

By: Representative Lamar

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1988

1 AN ACT TO AMEND SECTION 27-7-22.41, MISSISSIPPI CODE OF 1972,
2 WHICH PROVIDES AN INCOME TAX CREDIT, INSURANCE PREMIUM TAX CREDIT
3 AND AD VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE BY CERTAIN
4 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS, TO
5 INCREASE THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE
6 ALLOCATED BY THE DEPARTMENT OF REVENUE UNDER THIS SECTION DURING A
7 CALENDAR YEAR; TO AUTHORIZE ADDITIONAL TAX CREDITS FOR CALENDAR
8 YEAR 2024 FOR CONTRIBUTIONS TO CERTAIN ELIGIBLE CHARITABLE
9 ORGANIZATIONS; TO PROVIDE THAT A TAXPAYER WHO IS ALLOCATED A TAX
10 CREDIT DURING A CALENDAR YEAR MAY USE THE CREDIT AGAINST INCOME
11 TAXES AND INSURANCE PREMIUM TAXES IMPOSED FOR THE IMMEDIATELY
12 PRECEDING TAXABLE YEAR, PROVIDED THAT THE TAXPAYER HAS NOT ALREADY
13 FILED A RETURN FOR SUCH TAXES; TO PROVIDE THAT TAXPAYERS WHO
14 APPLIED DURING THE MONTH OF JANUARY 2024, FOR TAX CREDITS FOR
15 CALENDAR YEAR 2024, BUT WHO WERE UNABLE TO BE AWARDED CREDITS DUE
16 TO THE LIMIT ON THE AGGREGATE AMOUNT OF CREDITS AUTHORIZED FOR
17 CALENDAR YEAR 2024, SHALL BE GIVEN PRIORITY FOR SUCH ADDITIONAL
18 TAX CREDITS; TO REVISE THE PERCENTAGE OF TAX CREDITS ALLOCATED
19 DURING A CALENDAR YEAR FOR CONTRIBUTIONS TO CERTAIN ELIGIBLE
20 CHARITABLE ORGANIZATIONS THAT MAY BE ALLOCATED FOR CONTRIBUTIONS
21 TO A SINGLE ORGANIZATION; TO BRING FORWARD SECTIONS 27-7-22,
22 27-7-22.3, 27-7-22.5, 27-7-22.7, 27-7-22.13, 27-7-22.15,
23 27-7-22.16, 27-7-22.17, 27-7-22.18, 27-7-22.19, 27-7-22.20,
24 27-7-22.21, 27-7-22.22, 27-7-22.23, 27-7-22.25, 27-7-22.27,
25 27-7-22.28, 27-7-22.29, 27-7-22.30, 27-7-22.31, 27-7-22.32,
26 27-7-22.33, 27-7-22.34, 27-7-22.35, 27-7-22.36, 27-7-22.37,
27 27-7-22.39, 27-7-22.40, 27-7-22.42, 27-7-22.43, 27-7-22.44,
28 27-7-22.45, 27-7-22.46, 27-7-22.47, 27-7-22.48, 27-7-22.49,
29 27-7-205, 27-7-207, 27-7-209, 57-73-21, 57-73-23, 57-87-5,
30 57-87-7, 57-105-1, 57-10-409, 57-114-3, 57-114-7, 57-114-9,
31 57-115-3 AND 57-115-5, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE
32 VARIOUS TAX CREDITS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND
33 FOR RELATED PURPOSES.



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

35 **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is
36 amended as follows:

37 27-7-22.41. (1) For the purposes of this section, the
38 following words and phrases shall have the meanings ascribed in
39 this section unless the context clearly indicates otherwise:

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

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

44 (i) Licensed by or under contract with the
45 Mississippi Department of Child Protection Services and provides
46 services for:

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

49 2. The safety, care and well-being of
50 children in custody with the Department of Child Protection
51 Services, or

52 3. The express purpose of creating permanency
53 for children through adoption; or

54 (ii) Certified by the department as an educational
55 services charitable organization that is accredited by a regional
56 accrediting organization and provides services to:

57 1. Children in a foster care placement
58 program established by the Department of Child Protection



59 Services, children placed under the Safe Families for Children
60 model, or children at significant risk of entering a foster care
61 placement program established by the Department of Child
62 Protection Services,

63 2. Children who have a chronic illness or
64 physical, intellectual, developmental or emotional disability, or

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

69 (2) (a) The tax credit authorized in this section shall be
70 available only to a taxpayer who is a business enterprise engaged
71 in commercial, industrial or professional activities and operating
72 as a corporation, limited liability company, partnership or sole
73 proprietorship. Except as otherwise provided in this section, a
74 credit is allowed against the taxes imposed by Sections 27-7-5,
75 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
76 contributions made by a taxpayer during the taxable year to an
77 eligible charitable organization. * * * For calendar year 2022,
78 and for calendar year 2023, for a taxpayer that is not operating
79 as a corporation, a credit is also allowed against ad valorem
80 taxes assessed and levied on real property for voluntary cash
81 contributions made by the taxpayer during the taxable year to an
82 eligible charitable organization. From and after January 1, 2024,
83 a credit is also allowed against ad valorem taxes assessed and



84 levied on real property for voluntary cash contributions made by a
85 taxpayer during the taxable year to an eligible charitable
86 organization. The amount of credit that may be utilized by a
87 taxpayer in a taxable year shall be limited to (i) an amount not
88 to exceed fifty percent (50%) of the total tax liability of the
89 taxpayer for the taxes imposed by such sections of law and (ii) an
90 amount not to exceed fifty percent (50%) of the total tax
91 liability of the taxpayer for ad valorem taxes assessed and levied
92 on real property. Subject to such limitation on the amount of
93 credit that a taxpayer may utilize in a taxable year, a taxpayer
94 who is allocated a tax credit under this subsection during a
95 calendar year may utilize the credit against the taxes imposed by
96 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 for the
97 immediately preceding taxable year, provided that the taxpayer has
98 not already filed an annual return for such taxes. Any tax credit
99 claimed under this section but not used in any taxable year may be
100 carried forward for five (5) consecutive years from the close of
101 the tax year in which the credits were earned.

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

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



109 (3) Taxpayers taking a credit authorized by this section
110 shall provide the name of the eligible charitable organization and
111 the amount of the contribution to the department on forms provided
112 by the department.

113 (4) An eligible charitable organization shall provide the
114 department with a written certification that it meets all criteria
115 to be considered an eligible charitable organization. An eligible
116 charitable organization must also provide the department with
117 written documented proof of its license and/or written contract
118 with the Mississippi Department of Child Protection Services. The
119 organization shall also notify the department of any changes that
120 may affect eligibility under this section.

121 (5) The eligible charitable organization's written
122 certification must be signed by an officer of the organization
123 under penalty of perjury. The written certification shall include
124 the following:

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

127 (b) A statement that the organization does not provide,
128 pay for or provide coverage of abortions and does not financially
129 support any other entity that provides, pays for or provides
130 coverage of abortions;

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



134 (d) Any other information that the department requires
135 to administer this section.

136 (6) The department shall review each written certification
137 and determine whether the organization meets all the criteria to
138 be considered an eligible charitable organization and notify the
139 organization of its determination. The department may also
140 periodically request recertification from the organization. The
141 department shall compile and make available to the public a list
142 of eligible charitable organizations.

143 (7) Tax credits authorized by this section that are earned
144 by a partnership, limited liability company, S corporation or
145 other similar pass-through entity, shall be allocated among all
146 partners, members or shareholders, respectively, either in
147 proportion to their ownership interest in such entity or as the
148 partners, members or shareholders mutually agree as provided in an
149 executed document.

150 (8) (a) A taxpayer shall apply for credits with the
151 department on forms prescribed by the department. In the
152 application the taxpayer shall certify to the department the
153 dollar amount of the contributions made or to be made during the
154 calendar year. Within thirty (30) days after the receipt of an
155 application, the department shall allocate credits based on the
156 dollar amount of contributions as certified in the application.
157 However, if the department cannot allocate the full amount of
158 credits certified in the application due to the limit on the



159 aggregate amount of credits that may be awarded under this section
160 in a calendar year, the department shall so notify the applicant
161 within thirty (30) days with the amount of credits, if any, that
162 may be allocated to the applicant in the calendar year. Once the
163 department has allocated credits to a taxpayer, if the
164 contribution for which a credit is allocated has not been made as
165 of the date of the allocation, then the contribution must be made
166 not later than sixty (60) days from the date of the allocation.
167 If the contribution is not made within such time period, the
168 allocation shall be cancelled and returned to the department for
169 reallocation. Upon final documentation of the contributions, if
170 the actual dollar amount of the contributions is lower than the
171 amount estimated, the department shall adjust the tax credit
172 allowed under this section.

173 (b) (i) A taxpayer who applied for a tax credit under
174 this section during calendar year 2020, but who was unable to be
175 awarded the credit due to the limit on the aggregate amount of
176 credits authorized for calendar year 2020, shall be given priority
177 for tax credits authorized to be allocated to taxpayers under this
178 section by Section 27-7-22.39.

179 (ii) A taxpayer who applied during the month of
180 January 2024, for a tax credit under this section for calendar
181 year 2024, but who was unable to be awarded the credit due to the
182 limit on the aggregate amount of credits authorized for calendar
183 year 2024, shall be given priority for the allocation and awarding



184 of the additional tax credits authorized for calendar year 2024
185 under subsection (9) of this section.

186 (c) For the purposes of using a tax credit against ad
187 valorem taxes assessed and levied on real property, a taxpayer
188 shall present to the appropriate tax collector the tax credit
189 documentation provided to the taxpayer by the Department of
190 Revenue, and the tax collector shall apply the tax credit against
191 such ad valorem taxes. The tax collector shall forward the tax
192 credit documentation to the Department of Revenue along with the
193 amount of the tax credit applied against ad valorem taxes, and the
194 department shall disburse funds to the tax collector for the
195 amount of the tax credit applied against ad valorem taxes. Such
196 payments by the Department of Revenue shall be made from current
197 tax collections.

198 (9) The aggregate amount of tax credits that may be
199 allocated by the department under this section during a calendar
200 year shall not exceed Five Million Dollars (\$5,000,000.00), and
201 not more than fifty percent (50%) of tax credits allocated during
202 a calendar year may be allocated for contributions to eligible
203 charitable organizations described in subsection (1)(b)(ii) of
204 this section. However, for calendar year 2021, the aggregate
205 amount of tax credits that may be allocated by the department
206 under this section during a calendar year shall not exceed Ten
207 Million Dollars (\$10,000,000.00), for calendar year 2022, the
208 aggregate amount of tax credits that may be allocated by the



209 department under this section during a calendar year shall not
210 exceed Sixteen Million Dollars (\$16,000,000.00), * * * for
211 calendar year 2023, and for each calendar year thereafter through
212 calendar year 2024, the aggregate amount of tax credits that may
213 be allocated by the department under this section during a
214 calendar year shall not exceed Eighteen Million Dollars
215 (\$18,000,000.00), and for calendar year 2025, and for each
216 calendar year thereafter, the aggregate amount of tax credits that
217 may be allocated by the department under this section during a
218 calendar year shall not exceed Forty-eight Million Dollars
219 (\$48,000,000.00). However, for calendar year 2024, additional
220 credits in the aggregate amount of Six Million Dollars
221 (\$6,000,000.00) may be allocated for contributions to eligible
222 charitable organizations described in subsection (1)(b)(ii) of
223 this section and awarded according to the provisions of subsection
224 (8)(b)(ii) of this section. For calendar year 2021, and for each
225 calendar year thereafter, fifty percent (50%) of the tax credits
226 allocated during a calendar year shall be allocated for
227 contributions to eligible charitable organizations described in
228 subsection (1)(b)(i) of this section and fifty percent (50%) of
229 the tax credits allocated during a calendar year shall be
230 allocated for contributions to eligible charitable organizations
231 described in subsection (1)(b)(ii) of this section. For calendar
232 year 2021, and for each calendar year thereafter, for credits
233 allocated during a calendar year for contributions to eligible



234 charitable organizations described in subsection (1)(b)(i) of this
235 section, no more than twenty-five percent (25%) of such credits
236 may be allocated for contributions to a single eligible charitable
237 organization. Except as otherwise provided in this section, for
238 calendar year 2021, and for each calendar year thereafter through
239 calendar year 2024, for credits allocated during a calendar year
240 for contributions to eligible charitable organizations described
241 in subsection (1)(b)(ii) of this section, no more than four and
242 one-half percent (4-1/2%) of such credits may be allocated for
243 contributions to a single eligible charitable organization. For
244 calendar year 2025, and for each calendar year thereafter, for
245 credits allocated during a calendar year for contributions to
246 eligible charitable organizations described in subsection
247 (1)(b)(ii) of this section, no more than three percent (3%) of
248 such credits may be allocated for contributions to a single
249 eligible charitable organization.

250 **SECTION 2.** Section 27-7-22, Mississippi Code of 1972, is
251 brought forward as follows:

252 27-7-22. (1) For any qualified business, as defined in
253 Section 57-51-5, which is located in a county, or portion thereof,
254 designated as an enterprise zone pursuant to Title 57, Chapter 51,
255 Mississippi Code of 1972, there shall be allowed as a credit
256 against the tax imposed by this chapter, an amount equal to One
257 Thousand Dollars (\$1,000.00) per net full-time employee as
258 determined by the average annual employment of the business



259 reported to the Employment Security Commission. Such credit shall
260 be allowed annually to each qualified business for a period not to
261 exceed ten (10) years. If the amount allowable as a credit
262 exceeds the tax imposed by this chapter, the amount of such excess
263 shall not be refundable or carried forward to any other taxable
264 year.

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

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

274 (2) For any qualified business, as defined in Section
275 57-54-5, there shall be allowed as a credit against the tax
276 imposed by this chapter, an amount equal to One Thousand Dollars
277 (\$1,000.00) per net full-time employee as determined by the
278 average annual employment of the business reported to the
279 Employment Security Commission. Such credit shall be allowed
280 annually to each qualified business for a period not to exceed ten
281 (10) years. If the amount allowable as a credit exceeds the tax
282 imposed by this chapter, the amount of such excess shall not be
283 refundable or carried forward to any other taxable year.



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

289 If the Mississippi Advanced Technology Initiative Act is
290 repealed, any qualified business which had been granted a tax
291 credit under this subsection prior to the date of such repeal
292 shall be entitled to such tax credit until the period for which it
293 was granted expires.

294 (3) For any qualified company, certified as such by the
295 Mississippi Board of Economic Development under Section 57-53-1,
296 there shall be allowed as a credit against the tax imposed by this
297 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per
298 net full-time employee in this state, provided there is a minimum
299 of seventy-five (75) net full-time employees, as determined by the
300 average annual employment of the company in this state reported to
301 the Employment Security Commission. Such credit shall be allowed
302 annually to each qualified company for a period not to exceed ten
303 (10) years. If the amount allowable as a credit exceeds the tax
304 imposed by this chapter, the amount of such excess shall not be
305 refundable or carried forward to any other taxable year.

306 For the purpose of determining the credit allowed to a
307 qualified company which has expanded its existing buildings and
308 facilities, the number of net full-time employees shall be the



309 difference between the average annual employment of such company
310 before and after such expansion.

311 (4) For any qualified business or industry which is
312 certified as such by the Mississippi Board of Economic Development
313 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
314 any mFlex tax incentive amount for such qualified business's or
315 industry's qualified economic development project, there shall be
316 allowed as a credit against the tax imposed by this chapter, an
317 amount prescribed by, and subject to, the Mississippi Flexible Tax
318 Incentive Act.

319 **SECTION 3.** Section 27-7-22.3, Mississippi Code of 1972, is
320 brought forward as follows:

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

325 27-7-22.3. (1) For taxpayers who are required to pay a job
326 assessment fee as provided in Section 57-10-413, there shall be
327 allowed as a credit against the taxes imposed by this chapter, an
328 amount equal to the amount of the job assessment fee imposed upon
329 such taxpayer pursuant to Section 57-10-413. If the amount
330 allowable as a credit exceeds the tax imposed by this article and
331 Section 27-7-22.3, the amount of such excess shall not be
332 refundable or carried forward to any other taxable year.



333 (2) For any approved company as defined in Section
334 57-10-401, there shall be allowed against the taxes imposed by
335 this chapter on the income of the approved company generated by or
336 arising out of the economic development project (as defined in
337 Section 57-10-401), a credit in an amount not to exceed the total
338 debt service paid under a financing agreement entered into under
339 Section 57-10-409. The tax credit allowed in this subsection
340 shall not exceed the amount of taxes due the State of Mississippi.

341 **[In cases involving an economic development project for which**
342 **the Mississippi Business Finance Corporation has not issued bonds**
343 **for the purpose of financing the approved costs of such project**
344 **prior to July 1, 1994, but has issued bonds for such project prior**
345 **to July 1, 1997, or in cases involving an economic development**
346 **project which has been induced by a resolution of the Board of**
347 **Directors of the Mississippi Business Finance Corporation that has**
348 **been filed with the State Tax Commission prior to July 1, 1997,**
349 **this section shall read as follows:]**

350 27-7-22.3. (1) For taxpayers who are required to pay a job
351 assessment fee as provided in Section 57-10-413, there shall be
352 allowed as a credit against the taxes imposed by this chapter, an
353 amount equal to the amount of the job assessment fee imposed upon
354 such taxpayer pursuant to Section 57-10-413. If the amount
355 allowable as a credit exceeds the tax imposed by this article and
356 Section 27-7-22.3, the amount of such excess shall not be
357 refundable or carried forward to any other taxable year.



358 (2) For any approved company as defined in Section
359 57-10-401, there shall be allowed against the taxes imposed by
360 this chapter on the income of the approved company generated by or
361 arising out of the economic development project (as defined in
362 Section 57-10-401), a credit in an amount not to exceed the total
363 debt service paid under a financing agreement entered into under
364 Section 57-10-409. The tax credit allowed in this subsection
365 shall not exceed the amount of taxes due the State of Mississippi.
366 The amount of income of the approved company generated by or
367 arising out of the economic development project shall be
368 determined by a formula adopted by the Mississippi Business
369 Finance Corporation.

370 **[In cases involving an economic development project for which**
371 **the Mississippi Business Finance Corporation has not issued bonds**
372 **for the purpose of financing the approved costs of such project**
373 **prior to July 1, 1997, or in cases involving an economic**
374 **development project which has not been induced by a resolution of**
375 **the Board of Directors of the Mississippi Business Finance**
376 **Corporation that has been filed with the State Tax Commission**
377 **prior to July 1, 1997, this section shall read as follows:]**

378 27-7-22.3. For any approved company as defined in Section
379 57-10-401, there shall be allowed against the taxes imposed by
380 this chapter on the income of the approved company generated by or
381 arising out of the economic development project (as defined in
382 Section 57-10-401), a credit in an amount not to exceed the total



383 debt service paid under a financing agreement entered into under
384 Section 57-10-409; provided, however, that the tax credit allowed
385 in this subsection shall not exceed eighty percent (80%) of the
386 amount of taxes due the State of Mississippi prior to the
387 application of the credit. To the extent that financing agreement
388 annual payments exceed the amount of the credit authorized
389 pursuant to this section in any taxable year, such excess payment
390 may be recouped from excess credits in succeeding years not to
391 exceed three (3) years following the date upon which the credit
392 was earned. The amount of income of the approved company
393 generated by or arising out of the economic development project
394 shall be determined by a formula adopted by the Mississippi
395 Business Finance Corporation.

396 **SECTION 4.** Section 27-7-22.5, Mississippi Code of 1972, is
397 brought forward as follows:

398 27-7-22.5. (1) (a) For any manufacturer, distributor,
399 wholesale or retail merchant who pays to a county, municipality,
400 school district, levee district or any other taxing authority of
401 the state or a political subdivision thereof, ad valorem taxes
402 imposed on commodities, raw materials, works-in-process, products,
403 goods, wares and merchandise held for resale, a credit against the
404 income taxes imposed under this chapter shall be allowed for the
405 portion of the ad valorem taxes so paid in the amounts prescribed
406 in subsection (2).



407 (b) (i) For any person, firm or corporation who pays
408 to a county, municipality, school district, levee district or any
409 other taxing authority of the state or a political subdivision
410 thereof, ad valorem taxes imposed on rental equipment, a credit
411 against the income taxes imposed under this chapter shall be
412 allowed for the portion of the ad valorem taxes so paid in the
413 amounts prescribed in subsection (2).

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

- 417 1. Under rental agreements with no specific
418 term;
- 419 2. Under at-will or open-ended agreements; or
- 420 3. Under rental agreements with terms
421 ordinarily of less than three hundred sixty-five (365) days; and
- 422 4. Is not subject to privilege taxes imposed
423 in Chapter 19, Title 27, Mississippi Code of 1972.

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

427 (2) The tax credit allowed by this section shall not exceed
428 the amounts set forth in paragraphs (a) through (g) of this
429 subsection; and may be claimed for each location where such
430 commodities, raw material, works-in-process, products, goods,
431 wares, merchandise and/or rental equipment are found and upon



432 which the ad valorem taxes have been paid. Any tax credit claimed
433 under this section but not used in any taxable year may be carried
434 forward for five (5) consecutive years from the close of the tax
435 year in which the credit was earned.

