is made or the date on which the
4047 Mississippi Development Authority issues a certificate under
4048 subsection (4) of this section allocating credits based on such
4049 investment.

4050 (g) "Qualified low-income community investment" shall
4051 have the meaning ascribed to such term in Section 45D of the
4052 Internal Revenue Code of 1986, as amended; provided, however, that
4053 the maximum amount of qualified low-income community investments
4054 issued for a single qualified active low-income community
4055 business, on an aggregate basis with all of its affiliates, that
4056 may be included for purposes of allocating any credits under this
4057 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
4058 the aggregate, whether issued by one (1) or several qualified
4059 community development entities.

4060 (2) A taxpayer that holds a qualified equity investment on
4061 the credit allowance date shall be entitled to a credit applicable
4062 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
4063 and 27-15-123 during the taxable year that includes the credit
4064 allowance date. The amount of the credit shall be equal to the
4065 applicable percentage of the adjusted purchase price paid to the
4066 qualified community development entity for the qualified equity
4067 investment. The amount of the credit that may be utilized in any
4068 one (1) tax year shall be limited to an amount not greater than
4069 the total tax liability of the taxpayer for the taxes imposed by
4070 the above-referenced sections. The credit shall not be refundable



4071 or transferable. Any unused portion of the credit may be carried
4072 forward for seven (7) taxable years beyond the credit allowance
4073 date on which the credit was earned. The maximum aggregate amount
4074 of qualified equity investments that may be allocated by the
4075 Mississippi Development Authority may not exceed an amount that
4076 would result in taxpayers claiming in any one (1) state fiscal
4077 year credits in excess of Fifteen Million Dollars
4078 (\$15,000,000.00), exclusive of credits that might be carried
4079 forward from previous taxable years; however, a maximum of
4080 one-third (1/3) of this amount may be allocated as credits for
4081 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4082 taxpayer claiming a credit under this section against the taxes
4083 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4084 shall not be required to pay any additional tax under Section
4085 27-15-123 as a result of claiming such credit. The Mississippi
4086 Development Authority shall allocate credits within this limit as
4087 provided for in subsection (4) of this section.

4088 (3) Tax credits authorized by this section that are earned
4089 by a partnership, limited liability company, S corporation or
4090 other similar pass-through entity, shall be allocated among all
4091 partners, members or shareholders, respectively, either in
4092 proportion to their ownership interest in such entity or as the
4093 partners, members or shareholders mutually agree as provided in an
4094 executed document. Such allocation shall be made each taxable



4095 year of such pass-through entity which contains a credit allowance
4096 date.

4097 (4) The qualified community development entity shall apply
4098 for credits with the Mississippi Development Authority on forms
4099 prescribed by the Mississippi Development Authority. The
4100 qualified community development entity must pay an application fee
4101 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4102 Authority at the time the application is submitted. In the
4103 application the qualified community development entity shall
4104 certify to the Mississippi Development Authority the dollar amount
4105 of the qualified equity investments made or to be made in this
4106 state, including in any federal Indian reservation located within
4107 the state's geographical boundary, during the first twelve-month
4108 period following the initial credit allowance date. The
4109 Mississippi Development Authority shall allocate credits based on
4110 the dollar amount of qualified equity investments as certified in
4111 the application. Once the Mississippi Development Authority has
4112 allocated credits to a qualified community development entity, if
4113 the corresponding qualified equity investment has not been issued
4114 as of the date of such allocation, then the corresponding
4115 qualified equity investment must be issued not later than one
4116 hundred twenty (120) days from the date of such allocation. If
4117 the qualified equity investment is not issued within such time
4118 period, the allocation shall be cancelled and returned to the
4119 Mississippi Development Authority for reallocation. Upon final



4120 documentation of the qualified low-income community investments,
4121 if the actual dollar amount of the investments is lower than the
4122 amount estimated, the Mississippi Development Authority shall
4123 adjust the tax credit allowed under this section. The Department
4124 of Revenue may recapture all of the credit allowed under this
4125 section if:

4126 (a) Any amount of federal tax credits available with
4127 respect to a qualified equity investment that is eligible for a
4128 tax credit under this section is recaptured under Section 45D of
4129 the Internal Revenue Code of 1986, as amended; or

4130 (b) The qualified community development entity redeems
4131 or makes any principal repayment with respect to a qualified
4132 equity investment prior to the seventh anniversary of the issuance
4133 of the qualified equity investment; or

4134 (c) The qualified community development entity fails to
4135 maintain at least eighty-five percent (85%) of the proceeds of the
4136 qualified equity investment in qualified low-income community
4137 investments in Mississippi at any time prior to the seventh
4138 anniversary of the issuance of the qualified equity investment.

4139 Any credits that are subject to recapture under this
4140 subsection shall be recaptured from the taxpayer that actually
4141 claimed the credit.

4142 The Mississippi Development Authority shall not allocate any
4143 credits under this section after July 1, 2024.



4144 (5) Each qualified community development entity that
4145 receives qualified equity investments to make qualified low-income
4146 community investments in Mississippi must annually report to the
4147 Mississippi Development Authority the North American Industry
4148 Classification System Code, the county, the dollars invested, the
4149 number of jobs assisted and the number of jobs assisted with wages
4150 over one hundred percent (100%) of the federal poverty level for a
4151 family of four (4) of each qualified low-income community
4152 investment.

4153 (6) The Mississippi Development Authority shall file an
4154 annual report on all qualified low-income community investments
4155 with the Governor, the Clerk of the House of Representatives, the
4156 Secretary of the Senate and the Secretary of State describing the
4157 North American Industry Classification System Code, the county,
4158 the dollars invested, the number of jobs assisted and the number
4159 of jobs assisted with wages over one hundred percent (100%) of the
4160 federal poverty level for a family of four (4) of each qualified
4161 low-income community investment. The annual report will be posted
4162 on the Mississippi Development Authority's Internet website.

4163 (7) (a) The purpose of this subsection is to authorize the
4164 creation and establishment of public benefit corporations for
4165 financing arrangements regarding public property and facilities.

4166 (b) As used in this subsection:



4167 (i) "New Markets Tax Credit transaction" means any
4168 financing transaction which utilizes either this section or
4169 Section 45D of the Internal Revenue Code of 1986, as amended.

4170 (ii) "Public benefit corporation" means a
4171 nonprofit corporation formed or designated by a public entity to
4172 carry out the purposes of this subsection.

4173 (iii) "Public entity or public entities" includes
4174 utility districts, regional solid waste authorities, regional
4175 utility authorities, community hospitals, regional airport
4176 authorities, municipal airport authorities, community and junior
4177 colleges, educational building corporations established by or on
4178 behalf of the state institutions of higher learning, school
4179 districts, planning and development districts, county economic
4180 development districts, urban renewal agencies, any other regional
4181 or local economic development authority, agency or governmental
4182 entity, and any other regional or local industrial development
4183 authority, agency or governmental entity.

4184 (iv) "Public property or facilities" means any
4185 property or facilities owned or leased by a public entity or
4186 public benefit corporation.

4187 (c) Notwithstanding any other provision of law to the
4188 contrary, public entities are authorized pursuant to this
4189 subsection to create one or more public benefit corporations or
4190 designate an existing corporation as a public benefit corporation
4191 for the purpose of entering into financing agreements and engaging



4192 in New Markets Tax Credit transactions, which shall include,
4193 without limitation, arrangements to plan, acquire, renovate,
4194 construct, lease, sublease, manage, operate and/or improve new or
4195 existing public property or facilities located within the
4196 boundaries or service area of the public entity. Any financing
4197 arrangement authorized under this subsection shall further any
4198 purpose of the public entity and may include a term of up to fifty
4199 (50) years.

4200 (d) Notwithstanding any other provision of law to the
4201 contrary and in order to facilitate the acquisition, renovation,
4202 construction, leasing, subleasing, management, operating and/or
4203 improvement of new or existing public property or facilities to
4204 further any purpose of a public entity, public entities are
4205 authorized to enter into financing arrangements in order to
4206 transfer public property or facilities to and/or from public
4207 benefit corporations, including, without limitation, sales,
4208 sale-leasebacks, leases and lease-leasebacks, provided such
4209 transfer is related to any New Markets Tax Credit transaction
4210 furthering any purpose of the public entity. Any such transfer
4211 under this paragraph (d) and the public property or facilities
4212 transferred in connection therewith shall be exempted from any
4213 limitation or requirements with respect to leasing, acquiring,
4214 and/or constructing public property or facilities.

4215 (e) With respect to a New Markets Tax Credit
4216 transaction, public entities and public benefit corporations are



4217 authorized to enter into financing arrangements with any
4218 governmental, nonprofit or for-profit entity in order to leverage
4219 funds not otherwise available to public entities for the
4220 acquisition, construction and/or renovation of properties
4221 transferred to such public benefit corporations. The use of any
4222 funds loaned by or contributed by a public benefit corporation or
4223 borrowed by or otherwise made available to a public benefit
4224 corporation in such financing arrangement shall be dedicated
4225 solely to (i) the development of new properties or facilities
4226 and/or the renovation of existing properties or facilities or
4227 operation of properties or facilities, and/or (ii) the payment of
4228 costs and expenditures related to any such financing arrangements,
4229 including, but not limited to, funding any reserves required in
4230 connection therewith, the repayment of any indebtedness incurred
4231 in connection therewith, and the payment of fees and expenses
4232 incurred in connection with the closing, administration,
4233 accounting and/or compliance with respect to the New Markets Tax
4234 Credit transaction.

4235 (f) A public benefit corporation created pursuant to
4236 this subsection shall not be a political subdivision of the state
4237 but shall be a nonprofit corporation organized and governed under
4238 the provisions of the laws of this state and shall be a special
4239 purpose corporation established to facilitate New Markets Tax
4240 Credit transactions consistent with the requirements of this
4241 section.



4242 (g) Neither this subsection nor anything herein
4243 contained is or shall be construed as a restriction or limitation
4244 upon any powers which the public entity or public benefit
4245 corporation might otherwise have under any laws of this state, and
4246 this subsection is cumulative to any such powers. This subsection
4247 does and shall be construed to provide a complete additional and
4248 alternative method for the doing of the things authorized thereby
4249 and shall be regarded as supplemental and additional to powers
4250 conferred by other laws.

4251 (8) The Mississippi Development Authority shall promulgate
4252 rules and regulations to implement the provisions of this section.

4253 **SECTION 48.** Section 57-10-409, Mississippi Code of 1972, is
4254 brought forward as follows:

4255 **[In cases involving an economic development project for which**
4256 **the Mississippi Business Finance Corporation has issued bonds for**
4257 **the purpose of financing the approved costs of such project prior**
4258 **to July 1, 1994, this section shall read as follows:]**

4259 57-10-409. The corporation may enter into, with any approved
4260 company, a financing agreement with respect to its economic
4261 development project. The terms and provisions of each financing
4262 agreement shall be determined by negotiations between the
4263 corporation and the approved company, except that each financing
4264 agreement shall include the following provisions:

4265 (a) If the corporation issues any bonds in connection
4266 with an economic development project, the term of the financing



4267 agreement shall not be less than the last maturity of the bonds
4268 issued with respect to the economic development project, except
4269 that the financing agreement may terminate upon the earlier
4270 redemption of all of the bonds issued with respect to the economic
4271 development project and may grant to the approved company an
4272 option to purchase the economic development project from the
4273 corporation upon the termination of the financing agreement for
4274 such consideration and under such terms and conditions the
4275 corporation may approve. Nothing in this paragraph shall limit
4276 the extension of the term of a financing agreement if there is a
4277 refunding of the correlative bonds or otherwise.

4278 (b) If the corporation issues any bonds in connection
4279 with an economic development project, the financing agreement
4280 shall specify that the annual obligations of the approved company
4281 under Sections 57-10-401 through 57-10-445 shall equal in each
4282 year at least the annual debt service for that year on the bonds
4283 issued with respect to the economic development project; and the
4284 approved company shall pay such obligation of the financing
4285 agreement to the trustee for bonds issued for the benefit of the
4286 approved company, at such time and in such amounts sufficient to
4287 amortize such bonds.

4288 (c) If the corporation loans funds to an approved
4289 company that is a private company under the Mississippi Small
4290 Enterprise Development Finance Act, the financing agreement shall



4291 include the terms and conditions of the loan required by Section
4292 57-71-1 et seq.

4293 (d) (i) In consideration for financing agreement
4294 payment, the approved company may be permitted the following
4295 during the period of time in which the financing agreement is in
4296 effect, not to exceed twenty-five (25) years:

4297 1. A tax credit on the amount provided for in
4298 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4299 2. The aggregate assessment withheld by the
4300 approved company in each year.

4301 (ii) The income tax credited to the approved
4302 company referred to herein shall be credited in the fiscal year of
4303 the financing agreement in which the tax return of the approved
4304 company is filed. The approved company shall not be required to
4305 pay estimated tax payments under Section 27-7-319, Mississippi
4306 Code of 1972.

4307 (e) (i) The financing agreement shall provide that the
4308 assessments, when added to the credit for the state corporate
4309 income tax herein granted, shall not exceed the total financing
4310 agreement annual payment by the approved company in any year;
4311 however, to the extent that financing agreement annual payments
4312 exceed credits received and assessments collected in any year, the
4313 excess payment may be recouped from excess credits or assessment
4314 collections in succeeding years.



4315 (ii) If during any fiscal year of the financing
4316 agreement the total of the income tax credit granted to the
4317 approved company plus the assessment collected from the wages of
4318 the employees equals the annual payment pursuant to the financing
4319 agreement, and if all excess payments pursuant to the financing
4320 agreement accumulated in prior years have been recouped, the
4321 assessment collected from the wages of the employees shall cease
4322 for the remainder of the fiscal year of the financing agreement.

4323 (f) The financing agreement shall provide that:

4324 (i) It may be assigned by the approved company
4325 only upon the prior written consent of the corporation following
4326 the adoption of a resolution by the corporation to such effect;
4327 and

4328 (ii) Upon the default by the approved company in
4329 the obligation to render its annual payment, the corporation shall
4330 have the right, at its option, to declare the financing agreement
4331 in default and to accelerate the total of all annual payments that
4332 are to be made or to terminate the financing agreement and cause
4333 to be sold the economic development project at public or private
4334 sale, or to pursue any other remedies available under the Uniform
4335 Commercial Code, as from time to time amended, or otherwise
4336 available in law or equity.

4337 **[In cases involving an economic development project for which**
4338 **the Mississippi Business Finance Corporation has not issued bonds**
4339 **for the purpose of financing the approved costs of such project**



4340 prior to July 1, 1994, but has issued bonds for such project prior
4341 to July 1, 1997, or in cases involving an economic development
4342 project which has been induced by a resolution of the Board of
4343 Directors of the Mississippi Business Finance Corporation that has
4344 been filed with the State Tax Commission prior to July 1, 1997,
4345 this section shall read as follows:]

4346 57-10-409. The corporation may enter into, with any approved
4347 company, a financing agreement with respect to its economic
4348 development project. The terms and provisions of each financing
4349 agreement shall be determined by negotiations between the
4350 corporation and the approved company, except that each financing
4351 agreement shall include the following provisions:

4352 (a) If the corporation issues any bonds in connection
4353 with an economic development project, the term of the financing
4354 agreement shall not be less than the last maturity of the bonds
4355 issued with respect to the economic development project, except
4356 that the financing agreement may terminate upon the earlier
4357 redemption of all of the bonds issued with respect to the economic
4358 development project and may grant to the approved company an
4359 option to purchase the economic development project from the
4360 corporation upon the termination of the financing agreement for
4361 such consideration and under such terms and conditions the
4362 corporation may approve. Nothing in this paragraph shall limit
4363 the extension of the term of a financing agreement if there is a
4364 refunding of the correlative bonds or otherwise.



4365 (b) If the corporation issues any bonds in connection
4366 with an economic development project, the financing agreement
4367 shall specify that the annual obligations of the approved company
4368 under Sections 57-10-401 through 57-10-445 shall equal in each
4369 year at least the annual debt service for that year on the bonds
4370 issued with respect to the economic development project; and the
4371 approved company shall pay such obligation of the financing
4372 agreement to the trustee for bonds issued for the benefit of the
4373 approved company, at such time and in such amounts sufficient to
4374 amortize such bonds.

4375 (c) If the corporation loans funds to an approved
4376 company that is a private company under the Mississippi Small
4377 Enterprise Development Finance Act, the financing agreement shall
4378 include the terms and conditions of the loan required by Section
4379 57-71-1 et seq.

4380 (d) (i) In consideration for financing agreement
4381 payment, the approved company may be permitted the following
4382 during the period of time in which the financing agreement is in
4383 effect, not to exceed twenty-five (25) years:

4384 1. A tax credit on the amount provided for in
4385 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4386 2. The aggregate assessment withheld by the
4387 approved company in each year.

4388 (ii) The income tax credited to the approved
4389 company referred to herein shall be credited in the fiscal year of



4390 the financing agreement in which the tax return of the approved
4391 company is filed. The approved company shall not be required to
4392 pay estimated tax payments under Section 27-7-319, Mississippi
4393 Code of 1972.

4394 (e) (i) The financing agreement shall provide that the
4395 assessments, when added to the credit for the state corporate
4396 income tax herein granted, shall not exceed the total financing
4397 agreement annual payment by the approved company in any year;
4398 however, to the extent that financing agreement annual payments
4399 exceed credits received and assessments collected in any year, the
4400 excess payment may be recouped from excess credits or assessment
4401 collections in succeeding years not to exceed three (3) years
4402 following the termination of the period of time during which the
4403 financing agreement is in effect.

4404 (ii) If during any fiscal year of the financing
4405 agreement the total of the income tax credit granted to the
4406 approved company plus the assessment collected from the wages of
4407 the employees equals the annual payment pursuant to the financing
4408 agreement, and if all excess payments pursuant to the financing
4409 agreement accumulated in prior years have been recouped, the
4410 assessment collected from the wages of the employees shall cease
4411 for the remainder of the fiscal year of the financing agreement.

4412 (f) The financing agreement shall provide that:

4413 (i) It may be assigned by the approved company
4414 only upon the prior written consent of the corporation following



4415 the adoption of a resolution by the corporation to such effect;
4416 and

4417 (ii) Upon the default by the approved company in
4418 the obligation to render its annual payment, the corporation shall
4419 have the right, at its option, to declare the financing agreement
4420 in default and to accelerate the total of all annual payments that
4421 are to be made or to terminate the financing agreement and cause
4422 to be sold the economic development project at public or private
4423 sale, or to pursue any other remedies available under the Uniform
4424 Commercial Code, as from time to time amended, or otherwise
4425 available in law or equity.

4426 **[In cases involving an economic development project for which**
4427 **the Mississippi Business Finance Corporation has not issued bonds**
4428 **for the purpose of financing the approved costs of such project**
4429 **prior to July 1, 1997, or in cases involving an economic**
4430 **development project which has not been induced by a resolution of**
4431 **the Board of Directors of the Mississippi Business Finance**
4432 **Corporation that has been filed with the State Tax Commission**
4433 **prior to July 1, 1997, this section shall read as follows:]**

4434 57-10-409. The corporation may enter into, with any approved
4435 company, a financing agreement with respect to its economic
4436 development project. The terms and provisions of each financing
4437 agreement shall be determined by negotiations between the
4438 corporation and the approved company, except that each financing
4439 agreement shall include the following provisions:



4440 (a) If the corporation issues any bonds in connection
4441 with an economic development project, the term of the financing
4442 agreement shall not be less than the last maturity of the bonds
4443 issued with respect to the economic development project, except
4444 that the financing agreement may terminate upon the earlier
4445 redemption of all of the bonds issued with respect to the economic
4446 development project and may grant to the approved company an
4447 option to purchase the economic development project from the
4448 corporation upon the termination of the financing agreement for
4449 such consideration and under such terms and conditions the
4450 corporation may approve. Nothing in this paragraph shall limit
4451 the extension of the term of a financing agreement if there is a
4452 refunding of the correlative bonds or otherwise.