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

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

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

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

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



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

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

466 (3) Any amount of ad valorem taxes paid by a taxpayer that
467 is applied toward the tax credit allowed in this section may not
468 be used as a deduction by the taxpayer for state income tax
469 purposes. In the case of a taxpayer that is a partnership,
470 limited liability company or S corporation, the credit may be
471 applied only to the tax attributable to partnership, limited
472 liability company or S corporation income derived from the
473 taxpayer.

474 **SECTION 5.** Section 27-7-22.7, Mississippi Code of 1972, is
475 brought forward as follows:

476 27-7-22.7. (1) As used in this section, the term "port"
477 means a state, county or municipal port or harbor established
478 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
479 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
480 59-11-1 through 59-11-7.



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

486 (3) Except as otherwise provided by subsection (5) of this
487 section, the amount of the credit allowed pursuant to this section
488 shall be the total of the following charges on export cargo paid
489 by the corporation:

- 490 (a) Receiving into the port;
- 491 (b) Handling to a vessel; and
- 492 (c) Wharfage.

493 (4) The credit provided for in this section shall not exceed
494 fifty percent (50%) of the amount of tax imposed upon the taxpayer
495 for the taxable year reduced by the sum of all other credits
496 allowable to such taxpayer under this chapter, except credit for
497 tax payments made by or on behalf of the taxpayer. Any unused
498 portion of the credit may be carried forward for the succeeding
499 five (5) years. The maximum cumulative credit that may be claimed
500 by a taxpayer pursuant to this section and for the period of time
501 beginning on January 1, 1994, and ending on December 31, 2005, is
502 limited to One Million Two Hundred Thousand Dollars
503 (\$1,200,000.00).

504 (5) To obtain the credit provided for in this section, a
505 taxpayer must provide to the Department of Revenue a statement



506 from the governing authority of the port certifying the amount of
507 charges paid by the taxpayer for which a credit is claimed and any
508 other information required by the Department of Revenue.

509 (6) The purpose of the tax credit provided for in this
510 section is to promote the increased use of ports and related
511 facilities in this state, particularly by those taxpayers which
512 would not otherwise use such ports and related facilities without
513 the benefit of such tax credit, and increase the number of port
514 related jobs and other economic development benefits associated
515 with the increased use of such ports and related facilities. It
516 is the intent of the Legislature that in determining whether or
517 not such tax credit will be continued in future years, the
518 attainment of the purposes set forth in this subsection must be
519 demonstrated by the material contained in the reports prepared by
520 the Mississippi Development Authority under Section 27-7-22.9.

521 **SECTION 6.** Section 27-7-22.13, Mississippi Code of 1972, is
522 brought forward as follows:

523 27-7-22.13. (1) For the purposes of this section, the term
524 "financial institution" shall have the meaning set forth in
525 Section 27-7-24.1(h) (i), (ii), (iii), (iv), or (viii).

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



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

533 (b) The purchase by a Mississippi domiciled financial
534 institution of all or substantially all of the assets (including
535 all or substantially all of the branches) of an out-of-state
536 financial institution;

537 (c) The purchase by an out-of-state financial
538 institution of all or substantially all of the assets (including
539 all or substantially all of the branches) of a Mississippi
540 domiciled financial institution;

541 (d) The purchase by a Mississippi domiciled financial
542 institution of all or substantially all of the assets (including
543 all or substantially all of the branches) of an out-of-state
544 financial institution in a state other than the State of
545 Mississippi even though:

546 (i) Two (2) or more financial institutions are not
547 merged or consolidated; or

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

550 (e) The purchase by an out-of-state financial
551 institution of all or substantially all of the assets (including
552 all or substantially all of the branches) in the State of
553 Mississippi of a financial institution even though:

554 (i) Two (2) or more financial institutions are not
555 merged or consolidated; or



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

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

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

564 (b) The number of employees listed on the Employer's
565 Quarterly Contribution Report filed with the Mississippi
566 Employment Security Commission by the financial institution for
567 the same month one (1) year following completion of the
568 transaction, exclusive of the number of employees gained in
569 connection with intervening transactions.

570 (4) The base amount of the credit provided in this section
571 shall be equal to the net gain in the number of employees
572 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The
573 financial institution may claim as a credit against income tax an
574 amount equal to one hundred percent (100%) of the base amount in
575 the tax year the determination is made, eighty percent (80%) in
576 the next year, sixty percent (60%) in the third year, forty
577 percent (40%) in the fourth year and twenty percent (20%) in the
578 fifth year. The credit allowed by this section shall not exceed
579 the amount of the taxes due to the State of Mississippi by the
580 financial institution. Any amount allowable as a credit pursuant



581 to this section that exceeds the financial institution's tax
582 liability shall not be refunded or carried forward to any other
583 taxable year.

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

587 (6) The commission may promulgate regulations to implement
588 this section.

589 **SECTION 7.** Section 27-7-22.15, Mississippi Code of 1972, is
590 brought forward as follows:

591 27-7-22.15. (1) As used in this section, the following
592 words and phrases shall have the meanings ascribed to herein
593 unless the context clearly indicates otherwise:

594 (a) "Approved reforestation practices" means the
595 following practices for establishing a crop of trees suitable for
596 manufacturing into forest products:

597 (i) "Pine and hardwood tree planting practices"
598 including the cost of seedlings, planting by hand or machine, and
599 site preparation.

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

604 (iii) "Direct seeding practices" to establish a
605 crop of pine or oak trees by directly applying seed/acorns to the



606 site including the cost of seed/acorns, seeding and site
607 preparation.

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

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

613 (b) "Eligible tree species" means pine and hardwood
614 commercial tree species suitable for manufacturing into forest
615 products.

616 (c) "Cost-share assistance" means partial financial
617 payment for approved reforestation practices from the state
618 government as authorized under Sections 49-19-201 through
619 49-19-227, or the federal government.

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

624 (e) "Eligible lands" means nonindustrial private lands
625 owned by a private individual, group or association, but shall not
626 mean lands owned by private corporations which manufacture
627 products or provide public utility services of any type or any
628 subsidiary of such corporations.

629 (f) "Reforestation prescription or plan" means a
630 written description of the approved reforestation practices that



631 the eligible owner plans to use and includes a legal description
632 and map of the area to be reforested, a list of the tree seedling
633 or seed species to be used in the reforestation and the site
634 preparation practices that will be utilized.

635 (2) Subject to the limitations provided in subsection (3) of
636 this section, upon submission to the State Tax Commission of the
637 written verification provided for in subsection (5) of this
638 section and such other documentation as the State Tax Commission
639 may require, any eligible owner who incurs costs for approved
640 reforestation practices for eligible tree species on eligible
641 lands shall be allowed a credit, in an amount equal to the lesser
642 of fifty percent (50%) of the actual costs of the approved
643 reforestation practices or fifty percent (50%) of the average cost
644 of approved practices as established by the Mississippi Forestry
645 Commission under Section 49-19-219, against the taxes imposed
646 pursuant to this chapter for the tax year in which the costs are
647 incurred.

648 (3) The maximum amount of the credit provided for in
649 subsection (2) of this section that may be utilized in any one (1)
650 taxable year shall not exceed the lesser of Ten Thousand Dollars
651 (\$10,000.00) or the amount of income tax imposed upon the eligible
652 owner for the taxable year reduced by the sum of all other credits
653 allowable to the eligible owner under this chapter, except credit
654 for tax payments made by or on behalf of the eligible owner. Any
655 unused portion of the credit may be carried forward for succeeding



656 tax years. The maximum dollar amount of the credit provided for
657 in subsection (2) of this section that an eligible owner may
658 utilize during his lifetime shall be Seventy-five Thousand Dollars
659 (\$75,000.00) in the aggregate.

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

666 (5) To be eligible for the tax credit, an eligible owner
667 must have a reforestation prescription or plan prepared for the
668 eligible lands by a graduate forester of a college, school or
669 university accredited by the Society of American Foresters or by a
670 registered forester under the Foresters Registration Law of 1977.
671 The forester must verify in writing that the reforestation
672 practices were completed and that the reforestation prescription
673 or plan was followed.

674 **SECTION 8.** Section 27-7-22.16, Mississippi Code of 1972, is
675 brought forward as follows:

676 27-7-22.16. (1) (a) Except as otherwise provided under
677 this subsection, the words and phrases used in this section shall
678 have the meanings ascribed to them in Section 49-35-5, Mississippi
679 Code of 1972.



680 (b) "Remediation costs" means reasonable costs paid for
681 the assessment, investigation, remediation, monitoring and related
682 activities at a brownfield agreement site which are consistent
683 with the remedy selected for the site, and costs paid to the
684 Department of Environmental Quality for the processing of the
685 brownfield agreement application and administration of a
686 brownfield agreement. Remediation costs shall not include (i)
687 costs incurred before June 24, 1999; (ii) costs incurred after the
688 issuance of a No Further Action letter under Section 49-35-15,
689 Mississippi Code of 1972; (iii) costs incurred before the
690 acceptance of a brownfield agreement site into the Mississippi
691 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
692 costs incurred for any legal services or litigation costs; and (v)
693 any funds provided by any federal, state or local governmental
694 agency or political subdivision.

695 (2) Subject to the limitations provided in subsection (4) of
696 this section, upon submission to the State Tax Commission of
697 information provided for in subsection (5) of this section and any
698 other documentation as the State Tax Commission may require, any
699 brownfield party who (a) has conducted remediation at a brownfield
700 agreement site in accordance with Sections 49-35-1 through
701 49-35-25 and (b) has incurred remediation costs for activities
702 under Sections 49-35-1 through 49-35-25, as approved by the
703 Commission on Environmental Quality, shall be allowed a credit in
704 an amount equal to twenty-five percent (25%) of the remediation



705 costs at the brownfield agreement site as approved by the
706 commission, against the taxes imposed under this chapter for the
707 tax year in which the costs are incurred.

708 (3) (a) Before applying for the tax credit authorized in
709 this section, a brownfield party shall submit an application to
710 the Department of Environmental Quality for certification that the
711 brownfield party has conducted remediation at a brownfield
712 agreement site in accordance with Sections 49-35-1 through
713 49-35-25 during the tax year(s) for which the credit is sought.
714 The application shall be on forms prescribed by the Commission on
715 Environmental Quality and provided by the Department. The
716 application shall include the following:

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

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

725 (iii) Any other information which the Commission
726 on Environmental Quality or the State Tax Commission deems
727 appropriate.

728 (b) Within sixty (60) days after receipt by the
729 Department of a completed application, the department shall



730 approve or disapprove the application. The Department shall
731 notify the brownfield party in writing of its decision. If the
732 department approves the application, the department shall provide
733 the brownfield party with certification that the brownfield party
734 has conducted remediation at a brownfield agreement site in
735 accordance with Sections 49-35-1 through 49-35-25 during the tax
736 year(s) for which the credit is sought. If the Department
737 disapproves the application, the Department shall notify the
738 brownfield party in writing and state the reasons for the
739 disapproval.

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

745 (d) The Department's review of the application under
746 this section shall be considered a part of the administration of
747 the brownfield agreement.

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

751 (4) (a) The annual credit provided for in this section
752 shall not exceed the lesser of Forty Thousand Dollars (\$40,000.00)
753 or the amount of the income tax imposed upon the brownfield party
754 at the brownfield agreement site for the taxable year as reduced



755 by the sum of all other credits allowable to the brownfield party
756 under this chapter, except for credit for tax payments made by or
757 on behalf of the brownfield party. Any unused portion of the
758 credit may be carried forward for succeeding tax years.

759 (b) The maximum total credit under this section for a
760 brownfield agreement site is One Hundred Fifty Thousand Dollars
761 (\$150,000.00).

762 (5) To be eligible for the tax credit, the brownfield party
763 must submit a copy of the letter from the commission stating the
764 amount of remediation costs approved by the commission for the
765 given tax year.

766 **SECTION 9.** Section 27-7-22.17, Mississippi Code of 1972, is
767 brought forward as follows:

768 27-7-22.17. (1) Permanent business enterprises engaged in
769 operating a project and companies that are members of an
770 affiliated group that includes such permanent business enterprises
771 are allowed a job tax credit for taxes imposed by Section 27-7-5
772 equal to Five Thousand Dollars (\$5,000.00) annually for each net
773 new full-time employee job for a period of twenty (20) years from
774 the date the credit commences; however, if the permanent business
775 enterprise is located in an area that has been declared by the
776 Governor to be a disaster area and as a direct result of the
777 disaster the business enterprise is unable to maintain the
778 required number of employees, the commissioner may extend this
779 time period for not more than two (2) years. The credit shall



780 commence on the date selected by the permanent business
781 enterprise; however, the commencement date shall not be more than
782 five (5) years from the date the business enterprise commences
783 commercial production. For the year in which the commencement
784 date occurs, the number of new full-time jobs shall be determined
785 by using the monthly average number of full-time employees subject
786 to the Mississippi income tax withholding. Thereafter, the number
787 of new full-time jobs shall be determined by comparing the monthly
788 average number of full-time employees subject to the Mississippi
789 income tax withholding for the taxable year with the corresponding
790 period of the prior taxable year. Once a permanent business
791 enterprise creates or increases employment three thousand (3,000)
792 or more, such enterprise and the members of the affiliated group
793 that include such enterprise, shall be eligible for the credit.
794 The credit is not allowed for any year of the twenty-year period
795 in which the overall monthly average number of full-time employees
796 subject to the Mississippi income tax withholding falls below
797 three thousand (3,000); however, if the permanent business
798 enterprise is located in an area that has been declared by the
799 Governor to be a disaster area and as a direct result of the
800 disaster the business enterprise is unable to maintain the
801 required number of employees, the commissioner may waive the
802 employment requirement for a period of time not to exceed two (2)
803 years. The State Tax Commission shall adjust the credit allowed



804 each year for the net new employment fluctuations above three
805 thousand (3,000).

806 (2) Any tax credit claimed under this section but not used
807 in any taxable year may be carried forward for five (5)
808 consecutive years from the close of the tax year in which the
809 credits were earned; however, if the permanent business enterprise
810 is located in an area that has been declared by the Governor to be
811 a disaster area and as a direct result of the disaster the
812 business enterprise is unable to use the existing carryforward,
813 the commissioner may extend the period that the credit may be
814 carried forward for a period of time not to exceed two (2) years.
815 The credit that may be utilized each year shall be limited to an
816 amount not greater than the total state income tax liability of
817 the permanent business enterprise and the state income tax
818 liability of any member of the affiliated group that includes such
819 enterprise that is generated by, or arises out of, the project.

820 (3) The tax credits provided for in this section shall be in
821 lieu of the tax credits provided for in Section 57-73-21 and any
822 permanent business enterprise or any member of the affiliated
823 group that includes such enterprise utilizing the tax credit
824 authorized in this section shall not utilize the tax credit
825 authorized in Section 57-73-21.

826 (4) As used in this section:

827 (a) "Project" means a project as defined in Section
828 57-75-5(f) (iv).



829 (b) "Affiliated group" means one or more corporations
830 connected through stock ownership with a common parent corporation
831 where at least eighty percent (80%) of the voting power of all
832 classes of stock and at least eighty percent (80%) of each class
833 of the nonvoting stock of each of the member corporations, except
834 the common parent corporation, is directly owned by one or more of
835 the other member corporations; and the common parent corporation
836 directly owns stock possessing at least eighty percent (80%) of
837 the voting power of all classes of stock and at least eighty
838 percent (80%) of each class of the nonvoting stock of at least one
839 (1) of the other member corporations. As used in this subsection,
840 the term "stock" does not include nonvoting stock that is limited
841 and preferred as to dividends.

842 **SECTION 10.** Section 27-7-22.18, Mississippi Code of 1972, is
843 brought forward as follows:

844 27-7-22.18. (1) Any enterprise owning or operating a
845 project as defined in Section 57-75-5(f) (xviii) is allowed a job
846 tax credit for taxes imposed by Section 27-7-5 equal to Five
847 Thousand Dollars (\$5,000.00) annually for each net new full-time
848 employee job for a period of ten (10) years from the date the
849 credit commences. The credit shall commence on the date selected
850 by the enterprise; provided, however, that the commencement date
851 shall not be more than two (2) years from the date the project
852 becomes fully operational. For the year in which the commencement
853 date occurs, the enterprise must select a date on which it has at



854 least four hundred fifty (450) full-time employees subject to the
855 Mississippi income tax withholding. From that date to the end of
856 the year, the credit will be determined based on the remaining
857 monthly average of full-time employees subject to the Mississippi
858 income tax withholding. For each year thereafter, the number of
859 new full-time jobs created shall be determined by calculating the
860 monthly average number of full-time employees subject to the
861 Mississippi income tax withholding for the year. For every year
862 subsequent to the year the commencement date occurs, the credit is
863 not allowed for any year in which the overall monthly average
864 number of full-time employees subject to the Mississippi income
865 tax withholding falls below the minimum jobs requirement provided
866 in Section 57-75-5(f)(xviii). The State Tax Commission shall
867 adjust the credit allowed each year for the net new employment
868 fluctuations.

869 (2) For the first five (5) years in which a tax credit is
870 claimed under this section, any tax credit claimed but not used in
871 any taxable year may be carried forward for five (5) consecutive
872 years from the close of the tax year in which the credits were
873 earned. For the remainder of the ten-year period, any tax credit
874 claimed under this section but not used in any taxable year may be
875 carried forward for three (3) consecutive years from the close of
876 the tax year in which the credits were earned. The credit that
877 may be utilized each year shall be limited to an amount not



878 greater than the total state income tax liability of the
879 enterprise that is generated by, or arises out of, the project.

880 (3) The tax credits provided for in this section shall be in
881 lieu of the tax credits provided for in Section 57-73-21 and any
882 enterprise utilizing the tax credit authorized in this section
883 shall not utilize the tax credit authorized in Section 57-73-21.

884 **SECTION 11.** Section 27-7-22.19, Mississippi Code of 1972, is
885 brought forward as follows:

886 27-7-22.19. (1) Integrated suppliers are allowed a job tax
887 credit for taxes imposed by Section 27-7-5 equal to One Thousand
888 Dollars (\$1,000.00) annually for each net new full-time employee
889 for five (5) years from the date the credit commences; however, if
890 the integrated supplier is located in an area that has been
891 declared by the Governor to be a disaster area and as a direct
892 result of the disaster the integrated supplier is unable to
893 maintain the required number of employees, the commissioner may
894 extend this time period for not more than two (2) years. The
895 credit shall commence on the date selected by the integrated
896 supplier; provided, however, that the commencement date shall not
897 be more than five (5) years from the date the integrated supplier
898 commences commercial production. For the year in which the
899 commencement date occurs, the number of new full-time jobs shall
900 be determined by using the monthly average number of full-time
901 employees subject to Mississippi income tax withholding.
902 Thereafter, the number of new full-time jobs shall be determined



903 by comparing the monthly average number of full-time employees
904 subject to Mississippi income tax withholding for the taxable year
905 with the corresponding period of the prior taxable year. Only
906 those integrated suppliers that increase employment by twenty (20)
907 or more are eligible for the credit. The credit is not allowed
908 during any of the five (5) years if the net employment increase
909 falls below twenty (20); however, if the integrated supplier is
910 located in an area that has been declared by the Governor to be a
911 disaster area and as a direct result of the disaster the
912 integrated supplier is unable to maintain the required number of
913 employees, the commissioner may waive the employment requirement
914 for a period of time not to exceed two (2) years. The State Tax
915 Commission shall adjust the credit allowed each year for the net
916 new employment fluctuations above the minimum level of twenty
917 (20).

918 (2) Any tax credit claimed under this section but not used
919 in any taxable year may be carried forward for five (5)
920 consecutive years from the close of the tax year in which the
921 credits were earned; however, if the integrated supplier is
922 located in an area that has been declared by the Governor to be a
923 disaster area and as a direct result of the disaster the
924 integrated supplier is unable to use the existing carryforward,
925 the commissioner may extend the period that the credit may be
926 carried forward for a period of time not to exceed two (2) years.
927 The credit that may be utilized each year shall be limited to an



928 amount not greater than fifty percent (50%) of the taxpayer's
929 state income tax liability which is attributable to income derived
930 from operation in the state for that year.

931 (3) The tax credits provided for in this section shall be in
932 lieu of the tax credits provided for in Section 57-73-21, and any
933 integrated supplier utilizing the tax credit authorized in this
934 section shall not utilize the tax credit authorized in Section
935 57-73-21.

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

940 **SECTION 12.** Section 27-7-22.20, Mississippi Code of 1972, is
941 brought forward as follows:

942 27-7-22.20. (1) An enterprise owning or operating a project
943 as defined in Section 57-75-5(f)(xviii) is allowed an annual
944 investment tax credit for taxes imposed by Section 27-7-5 equal to
945 seven and one-half percent (7-1/2%) of the eligible investments
946 made by the enterprise. The credit shall commence on the date
947 selected by the enterprise; provided, however, that the
948 commencement date shall not be more than two (2) years from the
949 date the project becomes fully operational. For the purposes of
950 this section, the term "eligible investment" means the amount of
951 investment in a project as defined in Section 57-75-5(f)(xviii)
952 that is greater than Four Hundred Million Dollars



953 (\$400,000,000.00) and used in the initial establishment of the
954 project.

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

962 (3) The credit received under this section is subject to
963 recapture if the property for which the tax credit was received is
964 disposed of, or converted to, other than business use. The amount
965 of the credit subject to recapture is one hundred percent (100%)
966 of the credit in the first year and fifty percent (50%) of the
967 credit in the second year. This subsection shall not apply in
968 cases in which an entire facility is sold.