4453 (b) If the corporation issues any bonds in connection
4454 with an economic development project, the financing agreement
4455 shall specify that the annual obligations of the approved company
4456 under Sections 57-10-401 through 57-10-445 shall equal in each
4457 year at least the annual debt service for that year on the bonds
4458 issued with respect to the economic development project; and the
4459 approved company shall pay such obligation of the financing
4460 agreement to the trustee for bonds issued for the benefit of the
4461 approved company, at such time and in such amounts sufficient to
4462 amortize such bonds.

4463 (c) If the corporation loans funds to an approved
4464 company that is a private company under the Mississippi Small



4465 Enterprise Development Finance Act, the financing agreement shall
4466 include the terms and conditions of the loan required by Section
4467 57-71-1 et seq.

4468 (d) (i) In consideration for financing agreement
4469 payment, the approved company may be permitted a tax credit on the
4470 amount provided for in Section 27-7-22.3(2), Mississippi Code of
4471 1972, during the period of time in which the financing agreement
4472 is in effect, not to exceed twenty-five (25) years.

4473 (ii) The income tax credited to the approved
4474 company referred to herein shall be credited in the fiscal year of
4475 the financing agreement in which the tax return of the approved
4476 company is filed. The approved company shall not be required to
4477 pay estimated tax payments under Section 27-7-319, Mississippi
4478 Code of 1972.

4479 (e) The financing agreement shall provide that:

4480 (i) It may be assigned by the approved company
4481 only upon the prior written consent of the corporation following
4482 the adoption of a resolution by the corporation to such effect;
4483 and

4484 (ii) Upon the default by the approved company in
4485 the obligation to render its annual payment, the corporation shall
4486 have the right, at its option, to declare the financing agreement
4487 in default and to accelerate the total of all annual payments that
4488 are to be made or to terminate the financing agreement and cause
4489 to be sold the economic development project at public or private



4490 sale, or to pursue any other remedies available under the Uniform
4491 Commercial Code, as from time to time amended, or otherwise
4492 available in law or equity.

4493 **SECTION 49.** Section 57-114-3, Mississippi Code of 1972, is
4494 brought forward as follows:

4495 57-114-3. For purposes of this chapter, the following words
4496 shall have the meanings ascribed herein unless the context
4497 otherwise requires:

4498 (a) "Affiliate" means, with respect to a specified
4499 entity, (i) another person or entity that directly or indirectly,
4500 through one or more intermediaries, controls or is controlled by
4501 or is under common control with the specified person or entity,
4502 where the term "control" means the ownership or possession,
4503 directly or indirectly, of the power to direct more than fifty
4504 percent (50%) of the voting equity securities or a similar
4505 ownership interest in the specified controlled entity, or (ii) any
4506 member of an affiliated group of corporations, of which the
4507 specified entity is also a member, which are each subject to
4508 income taxation in Mississippi and may elect to file a combined
4509 Mississippi income tax return in accordance with state law.

4510 (b) "Authority" means the Mississippi Development
4511 Authority.

4512 (c) "Annual report" means the report described in
4513 Section 57-114-13.



4514 (d) "Applicable accounting rules" shall mean the
4515 accounting principles generally recognized as applicable to a
4516 qualified business or industry and pursuant to which such
4517 qualified business or industry regularly prepares and maintains
4518 its financial and accounting books and records, and which
4519 specifically incorporate Generally Accepted Accounting Principles
4520 or International Financial Reporting Standards, as appropriate.

4521 (e) "Applicant" means any corporation, limited
4522 liability company, partnership, person or sole proprietorship,
4523 business trust or other legal entity and subunit or affiliate
4524 thereof that applies to the authority, in the manner prescribed by
4525 this chapter, seeking (i) certification by the authority that such
4526 applicant is a qualified business or industry and that its
4527 proposed new project or expansion of an existing business or
4528 industrial operation is a qualified economic development project,
4529 and (ii) an award in connection therewith of an mFlex tax
4530 incentive.

4531 (f) "Average state or county wage" shall mean, as of
4532 the project certification date, the lesser of the most recently
4533 published average annual wage per person as determined and
4534 published by the Mississippi Department of Employment Security for
4535 the state or the county in which the qualified project is or will
4536 be located; provided that, if a qualified project is or will be
4537 located in two (2) or more counties, the average state or county
4538 wage, as used in this chapter, shall mean, as of the project



4539 certification date, only the most recently published average
4540 annual wage per person as determined and published by the
4541 Mississippi Department of Employment Security for the state.

4542 (g) "Average employer wage" means the qualified annual
4543 payroll for all new full-time jobs created in the State of
4544 Mississippi by a qualified business or industry divided by the
4545 number of new full-time jobs thereof for which such qualified
4546 annual payroll was paid or is otherwise payable.

4547 (h) "Base full-time job" means a job (i) for which an
4548 employee was already hired by the qualified business or industry
4549 before, and is employed as of, the project certification date;
4550 (ii) that offers a minimum of one thousand eight hundred twenty
4551 (1,820) hours of an employee's time per year (i.e., thirty-five
4552 (35) hours per week on average) for a normal four (4) consecutive
4553 quarter period of the qualified business or industry's operations
4554 or a job for which the employee was hired before, and is employed
4555 as of, the project certification date and is compensated based on
4556 one thousand eight hundred twenty (1,820) hours for such annual
4557 period (including in each case an employee who, after hiring,
4558 elects to take unpaid time off or is on short-term or long-term
4559 disability); and (iii) the employee holding such job receives
4560 salary or wages subject to state income tax withholdings. The
4561 term "base full-time job" also means a base-leased employee.
4562 Part-time jobs may not be combined to add up to a base full-time
4563 job.



4564 (i) "Base-leased employee" means a nontemporary
4565 employee:
4566 (i) Who was leased by the qualified business or
4567 industry before the project certification date from another
4568 business or enterprise that is 1. in the business of leasing
4569 employees, and 2. is registered with the Office of the Secretary
4570 of State and qualified to do business in the state;
4571 (ii) Who is leased as of the project certification
4572 date;
4573 (iii) Who is not otherwise an employee of such
4574 qualified business or industry;
4575 (iv) Who, as of the project certification date,
4576 was already performing services for, and under the supervision of,
4577 the qualified business or industry pursuant to a leasing agreement
4578 between the qualified business or industry and such other employee
4579 leasing firm;
4580 (v) Whose job-performing services for the
4581 qualified business or industry offers a minimum of one thousand
4582 eight hundred twenty (1,820) hours of an employee's time per year
4583 (i.e., thirty-five (35) hours per week on average) for an entire
4584 normal work year of the qualified business or industry's
4585 operations or a job for which the employee is leased before the
4586 project certification date and is compensated based on one
4587 thousand eight hundred twenty (1,820) hours for such annual period
4588 (including in each case an employee who, after being leased,



4589 elects to take unpaid time off or is on short-term or long-term
4590 disability); and

4591 (vi) Whose job receives salary or wages subject to
4592 state income tax withholdings. Individuals employed by an
4593 independent contractor performing one or more services for the
4594 qualified business or industry pursuant to a services or
4595 management agreement (e.g., security services, landscaping
4596 services, and cafeteria management and food services) shall not be
4597 considered as base-leased employees.

4598 (j) "Contractor tax" shall mean the tax levied by
4599 Section 27-65-21, except for the tax upon the sale of
4600 manufacturing or processing machinery for a manufacturer or custom
4601 processor.

4602 (k) "Construction contract" shall mean any contract or
4603 portion of any contract for any one or more of the activities
4604 described in Section 27-65-21 for which the contractor tax applies
4605 and is payable by the contractor that is party thereto.

4606 (l) "Manufacturing machinery," as used in this chapter,
4607 shall have the same meaning ascribed to such term in Section
4608 27-65-11, as interpreted by any regulations promulgated by the
4609 Department of Revenue with respect to such section.

4610 (m) "mFlex agreement" means the written agreement
4611 entered into between a qualified business or industry and the
4612 authority in accordance with Section 57-114-7(4)(c).



4613 (n) "mFlex tax incentive" means the tax incentive
4614 authorized by this chapter to be calculated and awarded by the
4615 authority, and thereafter applied as a credit to offset state
4616 taxes, in accordance with, and subject to, this chapter.

4617 (o) "Minimum job creation requirement" means the
4618 creation by the qualified business or industry, following the
4619 project certification date, of at least ten (10) new full-time
4620 jobs in the state.

4621 (p) "Minimum qualified investment" means a qualified
4622 investment of not less than Two Million Five Hundred Thousand
4623 Dollars (\$2,500,000.00).

4624 (q) "New full-time job" means a job:

4625 (i) For which an employee is hired by the
4626 qualified business or industry after the project certification
4627 date;

4628 (ii) That offers a minimum of one thousand eight
4629 hundred twenty (1,820) hours of an employee's time per year (i.e.,
4630 thirty-five (35) hours per week on average) for a normal four (4)
4631 consecutive quarter period of the qualified business or industry's
4632 operations or a job for which the employee is hired after the
4633 project certification date and is compensated based on one
4634 thousand eight hundred twenty (1,820) hours for such annual period
4635 (including in each case an employee who, after hiring, elects to
4636 take unpaid time off or is on short-term or long-term disability);
4637 and



4638 (iii) The employee holding such job receives
4639 salary or wages subject to state income tax withholdings. The
4640 term "new full-time job" also means new-leased employee.
4641 Part-time jobs may not be combined to add up to a new full-time
4642 job.

4643 (r) "New-leased employee" means a nontemporary
4644 employee:

4645 (i) Who is leased by the qualified business or
4646 industry after the project certification date from another
4647 business or enterprise that is 1. in the business of leasing
4648 employees, and 2. is registered with the Office of the Secretary
4649 of State and qualified to do business in the state;

4650 (ii) Who is not otherwise an employee of such
4651 qualified business or industry;

4652 (iii) Who performs services for the qualified
4653 business or industry pursuant to a leasing agreement between the
4654 qualified business or industry and such other employee-leasing
4655 firm;

4656 (iv) Whose job-performing services for the
4657 qualified business or industry offers a minimum of one thousand
4658 eight hundred twenty (1,820) hours of an employee's time per year
4659 (i.e., thirty-five (35) hours per week on average) for an entire
4660 normal work year of the qualified business or industry's
4661 operations or a job for which the employee is leased after the
4662 project certification date and is compensated based on one



4663 thousand eight hundred twenty (1,820) hours for such annual period
4664 (including in each case an employee who, after being leased,
4665 elects to take unpaid time off or is on short-term or long-term
4666 disability); and

4667 (v) Whose job receives salary or wages subject to
4668 state income tax withholdings. Individuals employed by an
4669 independent contractor performing one or more services for the
4670 qualified business or industry pursuant to a services or
4671 management agreement (e.g., security services, landscaping
4672 services, and cafeteria management and food services) shall not be
4673 considered as a new-leased employees.

4674 (s) "Nonmanufacturing equipment" means all tangible
4675 personal property that is not manufacturing machinery, including,
4676 but not limited to, office furniture, fixtures, office computers
4677 and communications equipment, and warehouse equipment such as
4678 racking and shelving.

4679 (t) "Part-time job" means a job (i) for which an
4680 employee is hired by the qualified business or industry that
4681 requires fewer than one thousand eight hundred twenty (1,820)
4682 hours of an employee's time per year (i.e., requires fewer than
4683 thirty-five (35) hours per week on average) for an entire normal
4684 work year of the qualified business or industry's operations or a
4685 job for which the employee is hired and is compensated based on
4686 fewer than one thousand eight hundred twenty (1,820) hours for
4687 such annual period; and (iii) for which the employee holding such



4688 job receives salary or wages subject to state income tax
4689 withholdings.

4690 (u) "Project certification date" means the actual date
4691 of the authority's certification, or the effective date of
4692 certification determined and prescribed by the authority, of the
4693 qualified business or industry and its qualified economic
4694 development project as eligible for the state tax credits
4695 determined and awarded by the authority, as authorized by, and in
4696 accordance with, this chapter.

4697 (v) "Qualified annual payroll" means the sum of the
4698 annual salary and wages for new full-time jobs of the qualified
4699 business or industry, excluding the amount or value of any
4700 benefits that are not subject to state income taxes.

4701 (w) "Qualified business or industry" means any
4702 corporation, limited liability company, partnership, person or
4703 sole proprietorship, business trust or other legal entity and
4704 subunit or affiliate thereof, which makes a qualified minimum
4705 investment in a qualified economic development project.

4706 (x) "Qualified economic development project" or
4707 "qualified project" means the location in the state of one or more
4708 of the following enumerated enterprises for which a corporation,
4709 limited liability company, partnership, sole proprietorship,
4710 business trust or other legal entity, or subunit or affiliate
4711 thereof, makes or causes to be made from the minimum qualified



4712 investment and/or satisfies or causes to be satisfied the minimum
4713 job creation requirement:

4714 (i) A new warehouse and/or distribution enterprise
4715 or an expansion of an existing warehouse and/or distribution
4716 enterprise; provided that, in any such instance, such warehouse
4717 and/or distribution enterprise or expansion thereof is certified
4718 by the authority to qualify as such;

4719 (ii) A new manufacturing, remanufacturing,
4720 assembly, processing and/or refinery enterprise or an expansion of
4721 an existing manufacturing, remanufacturing, assembly, processing
4722 and/or refinery enterprise; provided that, in any such instance,
4723 such manufacturing, remanufacturing, assembly, processing and/or
4724 refinery enterprise or expansion thereof is certified by the
4725 authority to qualify as such;

4726 (iii) A new research or research and development
4727 enterprise or an expansion of an existing research or research and
4728 development enterprise; provided that, in any such instance, such
4729 research and development enterprise or an expansion thereof is
4730 certified by the authority to qualify as such;

4731 (iv) A new regional or national headquarters of
4732 the qualified business or industry or an expansion of an existing
4733 regional or national headquarters of the qualified business or
4734 industry; provided that, in any such instance, such regional or
4735 national headquarters or expansion thereof is certified by the
4736 authority to qualify as such;



4737 (v) An air transportation, repair and/or
4738 maintenance enterprise or an expansion of an existing air
4739 transportation, repair and/or maintenance enterprise; provided
4740 that, in either instance, such air transportation, repair and/or
4741 maintenance enterprise or expansion thereof is certified by the
4742 authority to qualify as such;

4743 (vi) A ship or other maritime vessel or barge
4744 transportation, repair and/or maintenance enterprise or an
4745 expansion of an existing ship or other maritime vessel or barge
4746 transportation, repair and/or maintenance enterprise; provided
4747 that, in either instance, the ship or other maritime vessel or
4748 barge transportation, repair and/or maintenance enterprise or
4749 expansion thereof is certified by the authority to qualify as
4750 such;

4751 (vii) A new data/information processing enterprise
4752 or an expansion of an existing new data/information processing
4753 enterprise; provided that, in any such instance such
4754 data/information processing enterprise or expansion thereof is
4755 certified by the authority to qualify as such;

4756 (viii) A new technology intensive enterprise or an
4757 expansion of an existing technology intensive enterprise; provided
4758 that, in either instance, the technology intensive enterprise or
4759 expansion thereof is certified by the authority to qualify as
4760 such; provided further, that a business or enterprise primarily
4761 engaged in creating computer programming codes to develop



4762 applications, websites and/or software shall qualify as a
4763 technology intensive enterprise;

4764 (ix) A new telecommunications enterprise
4765 principally engaged in the creation, display, management, storage,
4766 processing, transmission and/or distribution, for compensation, of
4767 images, text, voice, video or data by wire or by wireless means,
4768 or engaged in the construction, design, development, manufacture,
4769 maintenance or distribution for compensation of devices, products,
4770 software or structures used in the above activities, or an
4771 expansion of an existing telecommunications enterprise as herein
4772 described; provided that, in any such instance, any such
4773 telecommunications enterprise or expansion thereof is certified by
4774 the authority to qualify as such; provided further, that
4775 commercial broadcast radio stations, television stations or news
4776 organizations primarily serving in-state markets shall not be
4777 included within the definition of the term "telecommunications
4778 enterprise";

4779 (x) A new data center enterprise principally
4780 engaged in the utilization of hardware, software, technology,
4781 infrastructure and/or workforce, to store, manage or manipulate
4782 digital data, or an expansion of an existing data center
4783 enterprise as herein described; provided that, in such instance,
4784 any such data center enterprise or expansion thereof is certified
4785 by the authority to qualify as such.



4786 (y) "Qualified investment" means any expenditures made
4787 or caused to be made by the qualified business or industry
4788 following the project certification date for construction,
4789 installation, equipping and operation of a qualified economic
4790 development project from any source or combination of sources,
4791 excluding any funds contributed by the state or any agency or
4792 other political subdivision thereof, or by any local government or
4793 any agency or other political subdivision thereof, to the extent
4794 such expenditures can be capitalized under applicable accounting
4795 rules or otherwise by the Internal Revenue Code, whether or not
4796 the qualified business or industry elects to capitalize the same,
4797 as reflected in its financial statements, including, but not
4798 limited to, all costs associated with the acquisition,
4799 installation and/or construction of, or capital leasehold interest
4800 in, any buildings and other real property improvements, fixtures,
4801 equipment, machinery, landscaping, fire protection, depreciable
4802 fixed assets, engineering and design costs.

4803 (z) "Reporting year" means the twelve-month period
4804 ending on the last day of the month during which the annual
4805 anniversary of a project certification date occurs, and for which
4806 an annual report must be filed with the authority by a qualified
4807 business or industry in accordance with Section 57-114-13.

4808 (aa) "State" means the State of Mississippi.

4809 (bb) "State tax" means:



4810 (i) Any sales and use tax imposed on, and payable
4811 directly to the Department of Revenue by, the qualified business
4812 or industry in accordance with state law, except for contractor's
4813 tax and the taxes levied by Section 27-65-24(1)(b);

4814 (ii) All income tax imposed pursuant to law on
4815 income earned by the qualified business or industry pursuant to
4816 state law;

4817 (iii) Franchise tax imposed pursuant to state law
4818 on the value of capital used, invested or employed by the business
4819 enterprise certified by the Mississippi Development Authority; and

4820 (iv) Withholding tax required to be deducted and
4821 withheld from employee wages pursuant to Section 27-7-301 et seq.

4822 **SECTION 50.** Section 57-114-7, Mississippi Code of 1972, is
4823 brought forward as follows:

4824 57-114-7. (1) The authority shall evaluate an application
4825 to determine whether the applicant's proposed project is a
4826 qualified economic development project and whether it is therefore
4827 eligible for an award by the authority of an mFlex tax incentive,
4828 as calculated in accordance with Section 57-114-9.

4829 (2) Upon approval of an applicant's application, the
4830 authority shall issue a certification (a) designating the
4831 applicant's project as a "qualified economic development project"
4832 and eligible for the mFlex tax incentive authorized by this
4833 chapter; (b) awarding the initial mFlex tax incentive calculated
4834 pursuant to Section 57-114-9; and (c) imposing those mandatory



4835 conditions pursuant to subsection (4) of this section and any
4836 discretionary conditions otherwise imposed by the authority.