969 **SECTION 13.** Section 27-7-22.21, Mississippi Code of 1972, is
970 brought forward as follows:

971 27-7-22.21. (1) As used in this section, the following
972 words and phrases shall have the following meanings, unless the
973 context clearly indicates otherwise:

974 (a) "Eligible land" means nonindustrial private lands
975 in the state that are adjacent to and along a stream which is
976 fully nominated to the Mississippi Scenic Streams Stewardship
977 Program, or nonindustrial private lands in the state which are



978 considered to be priority sites for conservation under the
979 Mississippi Natural Heritage Program.

980 (b) "Eligible owner" means a private individual, group
981 or association other than a private corporation, or any subsidiary
982 thereof, which manufactures products or provides public utility
983 services of any type.

984 (c) "Interest in land" means any right in real
985 property, including access thereto or improvements thereon, or
986 water, including, but not limited to, a fee simple easement, a
987 conservation easement, provided such interest complies with the
988 requirements of the United States Internal Revenue Code Section
989 170(h), partial interest, mineral right, remainder or future
990 interest, or other interest or right in real property.

991 (d) "Land" or "lands" means real property, with or
992 without improvements thereon, rights-of-way, water and riparian
993 rights, easements, privileges and all other rights or interests of
994 any land or description in, relating to, or connected with real
995 property.

996 (e) "Allowable transaction costs" mean the costs of the
997 appraisal of the lands or interests in lands, including
998 conservation easements, that are being donated, of the baseline
999 survey of the natural features, animals and plants present on the
1000 site, of engineering and surveying fees, of maintenance fees, of
1001 monitoring fees and of legal fees, including the costs of document
1002 preparation, title review and title insurance.



1003 (f) "Specified conservation purposes" mean the
1004 preservation of stream bank habitats and the stability of stream
1005 banks, or the protection of land necessary because of high
1006 biodiversity significance or high protection urgency due to the
1007 presence of exemplary natural communities or species of special
1008 concern, including threatened or endangered species.

1009 (2) For the taxable years beginning on or after January 1,
1010 2003, for any income taxpayer who is an eligible owner, a credit
1011 against the taxes imposed by this chapter shall be allowed in the
1012 amounts provided in this section upon the donation of land or an
1013 interest in land for specified conservation purposes.

1014 (3) The credit provided for in this section shall be fifty
1015 percent (50%) of the allowable transaction costs involved in the
1016 donation for the tax year in which the allowable transaction costs
1017 occur. The aggregate amount of the credit provided in this
1018 section for allowable transaction costs shall not exceed the
1019 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
1020 imposed upon the taxpayer for the taxable year reduced by the sum
1021 of all other credits allowable to such taxpayer under this
1022 chapter, except credit for tax payments made by or on behalf of
1023 the taxpayer. Any unused portion of the credit may be carried
1024 forward for ten (10) succeeding tax years. The maximum dollar
1025 amount of the credit provided for in this section that an eligible
1026 owner may utilize during his lifetime shall be Ten Thousand
1027 Dollars (\$10,000.00) in the aggregate.



1028 (4) To be eligible for the credit provided for in this
1029 section, an eligible owner must demonstrate that the donation
1030 qualifies as a conservation contribution under Section 170(h) of
1031 the United States Internal Revenue Code of 1986, by means of being
1032 a donation in perpetuity, for conservation purposes and made to a
1033 qualified holder or donee. A letter from the donee indicating
1034 acceptance and a completed copy of the appropriate United States
1035 Internal Revenue Service form shall constitute proof of
1036 acceptance. The eligible owner also must submit any other
1037 documentation that the State Tax Commission may require.

1038 **SECTION 14.** Section 27-7-22.22, Mississippi Code of 1972, is
1039 brought forward as follows:

1040 27-7-22.22. (1) A credit is allowed against the taxes
1041 imposed by this chapter to a taxpayer for allowing land owned by
1042 the taxpayer to be used as a natural area preserve, a wildlife
1043 refuge or habitat area, a wildlife management area, or for the
1044 purpose of providing public outdoor recreational opportunities, as
1045 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
1046 the following conditions and limitations:

1047 (a) The land may not be under lease to the Mississippi
1048 Commission on Wildlife, Fisheries and Parks, and the commission
1049 must approve the land as being suitable for the uses described in
1050 this section.



1051 (b) The amount of the tax credit allowed by this
1052 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
1053 land in each taxable year.

1054 (c) In no event shall the amount of the tax credits
1055 allowed by this section for a taxable year exceed the taxpayer's
1056 liability for those taxes. Any unused credit amount shall be
1057 allowed to be carried forward for five (5) years from the close of
1058 the taxable year in which the land was approved for such a use.
1059 No such credit shall be allowed the taxpayer against prior years'
1060 tax liability.

1061 (2) To claim a credit allowed by this section, the taxpayer
1062 shall provide any information required by the Mississippi
1063 Commission on Wildlife, Fisheries and Parks or the Mississippi
1064 Commissioner of Revenue. Every taxpayer claiming a credit under
1065 this section shall maintain and make available for inspection by
1066 the Mississippi Commission on Wildlife, Fisheries and Parks or the
1067 Mississippi Commissioner of Revenue any records that either entity
1068 considers necessary to determine and verify the amount of the
1069 credit to which the taxpayer is entitled. The burden of proving
1070 eligibility for a credit and the amount of the credit rests upon
1071 the taxpayer, and no credit may be allowed to a taxpayer that
1072 fails to maintain adequate records or to make them available for
1073 inspection.

1074 (3) Upon approval of the Commission on Wildlife, Fisheries
1075 and Parks under subsection (1) (a), a taxpayer seeking to claim any



1076 tax credit provided for under this section must submit an
1077 application to the Mississippi Commissioner of Revenue for
1078 approval of the tax credit. The Mississippi Commissioner of
1079 Revenue shall promulgate the rules and forms on which the
1080 application is to be submitted. The Mississippi Commissioner of
1081 Revenue shall review the application and may approve such
1082 application upon determining that it meets the requirements of
1083 this section within sixty (60) days after receiving the
1084 application.

1085 **SECTION 15.** Section 27-7-22.23, Mississippi Code of 1972, is
1086 brought forward as follows:

1087 27-7-22.23. (1) As used in this section, the term "port"
1088 means a state, county or municipal port or harbor established
1089 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
1090 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
1091 59-11-1 through 59-11-7.

1092 (2) Subject to the provisions of this section, for any
1093 income taxpayer utilizing the port facilities at any port for the
1094 import of cargo that is unloaded from a carrier calling at any
1095 such port, a credit against the taxes imposed pursuant to this
1096 chapter shall be allowed in the amounts provided in this section.
1097 In order to be eligible for the credit authorized under this
1098 section, a taxpayer must locate its United States headquarters in
1099 Mississippi on or after July 1, 2004, employ at least five (5)
1100 permanent full-time employees who actually work at such



1101 headquarters and have a minimum capital investment of Two Million
1102 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this
1103 section, "full-time employee" shall mean an employee who works at
1104 least thirty-five (35) hours per week.

1105 (3) (a) Except as otherwise provided by subsection (4) of
1106 this section, the amount of the credit allowed pursuant to this
1107 section shall be the total of the following charges on import of
1108 cargo paid by the corporation:

- 1109 (i) Receiving into the port;
- 1110 (ii) Handling from a vessel; and
- 1111 (iii) Wharfage.

1112 (b) The credit allowed pursuant to this section shall
1113 not include charges paid by a corporation on the import of forest
1114 products.

1115 (4) The credit provided for in this section shall not exceed
1116 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1117 for the taxable year reduced by the sum of all other credits
1118 allowable to such taxpayer under this chapter, except credit for
1119 tax payments made by or on behalf of the taxpayer. Any unused
1120 portion of the credit may be carried forward for the succeeding
1121 five (5) years. The maximum cumulative credit that may be claimed
1122 by a taxpayer under this section is limited to One Million Dollars
1123 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1124 more than twenty-five (25) permanent full-time employees at its
1125 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)



1126 if the taxpayer employs more than twenty-five (25), but not more
1127 than one hundred (100) permanent full-time employees at its
1128 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1129 if the taxpayer employs more than one hundred (100), but not more
1130 than two hundred (200) permanent full-time employees at its
1131 headquarters in Mississippi; and Four Million Dollars
1132 (\$4,000,000.00) if the taxpayer employs more than two hundred
1133 (200) permanent full-time employees at its headquarters in
1134 Mississippi.

1135 (5) To obtain the credit provided for in this section, a
1136 taxpayer must provide to the Department of Revenue a statement
1137 from the governing authority of the port certifying the amount of
1138 charges paid by the taxpayer for which a credit is claimed and any
1139 other information required by the Department of Revenue.

1140 **SECTION 16.** Section 27-7-22.25, Mississippi Code of 1972, is
1141 brought forward as follows:

1142 27-7-22.25. (1) As used in this section, the term "airport"
1143 means an airport established pursuant to Chapters 3 and 5, Title
1144 61, Mississippi Code of 1972.

1145 (2) Subject to the provisions of this section, for any
1146 income taxpayer utilizing the facilities at any airport for the
1147 export or import of cargo that is unloaded from a carrier at any
1148 such airport, a credit against the taxes imposed pursuant to this
1149 chapter shall be allowed in the amounts provided in this section.
1150 In order to be eligible for the credit authorized under this



1151 section, a taxpayer must locate its United States headquarters in
1152 Mississippi on or after July 1, 2005, employ at least five (5) new
1153 permanent full-time employees who actually work at such
1154 headquarters and, after July 1, 2005, invest a minimum of Two
1155 Million Dollars (\$2,000,000.00), in the aggregate, in real
1156 property and/or personal property in Mississippi. For the
1157 purposes of this section, "full-time employee" shall mean an
1158 employee who works at least thirty-five (35) hours per week.

1159 (3) Except as otherwise provided by subsection (4) of this
1160 section, the amount of the credit allowed pursuant to this section
1161 shall be the total of the following charges on import or export of
1162 cargo paid by the corporation:

- 1163 (a) Receiving into the airport;
- 1164 (b) Aircraft marshalling or handling fees; and
- 1165 (c) Aircraft landing fees.

1166 (4) The credit provided for in this section shall not exceed
1167 fifty percent (50%) of the amount of tax imposed upon the taxpayer
1168 for the taxable year reduced by the sum of all other credits
1169 allowable to such taxpayer under this chapter, except credit for
1170 tax payments made by or on behalf of the taxpayer. Any unused
1171 portion of the credit may be carried forward for the succeeding
1172 five (5) years. The maximum cumulative credit that may be claimed
1173 by a taxpayer under this section is limited to One Million Dollars
1174 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
1175 more than twenty-five (25) permanent full-time employees at its



1176 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
1177 if the taxpayer employs more than twenty-five (25), but not more
1178 than one hundred (100) permanent full-time employees at its
1179 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
1180 if the taxpayer employs more than one hundred (100), but not more
1181 than two hundred (200) permanent full-time employees at its
1182 headquarters in Mississippi; and Four Million Dollars
1183 (\$4,000,000.00) if the taxpayer employs more than two hundred
1184 (200) permanent full-time employees at its headquarters in
1185 Mississippi.

1186 (5) To obtain the credit provided for in this section, a
1187 taxpayer must provide to the Department of Revenue a statement
1188 from the governing authority of the airport certifying the amount
1189 of charges paid by the taxpayer for which a credit is claimed and
1190 any other information required by the Department of Revenue.

1191 (6) Any taxpayer who is eligible, before July 1, 2025, for
1192 the credit provided for in this section, shall remain eligible for
1193 such credit after July 1, 2025, notwithstanding the repeal of this
1194 section.

1195 **SECTION 17.** Section 27-7-22.27, Mississippi Code of 1972, is
1196 brought forward as follows:

1197 27-7-22.27. (1) As used in this section:

1198 (a) "Business enterprises" means entities primarily
1199 engaged in:



1200 (i) Manufacturing, processing, warehousing,
1201 distribution, wholesaling and research and development, or
1202 (ii) Permanent business enterprises designated by
1203 rule and regulation of the Mississippi Development Authority as
1204 air transportation and maintenance facilities, final destination
1205 or resort hotels having a minimum of one hundred fifty (150) guest
1206 rooms, recreational facilities that impact tourism, movie industry
1207 studios, telecommunications enterprises, data or information
1208 processing enterprises or computer software development
1209 enterprises or any technology intensive facility or enterprise.

1210 (b) "Economically distressed community" means an area
1211 within a municipality that contains groupings of census tracts
1212 that include and are contiguous to the central business district,
1213 where within such census tract groupings at least thirty percent
1214 (30%) of the residents have incomes that are less than the
1215 national poverty level as published by the United States Bureau of
1216 the Census in the most recent decennial census for which data is
1217 available; in which the unemployment rate is at least one and
1218 one-half (1-1/2) times greater than the national average, as
1219 determined by the most recent data from the United States Bureau
1220 of Labor Statistics, including estimates of unemployment developed
1221 using the calculation method of the United States Bureau of Labor
1222 Statistics Census Share; and

1223 (i) The municipal population of which is at least
1224 four thousand (4,000) if any portion of the municipality is



1225 located within a metropolitan area with a population of fifty
1226 thousand (50,000), or more; or

1227 (ii) The municipal population of which is at least
1228 one thousand (1,000) if no portion of the municipality is located
1229 within a metropolitan area with a population of fifty thousand
1230 (50,000), or more.

1231 (c) "Telecommunications enterprises" means entities
1232 engaged in the creation, display, management, storage, processing,
1233 transmission or distribution for compensation of images, text,
1234 voice, video or data by wire or by wireless means, or entities
1235 engaged in the construction, design, development, manufacture,
1236 maintenance or distribution for compensation of devices, products,
1237 software or structures used in the above activities. Companies
1238 organized to do business as commercial broadcast radio stations,
1239 television stations or news organizations primarily serving
1240 in-state markets shall not be included within the definition of
1241 the term "telecommunications enterprises."

1242 (2) The governing authorities of a municipality may
1243 designate an area within such municipality as an economically
1244 distressed community.

1245 (3) Upon designation of an area within a municipality as an
1246 economically distressed community, the governing authorities of a
1247 municipality shall apply to the State Tax Commission for
1248 certification of the area as an economically distressed community.
1249 Such application shall provide the information necessary to



1250 establish certification as an economically distressed community.
1251 The State Tax Commission shall certify an area within a
1252 municipality as an economically distressed community if it finds
1253 that the designation meets the criteria provided for in subsection
1254 (1)(b) of this section.

1255 (4) Permanent business enterprises in areas within
1256 municipalities certified by the State Tax Commission as
1257 economically distressed communities are allowed a job tax credit
1258 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of
1259 the payroll of the enterprise for net new full-time employee jobs
1260 for five (5) years beginning with years two (2) through six (6)
1261 after the creation of the minimum number of jobs required by this
1262 subsection. The number of new full-time jobs must be determined
1263 by comparing the monthly average number of full-time employees
1264 subject to the Mississippi income tax withholding for the taxable
1265 year with the corresponding period of the prior taxable year.
1266 Only those permanent business enterprises that increase employment
1267 by ten (10) or more in an economically distressed community are
1268 eligible for the credit. Credit is not allowed during any of the
1269 five (5) years if the net employment increase falls below ten
1270 (10). The State Tax Commission shall adjust the credit allowed
1271 each year for the net new employment fluctuations above the
1272 minimum level of ten (10).

1273 (5) Tax credits for five (5) years for the taxes imposed by
1274 Section 27-7-5 shall be awarded for additional net new full-time



1275 jobs created by business enterprises qualified under this section.
1276 The State Tax Commission shall adjust the credit allowed in the
1277 event of payroll fluctuations during the additional five (5) years
1278 of credit.

1279 (6) The sale, merger, acquisition, reorganization,
1280 bankruptcy or relocation from one (1) county to another county
1281 within the state of any business enterprise may not create new
1282 eligibility in any succeeding business entity, but any unused job
1283 tax credit may be transferred and continued by any transferee of
1284 the business enterprise. The State Tax Commission shall determine
1285 whether or not qualifying net increases or decreases have occurred
1286 or proper transfers of credit have been made and may require
1287 reports, promulgate regulations, and hold hearings as needed for
1288 substantiation and qualification.

1289 (7) Any tax credit claimed under this section but not used
1290 in any taxable year may be carried forward for five (5) years from
1291 the close of the tax year in which the qualified jobs were
1292 established but the credit established by this section taken in
1293 any one (1) tax year must be limited to an amount not greater than
1294 fifty percent (50%) of the taxpayer's state income tax liability
1295 which is attributable to income derived from operations in the
1296 state for that year.

1297 (8) No business enterprise for the transportation, handling,
1298 storage, processing or disposal of hazardous waste is eligible to
1299 receive the tax credits provided in this section.



1300 (9) The credits allowed under this section shall not be used
1301 by any business enterprise or corporation other than the business
1302 enterprise actually qualifying for the credits.

1303 (10) A business enterprise that receives a tax credit under
1304 this section shall not be eligible for the tax credit authorized
1305 in Section 57-73-21(2), (3) and (4).

1306 **SECTION 18.** Section 27-7-22.28, Mississippi Code of 1972, is
1307 brought forward as follows:

1308 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,
1309 the following terms and phrases shall have the meanings ascribed
1310 in this section unless the context clearly indicates otherwise:

1311 (a) "Alternative energy project" means a business
1312 enterprise engaged in manufacturing or producing alternative
1313 energy in this state with not less than fifty percent (50%) of the
1314 finished product being derived from resources or products from
1315 this state.

1316 (b) "Authority" means the Mississippi Development
1317 Authority.

1318 (c) "Producer" means a manufacturer or producer of
1319 alternative energy through an alternative fuels project.

1320 (d) "State" means the State of Mississippi.

1321 **SECTION 19.** Section 27-7-22.29, Mississippi Code of 1972, is
1322 brought forward as follows:

1323 27-7-22.29. (1) Producers are allowed a job tax credit for
1324 taxes imposed by Section 27-7-5 equal to One Thousand Dollars



1325 (\$1,000.00) annually for each net new full-time employee job for a
1326 period of twenty (20) years from the date the credit begins;
1327 however, if the producer is located in an area that has been
1328 declared by the Governor to be a disaster area and as a direct
1329 result of the disaster the producer is unable to maintain the
1330 required number of employees, the commissioner may extend this
1331 time period for not more two (2) years. The credit shall begin on
1332 the date selected by the producer; however, the beginning date
1333 shall not be more than five (5) years from the date the producer
1334 begins manufacturing or producing alternative energy. For the
1335 year in which the beginning date occurs, the number of new
1336 full-time jobs shall be determined by using the monthly average
1337 number of full-time employees subject to the Mississippi income
1338 tax withholding. Thereafter, the number of new full-time jobs
1339 shall be determined by comparing the monthly average number of
1340 full-time employees subject to the Mississippi income tax
1341 withholding for the taxable year with the corresponding period of
1342 the prior taxable year. Once a producer creates twenty-five (25)
1343 or more new full-time employee jobs, the producer shall be
1344 eligible for the credit; however, if the producer is located in an
1345 area that has been declared by the Governor to be a disaster area
1346 and as a direct result of the disaster the producer is unable to
1347 maintain the required number of employees, the commissioner may
1348 waive the employment requirement for a period of time not to
1349 exceed two (2) years. The credit is not allowed for any year of



1350 the twenty-year period in which the overall monthly average number
1351 of full-time employees subject to the Mississippi income tax
1352 withholding falls below twenty-five (25). The State Tax
1353 Commission shall adjust the credit allowed each year for the net
1354 new employment fluctuations above twenty-five (25).

1355 (2) Any tax credit claimed under this section but not used
1356 in any taxable year may be carried forward for five (5)
1357 consecutive years from the close of the tax year in which the
1358 credits were earned; however, if the producer is located in an
1359 area that has been declared by the Governor to be a disaster area
1360 and as a direct result of the disaster the producer is unable to
1361 use the existing carryforward, the commissioner may extend the
1362 period that the credit may be carried forward for a period of time
1363 not to exceed two (2) years. The credit that may be utilized each
1364 year shall be limited to an amount not greater than the total
1365 state income tax liability of the producer that is generated by,
1366 or arises out of, the alternative energy project.

1367 (3) The tax credits provided for in this section shall be in
1368 lieu of the tax credits provided for in Section 57-73-21 and any
1369 producer utilizing the tax credit authorized in this section shall
1370 not utilize the tax credit authorized in Section 57-73-21.

1371 **SECTION 20.** Section 27-7-22.30, Mississippi Code of 1972, is
1372 brought forward as follows:

1373 27-7-22.30. (1) As used in this section:



1374 (a) "Manufacturing enterprise" means an enterprise
1375 that:

1376 (i) Falls within the definition of the term
1377 "manufacturer" in Section 27-65-11; and

1378 (ii) Has operated in this state for not less than
1379 two (2) years prior to application for the credit authorized by
1380 this section.

1381 The term "manufacturing enterprise" does not include any
1382 medical cannabis establishment as defined in the Mississippi
1383 Medical Cannabis Act.

1384 (b) "Eligible investment" means an investment of at
1385 least One Million Dollars (\$1,000,000.00) in buildings and/or
1386 equipment for the manufacturing enterprise.

1387 (2) A manufacturing enterprise is allowed a manufacturing
1388 investment tax credit for taxes imposed by Section 27-7-5 equal to
1389 five percent (5%) of the eligible investments made by the
1390 manufacturing enterprise.

1391 (3) Any tax credit claimed under this section but not used
1392 in any taxable year may be carried forward for five (5) years from
1393 the close of the tax year in which the eligible investment was
1394 made, but the credit established by this section taken in any one
1395 tax year shall not exceed fifty percent (50%) of the taxpayer's
1396 state income tax liability which is attributable to income derived
1397 from operations in the state for that year reduced by the sum of



1398 all other income tax credits allowable to the taxpayer, except
1399 credit for tax payments made by or on behalf of the taxpayer.

1400 (4) The maximum credit that may be claimed by a taxpayer on
1401 any project shall be limited to One Million Dollars
1402 (\$1,000,000.00).

1403 (5) The credit received under this section is subject to
1404 recapture if the property for which the tax credit was received is
1405 disposed of, or converted to, other than business use. The amount
1406 of the credit subject to recapture is one hundred percent (100%)
1407 of the credit in the first year and fifty percent (50%) of the
1408 credit in the second year. This subsection shall not apply in
1409 cases in which an entire facility is sold.

1410 (6) The sale, merger, acquisition, reorganization,
1411 bankruptcy or relocation from one (1) county to another county
1412 within the state of any manufacturing enterprise may not create
1413 new eligibility in any succeeding business entity, but any unused
1414 manufacturing investment tax credit may be transferred and
1415 continued by any transferee of the enterprise. The department
1416 shall determine whether or not qualifying net increases or
1417 decreases have occurred or proper transfers of credit have been
1418 made and may require reports, promulgate regulations, and hold
1419 hearings as needed for substantiation and qualification.

1420 (7) No manufacturing enterprise for the transportation,
1421 handling, storage, processing or disposal of hazardous waste is
1422 eligible to receive the tax credits provided in this section.



1423 (8) The credits allowed under this section shall not be used
1424 by any business enterprise or corporation other than the
1425 manufacturing enterprise actually qualifying for the credits.

1426 **SECTION 21.** Section 27-7-22.31, Mississippi Code of 1972, is
1427 brought forward as follows:

1428 27-7-22.31. (1) As used in this section:

1429 (a) "Certified historic structure" means a property
1430 located in Mississippi that has been:

1431 (i) Listed individually on the National Register
1432 of Historic Places; or

1433 (ii) Determined eligible for the National Register
1434 of Historic Places by the Secretary of the United States
1435 Department of the Interior and will be listed within thirty (30)
1436 months of claiming the rebate or credit authorized by this
1437 section; or

1438 (iii) Property designated a Mississippi Landmark
1439 by the Department of Archives and History pursuant to Section
1440 39-7-3 et seq.

1441 (b) "Eligible property" means property located in
1442 Mississippi and offered or used for residential or business
1443 purposes.

1444 (c) "Structure in a certified historic district" means
1445 a structure (and its structural components) located in Mississippi
1446 which:



1447 (i) Is listed in the National Register of Historic
1448 Places; or

1449 (ii) Has been determined eligible for the National
1450 Register of Historic Places by the Secretary of the United States
1451 Department of the Interior and will be listed within thirty (30)
1452 months of claiming the rebate or credit authorized by this
1453 section; or

1454 (iii) Is located in a registered historic district
1455 listed on the National Register of Historic Places or located in a
1456 potential district that has been determined eligible for the
1457 National Register of Historic Places by the Secretary of the
1458 United States Department of the Interior and will be listed within
1459 thirty (30) months of claiming the rebate or credit authorized by
1460 this section, and is certified by the Secretary of the United
1461 States Department of the Interior as being of historic
1462 significance to the district; or

1463 (iv) Is certified by the Mississippi Department of
1464 Archives and History as contributing to the historic significance
1465 of:

1466 1. A certified historic district listed on
1467 the National Register of Historic Places; or

1468 2. A potential district that has been
1469 determined eligible for the National Register of Historic Places
1470 by the Secretary of the United States Department of the Interior



1471 and will be listed within thirty (30) months of claiming the
1472 rebate or credit authorized by this section; or

1473 3. A local district that has been certified
1474 by the United States Department of the Interior.

1475 (d) "Department" means the Department of Archives and
1476 History.

1477 (2) Any taxpayer incurring costs and expenses for the
1478 rehabilitation of eligible property, which is a certified historic
1479 structure or a structure in a certified historic district, shall
1480 be entitled to a rebate or credit against the taxes imposed
1481 pursuant to this chapter in an amount equal to twenty-five percent
1482 (25%) of the total costs and expenses of rehabilitation incurred
1483 after January 1, 2006, which shall include, but not be limited to,
1484 qualified rehabilitation expenditures as defined under Section
1485 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
1486 the related regulations thereunder:

1487 (a) If the costs and expenses associated with
1488 rehabilitation exceed:

1489 (i) Five Thousand Dollars (\$5,000.00) in the case
1490 of an owner-occupied dwelling; or

1491 (ii) Fifty percent (50%) of the adjusted basis in
1492 the property in the case of all other properties; and

1493 (b) The rehabilitation is consistent with the standards
1494 of the Secretary of the United States Department of the Interior
1495 as determined by the department.



1496 (3) Any taxpayer eligible for the rebate or credit
1497 authorized by this section may claim the rebate or credit in
1498 phases if:

1499 (a) There is a written set of architectural plans and
1500 specifications for all phases of the rehabilitation (written plans
1501 outlining and describing all phases of the rehabilitation shall be
1502 accepted as written plans and specifications);

1503 (b) The written set of architectural plans and
1504 specifications are completed before the physical work on the
1505 rehabilitation begins; and

1506 (c) The project receives final certification by the
1507 department within sixty (60) months of the project start date
1508 certified in the first phase.

1509 (4) (a) (i) If the amount of the tax credit established by
1510 this section exceeds the total state income tax liability for the
1511 credit year, the amount that exceeds the total state income tax
1512 liability may be carried forward for the ten (10) succeeding tax
1513 years.

1514 (ii) In lieu of claiming a tax credit, the
1515 taxpayer may elect to claim a rebate in the amount of seventy-five
1516 percent (75%) of the amount that would be eligible to claim as a
1517 credit. The election may be made at any time after the
1518 certification of the rebate. If the taxpayer has utilized a tax
1519 credit on an income tax return prior to making an election to



1520 claim a rebate, then the available rebate will be reduced by the
1521 amount of credit utilized.

1522 (iii) Rebate requests shall be submitted to the
1523 department on forms prescribed by the department. The department
1524 will then provide the taxpayer with a voucher for the approved
1525 amount. Within twelve (12) months of the issuance of the voucher
1526 by the department, the taxpayer may submit the voucher to the
1527 Department of Revenue to receive payment. Rebates shall be made
1528 from current tax collections.

1529 (b) Not-for-profit entities, including, but not limited
1530 to, nonprofit corporations organized under Section 79-11-101 et
1531 seq., shall be ineligible for the rebate or credit authorized by
1532 this section. Credits granted to a partnership, a limited
1533 liability company taxed as a partnership or multiple owners of
1534 property shall be passed through to the partners, members or
1535 owners on a pro rata basis or pursuant to an executed agreement
1536 among the partners, members or owners documenting an alternative
1537 distribution method. Partners, members or other owners of a
1538 pass-through entity are not eligible to elect a refund of excess
1539 credit in lieu of a carryforward of the credit. However, a
1540 partnership or limited liability company taxed as a partnership
1541 may elect to claim a rebate at the entity level on a form
1542 prescribed by the department. Additionally, excess tax credits
1543 that are attributable to rehabilitated property that was placed in
1544 service by a pass-through entity prior to January 1, 2011, and



1545 that have previously been allocated to and are held by another
1546 pass-through entity prior to January 1, 2011, may be refunded to
1547 such other pass-through entity.

1548 (5) (a) (i) To claim the rebate or credit authorized
1549 pursuant to this section, the taxpayer shall apply to the
1550 department which shall determine the amount of eligible
1551 rehabilitation costs and expenses and whether the rehabilitation
1552 is consistent with the standards of the Secretary of the United
1553 States Department of the Interior. The department shall issue a
1554 certificate evidencing the date of the rebate or credit and amount
1555 of eligible rebate or credit if the taxpayer is found to be
1556 eligible for the tax rebate or credit. The taxpayer shall attach
1557 the certificate to all income tax returns on which the credit is
1558 claimed. Except as otherwise provided in this paragraph (a), the
1559 department shall not issue certificates evidencing the eligible
1560 rebate or credit which will result in rebates or credits being
1561 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
1562 any one (1) calendar year for projects with total qualified
1563 rehabilitation costs and expenses of One Million Seven Hundred
1564 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
1565 shall also not issue certificates evidencing the eligible rebate
1566 or credit which will result in rebates or credits being awarded in
1567 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
1568 calendar year for projects with total qualified rehabilitation



1569 costs and expenses of less than One Million Seven Hundred Fifty
1570 Thousand Dollars (\$1,750,000.00).

1571 (ii) If claiming a credit instead of a rebate, the
1572 taxpayer shall claim such credit on the income tax return for the
1573 tax year for which the credit is certified.

1574 (b) The date of the rebate or credit shall be certified
1575 in the following order:

1576 (i) The rebate or credit shall be certified based
1577 on the date of project completion.

1578 (ii) If the eligible rebate or credit exceeds the
1579 available limit in the year in which the project is completed, the
1580 rebate or credit shall be certified based on the date the
1581 certification is issued by the department. The department shall
1582 issue the certification in the first calendar year in which the
1583 requested rebate or credit would not exceed the calendar year
1584 limit.

1585 (c) The aggregate amount of tax rebates or credits that
1586 may be awarded under this section shall not exceed One Hundred
1587 Eighty Million Dollars (\$180,000,000.00).

1588 (6) (a) The rebate or credit received by a taxpayer
1589 pursuant to this section is subject to recapture if:

1590 (i) The property is one that has been determined
1591 eligible for the National Register of Historic Places but is not
1592 listed on the National Register of Historic Places within thirty



1593 (30) months of claiming the rebate or credit authorized by this
1594 section;

1595 (ii) The potential district in which the property
1596 is located is not listed on the National Register of Historic
1597 Places within thirty (30) months of claiming the rebate or credit
1598 authorized by this section; or

1599 (iii) The project has not received final
1600 certification by the department within sixty (60) months of the
1601 project start date certified in the first phase.

1602 (b) The taxpayer shall notify the department and the
1603 Department of Revenue if any of the situations that subject the
1604 credit to recapture occur.

1605 (7) (a) The board of trustees of the department shall
1606 establish fees to be charged for the services performed by the
1607 department under this section and shall publish the fee schedule.
1608 The fees contained in the schedule shall be in amounts reasonably
1609 calculated to recover the costs incurred by the department for the
1610 administration of this section. Any taxpayer desiring to
1611 participate in the tax credits authorized by this section shall
1612 pay the appropriate fee as contained in the fee schedule to the
1613 department, which shall be used by the department, without
1614 appropriation, to offset the administrative costs of the
1615 department associated with its duties under this section.

1616 (b) There is hereby created within the State Treasury a
1617 special fund into which shall be deposited all the fees collected



1618 by the department pursuant to this section. Money deposited into
1619 the fund shall not lapse at the end of any fiscal year and
1620 investment earnings on the proceeds in such special fund shall be
1621 deposited into such fund. Money from the fund shall be disbursed
1622 upon warrants issued by the State Fiscal Officer upon requisitions
1623 signed by the executive director of the department to assist the
1624 department in carrying out its duties under this section.

1625 (8) This section shall only apply to taxpayers:

1626 (a) Who have been issued a certificate evidencing the
1627 eligible credit before December 31, 2030; or

1628 (b) Who, before December 31, 2030, have received a
1629 determination in writing from the Mississippi Department of
1630 Archives and History, in accordance with the department's Historic
1631 Preservation Certificate Application, Part 2, that the
1632 rehabilitation is consistent with the historic character of the
1633 property and that the property meets the United States Secretary
1634 of the Interior's Standards for Rehabilitation, or will meet the
1635 standards if certain specified conditions are met, and, who are
1636 issued a certificate evidencing the eligible credit on or after
1637 December 31, 2030.

1638 **SECTION 22.** Section 27-7-22.32, Mississippi Code of 1972, is
1639 brought forward as follows:

1640 27-7-22.32. (1) (a) There shall be allowed as a credit
1641 against the tax imposed by this chapter the amount of the
1642 qualified adoption expenses paid or incurred, not to exceed Five



1643 Thousand Dollars (\$5,000.00), for each dependent child residing
1644 outside Mississippi but legally adopted by a taxpayer under the
1645 laws of this state during calendar year 2023 or during any
1646 calendar year thereafter. A taxpayer claiming a credit under this
1647 paragraph (a) may not claim a credit under paragraph (b) of this
1648 subsection for the adoption of the same child.

1649 (b) There shall be allowed as a credit against the tax
1650 imposed by this chapter the amount of Ten Thousand Dollars
1651 (\$10,000.00) for each dependent child residing in Mississippi and
1652 legally adopted by a taxpayer under the laws of this state during
1653 calendar year 2023 or during any calendar year thereafter. A
1654 taxpayer claiming a credit under this paragraph (b) may not claim
1655 a credit under paragraph (a) of this subsection for the adoption
1656 of the same child.

1657 (2) The tax credit under this section may be claimed for the
1658 taxable year in which the adoption becomes final under the laws of
1659 this state. Any tax credit claimed under this section but not
1660 used in any taxable year may be carried forward for the five (5)
1661 succeeding tax years. A tax credit is allowed under this section
1662 for any child for which an exemption is claimed during the same
1663 taxable year under Section 27-7-21(e). For the purposes of this
1664 section, the term "qualified adoption expenses" means and has the
1665 same definition as that term has in 26 USCA 23.

1666 **SECTION 23.** Section 27-7-22.33, Mississippi Code of 1972, is
1667 brought forward as follows:



1668 27-7-22.33. (1) A taxpayer shall be allowed a credit
1669 against the income taxes imposed under this chapter in an amount
1670 equal to twenty-five percent (25%) of the premium costs paid
1671 during the taxable year for a qualified long-term care insurance
1672 policy as defined in Section 7702B of the Internal Revenue Code
1673 that offers coverage to either the individual, the individual's
1674 spouse, the individual's parent or parent-in-law, or the
1675 individual's dependent as defined in Section 152 of the Internal
1676 Revenue Code.

1677 (2) No taxpayer shall be entitled to the credit with respect
1678 to the same expended amounts for qualified long-term care
1679 insurance which are claimed by another taxpayer.

1680 (3) The credit allowed by this section shall not exceed Five
1681 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
1682 whichever is less, for each qualified long-term care insurance
1683 policy. Any unused tax credit shall not be allowed to be carried
1684 forward to apply to the taxpayer's succeeding year's tax
1685 liability.

1686 (4) No credit shall be allowed under this section with
1687 respect to any premium for qualified long-term care insurance
1688 either deducted or subtracted by the taxpayer in arriving at his
1689 net taxable income under this section or with respect to any
1690 premiums for qualified long-term care insurance which were
1691 excluded from his net taxable income.



1692 **SECTION 24.** Section 27-7-22.34, Mississippi Code of 1972, is
1693 brought forward as follows:

1694 27-7-22.34. (1) As used in this section, "qualified
1695 business or industry" means any company that has been certified by
1696 the Mississippi Major Economic Impact Authority as a project as
1697 defined in Section 57-75-5(f)(xxii).

1698 (2) A qualified business or industry shall be allowed a job
1699 tax credit for taxes imposed by Section 27-7-5 equal to Five
1700 Thousand Dollars (\$5,000.00) annually for each net new full-time
1701 employee job for a period of twenty (20) years from the date the
1702 credit commences; however, if the qualified business or industry
1703 is located in an area that has been declared by the Governor to be
1704 a disaster area and as a direct result of the disaster the
1705 business or industry is unable to maintain the required number of
1706 employees, the commissioner may extend this time period for not
1707 more than two (2) years. The credit shall commence on the date
1708 selected by the business or industry; however, the commencement
1709 date shall not be more than six (6) years from the date the
1710 business or industry commences commercial production. For the
1711 year in which the commencement date occurs, the number of new
1712 full-time jobs shall be determined by using the monthly average
1713 number of full-time employees subject to the Mississippi income
1714 tax withholding. Thereafter, the number of new full-time jobs
1715 shall be determined by comparing the monthly average number of
1716 full-time employees subject to the Mississippi income tax



1717 withholding for the taxable year with the corresponding period of
1718 the prior taxable year. Once a qualified business or industry
1719 creates or increases employment by five hundred (500) or more,
1720 such business or industry shall be eligible for the credit. The
1721 credit is not allowed for any year of the twenty-year period in
1722 which the overall monthly average number of full-time employees
1723 subject to the Mississippi income tax withholding falls below five
1724 hundred (500); however, if the qualified business or industry is
1725 located in an area that has been declared by the Governor to be a
1726 disaster area and as a direct result of the disaster the business
1727 or industry is unable to maintain the required number of
1728 employees, the commissioner may waive the employment requirement
1729 for a period of time not to exceed two (2) years. The State Tax
1730 Commission shall adjust the credit allowed each year for the net
1731 new employment fluctuations above five hundred (500).

1732 (3) Any tax credit claimed under this section but not used
1733 in any taxable year may be carried forward for five (5)
1734 consecutive years from the close of the tax year in which the
1735 credits were earned; however, if the qualified business or
1736 industry is located in an area that has been declared by the
1737 Governor to be a disaster area and as a direct result of the
1738 disaster the business or industry is unable to use the existing
1739 carryforward, the commissioner may extend the period that the
1740 credit may be carried forward for a period of time not to exceed
1741 two (2) years. The credit that may be utilized each year shall be



1742 limited to an amount not greater than the total state income tax
1743 liability of the qualified business or industry that is generated
1744 by, or arises out of, the project.

1745 (4) The tax credits provided for in this section shall be in
1746 lieu of the tax credits provided for in Section 57-73-21 and any
1747 qualified business or industry utilizing the tax credit authorized
1748 in this section shall not utilize the tax credit authorized in
1749 Section 57-73-21.

1750 **SECTION 25.** Section 27-7-22.35, Mississippi Code of 1972, is
1751 brought forward as follows:

1752 27-7-22.35. (1) As used in this section:

1753 (a) "Eligible facility" means and includes a new
1754 facility that creates at least twenty (20) full-time jobs with a
1755 minimum capital investment from private sources of Fifty Million
1756 Dollars (\$50,000,000.00), that:

1757 (i) Consists of all components necessary for the
1758 production of electric energy from the direct firing or co-firing
1759 of biomass or waste heat recovery, and if applicable, other energy
1760 sources;

1761 (ii) Produces both electric energy and useful
1762 thermal energy, such as heat or steam, through the sequential use
1763 of energy (cogeneration); and

1764 (iii) Consists of all components necessary for the
1765 production of synfuel.



1766 An eligible facility includes all burners and boilers, any
1767 handling and delivery equipment that supplies fuel directly to and
1768 is integrated with such burners and boilers, steam headers,
1769 turbines, generators, property used for the collection, processing
1770 or storage of biomass or synfuel, transformers, pipelines and all
1771 other property used in the transmission of electricity or synfuel
1772 and related depreciable property.

1773 (b) "Biomass" means and includes any of the following:

1774 (i) Forest-related mill residues, pulping
1775 by-product and other by-products of wood processing, thinnings,
1776 slash, limbs, bark, brush and other cellulosic plant material or
1777 nonmerchantable forest-related products;

1778 (ii) Solid wood waste materials, including
1779 dunnage, manufacturing and construction wood wastes, demolition
1780 and storm debris and landscape or right-of-way trimmings;

1781 (iii) Agriculture wastes, including orchard tree
1782 crops, vineyard, grain, legumes, sugar and other crop by-products
1783 or residues and livestock waste nutrients;

1784 (iv) All plant and grass material that is grown
1785 exclusively as a fuel for the production of electricity;

1786 (v) Refuse derived fuels consisting of organic
1787 components and fibers of waste water treatment solids; or

1788 (vi) Whole trees.

1789 (c) "Synfuel" means any liquid or gaseous fuel obtained
1790 from biomass.



1791 (d) "Waste heat recovery" means systems that produce
1792 electricity from currently unused waste heat resulting from
1793 combustion or other processes and which do not use an additional
1794 combustion process. The term does not include any system whose
1795 primary purpose is the generation of electricity.

1796 (2) An enterprise owning or operating an eligible facility
1797 is allowed an annual investment tax credit for taxes imposed by
1798 Section 27-7-5 equal to five percent (5%) of investments made by
1799 the enterprise in the initial establishment of an eligible
1800 facility. The credit shall commence on the date selected by the
1801 enterprise; provided, however, that the commencement date shall
1802 not be more than two (2) years from the date the eligible facility
1803 becomes fully operational.

1804 (3) Any tax credit claimed under this section but not used
1805 in any taxable year may be carried forward for five (5)
1806 consecutive years from the close of the tax year in which the
1807 credits were earned. The credit that may be utilized in any one
1808 (1) tax year shall be limited to an amount not greater than fifty
1809 percent (50%) of the total state income tax liability of the
1810 enterprise for that year that is generated by, or arises out of,
1811 the eligible facility.