4837 (3) Upon the issuance of the certification and execution of
4838 the mFlex agreement by a qualified business or industry and the
4839 authority, the qualified business or industry may apply the amount
4840 of its mFlex tax incentive as a credit to offset (a) any state
4841 taxes (except for withholding tax required to be deducted and
4842 withheld from employee wages pursuant to Section 27-7-301 et
4843 seq.), as incurred thereby, up to the full amount of the mFlex tax
4844 incentive awarded by the authority for the associated qualified
4845 economic development project, and (b) only up to twenty percent
4846 (20%) of the mFlex tax incentive amount may be applied as a credit
4847 during the course of any reporting year to offset withholding tax
4848 deducted and withheld from employee wages pursuant to Section
4849 27-7-301 et seq.; provided that the amount of the mFlex tax
4850 incentive available to be applied as a credit to offset such state
4851 taxes shall be subject to any subsequent adjustments made by the
4852 authority to such award pursuant to Section 57-114-13, and any
4853 performance requirements set out in the mFlex agreement. The
4854 amount of the mFlex tax incentive available to be applied as a
4855 credit to offset any state taxes described in Section
4856 57-114-3(bb) (i) shall be limited to those such taxes payable
4857 directly by the qualified business or industry to the Department
4858 of Revenue pursuant to a direct pay permit issued by the
4859 Department of Revenue under Section 27-65-93. The amount of the



4860 mFlex tax incentive available to be applied as a credit to offset
4861 any state taxes may not be applied as a credit to offset any state
4862 taxes incurred prior to the issuance of the certification by the
4863 authority and execution of the mFlex agreement by the qualified
4864 business or industry and the authority.

4865 (4) The following conditions shall apply to each such
4866 certification made, and each mFlex tax incentive awarded, by the
4867 authority in accordance with this chapter:

4868 (a) Any certification and mFlex tax incentive award
4869 issued by the authority under this chapter is nontransferable and
4870 cannot be applied, used or assigned to any other person or
4871 business or tax account without prior approval by the authority,
4872 except for one or more affiliates of the qualified business or
4873 industry disclosed thereby on its application or in a subsequent
4874 annual report submitted to the authority in accordance with this
4875 chapter;

4876 (b) No qualified business or industry may claim or use
4877 the mFlex tax incentive awarded thereto under this chapter unless
4878 the qualified business or industry is in full compliance with all
4879 state and local tax laws, and related ordinances, permits and
4880 other applicable governmental approvals; and

4881 (c) Each qualified business or industry must enter into
4882 an mFlex agreement with the authority which sets out, at a
4883 minimum, (i) the obligation of the business or industry to provide
4884 an annual report to the authority pursuant to Section 57-114-13



4885 that demonstrates the actual amount of its qualified investment,
4886 including actual expenditures on manufacturing machinery,
4887 nonmanufacturing equipment and component building materials, the
4888 number of new full-time jobs created and maintained as a result of
4889 the project, and any other relevant information as may be required
4890 by the authority; and (ii) terms for readjustment or recapture of
4891 all or a portion of the mFlex tax incentive awarded thereto
4892 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy
4893 the minimum job creation requirement if certification of the
4894 project is predicated on satisfaction of the minimum job creation
4895 requirement and not the minimum qualified investment, or 2. fails
4896 to satisfy the minimum qualified investment if certification of
4897 the project is predicated on satisfaction of the minimum job
4898 creation requirement and not the minimum qualified investment,
4899 and/or 3. fails to otherwise satisfy any other additional
4900 performance requirements of the qualified business or industry or
4901 its qualified economic development project that are imposed by the
4902 authority.

4903 (5) In addition to those mandatory conditions prescribed by
4904 this chapter that apply to each certification and award of an
4905 mFlex tax incentive made by the authority in accordance herewith,
4906 the authority is authorized to impose any other conditions upon
4907 any certification and award of an mFlex tax incentive made by the
4908 authority as it shall find best promotes economic development in
4909 the state.



4910 (6) Upon certifying a qualified business or industry as
4911 eligible for, and awarding, an mFlex tax incentive under this
4912 chapter, the authority shall forward the certification along with
4913 any other necessary information to the Department of Revenue so
4914 that the mFlex tax incentive awarded to the qualified business or
4915 industry can be recorded by the Department of Revenue and used to
4916 verify each state tax credit subsequently applied by the qualified
4917 business or industry.

4918 (7) Within thirty (30) days following the end of each
4919 calendar quarter, the authority shall provide to the Governor,
4920 Lieutenant Governor and the Speaker of the House of
4921 Representatives a copy of each certification made, together with a
4922 copy of each mFlex agreement approved and executed, during the
4923 immediately preceding calendar quarter.

4924 **SECTION 51.** Section 57-114-9, Mississippi Code of 1972, is
4925 brought forward as follows:

4926 57-114-9. **Calculation and application of an mFlex tax**
4927 **incentive award.** The total amount of the initial mFlex tax
4928 incentive determined and awarded by the authority to the certified
4929 applicant shall be calculated by the authority as follows:

4930 (a) Subject to paragraph (f) below, one and one-half
4931 percent (1.5%) of the total purchase or sales price, or value,
4932 including any installation costs thereof, as applicable, of all
4933 manufacturing or processing machinery acquired, leased or
4934 otherwise moved into the state following the project certification



4935 date to establish and equip the qualified economic development
4936 project; plus

4937 (b) Subject to paragraph (f) below, seven percent (7%)
4938 of the total purchase or sales price, or value, including any
4939 installation costs thereof, as applicable, of all nonmanufacturing
4940 equipment, other than tagged over-the-road vehicles, acquired,
4941 leased or otherwise moved into the state following the project
4942 certification date to establish and equip the qualified economic
4943 development project; plus

4944 (c) Subject to paragraph (f) below, two percent (2%) of
4945 the total contract price or compensation paid to any contractor
4946 pursuant to any construction contract entered into following the
4947 project certification date by the qualified business or industry
4948 or any affiliate thereof, to construct, build, erect, repair or
4949 add to any building, facility, structure or other improvement to
4950 real property described in Section 27-65-21(1)(a)(i) to establish
4951 and construct the qualified economic development project; plus, if
4952 applicable;

4953 (d) To the extent that the average employer wage is
4954 equal to or more than seventy-five percent (75%) of the average
4955 state or county wage, then an additional fifteen percent (15%) of
4956 the product derived by multiplying the average employer wage by
4957 the number of new full-time jobs; plus, if applicable;

4958 (e) (i) To the extent that 1. the qualified economic
4959 development project is an enterprise enumerated in Section



4960 57-114-3(x) (i) or (x) (ii); 2. the number of new full-time jobs
4961 totals fifty (50) or more; 3. the qualified investment totals Ten
4962 Million Dollars (\$10,000,000) or more; 4. the average employer
4963 wage is equal to or more than one hundred ten percent (110%) of
4964 the average state or county wage; and 5. all full-time employees
4965 are eligible for and offered health insurance coverage funded in
4966 whole or at least fifty percent (50%) by the qualified business or
4967 industry (or by a leasing company with respect to leased
4968 employees), then an additional thirty percent (30%) of the product
4969 derived by multiplying the average employer wage by the number of
4970 new full-time jobs; or

4971 (ii) To the extent that subparagraph (i) of this
4972 paragraph (e) does not apply, but 1. the number of new full-time
4973 jobs totals twenty-five (25) or more; 2. the average employer wage
4974 is equal to or more than one hundred twenty-five percent (125%) of
4975 the average state or county wage; and 3. all full-time employees
4976 are eligible for and offered health insurance coverage funded in
4977 whole or at least fifty percent (50%) by the qualified business or
4978 industry (or by a leasing company with respect to leased
4979 employees), then an additional thirty percent (30%) of the product
4980 derived by multiplying the average employer wage by the number of
4981 new full-time jobs; provided, however, that the initial mFlex tax
4982 incentive award amount determined by the authority and awarded on
4983 the project certification date shall be based upon estimates
4984 provided by the qualified business or industry to the authority



4985 with respect to paragraphs (a) through (d) of this section, which
4986 estimates shall be memorialized as project performance measures
4987 agreed to by the qualified business or industry in the mFlex
4988 agreement; provided, further, that such initial award amount shall
4989 be subject to any subsequent adjustments made by the authority
4990 pursuant to Section 57-114-13;

4991 (f) To the extent that all or any portion of the
4992 purchases to establish a qualified economic development project
4993 which are financed by proceeds from bonds issued pursuant to
4994 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex
4995 tax incentive determined in accordance with this section shall
4996 exclude the amount calculated in accordance with paragraphs (a),
4997 (b) and (c) above; provided that, this paragraph (f) shall not
4998 apply in determining the mFlex tax incentive for a qualified
4999 economic development project to the extent that (i) the qualified
5000 economic development project is an expansion of an existing
5001 project, (ii) all or any portion of the purchases to establish the
5002 existing project were financed by proceeds from bonds issued
5003 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et
5004 seq., and (iii) no purchases to establish the expansion
5005 constituting a qualified economic development project are financed
5006 by proceeds from bonds issued pursuant to Section 57-10-201 et
5007 seq. or Section 57-10-401 et seq.

5008 **SECTION 52.** Section 57-115-3, Mississippi Code of 1972, is
5009 brought forward as follows:



5010 57-115-3. As used in this chapter, the following terms and
5011 phrases shall have the meanings ascribed in this section unless
5012 the context clearly indicates otherwise:

5013 (a) "Affiliate" means:

5014 (i) Any person who, directly or indirectly,
5015 beneficially owns, controls, or holds power to vote fifteen
5016 percent (15%) or more of the outstanding voting securities or
5017 other voting ownership interest of a Mississippi small business
5018 investment company or insurance company; and

5019 (ii) Any person, fifteen percent (15%) or more of
5020 whose outstanding voting securities or other voting ownership
5021 interests are directly or indirectly beneficially owned,
5022 controlled, or held, with power to vote by a Mississippi small
5023 business investment company or insurance company. Notwithstanding
5024 this paragraph (a), an investment by a participating investor in a
5025 Mississippi small business investment company pursuant to an
5026 allocation of tax credits under this chapter does not cause that
5027 Mississippi small business investment company to become an
5028 affiliate of that participating investor.

5029 (b) "Allocation date" means the date on which credits
5030 are allocated to the participating investors of a Mississippi
5031 small business investment company under this chapter.

5032 (c) "MDA" means the Mississippi Development Authority.

5033 (d) "Department" means the Mississippi Department of
5034 Banking and Consumer Finance.



5035 (e) "Designated capital" means an amount of money that:
5036 (i) Is invested by a participating investor in a
5037 Mississippi small business investment company; and
5038 (ii) Fully funds the purchase price of a
5039 participating investor's equity interest in a Mississippi small
5040 business investment company or a qualified debt instrument issued
5041 by a Mississippi small business investment company, or both.

5042 (f) "Mississippi small business investment company"
5043 means a partnership, corporation, trust, or limited liability
5044 company, organized on a for-profit basis, that:
5045 (i) Has its principal office located in
5046 Mississippi or is headquartered in Mississippi;
5047 (ii) Has as its primary business activity the
5048 investment of cash in qualified businesses; and
5049 (iii) Is certified by the MDA as meeting the
5050 criteria described in this section to qualify as either a primary
5051 or secondary Mississippi small business investment company.

5052 (g) "Participating investor" means any insurer that
5053 contributes designated capital pursuant to this chapter.

5054 (h) "Person" means any natural person or entity,
5055 including, but not limited to, a corporation, general or limited
5056 partnership, trust, or limited liability company.

5057 (i) "Qualified business" means a business that is
5058 independently owned and operated and meets all of the following
5059 requirements:



5060 (i) It is headquartered in Mississippi, its
5061 principal business operations are located in Mississippi and at
5062 least eighty percent (80%) of its employees are located in
5063 Mississippi;

5064 (ii) It has not more than one hundred (100)
5065 employees at the time of the first qualified investment in the
5066 business;

5067 (iii) It is not more than ten percent (10%)
5068 engaged in:

5069 1. Professional services provided by
5070 accountants, doctors, or lawyers;

5071 2. Banking or lending;

5072 3. Real estate development;

5073 4. Retail;

5074 5. Insurance; or

5075 6. Making loans to or investments in a
5076 Mississippi small business investment company or an affiliate; and

5077 (iv) It is not a franchise of and has no financial
5078 relationship with a Mississippi small business investment company
5079 or any affiliate of a Mississippi small business investment
5080 company prior to a Mississippi small business investment company's
5081 first qualified investment in the business.

5082 A business classified as a qualified business at the time of
5083 the first qualified investment in the business will remain
5084 classified as a qualified business and may receive continuing



5085 qualified investments from any Mississippi small business
5086 investment company. Continuing investments will constitute
5087 qualified investments even though the business may not meet the
5088 definition of a qualified business at the time of such continuing
5089 investments; however, the business cannot fail to satisfy
5090 subparagraph (iii) and (iv) of this paragraph (i).

5091 (j) "Qualified debt instrument" means a debt instrument
5092 issued by a Mississippi small business investment company that
5093 meets all of the following criteria:

5094 (i) It is issued at par value or a premium;

5095 (ii) It has an original maturity date of at least
5096 four (4) years from the date of issuance and a repayment schedule
5097 that is not faster than a level principal amortization over four
5098 (4) years; and

5099 (iii) Has no interest or payment features that
5100 allow for the prepayment of interest or are tied to the
5101 profitability of the Mississippi small business investment company
5102 or the success of its investments.

5103 (k) "Qualified distribution" means any distribution or
5104 payment by a Mississippi small business investment company in
5105 connection with the following:

5106 (i) Reasonable costs and expenses of forming,
5107 syndicating and organizing the Mississippi small business
5108 investment company, including fees paid for professional services
5109 and the costs of financing and insuring the obligations of a



5110 Mississippi small business investment company, provided no such
5111 payment is made to more than one (1) participating investor or an
5112 affiliate or related party of a participating investor;

5113 (ii) An annual management fee not to exceed two
5114 percent (2%) of designated capital on an annual basis to offset
5115 the costs and expenses of managing and operating a Mississippi
5116 small business investment company;

5117 (iii) Any projected increase in federal or state
5118 taxes, including penalties and interest related to state and
5119 federal income taxes, or to the equity owners of the company
5120 resulting from the earnings or other tax liability of the company
5121 to the extent that the increase is related to the ownership,
5122 management, or operation of the company;

5123 (iv) Reasonable and necessary fees in accordance
5124 with industry custom for ongoing professional services, including,
5125 but not limited to, legal and accounting services related to the
5126 operation of a Mississippi small business investment company, not
5127 including lobbying or governmental relations; and

5128 (v) Payments of principal and interest to holders
5129 of qualified debt instruments issued by a Mississippi small
5130 business investment company which may be made without restriction.

5131 (1) "Qualified investment" means the investment of
5132 money by a Mississippi small business investment company in a
5133 qualified business for the purchase of any debt, debt
5134 participation, equity, or hybrid security of any nature and



5135 description, including a debt instrument or security that has the
5136 characteristics of debt but which provides for conversion into
5137 equity or equity participation instruments such as options or
5138 warrants; provided that any debt, debt participation or other debt
5139 instrument or security shall have a maturity of at least three (3)
5140 years. Any repayment of a qualified investment prior to one (1)
5141 year from the date of issuance shall result in the amount of the
5142 qualified investment being reduced by fifty percent (50%) for
5143 purposes of the cumulative investment requirement set forth in
5144 Section 57-115-9(1)(c).

5145 (m) "State premium tax liability" means any liability
5146 incurred by an insurance company under the provisions of Section
5147 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a
5148 reduction by the state of the liability imposed by Section
5149 27-15-103, 27-15-109 or 27-15-123.

5150 **SECTION 53.** Section 57-115-5, Mississippi Code of 1972, is
5151 brought forward as follows:

5152 57-115-5. (1) (a) The MDA must provide a standardized
5153 format for applying for the Mississippi small business investment
5154 credit authorized under this chapter, and for certification as a
5155 Mississippi small business investment company.

5156 (b) An applicant for certification as a primary
5157 Mississippi small business investment company must:

5158 (i) File an application with the MDA which shall
5159 include a business plan detailing:



5160 1. The approximate percentage of designated
5161 capital the applicant will invest in qualified businesses by the
5162 second, fourth and sixth anniversaries of its allocation date;

5163 2. The industry segments listed by the North
5164 American Industrial Classification System code and percentage of
5165 designated capital in which the applicant will invest; and

5166 3. The number of jobs that will be created or
5167 retained as a result of the applicant's investments once all
5168 designated capital has been invested. A job shall be considered
5169 created or retained if the job pays one hundred twenty-five
5170 percent (125%) of the state average annual wage and is maintained
5171 for at least three (3) years. The application shall project, at a
5172 minimum, that one (1) job shall be created or maintained for each
5173 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5174 awarded to the participating investors of the Mississippi small
5175 business investment company;

5176 (ii) Pay a nonrefundable application fee of Seven
5177 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing
5178 the application;

5179 (iii) Submit as part of its application an audited
5180 balance sheet that contains an unqualified opinion of an
5181 independent certified public accountant issued not more than
5182 thirty-five (35) days before the application date that states that
5183 the applicant has an equity capitalization of Five Hundred



5184 Thousand Dollars (\$500,000.00) or more in the form of unencumbered
5185 cash, marketable securities or other liquid assets; and

5186 (iv) Have at least two (2) principals or persons,
5187 at least one (1) of which is primarily located in Mississippi,
5188 employed or engaged to manage the funds who each have a minimum of
5189 five (5) years of money management experience in the venture
5190 capital or private equity or lending industry.

5191 (c) An applicant for certification as a secondary
5192 Mississippi small business investment company must:

5193 (i) File an application with the MDA which shall
5194 include a business plan detailing:

5195 1. The approximate percentage of designated
5196 capital the applicant will invest in qualified businesses by the
5197 second, fourth and sixth anniversaries of its allocation date;

5198 2. The industry segments listed by the North
5199 American Industrial Classification System code and percentage of
5200 designated capital in which the applicant will invest; and

5201 3. The number of jobs that will be created or
5202 retained as a result of the applicant's investments once all
5203 designated capital has been invested. A job shall be considered
5204 created or retained if the job pays one hundred twenty-five
5205 percent (125%) of the state average annual wage and is maintained
5206 for at least three (3) years. The application shall project, at a
5207 minimum, that one (1) job shall be created or maintained for each
5208 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits



5209 awarded to the participating investors of the Mississippi small
5210 business investment company;

5211 (ii) Pay a nonrefundable application fee of Three
5212 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of
5213 filing the application;

5214 (iii) Submit as part of its application an audited
5215 balance sheet that contains an unqualified opinion of an
5216 independent certified public accountant issued not more than
5217 thirty-five (35) days before the application date that states that
5218 the applicant has an equity capitalization of One Hundred Fifty
5219 Thousand Dollars (\$150,000.00) or more in the form of unencumbered
5220 cash, marketable securities or other liquid assets;

5221 (iv) Demonstrate that fifty percent (50%) of all
5222 secondary investment company investments have been in Mississippi,
5223 and all of the applicant's employees have lived in Mississippi for
5224 at least two (2) years prior to the application being filed, and
5225 that those who are employed or engaged to manage the funds have a
5226 minimum of three (3) years of money management experience in the
5227 venture capital or private equity or lending industry; and

5228 (v) Submit as part of its application a signed and
5229 notarized partnership agreement letter with a certified primary
5230 Mississippi small business investment company.