1812 **SECTION 26.** Section 27-7-22.36, Mississippi Code of 1972, is
1813 brought forward as follows:

1814 27-7-22.36. (1) As used in this section:



1815 (a) "Full-time employee" means an employee who works at
1816 least thirty-five (35) hours per week.

1817 (b) "New cut and sew job" means a job in which the
1818 employee cuts and sews upholstery for upholstered household
1819 furniture and which job did not exist in this state before January
1820 1, 2010.

1821 (2) Any enterprise owning or operating an upholstered
1822 household furniture manufacturing facility is allowed a job tax
1823 credit for taxes imposed by this chapter equal to Two Thousand
1824 Dollars (\$2,000.00) annually for each full-time employee employed
1825 in a new cut and sew job for a period of five (5) years from the
1826 date the credit commences. The credit shall commence on the date
1827 selected by the enterprise. For the year in which the
1828 commencement date occurs, the credit will be determined based on
1829 the monthly average number of full-time employees employed in new
1830 cut and sew jobs subject to the Mississippi income tax withholding
1831 who are employed by the enterprise. For each year thereafter, the
1832 number of new cut and sew jobs shall be determined by comparing
1833 the monthly average number of full-time employees employed in new
1834 cut and sew jobs subject to the Mississippi income tax withholding
1835 for the taxable year with the corresponding period of the prior
1836 taxable year. The Department of Revenue shall verify that the
1837 jobs claimed by enterprises to obtain the credit meet the
1838 definition of the term "new cut and sew job." The Department of



1839 Revenue shall adjust the credit allowed each year for employment
1840 fluctuations.

1841 (3) The credit that may be used each year shall be limited
1842 to an amount not greater than the total state income tax liability
1843 of the enterprise. Any tax credit claimed under this section but
1844 not used in any taxable year may be carried forward for five (5)
1845 consecutive years from the close of the tax year in which the
1846 credits were earned.

1847 (4) The tax credits provided for in this section shall be in
1848 lieu of the tax credits provided for in Section 57-73-21 and any
1849 enterprise using the tax credit authorized in this section shall
1850 not use the tax credit authorized in Section 57-73-21.

1851 (5) Any taxpayer who is eligible for the credit authorized
1852 in this section prior to January 1, 2026, shall be eligible for
1853 the credit authorized in this section, notwithstanding the repeal
1854 of this section, and shall be allowed to carry forward the credit
1855 after January 1, 2026, as provided for in subsection (3) of this
1856 section.

1857 (6) This section shall be repealed from and after January 1,
1858 2026.

1859 **SECTION 27.** Section 27-7-22.37, Mississippi Code of 1972, is
1860 brought forward as follows:

1861 27-7-22.37. (1) There shall be allowed as a credit against
1862 the tax imposed by Section 27-7-5 the amount of the qualified
1863 prekindergarten program support contributions paid to approved



1864 providers, lead partners or collaboratives, not to exceed One
1865 Million Dollars (\$1,000,000.00), by any individual, corporation or
1866 other entity having taxable income under the laws of this state
1867 during calendar year 2013 or during any calendar year thereafter.
1868 In order to qualify for a tax credit, such contributions may
1869 support the local match requirement of approved providers, lead
1870 partners or collaboratives as is necessary to match
1871 state-appropriated funds, and any such providers, lead partners or
1872 collaboratives shall be approved by the State Department of
1873 Education.

1874 (2) Any unused portion of the credit may be carried forward
1875 for three (3) tax years.

1876 (3) Any prekindergarten program support contribution shall
1877 be verified by submission to the Mississippi Department of Revenue
1878 of a copy of the receipt provided to the donor taxpayer by the
1879 prekindergarten program recipient or such other written
1880 verification as may be required by the Department of Revenue.

1881 (4) The maximum amount of donations accepted by the
1882 Department of Revenue in calendar year 2014 shall not exceed Eight
1883 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
1884 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
1885 year 2016 and calendar years thereafter shall not exceed
1886 Thirty-two Million Dollars (\$32,000,000.00), or what is
1887 appropriated by the Legislature to fund Chapter 493, Laws of 2013
1888 each year.



1889 (5) The Mississippi Department of Revenue shall promulgate
1890 rules necessary to effectuate the purposes of Chapter 493, Laws of
1891 2013. Such rules shall include a means of informing the public of
1892 the existence of the prekindergarten support program and the
1893 application process for provider, lead partner and collaborative
1894 candidates.

1895 **SECTION 28.** Section 27-7-22.39, Mississippi Code of 1972, is
1896 brought forward as follows:

1897 27-7-22.39. (1) As used in this section:

1898 (a) "Low-income residents" means persons whose
1899 household income is less than one hundred fifty percent (150%) of
1900 the federal poverty level.

1901 (b) "Qualifying charitable organization" means a
1902 charitable organization that is exempt from federal income
1903 taxation under Section 501(c)(3) of the Internal Revenue Code or
1904 is a designated community action agency that receives community
1905 services block grant program monies pursuant to 42 USC 9901. The
1906 organization must spend at least fifty percent (50%) of its budget
1907 on services to residents of this state who receive temporary
1908 assistance for needy families benefits or low-income residents of
1909 this state and their households or to children who have a chronic
1910 illness or physical, intellectual, developmental or emotional
1911 disability who are residents of this state. A charitable
1912 organization that is exempt from federal income tax under Section
1913 501(c)(3) of the Internal Revenue Code and that meets all other



1914 requirements of this paragraph except that it does not spend at
1915 least fifty percent (50%) of its overall budget in Mississippi may
1916 be a qualifying charitable organization if it spends at least
1917 fifty percent (50%) of its Mississippi budget on services to
1918 qualified individuals in Mississippi and it certifies to the
1919 department that one hundred percent (100%) of the voluntary cash
1920 contributions from the taxpayer will be spent on services to
1921 qualified individuals in Mississippi. Taxpayers choosing to make
1922 donations through an umbrella charitable organization that
1923 collects donations on behalf of member charities shall designate
1924 that the donation be directed to a member charitable organization
1925 that would qualify under this section on a stand-alone basis.
1926 Qualifying charitable organization does not include any entity
1927 that provides, pays for or provides coverage of abortions or that
1928 financially supports any other entity that provides, pays for or
1929 provides coverage of abortions.

1930 (c) "Qualifying foster care charitable organization"
1931 means a qualifying charitable organization that each operating
1932 year provides services to at least one hundred (100) qualified
1933 individuals in this state and spends at least fifty percent (50%)
1934 of its budget on services to qualified individuals in this state.
1935 A charitable organization that is exempt from federal income tax
1936 under Section 501(c)(3) of the Internal Revenue Code and that
1937 meets all other requirements of this paragraph except that it does
1938 not spend at least fifty percent (50%) of its overall budget in



1939 Mississippi may be a qualifying foster care charitable
1940 organization if it spends at least fifty percent (50%) of its
1941 Mississippi budget on services to qualified individuals in
1942 Mississippi and it certifies to the department that one hundred
1943 percent (100%) of the voluntary cash contributions from the
1944 taxpayer will be spent on services to qualified individuals in
1945 Mississippi. For the purposes of this paragraph, "qualified
1946 individual" means a child in a foster care placement program
1947 established by the Department of Child Protection Services, a
1948 child placed under the Safe Families for Children model, or a
1949 child at significant risk of entering a foster care placement
1950 program established by the Department of Child Protection
1951 Services.

1952 (d) "Services" means:

1953 (i) Cash assistance, medical care, child care,
1954 food, clothing, shelter, and job-placement services or any other
1955 assistance that is reasonably necessary to meet immediate basic
1956 needs and that is provided and used in this state;

1957 (ii) Job-training or education services or funding
1958 for parents, foster parents or guardians; or

1959 (iii) Job-training or education services or
1960 funding provided as part of a foster care independent living
1961 program.

1962 (2) (a) Except as provided in subsections (3) and (4) of
1963 this section, a credit is allowed against the taxes imposed by



1964 this chapter for voluntary cash contributions by the taxpayer
1965 during the taxable year to a qualifying charitable organization,
1966 other than a qualifying foster care charitable organization, not
1967 to exceed:

1968 (i) Through calendar year 2022, the lesser of Four
1969 Hundred Dollars (\$400.00) or the amount of the contribution in any
1970 taxable year for a single individual or a head of household; and
1971 for calendar year 2023 and each calendar year thereafter, the
1972 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the
1973 amount of the contribution in any taxable year for a single
1974 individual or a head of household.

1975 (ii) Through calendar year 2022, the lesser of
1976 Eight Hundred Dollars (\$800.00) or the amount of the contribution
1977 in any taxable year for a married couple filing a joint return;
1978 and for calendar year 2023 and each calendar year thereafter, the
1979 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the
1980 amount of the contribution in any taxable year for a married
1981 couple filing a joint return.

1982 (b) From and after January 1, 2023, a credit is also
1983 allowed against ad valorem taxes assessed and levied on real
1984 property for voluntary cash contributions made by the individual
1985 taxpayer during the taxable year to a qualifying charitable
1986 organization, other than a qualifying foster care charitable
1987 organization. The amount of credit that may be utilized by a
1988 taxpayer in a taxable year shall be limited to an amount not to



1989 exceed fifty percent (50%) of the total tax liability of the
1990 taxpayer for ad valorem taxes assessed and levied on real
1991 property. Any tax credit claimed under this paragraph but not
1992 used in any taxable year may be carried forward for five (5)
1993 consecutive years from the close of the tax year in which the
1994 credits were earned.

1995 (3) (a) A separate credit is allowed against the taxes
1996 imposed by this chapter for voluntary cash contributions during
1997 the taxable year to a qualifying foster care charitable
1998 organization. A contribution to a qualifying foster care
1999 charitable organization does not qualify for, and shall not be
2000 included in, any credit amount under subsection (2) of this
2001 section. If the voluntary cash contribution by the taxpayer is to
2002 a qualifying foster care charitable organization, the credit shall
2003 not exceed:

2004 (i) Through calendar year 2022, the lesser of Five
2005 Hundred Dollars (\$500.00) or the amount of the contribution in any
2006 taxable year for a single individual or a head of household; and
2007 for calendar year 2023 and each calendar year thereafter, the
2008 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the
2009 amount of the contribution in any taxable year for a single
2010 individual or a head of household.

2011 (ii) Through calendar year 2022, the lesser of One
2012 Thousand Dollars (\$1,000.00) or the amount of the contribution in
2013 any taxable year for a married couple filing a joint return; and



2014 for calendar year 2023 and each calendar year thereafter, the
2015 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the
2016 contribution in any taxable year for a married couple filing a
2017 joint return.

2018 (b) From and after January 1, 2023, a credit is also
2019 allowed against ad valorem taxes assessed and levied on real
2020 property for voluntary cash contributions made by the individual
2021 taxpayer during the taxable year to a qualifying foster care
2022 charitable organization. The amount of credit that may be
2023 utilized by a taxpayer in a taxable year shall be limited to an
2024 amount not to exceed fifty percent (50%) of the total tax
2025 liability of the taxpayer for ad valorem taxes assessed and levied
2026 on real property. Any tax credit claimed under this paragraph but
2027 not used in any taxable year may be carried forward for five (5)
2028 consecutive years from the close of the tax year in which the
2029 credits were earned.

2030 (4) Subsections (2) and (3) of this section provide separate
2031 credits against taxes imposed by this chapter depending on the
2032 recipients of the contributions. A taxpayer, including a married
2033 couple filing a joint return, in the same taxable year, may either
2034 or both:

2035 (a) Contribute to a qualifying charitable organization,
2036 other than a qualifying foster care charitable organization, and
2037 claim a credit under subsection (2) of this section.



2038 (b) Contribute to a qualifying foster care charitable
2039 organization and claim a credit under subsection (3) of this
2040 section.

2041 (5) A husband and wife who file separate returns for a
2042 taxable year in which they could have filed a joint return may
2043 each claim only one-half (1/2) of the tax credit that would have
2044 been allowed for a joint return.

2045 (6) Except as otherwise provided in subsections (2) and (3)
2046 of this section, if the allowable tax credit exceeds the taxes
2047 otherwise due under this chapter on the claimant's income, or if
2048 there are no taxes due under this chapter, the taxpayer may carry
2049 forward the amount of the claim not used to offset the taxes under
2050 this chapter for not more than five (5) consecutive taxable years'
2051 income tax liability.

2052 (7) The credit allowed by this section is in lieu of a
2053 deduction pursuant to Section 170 of the Internal Revenue Code and
2054 taken for state tax purposes.

2055 (8) Taxpayers taking a credit authorized by this section
2056 shall provide the name of the qualifying charitable organization
2057 and the amount of the contribution to the department on forms
2058 provided by the department.

2059 (9) A qualifying charitable organization shall provide the
2060 department with a written certification that it meets all criteria
2061 to be considered a qualifying charitable organization. The



2062 organization shall also notify the department of any changes that
2063 may affect the qualifications under this section.

2064 (10) The charitable organization's written certification
2065 must be signed by an officer of the organization under penalty of
2066 perjury. The written certification shall include the following:

2067 (a) Verification of the organization's status under
2068 Section 501(c)(3) of the Internal Revenue Code or verification
2069 that the organization is a designated community action agency that
2070 receives community services block grant program monies pursuant to
2071 42 USC 9901.

2072 (b) Financial data indicating the organization's budget
2073 for the organization's prior operating year and the amount of that
2074 budget spent on services to residents of this state who either:

2075 (i) Receive temporary assistance for needy
2076 families benefits;

2077 (ii) Are low-income residents of this state;

2078 (iii) Are children who have a chronic illness or
2079 physical, intellectual, developmental or emotional disability; or

2080 (iv) Are children in a foster care placement
2081 program established by the Department of Child Protection
2082 Services, children placed under the Safe Families for Children
2083 model or children at significant risk of entering a foster care
2084 placement program established by the Department of Child
2085 Protection Services.



2086 (c) A statement that the organization plans to continue
2087 spending at least fifty percent (50%) of its budget on services to
2088 residents of this state who receive temporary assistance for needy
2089 families benefits, who are low-income residents of this state, who
2090 are children who have a chronic illness or physical, intellectual,
2091 developmental or emotional disability or who are children in a
2092 foster care placement program established by the Department of
2093 Child Protection Services, children placed under the Safe Families
2094 for Children model or children at significant risk of entering a
2095 foster care placement program established by the Department of
2096 Child Protection Services. A charitable organization that is
2097 exempt from federal income tax under Section 501(c)(3) of the
2098 Internal Revenue Code and that meets all other requirements for a
2099 qualifying charitable organization or qualifying foster care
2100 charitable organization except that it does not spend at least
2101 fifty percent (50%) of its overall budget in Mississippi shall
2102 submit a statement that it spends at least fifty percent (50%) of
2103 its Mississippi budget on services to qualified individuals in
2104 Mississippi and that one hundred percent (100%) of the voluntary
2105 cash contributions it receives from Mississippi taxpayers will be
2106 spent on services to qualified individuals in Mississippi.

2107 (d) In the case of a foster care charitable
2108 organization, a statement that each operating year it provides
2109 services to at least one hundred (100) qualified individuals in
2110 this state.



2111 (e) A statement that the organization does not provide,
2112 pay for or provide coverage of abortions and does not financially
2113 support any other entity that provides, pays for or provides
2114 coverage of abortions.

2115 (f) Any other information that the department requires
2116 to administer this section.

2117 (11) The department shall review each written certification
2118 and determine whether the organization meets all the criteria to
2119 be considered a qualifying charitable organization and notify the
2120 organization of its determination. The department may also
2121 periodically request recertification from the organization. The
2122 department shall compile and make available to the public a list
2123 of the qualifying charitable organizations.

2124 (12) The aggregate amount of tax credits that may be awarded
2125 under this section in any calendar year shall not exceed Three
2126 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
2127 and for each calendar year thereafter, the aggregate amount of tax
2128 credits that may be awarded under this section in any calendar
2129 year shall not exceed One Million Dollars (\$1,000,000.00). In
2130 addition, any tax credits not awarded under this section before
2131 June 1, 2020, may be allocated during calendar year 2020 under
2132 Section 27-7-22.41 for contributions by taxpayers to eligible
2133 charitable organizations described in Section



2134 27-7-22.41(1)(b)(ii) as provided under such section,
2135 notwithstanding any limitation on the percentage of tax credits
2136 that may be allocated for such contributions.

2137 (13) A taxpayer shall apply for credits with the department
2138 on forms prescribed by the department. In the application the
2139 taxpayer shall certify to the department the dollar amount of the
2140 contributions made or to be made during the calendar year. Within
2141 thirty (30) days after the receipt of an application, the
2142 department shall allocate credits based on the dollar amount of
2143 contributions as certified in the application. However, if the
2144 department cannot allocate the full amount of credits certified in
2145 the application due to the limit on the aggregate amount of
2146 credits that may be awarded under this section in a calendar year,
2147 the department shall so notify the applicant within thirty (30)
2148 days with the amount of credits, if any, that may be allocated to
2149 the applicant in the calendar year. Once the department has
2150 allocated credits to a taxpayer, if the contribution for which a
2151 credit is allocated has not been made as of the date of the
2152 allocation, then the contribution must be made not later than
2153 sixty (60) days from the date of the allocation. If the
2154 contribution is not made within such time period, the allocation
2155 shall be cancelled and returned to the department for
2156 reallocation. Upon final documentation of the contributions, if
2157 the actual dollar amount of the contributions is lower than the



2158 amount estimated, the department shall adjust the tax credit
2159 allowed under this section.

2160 (14) This section shall be repealed from and after January
2161 1, 2025.

2162 **SECTION 29.** Section 27-7-22.40, Mississippi Code of 1972, is
2163 brought forward as follows:

2164 27-7-22.40. (1) The following words and phrases shall have
2165 the meanings ascribed in this section unless the context clearly
2166 indicates:

2167 (a) "Water transportation enterprise" means an
2168 enterprise or establishment primarily engaged in providing inland
2169 water transportation of cargo on lakes, rivers and/or intracoastal
2170 waterways, except on the Great Lakes System.

2171 (b) "Mississippi full-time job" means a job created in
2172 the State of Mississippi on or after January 1, 2019, and filled
2173 by a Mississippi resident who works at least thirty-five (35)
2174 hours per week.

2175 (2) Subject to the provisions of this section, any water
2176 transportation enterprise is allowed a job tax credit for taxes
2177 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
2178 annually for each Mississippi full-time job created for a period
2179 of five (5) years from the date the credit commences. A water
2180 transportation enterprise may not claim a tax credit for the
2181 reemployment of a person whose employment with the enterprise is
2182 terminated by the enterprise if the reemployment by the enterprise



2183 occurs within twelve (12) months from the date of the termination.
2184 The credit shall commence on the date selected by the enterprise.
2185 For the year in which the commencement date occurs, the credit
2186 will be determined based on the monthly average number of
2187 full-time employees employed by the water transportation
2188 enterprise in Mississippi full-time jobs subject to the
2189 Mississippi income tax withholding. For each year thereafter, the
2190 number of Mississippi full-time jobs shall be determined by
2191 comparing the monthly average number of full-time employees
2192 employed at the water transportation enterprise in Mississippi
2193 full-time jobs subject to the Mississippi income tax withholding
2194 for the taxable year with the corresponding period of the prior
2195 taxable year. The Department of Revenue shall adjust the credit
2196 allowed each year for employment fluctuations.

2197 (3) The credit that may be used each year shall be limited
2198 to an amount not greater than the total state income tax liability
2199 of the water transportation enterprise. Any tax credit claimed
2200 under this section but not used in any taxable year may be carried
2201 forward for five (5) consecutive years from the close of the tax
2202 year in which the credits were earned.

2203 (4) The sale, merger, acquisition, reorganization,
2204 bankruptcy or relocation from one (1) county to another county
2205 within the state of any water transportation enterprise may not
2206 create new eligibility in any succeeding business entity, but any
2207 unused job tax credit may be transferred and continued by any



2208 transferee of the water transportation enterprise. The Department
2209 of Revenue shall determine whether or not qualifying net increases
2210 or decreases have occurred or proper transfers of credit have been
2211 made and may require reports, promulgate regulations, and hold
2212 hearings as needed for substantiation and qualification.

2213 (5) The credits allowed under this section shall not be used
2214 by any business enterprise or corporation other than the water
2215 transportation enterprise actually qualifying for the credits.

2216 (6) The maximum aggregate amount of tax credits that may be
2217 claimed by all taxpayers claiming a credit under this section in a
2218 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

2219 (7) Any water transportation enterprise that is eligible for
2220 the credit authorized in this section before January 1, 2026,
2221 shall be eligible for the credit authorized in this section,
2222 notwithstanding the repeal of this section, and shall be allowed
2223 to carry forward the credit after January 1, 2026, as provided
2224 for in subsection (3) of this section.

2225 (8) This section shall be repealed from and after January 1,
2226 2026.

2227 **SECTION 30.** Section 27-7-22.42, Mississippi Code of 1972, is
2228 brought forward as follows:

2229 27-7-22.42. (1) The following words and phrases shall have
2230 the meanings as defined in this section unless the context clearly
2231 indicates otherwise:



2232 (a) "Eligible taxpayer" means any railroad that is
2233 classified by the United States Surface Transportation Board as a
2234 Class II or Class III railroad.

2235 (b) "Eligible transferee" means any taxpayer having a
2236 liability for taxes under this chapter.