5231 (d) (i) Any participating partner or individual in a
5232 certified secondary small business investment company that
5233 successfully participated in the initial authorization and



5234 allocation of credits in 2012, and which is a partner in a
5235 submitted application for credits allocated in subsection (4) (b)
5236 of this section, while partnered with the same primary small
5237 business investment company from the previous 2012 allocation,
5238 shall have the requirements in paragraph (c) (iii) and (iv) of this
5239 subsection waived as having been completed through the previous
5240 allocation.

5241 (ii) Any participating partner or individual in a
5242 certified secondary small business investment company that
5243 successfully participated in the authorization and allocation of
5244 credits in 2018, and which is a partner in a submitted application
5245 for credits allocated in subsection (4) (c) of this section, while
5246 partnered with the same primary small business investment company
5247 from the previous 2018 allocation, shall have the requirements in
5248 paragraph (c) (iii) and (iv) of this subsection waived as having
5249 been completed through the previous allocation.

5250 (e) The MDA may certify partnerships, corporations,
5251 trusts, or limited liability companies, organized on a for-profit
5252 basis, which submit an application to be designated as a
5253 Mississippi small business investment company if the applicant is
5254 located, headquartered, and licensed or registered to conduct
5255 business in Mississippi, has as its primary business activity the
5256 investment of cash in qualified businesses, and meets all of the
5257 criteria of this section.

5258 (f) The MDA must:



5259 (i) Review the organizational documents of each
5260 applicant for certification and the business history of each
5261 applicant;

5262 (ii) Determine whether the applicant has satisfied
5263 all of the requirements of this section; and

5264 (iii) Determine whether the officers and the board
5265 of directors, general partners, trustees, managers or members are
5266 trustworthy and are thoroughly acquainted with the requirements of
5267 this chapter.

5268 (g) Within forty-five (45) days after the receipt of an
5269 application, the MDA may issue the certification or refuse the
5270 certification and may communicate in detail to the applicant the
5271 grounds for refusal, including suggestions for the removal of the
5272 grounds.

5273 (h) The MDA must begin accepting applications to become
5274 a Mississippi small business investment company not later than
5275 August 1, 2012, for credits allocated in subsection (4)(a) of this
5276 section, not later than August 1, 2018, for credits allocated in
5277 subsection (4)(b) of this section, and not later than August 1,
5278 2023, for credits allocated in subsection (4)(c) of this section.

5279 (i) Certification by the MDA and operation of a primary
5280 Mississippi small business investment company is not subject to
5281 completion of any relationship or agreement with a secondary
5282 Mississippi small business investment company, and it is not the
5283 intent of this chapter to compel any such agreement.



5284 (2) (a) An insurance company or affiliate of an insurance
5285 company must not, directly or indirectly:

5286 (i) Beneficially own, whether through rights,
5287 options, convertible interest, or otherwise, fifteen percent (15%)
5288 or more of the voting securities or other voting ownership
5289 interest of a Mississippi small business investment company;

5290 (ii) Manage a Mississippi small business
5291 investment company; or

5292 (iii) Control the direction of investments for a
5293 Mississippi small business investment company.

5294 (b) A Mississippi small business investment company may
5295 obtain one or more guaranties, indemnities, bonds, insurance
5296 policies, or other payment undertakings for the benefit of its
5297 participating investors from any entity, except that in no case
5298 can more than one (1) participating investor of a Mississippi
5299 small business investment company on an aggregate basis with all
5300 affiliates of the participating investor, be entitled to provide
5301 guaranties, indemnities, bonds, insurance policies, or other
5302 payment undertakings in favor of the participating investors of a
5303 Mississippi small business investment company and its affiliates
5304 in this state.

5305 (c) This subsection (2) does not preclude a
5306 participating investor, insurance company or other party from
5307 exercising its legal rights and remedies, including, without
5308 limitation, interim management of a Mississippi small business



5309 investment company, in the event that a Mississippi small business
5310 investment company is in default of its statutory obligations or
5311 its contractual obligations to a participating investor, insurance
5312 company, or other party, or from monitoring a Mississippi small
5313 business investment company to ensure its compliance with this
5314 chapter or disallowing any investments that have not been approved
5315 by the MDA.

5316 (d) The MDA may contract with an independent third
5317 party to review, investigate, and certify that the applications
5318 comply with the provisions of this chapter.

5319 (3) (a) At the time of its investment of designated capital
5320 a participating investor shall earn a vested credit against the
5321 participating investor's state premium tax liability in an amount
5322 equal to one hundred percent (100%) of the participating
5323 investor's investment of designated capital in a Mississippi small
5324 business investment company, subject to the limits imposed by this
5325 section.

5326 (b) From and after January 1, 2015, a participating
5327 investor may claim the credit allocated in subsection (4)(a) of
5328 this section as follows: For each taxable year from 2015 through
5329 2019, an amount equal to twenty percent (20%) of the participating
5330 investor's investment of designated capital.

5331 (c) From and after January 1, 2021, a participating
5332 investor may claim the credit allocated in subsection (4)(b) of
5333 this section as follows:



5334 (i) For each taxable year from 2021 through 2025,
5335 an amount equal to sixteen and sixty-six one-hundredths percent
5336 (16.66%) of the participating investor's investment of designated
5337 capital; and

5338 (ii) For the 2026 taxable year, an amount equal to
5339 sixteen and seven-tenths percent (16.7%) of the participating
5340 investor's investment of designated capital.

5341 (d) From and after January 1, 2027, a participating
5342 investor may claim the credit allocated in subsection (4)(c) of
5343 this section as follows:

5344 (i) For each taxable year from 2027 through 2031,
5345 an amount equal to sixteen and sixty-six one-hundredths percent
5346 (16.66%) of the participating investor's investment of designated
5347 capital; and

5348 (ii) For the 2032 taxable year, an amount equal to
5349 sixteen and seven-tenths percent (16.7%) of the participating
5350 investor's investment of designated capital.

5351 (e) The credit for any taxable year cannot exceed the
5352 state premium tax liability of the participating investor for the
5353 taxable year. If the amount of the credit exceeds the state
5354 premium tax liability of the participating investor for the
5355 taxable year, the excess is an investment tax credit carryover for
5356 five (5) years from the date the credit is first able to be
5357 utilized in accordance with paragraph (a) of this subsection (3).



5358 (f) Notwithstanding any provision of this chapter to
5359 the contrary, the granting of any credits against the insurance
5360 premium tax shall not affect the insurance premium tax receipts
5361 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,
5362 45-11-5 and 21-29-233, which shall take priority over all other
5363 distributions of premium tax receipts and shall be calculated
5364 based upon gross insurance premium tax liability before the
5365 application of the tax credits.

5366 (g) A participating investor claiming a credit under
5367 this chapter is not required to pay any additional retaliatory tax
5368 under Section 27-15-123 levied as a result of claiming the credit.

5369 (h) A participating investor is not required to reduce
5370 the amount of tax pursuant to the state premium tax liability
5371 included by the participating investor in connection with
5372 ratemaking for any insurance contract written in this state
5373 because of a reduction in the participating investor's tax
5374 liability based on the tax credit allowed under this chapter.

5375 (i) If the taxes paid by a participating investor with
5376 respect to its state premium tax liability constitute a credit
5377 against any other tax that is imposed by this state, the
5378 participating investor's credit against the other tax shall not be
5379 reduced by virtue of the reduction in the participating investor's
5380 tax liability based on the tax credit allowed under this chapter.

5381 (j) Final decertification of a Mississippi small
5382 business investment company under this chapter prior to such



5383 Mississippi small business investment company meeting the
5384 requirements of Section 57-115-7(1)(a)(ii), shall result in the
5385 disallowance and the recapture of all of the credits allocated to
5386 its participating investors under this chapter. Once a
5387 Mississippi small business investment company has satisfied the
5388 requirements of Section 57-115-7(1)(a)(ii), any subsequent
5389 decertification shall not cause the disallowance or recapture of
5390 any credits allocated to its participating investors under this
5391 chapter.

5392 (k) The credits allowed under this chapter are not
5393 transferable; however, a participating investor may transfer
5394 credits to an affiliated insurance company provided it gives prior
5395 written notice of such transfer to the MDA and the Department of
5396 Revenue.

5397 (4) (a) (i) Through January 1, 2018, the aggregate amount
5398 of investment tax credits that may be allocated to all
5399 participating investors of Mississippi small business investment
5400 companies under this section shall not exceed Fifty Million
5401 Dollars (\$50,000,000.00), and no Mississippi small business
5402 investment company, on an aggregate basis with its affiliates, may
5403 file credit allocation claims that exceed Fifty Million Dollars
5404 (\$50,000,000.00).

5405 (ii) The Fifty Million Dollars (\$50,000,000.00)
5406 aggregate amount of investment tax credits allocated in this
5407 paragraph (a) shall be divided into a primary tax credit pool



5408 which may be applied for by certified primary Mississippi small
5409 business investment companies and a secondary tax credit pool
5410 which may be applied for by certified secondary Mississippi small
5411 business investment companies. The secondary tax credit pool
5412 shall be Three Million Five Hundred Thousand Dollars
5413 (\$3,500,000.00) of the total Fifty Million Dollars
5414 (\$50,000,000.00) aggregate amount of investment tax credits.
5415 Secondary Mississippi small business investment companies may not
5416 apply for more than One Million Seven Hundred Fifty Thousand
5417 Dollars (\$1,750,000.00) worth of credits on a single application.
5418 A certified secondary Mississippi small business investment
5419 company may apply for additional tax credit allocation from the
5420 secondary tax credit pool, if the credits are available, after
5421 fifty percent (50%) of its previously allocated credits are used
5422 in qualified investments.