2237 (c) "Qualified railroad reconstruction or replacement
2238 expenditures" means gross expenditures for maintenance,
2239 reconstruction or replacement of railroad infrastructure,
2240 including track, roadbed, bridges, industrial leads and sidings,
2241 and track-related structures owned or leased by a Class II or
2242 Class III railroad in Mississippi as of January 1, 2022.

2243 (d) "Qualified new rail infrastructure expenditures"
2244 means gross expenditures for new construction of industrial leads,
2245 switches, spurs and sidings and extensions of existing sidings,
2246 for serving new customer locations or expansions in Mississippi,
2247 by a Class II or Class III railroad located in Mississippi.

2248 (2) Subject to the provisions of this section, an eligible
2249 taxpayer making qualified railroad reconstruction or replacement
2250 expenditures shall be allowed a credit against the taxes imposed
2251 under this chapter. The credit shall be for an amount equal to
2252 the lesser of fifty percent (50%) of an eligible taxpayer's
2253 qualified railroad reconstruction or replacement expenditures for
2254 the taxable year or the product of Five Thousand Dollars
2255 (\$5,000.00) multiplied by the number of miles of railroad track
2256 owned or leased within the State of Mississippi by the eligible



2257 taxpayer as of the close of the taxable year. For qualified new
2258 rail infrastructure expenditures, the credit shall be for an
2259 amount equal to the lesser of fifty percent (50%) of an eligible
2260 taxpayer's qualified new rail infrastructure expenditures for the
2261 taxable year, capped at One Million Dollars (\$1,000,000.00) per
2262 new rail-served customer project. However, the tax credit shall
2263 not exceed the amount of tax imposed upon the taxpayer for the
2264 taxable year reduced by the sum of all other credits allowable to
2265 the taxpayer under this chapter, except credit for tax payments
2266 made by or on behalf of the taxpayer. Any tax credit claimed
2267 under this section but not used in any taxable year may be carried
2268 forward for five (5) consecutive years from the close of the
2269 taxable year in which the credit was earned. The aggregate amount
2270 of credits that may be claimed by all taxpayers claiming a credit
2271 under this section during a calendar year shall not exceed Eight
2272 Million Dollars (\$8,000,000.00). In addition, an eligible
2273 taxpayer may transfer by written agreement any unused tax credit
2274 to an eligible transferee at any time during the year in which the
2275 credit is earned and the five (5) years following the taxable year
2276 in which the qualified railroad reconstruction or replacement
2277 expenditures or the qualified new rail infrastructure expenditures
2278 are made. The eligible taxpayer and the eligible transferee must
2279 jointly file a copy of the written transfer agreement with the
2280 Department of Revenue within thirty (30) days of the transfer.
2281 The written agreement must contain the: (a) name, address, and



2282 taxpayer identification number of the parties to the transfer; (b)
2283 taxable year the eligible taxpayer incurred the qualified railroad
2284 reconstruction or replacement expenditures or the qualified new
2285 rail infrastructure expenditures; (c) amount of credit being
2286 transferred; and (d) taxable year or years for which the credit
2287 may be claimed by the eligible transferee.

2288 This section shall stand repealed on January 1, 2024.

2289 **SECTION 31.** Section 27-7-22.43, Mississippi Code of 1972, is
2290 brought forward as follows:

2291 27-7-22.43. (1) This section shall be known and may be
2292 cited as the "Pregnancy Resource Act."

2293 (2) For the purposes of this section, the following words
2294 and phrases shall have the meanings ascribed in this section
2295 unless the context clearly indicates otherwise:

2296 (a) "Department" means the Department of Revenue.

2297 (b) "Eligible charitable organization" means an
2298 organization that is exempt from federal income taxation under
2299 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy
2300 resource center or crisis pregnancy center. To be considered an
2301 "eligible charitable organization" a pregnancy resource center or
2302 crisis pregnancy center must meet the following criteria:

2303 (i) Certify that no more than twenty percent (20%)
2304 of the contributions received under this section will be spent on
2305 administrative purposes;



2306 (ii) File annually with the Secretary of State the
2307 organization's publicly available Internal Revenue Service
2308 filings.

2309 (3) (a) The tax credit authorized in this section shall be
2310 available only to a taxpayer who is a business enterprise engaged
2311 in commercial, industrial or professional activities and operating
2312 as a corporation, limited liability company, partnership or sole
2313 proprietorship. Except as otherwise provided in this section, a
2314 credit is allowed against the taxes imposed by Sections 27-7-5,
2315 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2316 contributions made by a taxpayer during the taxable year to an
2317 eligible charitable organization. For calendar year 2022, for a
2318 taxpayer that is not operating as a corporation, a credit is also
2319 allowed against ad valorem taxes assessed and levied on real
2320 property for voluntary cash contributions made by the taxpayer
2321 during the taxable year to an eligible charitable organization.
2322 From and after January 1, 2023, a credit is also allowed against
2323 ad valorem taxes assessed and levied on real property for
2324 voluntary cash contributions made by a taxpayer during the taxable
2325 year to an eligible charitable organization. The amount of credit
2326 that may be utilized by a taxpayer in a taxable year shall be
2327 limited to (i) an amount not to exceed fifty percent (50%) of the
2328 total tax liability of the taxpayer for the taxes imposed by such
2329 sections of law and (ii) an amount not to exceed fifty percent
2330 (50%) of the total tax liability of the taxpayer for ad valorem



2331 taxes assessed and levied on real property. Any tax credit
2332 claimed under this section but not used in any taxable year may be
2333 carried forward for five (5) consecutive years from the close of
2334 the tax year in which the credits were earned.

2335 (b) A contribution for which a credit is claimed under
2336 this section may not be used as a deduction by the taxpayer for
2337 state income tax purposes.

2338 (4) Taxpayers taking a credit authorized by this section
2339 shall provide the name of the eligible charitable organization and
2340 the amount of the contribution to the department on forms provided
2341 by the department.

2342 (5) An eligible charitable organization shall provide the
2343 department with a written certification that it meets all criteria
2344 to be considered an eligible charitable organization. The
2345 organization shall also notify the department of any changes that
2346 may affect eligibility under this section.

2347 (6) The eligible charitable organization's written
2348 certification must be signed by an officer of the organization
2349 under penalty of perjury. The written certification shall include
2350 the following:

2351 (a) Verification of the organization's status under
2352 Section 501(c)(3) of the Internal Revenue Code;

2353 (b) A statement that the organization does not provide,
2354 pay for or provide coverage of abortions and does not financially



2355 support any other entity that provides, pays for or provides
2356 coverage of abortions;

2357 (c) Any other information that the department requires
2358 to administer this section.

2359 (7) The department shall review each written certification
2360 and determine whether the organization meets all the criteria to
2361 be considered an eligible charitable organization and notify the
2362 organization of its determination. The department may also
2363 periodically request recertification from the organization. The
2364 department shall compile and make available to the public a list
2365 of eligible charitable organizations.

2366 (8) Tax credits authorized by this section that are earned
2367 by a partnership, limited liability company, S corporation or
2368 other similar pass-through entity, shall be allocated among all
2369 partners, members or shareholders, respectively, either in
2370 proportion to their ownership interest in such entity or as the
2371 partners, members or shareholders mutually agree as provided in an
2372 executed document.

2373 (9) (a) A taxpayer shall apply for credits with the
2374 department on forms prescribed by the department. In the
2375 application the taxpayer shall certify to the department the
2376 dollar amount of the contributions made or to be made during the
2377 calendar year. Within thirty (30) days after the receipt of an
2378 application, the department shall allocate credits based on the
2379 dollar amount of contributions as certified in the application.



2380 However, if the department cannot allocate the full amount of
2381 credits certified in the application due to the limit on the
2382 aggregate amount of credits that may be awarded under this section
2383 in a calendar year, the department shall so notify the applicant
2384 within thirty (30) days with the amount of credits, if any, that
2385 may be allocated to the applicant in the calendar year. Once the
2386 department has allocated credits to a taxpayer, if the
2387 contribution for which a credit is allocated has not been made as
2388 of the date of the allocation, then the contribution must be made
2389 not later than sixty (60) days from the date of the allocation.
2390 If the contribution is not made within such time period, the
2391 allocation shall be cancelled and returned to the department for
2392 reallocation. Upon final documentation of the contributions, if
2393 the actual dollar amount of the contributions is lower than the
2394 amount estimated, the department shall adjust the tax credit
2395 allowed under this section.

2396 (b) For the purposes of using a tax credit against ad
2397 valorem taxes assessed and levied on real property, a taxpayer
2398 shall present to the appropriate tax collector the tax credit
2399 documentation provided to the taxpayer by the Department of
2400 Revenue, and the tax collector shall apply the tax credit against
2401 such ad valorem taxes. The tax collector shall forward the tax
2402 credit documentation to the Department of Revenue along with the
2403 amount of the tax credit applied against ad valorem taxes, and the
2404 department shall disburse funds to the tax collector for the



2405 amount of the tax credit applied against ad valorem taxes. Such
2406 payments by the Department of Revenue shall be made from current
2407 tax collections.

2408 (10) The aggregate amount of tax credits that may be
2409 allocated by the department under this section during a calendar
2410 year shall not exceed Three Million Five Hundred Thousand Dollars
2411 (\$3,500,000.00). However, for calendar year 2023, and for each
2412 calendar year thereafter, the aggregate amount of tax credits that
2413 may be allocated by the department under this section during a
2414 calendar year shall not exceed Ten Million Dollars
2415 (\$10,000,000.00). For credits allocated during a calendar year
2416 for contributions to eligible charitable organizations, no more
2417 than twenty-five percent (25%) of such credits may be allocated
2418 for contributions to a single eligible charitable organization;
2419 however, credits not allocated before June 1, may be allocated
2420 without regard to such restriction for the same calendar year.

2421 **SECTION 32.** Section 27-7-22.44, Mississippi Code of 1972, is
2422 brought forward as follows:

2423 27-7-22.44. (1) As used in this section, the following
2424 words shall have the meanings ascribed herein unless the context
2425 clearly requires otherwise:

2426 (a) "Blood donation" means the voluntary and
2427 uncompensated donation of whole blood, or specific components of
2428 blood, by an employee, drawn for use by a nonprofit blood bank
2429 organization as part of a blood drive.



2430 (b) "Blood drive" means a function held at a specific
2431 date and time which is organized by a nonprofit blood bank
2432 organization in coordination with an employer or group of
2433 employers and is closed to nonemployees.

2434 (c) "Employee" means an individual employed by an
2435 employer authorized to claim a tax credit under this section.

2436 (d) "Employer" means a sole proprietor, general
2437 partnership, limited partnership, limited liability company,
2438 corporation or other legally recognized business entity.

2439 (e) "Verified donation" means a blood donation by an
2440 employee, made during a blood drive, which can be documented by an
2441 employer.

2442 (2) Subject to the provisions of this section, for calendar
2443 year 2022 and for calendar year 2023, a taxpayer that is an
2444 employer shall be allowed a credit against the taxes imposed under
2445 this chapter for each verified blood donation made by an employee
2446 as part of a blood drive. The credit shall be for an amount equal
2447 to Twenty Dollars (\$20.00) for each verified donation. However,
2448 the tax credit shall not exceed the amount of tax imposed upon the
2449 taxpayer for the taxable year reduced by the sum of all other
2450 credits allowable to the taxpayer under this chapter, except
2451 credit for tax payments made by or on behalf of the taxpayer. The
2452 maximum aggregate amount of tax credits that may be claimed by all
2453 taxpayers claiming a credit under this section in a taxable year
2454 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The



2455 department shall annually calculate and publish a percentage by
2456 which the tax credit authorized by this section shall be reduced
2457 so the maximum aggregate amount of tax credits claimed by all
2458 taxpayers claiming a credit in a taxable year does not exceed One
2459 Hundred Thousand Dollars (\$100,000.00).

2460 **SECTION 33.** Section 27-7-22.45, Mississippi Code of 1972, is
2461 brought forward as follows:

2462 27-7-22.45. (1) As used in this section,

2463 (a) "Affiliated enterprise" or an "affiliate" shall
2464 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2465 (b) "Authority" shall have the meaning ascribed to such
2466 term in Section 57-75-5(b);

2467 (c) "Project" shall have the meaning ascribed to such
2468 term in Section 57-75-5(f)(xxxi); and

2469 (d) "Qualified business or industry" shall mean any
2470 company that has been certified by the Major Economic Impact
2471 Authority as a project as defined in Section 57-75-5(f)(xxxi), or
2472 any other company which becomes subject to the tax levied by this
2473 chapter because it is an affiliate of the company that has been
2474 certified by the Major Economic Impact Authority as a project as
2475 defined in Section 57-75-5(f)(xxxi).

2476 (2) Each qualified business or industry shall be allowed an
2477 annual credit, for a period of fifteen (15) successive years,
2478 against the tax imposed by this chapter upon such qualified
2479 business or industry in each such year, in an annual amount equal



2480 to the amount of the qualified business's or industry's tax
2481 imposed by this chapter for each such year during the fifteen (15)
2482 year period on income derived thereby from any project, as defined
2483 by Section 57-75-5(f) (xxxi).

2484 (3) The tax credit authorized by this section may be
2485 utilized by any qualified business or industry and by any
2486 affiliates thereof that file a combined tax return for the tax
2487 imposed by this chapter. The credit shall not apply to offset tax
2488 on income derived from activities subject to Mississippi income
2489 tax prior to certification of the project.

2490 (4) A qualified business or industry may elect the date upon
2491 which the fifteen (15) year period will begin; however, the date
2492 may not be later than twenty-four (24) months after the date the
2493 qualified business or industry begins commercial production of the
2494 project or such earlier date prescribed by a definitive written
2495 agreement between the authority and the qualified business or
2496 industry and/or an affiliate thereof.

2497 (5) In the event that the annual number of full-time jobs
2498 maintained or caused to be maintained by the qualified business or
2499 industry and/or any affiliate thereof falls below the minimum
2500 annual number of full-time jobs required by the authority pursuant
2501 to a written agreement between the authority and the qualified
2502 business or industry and/or any affiliate thereof for one or more
2503 years, the annual tax credit granted by this section may be
2504 reduced or suspended by the authority until the first tax year



2505 during which the annual number of full-time jobs maintained or
2506 caused to be maintained by the qualified business or industry
2507 and/or any affiliate thereof reaches the minimum annual number of
2508 full-time jobs required by the authority pursuant to a written
2509 agreement between the authority and the qualified business or
2510 industry and/or any affiliate thereof.

2511 (6) A qualified business or industry that utilizes the
2512 annual tax credits authorized by this section shall not be
2513 eligible for the credits authorized in Sections 57-73-21 through
2514 57-73-29.

2515 (7) A qualified business or industry shall be entitled to
2516 utilize a single sales apportionment factor in the calculation of
2517 its liability for income tax imposed by this chapter for any year
2518 for which it files a Mississippi income tax return. The qualified
2519 business or industry shall be entitled to continue to utilize such
2520 single sales apportionment factor notwithstanding a suspension of
2521 the income tax credit pursuant to subsection (5) of this section.
2522 In no event shall a qualified business or industry be entitled to
2523 utilize a single sales apportionment factor for purposes of
2524 calculating its liability for income tax imposed by this chapter
2525 on any income derived from any operations or activities thereof
2526 subject to tax liability imposed by this chapter prior to January
2527 1, 2023, except to the extent that the qualified business or
2528 industry is entitled to utilize a single sales apportionment
2529 factor in the calculation of its liability for income tax on



2530 income derived from any operations or activities thereof subject
2531 to tax liability imposed by this chapter prior to January 1, 2023,
2532 pursuant to any other section of law or regulation duly adopted by
2533 the department.

2534 (8) The Mississippi Development Authority may promulgate
2535 rules and regulations necessary to administer the provisions of
2536 this section.

2537 **SECTION 34.** Section 27-7-22.46, Mississippi Code of 1972, is
2538 brought forward as follows:

2539 27-7-22.46. (1) For the purposes of this section, the
2540 following words and phrases shall have the meanings ascribed in
2541 this section unless the context clearly indicates otherwise:

2542 (a) "Department" means the Department of Revenue.

2543 (b) "Eligible charitable organization" means an
2544 organization that is exempt from federal income taxation under
2545 Section 501(c)(3) of the Internal Revenue Code and is purchasing,
2546 warehousing and delivering food directly to food pantries or soup
2547 kitchens in more than five (5) Mississippi counties on a monthly
2548 basis.

2549 (2) (a) The tax credit authorized in this section shall be
2550 available only to a taxpayer that is a business enterprise engaged
2551 in commercial, industrial or professional activities and operating
2552 as a corporation, limited liability company, partnership or sole
2553 proprietorship. Except as otherwise provided in this section, a
2554 credit is allowed against the taxes imposed by Sections 27-7-5,



2555 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2556 contributions made by a taxpayer during the taxable year to an
2557 eligible charitable organization. A credit is also allowed
2558 against ad valorem taxes assessed and levied on real property for
2559 voluntary cash contributions made by the taxpayer during the
2560 taxable year to an eligible charitable organization. The amount
2561 of credit that may be utilized by a taxpayer in a taxable year
2562 shall be limited to (i) an amount not to exceed fifty percent
2563 (50%) of the total tax liability of the taxpayer for the taxes
2564 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
2565 and (ii) an amount not to exceed fifty percent (50%) of the total
2566 tax liability of the taxpayer for ad valorem taxes assessed and
2567 levied on real property. Any credit claimed under this section
2568 but not used in the tax year in which it was earned may be carried
2569 forward for five (5) consecutive years from the close of the tax
2570 year in which it was earned.

2571 (b) A contribution for which a credit is claimed under
2572 this section may not be used as a deduction by the taxpayer for
2573 state income tax purposes.

2574 (3) A taxpayer taking a credit authorized by this section
2575 shall provide the name of the eligible charitable organization and
2576 the amount of the contribution to the department on forms provided
2577 by the department.

2578 (4) To be considered an eligible charitable organization
2579 under this section, an organization shall provide the department



2580 with a written certification that it meets all criteria. The
2581 organization shall also notify the department of any changes that
2582 may affect eligibility under this section.

2583 (5) The eligible charitable organization's written
2584 certification must be signed by an officer of the organization
2585 under penalty of perjury. The written certification shall include
2586 the following:

2587 (a) Verification of the organization's status under
2588 Section 501(c) (3) of the Internal Revenue Code;

2589 (b) A statement that the organization will use the
2590 contribution only for the purchasing of food and will deliver the
2591 food to food pantries and soup kitchens in the state; and

2592 (c) Any other information that the department requires
2593 in order to administer this section.

2594 (6) The department shall review each written certification
2595 and determine whether the organization meets all the criteria to
2596 be considered an eligible charitable organization and shall notify
2597 the organization of its determination. The department may also
2598 periodically request recertification from the organization. The
2599 department shall compile and make available to the public a list
2600 of eligible charitable organizations.

2601 (7) Tax credits authorized by this section that are earned
2602 by a partnership, limited liability company, S corporation or
2603 other similar pass-through entity, shall be allocated among all
2604 partners, members or shareholders, respectively, either in



2605 proportion to their ownership interest in such entity or as the
2606 partners, members or shareholders mutually agree as provided in an
2607 executed document.

2608 (8) (a) A taxpayer shall apply for credits with the
2609 department on forms prescribed by the department. In the
2610 application, the taxpayer shall certify to the department the
2611 dollar amount of the contributions made or to be made during the
2612 calendar year. Within thirty (30) days after the receipt of an
2613 application, the department shall allocate credits based on the
2614 dollar amount of contributions as certified in the application.
2615 However, if the department cannot allocate the full amount of
2616 credits certified in the application due to the limit on the
2617 aggregate amount of credits that may be awarded under this section
2618 in a calendar year, the department shall so notify the applicant
2619 within thirty (30) days with the amount of credits, if any, that
2620 may be allocated to the applicant in the calendar year. Once the
2621 department has allocated credits to a taxpayer, if the
2622 contribution for which a credit is allocated has not been made as
2623 of the date of the allocation, then the contribution must be made
2624 not later than sixty (60) days from the date of the allocation.
2625 If the contribution is not made within such time period, the
2626 allocation shall be cancelled and returned to the department for
2627 reallocation. Upon final documentation of the contribution, if
2628 the actual dollar amount of the contribution is lower than the



2629 amount estimated, the department shall adjust the tax credit
2630 allowed under this section.

2631 (b) For the purposes of using a tax credit against ad
2632 valorem taxes assessed and levied on real property, a taxpayer
2633 shall present to the appropriate tax collector the tax credit
2634 documentation provided to the taxpayer by the department, and the
2635 tax collector shall apply the tax credit against such ad valorem
2636 taxes. The tax collector shall forward the tax credit
2637 documentation to the department along with the amount of the tax
2638 credit applied against ad valorem taxes, and the department shall
2639 disburse funds to the tax collector for the amount of the tax
2640 credit applied against ad valorem taxes. Such payments by the
2641 department shall be made from current tax collections.

2642 (9) The aggregate amount of tax credits that may be
2643 allocated by the department under this section during a calendar
2644 year shall not exceed One Million Dollars (\$1,000,000.00).

2645 **SECTION 35.** Section 27-7-22.47, Mississippi Code of 1972, is
2646 brought forward as follows:

2647 27-7-22.47. (1) For the purposes of this section, the
2648 following words and phrases shall have the meanings ascribed in
2649 this section unless the context clearly indicates otherwise:

2650 (a) "Department" means the Department of Revenue.