5423 (iii) If there are any tax credits remaining
5424 available for allocation in the secondary tax credit pool on
5425 August 1, 2013, those available tax credits shall revert to the
5426 primary tax credit pool and be made available to primary
5427 Mississippi small business investment companies according to rules
5428 and regulations promulgated by the MDA. Prior to August 1, 2013,
5429 primary Mississippi small business investment companies, including
5430 any wholly owned subsidiary company, shall be prohibited from
5431 making application to the MDA to be additionally certified as a
5432 secondary Mississippi small business investment company for



5433 purposes of the tax credits allocated in this paragraph (a) and
5434 prohibited from applying for any tax credit allocation from the
5435 secondary tax credit pool. A certified primary Mississippi small
5436 business investment company may have ownership equity in a
5437 certified secondary Mississippi small business investment company,
5438 but the equity interest owned by the certified primary Mississippi
5439 small business investment company shall not exceed forty percent
5440 (40%).

5441 (b) (i) From and after July 1, 2018, through January
5442 1, 2023, an additional aggregate amount of investment tax credits
5443 may be allocated to all participating investors of Mississippi
5444 small business investment companies under this section. The
5445 amount so allocated shall not exceed Forty-five Million Dollars
5446 (\$45,000,000.00), and no Mississippi small business investment
5447 company, on an aggregate basis with its affiliates, may file
5448 credit allocation claims on the additional aggregate amount of tax
5449 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5450 (ii) The Forty-five Million Dollars
5451 (\$45,000,000.00) aggregate amount of investment tax credits
5452 allocated in this paragraph (b) shall be divided into a primary
5453 tax credit pool which may be applied for by certified primary
5454 Mississippi small business investment companies and a secondary
5455 tax credit pool which may be applied for by certified secondary
5456 Mississippi small business investment companies. The secondary
5457 tax credit pool shall be Three Million Five Hundred Thousand



5458 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5459 (\$45,000,000.00) aggregate amount of investment tax credits.
5460 Secondary Mississippi small business investment companies may not
5461 apply for more than One Million Seven Hundred Fifty Thousand
5462 Dollars (\$1,750,000.00) worth of credits on a single application.
5463 A certified secondary Mississippi small business investment
5464 company may apply for additional tax credit allocation from the
5465 secondary tax credit pool, if the credits are available, after
5466 fifty percent (50%) of its previously allocated credits are used
5467 in qualified investments.

5468 (iii) If there are any tax credits remaining
5469 available for allocation in the secondary tax credit pool on
5470 August 1, 2019, those available tax credits shall revert to the
5471 primary tax credit pool and be made available to primary
5472 Mississippi small business investment companies according to rules
5473 and regulations promulgated by the MDA. Prior to August 1, 2022,
5474 primary Mississippi small business investment companies, including
5475 any wholly owned subsidiary company, shall be prohibited from
5476 making application to the MDA to be additionally certified as a
5477 secondary Mississippi small business investment company for
5478 purposes of the tax credits allocated in this paragraph (b) and
5479 prohibited from applying for any tax credit allocation from the
5480 secondary tax credit pool. A certified primary Mississippi small
5481 business investment company may have ownership equity in a
5482 certified secondary Mississippi small business investment company,



5483 but the equity interest owned by the certified primary Mississippi
5484 small business investment company shall not exceed forty percent
5485 (40%).

5486 (c) (i) From and after July 1, 2023, an additional
5487 aggregate amount of investment tax credits may be allocated to all
5488 participating investors of Mississippi small business investment
5489 companies under this section. The amount so allocated shall not
5490 exceed Forty-five Million Dollars (\$45,000,000.00), and no
5491 Mississippi small business investment company, on an aggregate
5492 basis with its affiliates, may file credit allocation claims on
5493 the additional aggregate amount of tax credits that exceed
5494 Forty-five Million Dollars (\$45,000,000.00).

5495 (ii) The Forty-five Million Dollars
5496 (\$45,000,000.00) aggregate amount of investment tax credits
5497 allocated in this paragraph (c) shall be divided into a primary
5498 tax credit pool which may be applied for by certified primary
5499 Mississippi small business investment companies and a secondary
5500 tax credit pool which may be applied for by certified secondary
5501 Mississippi small business investment companies. The secondary
5502 tax credit pool shall be Three Million Five Hundred Thousand
5503 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5504 (\$45,000,000.00) aggregate amount of investment tax credits.
5505 Secondary Mississippi small business investment companies may not
5506 apply for more than One Million Seven Hundred Fifty Thousand
5507 Dollars (\$1,750,000.00) worth of credits on a single application.



5508 A certified secondary Mississippi small business investment
5509 company may apply for additional tax credit allocation from the
5510 secondary tax credit pool, if the credits are available, after
5511 fifty percent (50%) of its previously allocated credits are used
5512 in qualified investments.

5513 (iii) If there are any tax credits remaining
5514 available for allocation in the secondary tax credit pool on
5515 August 1, 2024, those available tax credits shall revert to the
5516 primary tax credit pool and be made available to primary
5517 Mississippi small business investment companies according to rules
5518 and regulations promulgated by the MDA. Prior to August 1, 2027,
5519 primary Mississippi small business investment companies, including
5520 any wholly owned subsidiary company, shall be prohibited from
5521 making application to the MDA to be additionally certified as a
5522 secondary Mississippi small business investment company for
5523 purposes of the tax credits allocated in this paragraph (c) and
5524 prohibited from applying for any tax credit allocation from the
5525 secondary tax credit pool. A certified primary Mississippi small
5526 business investment company may have ownership equity in a
5527 certified secondary Mississippi small business investment company,
5528 but the equity interest owned by the certified primary Mississippi
5529 small business investment company shall not exceed forty percent
5530 (40%).

5531 (d) Credits must be allocated to investors in the order
5532 that the credit allocation claims are filed with the MDA.



5533 (e) Any credit allocation claims filed with the MDA
5534 before the initial credit allocation claim filing date will be
5535 deemed to have been filed on the initial credit allocation claim
5536 filing date. The MDA will set the initial credit allocation claim
5537 filing date to be not less than one hundred twenty (120) days and
5538 not more than one hundred fifty (150) days after the date the MDA
5539 begins accepting applications for certification. Credit
5540 allocation claims filed on the same day with the MDA must be
5541 treated as having been filed contemporaneously.

5542 (f) If two (2) or more Mississippi small business
5543 investment companies file credit allocation claims with the MDA on
5544 behalf of their respective participating investors on the same day
5545 and the aggregate amount of credit allocation claims exceeds the
5546 aggregate limit of credits authorized under this subsection (4) or
5547 the lesser amount of credits that remain unallocated on that day,
5548 then the credits shall be allocated among the participating
5549 investors who filed on that day on a pro rata basis with respect
5550 to the amounts claimed. The pro rata allocation for any one (1)
5551 participating investor is the product obtained by multiplying a
5552 fraction, the numerator of which is the amount of the credit
5553 allocation claim filed on behalf of a participating investor and
5554 the denominator of which is the total of all credit allocation
5555 claims filed on behalf of all participating investors on that day,
5556 by the aggregate limit of credits authorized under this subsection



5557 (4) or the lesser amount of credits that remain unallocated on
5558 that day.

5559 (g) Within ten (10) business days after the MDA
5560 receives a credit allocation claim filed by a Mississippi small
5561 business investment company on behalf of one or more of its
5562 participating investors, the MDA may notify the Mississippi small
5563 business investment company of the amount of credits allocated to
5564 each of the participating investors of that Mississippi small
5565 business investment company. In the event a Mississippi small
5566 business investment company does not receive an investment of
5567 designated capital from each participating investor required to
5568 earn the amount of credits allocated to the participating investor
5569 within ten (10) business days of the Mississippi small business
5570 investment company's receipt of notice of allocation, then it
5571 shall notify the MDA on or before the next business day, and the
5572 credits allocated to the participating investor of the Mississippi
5573 small business investment company will be forfeited. The MDA may
5574 then reallocate those forfeited credits among the participating
5575 investors of the other Mississippi small business investment
5576 companies on a pro rata basis with respect to the credit
5577 allocation claims filed on behalf of the participating investors.
5578 The MDA may levy a fine of not more than Fifty Thousand Dollars
5579 (\$50,000.00) on any participating investor that does not invest
5580 the full amount of designated capital required to fund the credits



5581 allocated to it by the MDA in accordance with the credit
5582 allocation claim filed on its behalf.

5583 (h) No participating investor, on an aggregate basis
5584 with its affiliates, may file an allocation claim for more than
5585 twenty-five percent (25%) of the maximum amount of investment tax
5586 credits authorized under this subsection (4), regardless of
5587 whether the claim is made in connection with one or more
5588 Mississippi small business investment companies.

5589 **SECTION 54.** Section 1 of this act shall be codified as a new
5590 section in Chapter 7, Title 27, Mississippi Code of 1972.

5591 **SECTION 55.** Nothing in this act shall affect or defeat any
5592 claim, assessment, appeal, suit, right or cause of action for
5593 taxes due or accrued under the income tax laws or ad valorem tax
5594 laws before the date on which this act becomes effective, whether
5595 such claims, assessments, appeals, suits or actions have been
5596 begun before the date on which this act becomes effective or are
5597 begun thereafter; and the provisions of the income tax laws and ad
5598 valorem tax laws are expressly continued in full force, effect and
5599 operation for the purpose of the assessment, collection and
5600 enrollment of liens for any taxes due or accrued and the execution
5601 of any warrant under such laws before the date on which this act
5602 becomes effective, and for the imposition of any penalties,
5603 forfeitures or claims for failure to comply with such laws.

5604 **SECTION 56.** Sections 1, 2 and 55 of this act shall take
5605 effect and be in force from and after January 1, 2024. The



5606 reminder of this act shall take effect and be in force from and
5607 after July 1, 2024.