2651 (b) "Eligible transitional home organization" means an
2652 organization that is exempt from federal income taxation under
2653 Section 501(c)(3) of the Internal Revenue Code that provides



2654 transitional housing for homeless persons age twenty-five (25) and
2655 under, homeless families and/or homeless and/or referred unwed
2656 pregnant women.

2657 "Eligible transitional home organization" does not include
2658 any entity that provides, pays for or provides coverage of
2659 abortions or that financially supports any other entity that
2660 provides, pays for or provides coverage of abortions.

2661 "Eligible transitional home organization" does not include
2662 any entity that charges a fee for the services and/or benefits it
2663 provides as an eligible transitional home organization. The
2664 prohibition against charging a fee for services and/or benefits is
2665 limited to services and benefits the entity provides as an
2666 eligible transitional home organization and does not apply to any
2667 other services and/or benefits the entity may provide to persons
2668 not being served by the entity's transitional home services.

2669 (c) "Transitional housing" means temporary housing the
2670 purpose of which is to provide homeless persons age twenty-five
2671 (25) and under, homeless families and/or homeless and/or referred
2672 unwed pregnant women with temporary shelter and facilitate their
2673 movement to permanent housing within an amount of time that the
2674 eligible transitional home organization determines to be
2675 appropriate.

2676 "Transitional housing" includes a program designed by the
2677 eligible transitional home organization that offers structure,
2678 supervision, support, life skills, education and training as the



2679 eligible transitional home organization determines to be
2680 appropriate for each individual and/or family to achieve and/or
2681 maintain independence.

2682 (2) (a) (i) The tax credit authorized in this subsection
2683 shall be available only to a taxpayer who is a business enterprise
2684 engaged in commercial, industrial or professional activities and
2685 operating as a corporation, limited liability company, partnership
2686 or sole proprietorship. Except as otherwise provided in this
2687 subsection, a credit is allowed against the taxes imposed by
2688 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2689 cash contributions made by a taxpayer during the taxable year to
2690 an eligible transitional home organization. A credit is also
2691 allowed against ad valorem taxes assessed and levied on real
2692 property for voluntary cash contributions made by the taxpayer
2693 during the taxable year to an eligible transitional home
2694 organization. The amount of credit that may be utilized by a
2695 taxpayer in a taxable year shall be limited to an amount not to
2696 exceed fifty percent (50%) of the total tax liability of the
2697 taxpayer for the taxes imposed by such sections of law and an
2698 amount not to exceed fifty percent (50%) of the total tax
2699 liability of the taxpayer for ad valorem taxes assessed and levied
2700 on real property. Any tax credit claimed under this subsection
2701 but not used in any taxable year may be carried forward for five
2702 (5) consecutive years from the close of the tax year in which the
2703 credits were earned.



2704 (ii) A contribution to an eligible transitional
2705 home organization for which a credit is claimed under this
2706 subsection does not qualify for and shall not be included in any
2707 credit that may be claimed under subsection (3) of this section.

2708 (iii) A contribution for which a credit is claimed
2709 under this subsection may not be used as a deduction by the
2710 taxpayer for state income tax purposes.

2711 (b) Taxpayers taking a credit authorized by this
2712 subsection shall provide the name of the eligible transitional
2713 home organization and the amount of the contribution to the
2714 department on forms provided by the department.

2715 (c) An eligible transitional home organization shall
2716 provide the department with a written certification that it meets
2717 all criteria to be considered an eligible transitional home
2718 organization. The organization shall also notify the department
2719 of any changes that may affect eligibility under this section.

2720 (d) The eligible transitional home organization's
2721 written certification must be signed by an officer of the
2722 organization under penalty of perjury. The written certification
2723 shall include the following:

2724 (i) Verification of the organization's status
2725 under Section 501(c)(3) of the Internal Revenue Code;

2726 (ii) Information about the facilities that
2727 demonstrate the applicant's ability to provide housing for



2728 homeless persons age twenty-five (25) and under, homeless
2729 families, and/or homeless and/or referred unwed pregnant women;

2730 (iii) Sufficient materials to document the program
2731 of the applicant that demonstrate that the applicant has and runs
2732 a program that offers structure, supervision, support, life
2733 skills, education and training as the eligible transitional home
2734 organization determines to be appropriate for each individual
2735 and/or family to achieve and/or maintain independence;

2736 (iv) A statement that the organization does not
2737 charge a fee for services or benefits provided in whole or in part
2738 by its transitional housing program; and

2739 (v) Any other information that the department
2740 requires to administer this section.

2741 (e) The department shall review each written
2742 certification and determine whether the organization meets all the
2743 criteria to be considered an eligible transitional home
2744 organization and notify the organization of its determination.

2745 The department may also periodically request recertification from
2746 the organization. The department shall compile and make available
2747 to the public a list of eligible transitional home organizations.

2748 (f) Tax credits authorized by this subsection that are
2749 earned by a partnership, limited liability company, S corporation
2750 or other similar pass-through entity, shall be allocated among all
2751 partners, members or shareholders, respectively, either in
2752 proportion to their ownership interest in such entity or as the



2753 partners, members or shareholders mutually agree as provided in an
2754 executed document.

2755 (g) (i) A taxpayer shall apply for credits with the
2756 department on forms prescribed by the department. In the
2757 application the taxpayer shall certify to the department the
2758 dollar amount of the contributions made or to be made during the
2759 calendar year. Within thirty (30) days after the receipt of an
2760 application, the department shall allocate credits based on the
2761 dollar amount of contributions as certified in the application.
2762 However, if the department cannot allocate the full amount of
2763 credits certified in the application due to the limit on the
2764 aggregate amount of credits that may be awarded under this
2765 subsection in a calendar year, the department shall so notify the
2766 applicant within thirty (30) days with the amount of credits, if
2767 any, that may be allocated to the applicant in the calendar year.
2768 Once the department has allocated credits to a taxpayer, if the
2769 contribution for which a credit is allocated has not been made as
2770 of the date of the allocation, then the contribution must be made
2771 not later than sixty (60) days from the date of the allocation.
2772 If the contribution is not made within such time period, the
2773 allocation shall be cancelled and returned to the department for
2774 reallocation. Upon final documentation of the contributions, if
2775 the actual dollar amount of the contributions is lower than the
2776 amount estimated, the department shall adjust the tax credit
2777 allowed under this subsection.



2778 (ii) For the purposes of using a tax credit
2779 against ad valorem taxes assessed and levied on real property, a
2780 taxpayer shall present to the appropriate tax collector the tax
2781 credit documentation provided to the taxpayer by the Department of
2782 Revenue, and the tax collector shall apply the tax credit against
2783 such ad valorem taxes. The tax collector shall forward the tax
2784 credit documentation to the Department of Revenue along with the
2785 amount of the tax credit applied against ad valorem taxes, and the
2786 department shall disburse funds to the tax collector for the
2787 amount of the tax credit applied against ad valorem taxes. Such
2788 payments by the Department of Revenue shall be made from current
2789 tax collections.

2790 (h) The aggregate amount of tax credits that may be
2791 allocated by the department under this subsection during a
2792 calendar year shall not exceed Ten Million Dollars
2793 (\$10,000,000.00). For credits allocated during a calendar year
2794 for contributions to eligible transitional home organizations, no
2795 more than twenty-five percent (25%) of such credits may be
2796 allocated for contributions to a single eligible transitional home
2797 organization.

2798 (3) (a) (i) Except as otherwise provided in this
2799 subsection, a credit is allowed against the taxes imposed by this
2800 chapter for voluntary cash contributions by an individual taxpayer
2801 during the taxable year to an eligible transitional home
2802 organization. A credit is also allowed against ad valorem taxes



2803 assessed and levied on real property for voluntary cash
2804 contributions made by an individual taxpayer during the taxable
2805 year to an eligible transitional home organization. The amount of
2806 credit that may be utilized by a taxpayer in a taxable year shall
2807 be limited to an amount not to exceed fifty percent (50%) of the
2808 total tax liability of the taxpayer for the taxes imposed by this
2809 chapter and an amount not to exceed fifty percent (50%) of the
2810 total tax liability of the taxpayer for ad valorem taxes assessed
2811 and levied on real property. Any tax credit claimed under this
2812 subsection but not used in any taxable year may be carried forward
2813 for five (5) consecutive years from the close of the tax year in
2814 which the credits were earned.

2815 (ii) A husband and wife who file separate returns
2816 for a taxable year in which they could have filed a joint return
2817 may each claim only one-half (1/2) of the tax credit that would
2818 have been allowed for a joint return.

2819 (iii) A contribution to an eligible transitional
2820 home organization for which a credit is claimed under this
2821 subsection does not qualify for and shall not be included in any
2822 credit that may be claimed under subsection (2) of this section.

2823 (iv) A contribution for which a credit is claimed
2824 under this subsection may not be used as a deduction by the
2825 taxpayer for state income tax purposes.

2826 (b) Taxpayers taking a credit authorized by this
2827 subsection shall provide the name of the eligible transitional



2828 home organization and the amount of the contribution to the
2829 department on forms provided by the department.

2830 (c) An eligible transitional home organization shall
2831 provide the department with a written certification that it meets
2832 all criteria to be considered an eligible transitional home
2833 organization. The organization shall also notify the department
2834 of any changes that may affect eligibility under this section.

2835 (d) The eligible transitional housing organization's
2836 written certification must be signed by an officer of the
2837 organization under penalty of perjury. The written certification
2838 shall include the following:

2839 (i) Verification of the organization's status
2840 under Section 501(c)(3) of the Internal Revenue Code;

2841 (ii) Information about the facilities that
2842 demonstrate the applicant's ability to provide housing for
2843 homeless persons age twenty-five (25) and under, homeless
2844 families, and/or homeless and/or referred unwed pregnant women;

2845 (iii) Sufficient materials to document the program
2846 of the applicant that demonstrate that the applicant has and runs
2847 a program that offers structure, supervision, support, life
2848 skills, education and training as the eligible transitional home
2849 organization determines to be appropriate for each individual
2850 and/or family to achieve and/or maintain independence;



2851 (iv) A statement that the organization does not
2852 charge a fee for services or benefits provided in whole or in part
2853 by its transitional housing program; and

2854 (v) Any other information that the department
2855 requires to administer this section.

2856 (e) The department shall review each written
2857 certification and determine whether the organization meets all the
2858 criteria to be considered an eligible transitional home
2859 organization and notify the organization of its determination.
2860 The department may also periodically request recertification from
2861 the organization. The department shall compile and make available
2862 to the public a list of eligible transitional home organizations.

2863 (f) (i) A taxpayer shall apply for credits with the
2864 department on forms prescribed by the department. In the
2865 application the taxpayer shall certify to the department the
2866 dollar amount of the contributions made or to be made during the
2867 calendar year. Within thirty (30) days after the receipt of an
2868 application, the department shall allocate credits based on the
2869 dollar amount of contributions as certified in the application.
2870 However, if the department cannot allocate the full amount of
2871 credits certified in the application due to the limit on the
2872 aggregate amount of credits that may be awarded under this
2873 subsection in a calendar year, the department shall so notify the
2874 applicant within thirty (30) days with the amount of credits, if
2875 any, that may be allocated to the applicant in the calendar year.



2876 Once the department has allocated credits to a taxpayer, if the
2877 contribution for which a credit is allocated has not been made as
2878 of the date of the allocation, then the contribution must be made
2879 not later than sixty (60) days from the date of the allocation.
2880 If the contribution is not made within such time period, the
2881 allocation shall be cancelled and returned to the department for
2882 reallocation. Upon final documentation of the contributions, if
2883 the actual dollar amount of the contributions is lower than the
2884 amount estimated, the department shall adjust the tax credit
2885 allowed under this subsection.

2886 (ii) For the purposes of using a tax credit
2887 against ad valorem taxes assessed and levied on real property, a
2888 taxpayer shall present to the appropriate tax collector the tax
2889 credit documentation provided to the taxpayer by the Department of
2890 Revenue, and the tax collector shall apply the tax credit against
2891 such ad valorem taxes. The tax collector shall forward the tax
2892 credit documentation to the Department of Revenue along with the
2893 amount of the tax credit applied against ad valorem taxes, and the
2894 department shall disburse funds to the tax collector for the
2895 amount of the tax credit applied against ad valorem taxes. Such
2896 payments by the Department of Revenue shall be made from current
2897 tax collections.

2898 (g) The aggregate amount of tax credits that may be
2899 allocated by the department under this subsection during a



2900 calendar year shall not exceed One Million Dollars
2901 (\$1,000,000.00).

2902 **SECTION 36.** Section 27-7-22.48, Mississippi Code of 1972, is
2903 brought forward as follows:

2904 27-7-22.48. (1) (a) For the purposes of this section, the
2905 following words and phrases shall have the meanings ascribed in
2906 this section unless the context clearly indicates otherwise:

2907 (i) "Department" means the Department of Revenue.

2908 (ii) "Eligible charitable organization" means an
2909 organization that is exempt from federal income taxation under
2910 Section 501(c)(3) of the Internal Revenue Code and spends at least
2911 fifty percent (50%) of its budget on contracting or making other
2912 agreements or arrangements with physicians and/or nurse
2913 practitioners to provide health care services to low-income
2914 residents of this state including those who are mothers and to
2915 their households.

2916 "Eligible charitable organization" does not include any
2917 entity that provides, pays for or provides coverage of abortions
2918 or that financially supports any other entity that provides, pays
2919 for or provides coverage of abortions.

2920 (iii) "Low-income residents" means persons whose
2921 household income does not exceed one hundred eighty-five percent
2922 (185%) of the federal poverty level converted to a modified
2923 adjusted gross income equivalent standard.



2924 (iv) "Nurse practitioner" means a nurse
2925 practitioner certified under Section 73-15-20, Mississippi Code of
2926 1972.

2927 (v) "Physician" means an individual licensed to
2928 practice medicine or osteopathic medicine under Section 73-25-1 et
2929 seq., Mississippi Code of 1972.

2930 (2) (a) (i) The tax credit authorized in this subsection
2931 shall be available only to a taxpayer who is a business enterprise
2932 engaged in commercial, industrial or professional activities and
2933 operating as a corporation, limited liability company, partnership
2934 or sole proprietorship. Except as otherwise provided in this
2935 subsection, a credit is allowed against the taxes imposed by
2936 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2937 cash contributions made by a taxpayer during the taxable year to
2938 an eligible charitable organization. A credit is also allowed
2939 against ad valorem taxes assessed and levied on real property for
2940 voluntary cash contributions made by the taxpayer during the
2941 taxable year to an eligible charitable organization. The amount
2942 of credit that may be utilized by a taxpayer in a taxable year
2943 shall be limited to an amount not to exceed fifty percent (50%) of
2944 the total tax liability of the taxpayer for the taxes imposed by
2945 such sections of law and an amount not to exceed fifty percent
2946 (50%) of the total tax liability of the taxpayer for ad valorem
2947 taxes assessed and levied on real property. Any tax credit
2948 claimed under this subsection but not used in any taxable year may



2949 be carried forward for five (5) consecutive years from the close
2950 of the tax year in which the credits were earned.

2951 (ii) A contribution to an eligible charitable
2952 organization for which a credit is claimed under this subsection
2953 does not qualify for and shall not be included in any credit that
2954 may be claimed under subsection (3) of this section.

2955 (iii) A contribution for which a credit is claimed
2956 under this subsection may not be used as a deduction by the
2957 taxpayer for state income tax purposes.

2958 (b) Taxpayers taking a credit authorized by this
2959 subsection shall provide the name of the eligible charitable
2960 organization and the amount of the contribution to the department
2961 on forms provided by the department.

2962 (c) An eligible charitable organization shall provide
2963 the department with a written certification that it meets all
2964 criteria to be considered an eligible charitable organization.
2965 The organization shall also notify the department of any changes
2966 that may affect eligibility under this subsection.

2967 (d) The eligible charitable organization's written
2968 certification must be signed by an officer of the organization
2969 under penalty of perjury. The written certification shall include
2970 the following:

2971 (i) Verification of the organization's status
2972 under Section 501(c)(3) of the Internal Revenue Code;



2973 (ii) A statement that the organization does not
2974 provide, pay for or provide coverage of abortions and does not
2975 financially support any other entity that provides, pays for or
2976 provides coverage of abortions;

2977 (iii) Any other information that the department
2978 requires to administer this subsection.

2979 (e) The department shall review each written
2980 certification and determine whether the organization meets all the
2981 criteria to be considered an eligible charitable organization and
2982 notify the organization of its determination. The department may
2983 also periodically request recertification from the organization.
2984 The department shall compile and make available to the public a
2985 list of eligible charitable organizations.

2986 (f) Tax credits authorized by this subsection that are
2987 earned by a partnership, limited liability company, S corporation
2988 or other similar pass-through entity, shall be allocated among all
2989 partners, members or shareholders, respectively, either in
2990 proportion to their ownership interest in such entity or as the
2991 partners, members or shareholders mutually agree as provided in an
2992 executed document.

2993 (g) (i) A taxpayer shall apply for credits with the
2994 department on forms prescribed by the department. In the
2995 application the taxpayer shall certify to the department the
2996 dollar amount of the contributions made or to be made during the
2997 calendar year. Within thirty (30) days after the receipt of an



2998 application, the department shall allocate credits based on the
2999 dollar amount of contributions as certified in the application.
3000 However, if the department cannot allocate the full amount of
3001 credits certified in the application due to the limit on the
3002 aggregate amount of credits that may be awarded under this
3003 subsection in a calendar year, the department shall so notify the
3004 applicant within thirty (30) days with the amount of credits, if
3005 any, that may be allocated to the applicant in the calendar year.
3006 Once the department has allocated credits to a taxpayer, if the
3007 contribution for which a credit is allocated has not been made as
3008 of the date of the allocation, then the contribution must be made
3009 not later than sixty (60) days from the date of the allocation.
3010 If the contribution is not made within such time period, the
3011 allocation shall be cancelled and returned to the department for
3012 reallocation. Upon final documentation of the contributions, if
3013 the actual dollar amount of the contributions is lower than the
3014 amount estimated, the department shall adjust the tax credit
3015 allowed under this subsection.

3016 (ii) For the purposes of using a tax credit
3017 against ad valorem taxes assessed and levied on real property, a
3018 taxpayer shall present to the appropriate tax collector the tax
3019 credit documentation provided to the taxpayer by the Department of
3020 Revenue, and the tax collector shall apply the tax credit against
3021 such ad valorem taxes. The tax collector shall forward the tax
3022 credit documentation to the Department of Revenue along with the



3023 amount of the tax credit applied against ad valorem taxes, and the
3024 department shall disburse funds to the tax collector for the
3025 amount of the tax credit applied against ad valorem taxes. Such
3026 payments by the Department of Revenue shall be made from current
3027 tax collections.

3028 (h) The aggregate amount of tax credits that may be
3029 allocated by the department under this subsection during a
3030 calendar year shall not exceed Three Million Dollars
3031 (\$3,000,000.00).

3032 (3) (a) (i) Except as otherwise provided in this
3033 subsection, a credit is allowed against the taxes imposed by this
3034 chapter for voluntary cash contributions by an individual taxpayer
3035 during the taxable year to an eligible charitable organization. A
3036 credit is also allowed against ad valorem taxes assessed and
3037 levied on real property for voluntary cash contributions made by
3038 the taxpayer during the taxable year to an eligible charitable
3039 organization. The amount of credit that may be utilized by a
3040 taxpayer in a taxable year shall be limited to an amount not to
3041 exceed fifty percent (50%) of the total tax liability of the
3042 taxpayer for the taxes imposed by this chapter and an amount not
3043 to exceed fifty percent (50%) of the total tax liability of the
3044 taxpayer for ad valorem taxes assessed and levied on real
3045 property. Any tax credit claimed under this subsection but not
3046 used in any taxable year may be carried forward for five (5)



3047 consecutive years from the close of the tax year in which the
3048 credits were earned.

3049 (ii) A husband and wife who file separate returns
3050 for a taxable year in which they could have filed a joint return
3051 may each claim only one-half (1/2) of the tax credit that would
3052 have been allowed for a joint return.

3053 (iii) A contribution to an eligible charitable
3054 organization for which a credit is claimed under this subsection
3055 does not qualify for and shall not be included in any credit that
3056 may be claimed under subsection (2) of this section.

3057 (iv) A contribution for which a credit is claimed
3058 under this subsection may not be used as a deduction by the
3059 taxpayer for state income tax purposes.

3060 (b) Taxpayers taking a credit authorized by this
3061 subsection shall provide the name of the eligible charitable
3062 organization and the amount of the contribution to the department
3063 on forms provided by the department.

3064 (c) An eligible charitable organization shall provide
3065 the department with a written certification that it meets all
3066 criteria to be considered an eligible charitable organization.
3067 The organization shall also notify the department of any changes
3068 that may affect eligibility under this subsection.

3069 (d) The eligible charitable organization's written
3070 certification must be signed by an officer of the organization



3071 under penalty of perjury. The written certification shall include
3072 the following:

3073 (i) Verification of the organization's status
3074 under Section 501(c)(3) of the Internal Revenue Code;

3075 (ii) A statement that the organization does not
3076 provide, pay for or provide coverage of abortions and does not
3077 financially support any other entity that provides, pays for or
3078 provides coverage of abortions;

3079 (iii) Any other information that the department
3080 requires to administer this subsection.

3081 (e) The department shall review each written
3082 certification and determine whether the organization meets all the
3083 criteria to be considered an eligible charitable organization and
3084 notify the organization of its determination. The department may
3085 also periodically request recertification from the organization.
3086 The department shall compile and make available to the public a
3087 list of eligible charitable organizations.

3088 (f) (i) A taxpayer shall apply for credits with the
3089 department on forms prescribed by the department. In the
3090 application the taxpayer shall certify to the department the
3091 dollar amount of the contributions made or to be made during the
3092 calendar year. Within thirty (30) days after the receipt of an
3093 application, the department shall allocate credits based on the
3094 dollar amount of contributions as certified in the application.
3095 However, if the department cannot allocate the full amount of



3096 credits certified in the application due to the limit on the
3097 aggregate amount of credits that may be awarded under this
3098 subsection in a calendar year, the department shall so notify the
3099 applicant within thirty (30) days with the amount of credits, if
3100 any, that may be allocated to the applicant in the calendar year.
3101 Once the department has allocated credits to a taxpayer, if the
3102 contribution for which a credit is allocated has not been made as
3103 of the date of the allocation, then the contribution must be made
3104 not later than sixty (60) days from the date of the allocation.
3105 If the contribution is not made within such time period, the
3106 allocation shall be cancelled and returned to the department for
3107 reallocation. Upon final documentation of the contributions, if
3108 the actual dollar amount of the contributions is lower than the
3109 amount estimated, the department shall adjust the tax credit
3110 allowed under this subsection.

3111 (ii) For the purposes of using a tax credit
3112 against ad valorem taxes assessed and levied on real property, a
3113 taxpayer shall present to the appropriate tax collector the tax
3114 credit documentation provided to the taxpayer by the Department of
3115 Revenue, and the tax collector shall apply the tax credit against
3116 such ad valorem taxes. The tax collector shall forward the tax
3117 credit documentation to the Department of Revenue along with the
3118 amount of the tax credit applied against ad valorem taxes, and the
3119 department shall disburse funds to the tax collector for the
3120 amount of the tax credit applied against ad valorem taxes. Such



3121 payments by the Department of Revenue shall be made from current
3122 tax collections.

3123 (g) The aggregate amount of tax credits that may be
3124 allocated by the department under this subsection during a
3125 calendar year shall not exceed One Million Dollars
3126 (\$1,000,000.00).

3127 **SECTION 37.** Section 27-7-22.49, Mississippi Code of 1972, is
3128 brought forward as follows:

3129 27-7-22.49. (1) As used in this section, the following
3130 words and phrases shall have the meanings ascribed in this section
3131 unless the context clearly indicates otherwise:

3132 (a) "Employment-related expenses" means and has the
3133 same definition as such term has in 26 USCS Section 21.

3134 (b) "Qualifying individual" means and has the same
3135 definition as such term has in 26 USCS Section 21(b)(1)(A).

3136 (2) Subject to the provisions of this section, any taxpayer
3137 allowed to claim a federal income tax credit under 26 USCS Section
3138 21 for employment-related expenses incurred related to one (1) or
3139 more qualifying individuals shall be allowed a credit against the
3140 taxes imposed under this chapter in the manner prescribed in this
3141 section. The amount of the credit shall be equal to twenty-five
3142 percent (25%) of the amount of the federal income tax credit
3143 lawfully claimed by the taxpayer for such employment-related
3144 expenses on the taxpayer's federal income tax return. However,
3145 the amount of credit that may be utilized by a taxpayer in a



3146 taxable year shall be limited to an amount not to exceed the total
3147 tax liability of the taxpayer for the taxes imposed under this
3148 chapter. In order to claim the credit provided for in this
3149 section, a taxpayer must claim the federal income tax credit on
3150 the taxpayer's federal income tax return and have an adjusted
3151 gross income for such return of not more than Fifty Thousand
3152 Dollars (\$50,000.00). A taxpayer must provide a copy of such
3153 return and any other information required by the department.

3154 **SECTION 38.** Section 27-7-205, Mississippi Code of 1972, is
3155 brought forward as follows:

3156 27-7-205. As used in this article:

3157 (a) "Qualified community foundation" means an entity
3158 that is exempt from federal income taxation under Section
3159 501(c)(3) of the Internal Revenue Code that is recognized by the
3160 Mississippi Association of Grantmakers as meeting the following
3161 requirements:

3162 (i) It is organized by articles of incorporation
3163 in the State of Mississippi to serve the State of Mississippi, or
3164 one or more Mississippi counties or municipalities, or a
3165 combination thereof;

3166 (ii) It is comprised of permanent, component funds
3167 established by multiple separate donors;

3168 (iii) It supports broad-based charitable interests
3169 that benefit the residents of a defined geographic area, no larger
3170 than the State of Mississippi;



3171 (iv) It is directed by a board of directors that
3172 is comprised of community representatives and is independent in
3173 that it is not subject to the control of another entity;

3174 (v) It actively engages in charitable activities,
3175 including, but not limited to, supporting two (2) or more
3176 unaffiliated tax-exempt organizations through grants or other
3177 professionally accepted means of charitable support, and serving
3178 in leadership roles on important community issues;

3179 (vi) It complies with the guidelines of the
3180 Mississippi Association of Grantmakers, or its successor entity,
3181 for membership by a community foundation; and

3182 (vii) It is in good standing with having complied
3183 with Endow Mississippi certification, reporting, and data privacy
3184 requirements.

3185 (b) "Endowment gift" means an irrevocable contribution
3186 to an endowed fund held by a qualified community foundation.

3187 (c) "Qualified contribution" means an endowment gift of
3188 at least One Thousand Dollars (\$1,000.00) made to a qualified
3189 community foundation for an endowed fund established to
3190 substantially benefit charitable causes in this state, and that is
3191 a charitable gift as defined in Section 170(c) of the Internal
3192 Revenue Code. A qualified contribution may take any form, subject
3193 to the giving policies of the qualified community foundation
3194 receiving it.



3195 (d) "Endowed fund" means a fund held in a qualified
3196 community foundation that provides benefit to charitable causes in
3197 Mississippi that is intended to exist in perpetuity. An endowed
3198 fund may include, but is not limited to, donor-advised funds,
3199 community foundation affiliate funds, field-of-interest funds,
3200 agency funds and designated organizational funds.

3201 **SECTION 39.** Section 27-7-207, Mississippi Code of 1972, is
3202 brought forward as follows:

3203 27-7-207. (1) Subject to the limitations provided for in
3204 this section, through calendar year 2028, a taxpayer shall be
3205 allowed a credit against the tax imposed by Chapter 7, Title 27,
3206 in an amount equal to twenty-five percent (25%) of a qualified
3207 contribution to an endowed fund at a qualified community
3208 foundation, subject to the following:

3209 (a) The minimum amount of a qualified contribution
3210 shall be One Thousand Dollars (\$1,000.00).

3211 (b) The maximum amount of a qualified contribution
3212 shall be Five Hundred Thousand Dollars (\$500,000.00).

3213 (c) The total qualified contributions from any
3214 qualified taxpayer eligible for the tax credit authorized under
3215 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
3216 per year.

3217 (2) Except as otherwise provided in this subsection, the
3218 aggregate amount of tax credits authorized under this article
3219 shall not exceed One Million Dollars (\$1,000,000.00) in any one



3220 (1) calendar year. The credits shall be awarded on a first-come,
3221 first-served basis. If the tax credits authorized for any
3222 calendar year are not utilized, the amount not utilized may be
3223 awarded or carried forward in up to five (5) subsequent calendar
3224 years from the year in which such credits are made available.

3225 (3) If the amount allowable as a credit exceeds the tax
3226 imposed by Chapter 7, Title 27, the amount of such excess may be
3227 carried forward for not more than five (5) subsequent taxable
3228 years.

3229 (4) From and after January 1, 2029, no additional credits
3230 shall be authorized under this section; however, any tax credits
3231 authorized prior to January 1, 2029, and not used, may be carried
3232 forward for not more than five (5) taxable years subsequent to
3233 calendar year 2028.

3234 **SECTION 40.** Section 27-7-209, Mississippi Code of 1972, is
3235 brought forward as follows:

3236 27-7-209. For each calendar year, a total of ten percent
3237 (10%) of the authorized tax credits shall be reserved for
3238 qualified contributions to each of the qualified community
3239 foundations in Mississippi for a period of nine (9) months. Any
3240 credits that are not utilized within the nine-month period shall
3241 be utilized for qualified contributions to any qualified community
3242 foundation on a first-come, first-served basis. Any credits not
3243 specifically reserved under this section shall also be available
3244 to any qualified community foundation on a first-come,



3245 first-served basis. The Mississippi Association of Grantmakers,
3246 or its successor entity, shall, in cooperation with qualified
3247 community foundations, develop, establish and maintain records
3248 that determine the priority for the awarding of tax credits under
3249 this article.

3250 **SECTION 41.** Section 57-73-21, Mississippi Code of 1972, is
3251 brought forward as follows:

3252 **[In cases involving business enterprises that received or**
3253 **applied for the job tax credit authorized by this section prior to**
3254 **January 1, 2005, this section shall read as follows:]**

3255 57-73-21. (1) Annually by December 31, using the most
3256 current data available from the University Research Center,
3257 Mississippi Department of Employment Security and the United
3258 States Department of Commerce, the State Tax Commission shall rank
3259 and designate the state's counties as provided in this section.
3260 The twenty-eight (28) counties in this state having a combination
3261 of the highest unemployment rate and lowest per capita income for
3262 the most recent thirty-six-month period, with equal weight being
3263 given to each category, are designated Tier Three areas. The
3264 twenty-seven (27) counties in the state with a combination of the
3265 next highest unemployment rate and next lowest per capita income
3266 for the most recent thirty-six-month period, with equal weight
3267 being given to each category, are designated Tier Two areas. The
3268 twenty-seven (27) counties in the state with a combination of the
3269 lowest unemployment rate and the highest per capita income for the



3270 most recent thirty-six-month period, with equal weight being given
3271 to each category, are designated Tier One areas. Counties
3272 designated by the Tax Commission qualify for the appropriate tax
3273 credit for jobs as provided in subsections (2), (3) and (4) of
3274 this section. The designation by the Tax Commission is effective
3275 for the tax years of permanent business enterprises which begin
3276 after the date of designation. For companies which plan an
3277 expansion in their labor forces, the Tax Commission shall
3278 prescribe certification procedures to ensure that the companies
3279 can claim credits in future years without regard to whether or not
3280 a particular county is removed from the list of Tier Three or Tier
3281 Two areas.

3282 (2) Permanent business enterprises primarily engaged in
3283 manufacturing, processing, warehousing, distribution, wholesaling
3284 and research and development, or permanent business enterprises
3285 designated by rule and regulation of the Mississippi Development
3286 Authority as air transportation and maintenance facilities, final
3287 destination or resort hotels having a minimum of one hundred fifty
3288 (150) guest rooms, recreational facilities that impact tourism,
3289 movie industry studios, telecommunications enterprises, data or
3290 information processing enterprises or computer software
3291 development enterprises or any technology intensive facility or
3292 enterprise, in counties designated by the Tax Commission as Tier
3293 Three areas are allowed a job tax credit for taxes imposed by
3294 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually



3295 for each net new full-time employee job for five (5) years
3296 beginning with years two (2) through six (6) after the creation of
3297 the job; however, if the permanent business enterprise is located
3298 in an area that has been declared by the Governor to be a disaster
3299 area and as a direct result of the disaster the permanent business
3300 enterprise is unable to maintain the required number of jobs, the
3301 Chairman of the State Tax Commission may extend this time period
3302 for not more two (2) years. The number of new full-time jobs must
3303 be determined by comparing the monthly average number of full-time
3304 employees subject to the Mississippi income tax withholding for
3305 the taxable year with the corresponding period of the prior
3306 taxable year. Only those permanent businesses that increase
3307 employment by ten (10) or more in a Tier Three area are eligible
3308 for the credit. Credit is not allowed during any of the five (5)
3309 years if the net employment increase falls below ten (10). The
3310 Tax Commission shall adjust the credit allowed each year for the
3311 net new employment fluctuations above the minimum level of ten
3312 (10).

3313 (3) Permanent business enterprises primarily engaged in
3314 manufacturing, processing, warehousing, distribution, wholesaling
3315 and research and development, or permanent business enterprises
3316 designated by rule and regulation of the Mississippi Development
3317 Authority as air transportation and maintenance facilities, final
3318 destination or resort hotels having a minimum of one hundred fifty
3319 (150) guest rooms, recreational facilities that impact tourism,



3320 movie industry studios, telecommunications enterprises, data or
3321 information processing enterprises or computer software
3322 development enterprises or any technology intensive facility or
3323 enterprise, in counties that have been designated by the Tax
3324 Commission as Tier Two areas are allowed a job tax credit for
3325 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
3326 (\$1,000.00) annually for each net new full-time employee job for
3327 five (5) years beginning with years two (2) through six (6) after
3328 the creation of the job; however, if the permanent business
3329 enterprise is located in an area that has been declared by the
3330 Governor to be a disaster area and as a direct result of the
3331 disaster the permanent business enterprise is unable to maintain
3332 the required number of jobs, the Chairman of the State Tax
3333 Commission may extend this time period for not more two (2) years.
3334 The number of new full-time jobs must be determined by comparing
3335 the monthly average number of full-time employees subject to
3336 Mississippi income tax withholding for the taxable year with the
3337 corresponding period of the prior taxable year. Only those
3338 permanent businesses that increase employment by fifteen (15) or
3339 more in Tier Two areas are eligible for the credit. The credit is
3340 not allowed during any of the five (5) years if the net employment
3341 increase falls below fifteen (15). The Tax Commission shall
3342 adjust the credit allowed each year for the net new employment
3343 fluctuations above the minimum level of fifteen (15).



3344 (4) Permanent business enterprises primarily engaged in
3345 manufacturing, processing, warehousing, distribution, wholesaling
3346 and research and development, or permanent business enterprises
3347 designated by rule and regulation of the Mississippi Development
3348 Authority as air transportation and maintenance facilities, final
3349 destination or resort hotels having a minimum of one hundred fifty
3350 (150) guest rooms, recreational facilities that impact tourism,
3351 movie industry studios, telecommunications enterprises, data or
3352 information processing enterprises or computer software
3353 development enterprises or any technology intensive facility or
3354 enterprise, in counties designated by the Tax Commission as Tier
3355 One areas are allowed a job tax credit for taxes imposed by
3356 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
3357 for each net new full-time employee job for five (5) years
3358 beginning with years two (2) through six (6) after the creation of
3359 the job; however, if the permanent business enterprise is located
3360 in an area that has been declared by the Governor to be a disaster
3361 area and as a direct result of the disaster the permanent business
3362 enterprise is unable to maintain the required number of jobs, the
3363 Chairman of the State Tax Commission may extend this time period
3364 for not more than two (2) years. The number of new full-time jobs
3365 must be determined by comparing the monthly average number of
3366 full-time employees subject to Mississippi income tax withholding
3367 for the taxable year with the corresponding period of the prior
3368 taxable year. Only those permanent businesses that increase



3369 employment by twenty (20) or more in Tier One areas are eligible
3370 for the credit. The credit is not allowed during any of the five
3371 (5) years if the net employment increase falls below twenty (20).
3372 The Tax Commission shall adjust the credit allowed each year for
3373 the net new employment fluctuations above the minimum level of
3374 twenty (20).

3375 (5) In addition to the credits authorized in subsections
3376 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
3377 credit for each net new full-time employee or an additional One
3378 Thousand Dollars (\$1,000.00) credit for each net new full-time
3379 employee who is paid a salary, excluding benefits which are not
3380 subject to Mississippi income taxation, of at least one hundred
3381 twenty-five percent (125%) of the average annual wage of the state
3382 or an additional Two Thousand Dollars (\$2,000.00) credit for each
3383 net new full-time employee who is paid a salary, excluding
3384 benefits which are not subject to Mississippi income taxation, of
3385 at least two hundred percent (200%) of the average annual wage of
3386 the state, shall be allowed for any company establishing or
3387 transferring its national or regional headquarters from within or
3388 outside the State of Mississippi. A minimum of thirty-five (35)
3389 jobs must be created to qualify for the additional credit. The
3390 State Tax Commission shall establish criteria and prescribe
3391 procedures to determine if a company qualifies as a national or
3392 regional headquarters for purposes of receiving the credit awarded
3393 in this subsection. As used in this subsection, the average



3394 annual wage of the state is the most recently published average
3395 annual wage as determined by the Mississippi Department of
3396 Employment Security.

3397 (6) In addition to the credits authorized in subsections
3398 (2), (3), (4) and (5), any job requiring research and development
3399 skills (chemist, engineer, etc.) shall qualify for an additional
3400 One Thousand Dollars (\$1,000.00) credit for each net new full-time
3401 employee.

3402 (7) In lieu of the tax credits provided in subsections (2)
3403 through (6), any commercial or industrial property owner which
3404 remediates contaminated property in accordance with Sections
3405 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3406 imposed by Section 27-7-5 equal to the amounts provided in
3407 subsection (2), (3) or (4) for each net new full-time employee job
3408 for five (5) years beginning with years two (2) through six (6)
3409 after the creation of the job. The number of new full-time jobs
3410 must be determined by comparing the monthly average number of
3411 full-time employees subject to Mississippi income tax withholding
3412 for the taxable year with the corresponding period of the prior
3413 taxable year. This subsection shall be administered in the same
3414 manner as subsections (2), (3) and (4), except the landowner shall
3415 not be required to increase employment by the levels provided in
3416 subsections (2), (3) and (4) to be eligible for the tax credit.

3417 (8) Tax credits for five (5) years for the taxes imposed by
3418 Section 27-7-5 shall be awarded for additional net new full-time



3419 jobs created by business enterprises qualified under subsections
3420 (2), (3), (4), (5), (6) and (7) of this section. Except as
3421 otherwise provided, the Tax Commission shall adjust the credit
3422 allowed in the event of employment fluctuations during the
3423 additional five (5) years of credit.

3424 (9) (a) The sale, merger, acquisition, reorganization,
3425 bankruptcy or relocation from one (1) county to another county
3426 within the state of any business enterprise may not create new
3427 eligibility in any succeeding business entity, but any unused job
3428 tax credit may be transferred and continued by any transferee of
3429 the business enterprise. The Tax Commission shall determine
3430 whether or not qualifying net increases or decreases have occurred
3431 or proper transfers of credit have been made and may require
3432 reports, promulgate regulations, and hold hearings as needed for
3433 substantiation and qualification.

3434 (b) This subsection shall not apply in cases in which a
3435 business enterprise has ceased operation, laid off all its
3436 employees and is subsequently acquired by another unrelated
3437 business entity that continues operation of the enterprise in the
3438 same or a similar type of business. In such a case the succeeding
3439 business entity shall be eligible for the credit authorized by
3440 this section unless the cessation of operation of the business
3441 enterprise was for the purpose of obtaining new eligibility for
3442 the credit.



3443 (10) Any tax credit claimed under this section but not used
3444 in any taxable year may be carried forward for five (5) years from
3445 the close of the tax year in which the qualified jobs were
3446 established but the credit established by this section taken in
3447 any one (1) tax year must be limited to an amount not greater than
3448 fifty percent (50%) of the taxpayer's state income tax liability
3449 which is attributable to income derived from operations in the
3450 state for that year. If the permanent business enterprise is
3451 located in an area that has been declared by the Governor to be a
3452 disaster area and as a direct result of the disaster the business
3453 enterprise is unable to use the existing carryforward, the
3454 Chairman of the State Tax Commission may extend the period that
3455 the credit may be carried forward for a period of time not to
3456 exceed two (2) years.

3457 (11) No business enterprise for the transportation,
3458 handling, storage, processing or disposal of hazardous waste is
3459 eligible to receive the tax credits provided in this section.

3460 (12) The credits allowed under this section shall not be
3461 used by any business enterprise or corporation other than the
3462 business enterprise actually qualifying for the credits.

3463 (13) The tax credits provided for in this section shall be
3464 in addition to any tax credits described in Sections 57-51-13(b),
3465 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3466 action by the Mississippi Development Authority prior to July 1,
3467 1989, to any business enterprise determined prior to July 1, 1989,



3468 by the Mississippi Development Authority to be a qualified
3469 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3470 a qualified company as described in Section 57-53-1, as the case
3471 may be; however, from and after July 1, 1989, tax credits shall be
3472 allowed only under either this section or Sections 57-51-13(b),
3473 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time
3474 employee.

3475 (14) As used in this section, the term "telecommunications
3476 enterprises" means entities engaged in the creation, display,
3477 management, storage, processing, transmission or distribution for
3478 compensation of images, text, voice, video or data by wire or by
3479 wireless means, or entities engaged in the construction, design,
3480 development, manufacture, maintenance or distribution for
3481 compensation of devices, products, software or structures used in
3482 the above activities. Companies organized to do business as
3483 commercial broadcast radio stations, television stations or news
3484 organizations primarily serving in-state markets shall not be
3485 included within the definition of the term "telecommunications
3486 enterprises."

3487 **[In cases involving business enterprises that apply for the**
3488 **job tax credit authorized by this section from and after January**
3489 **1, 2005, this section shall read as follows:]**

3490 57-73-21. (1) Annually by December 31, using the most
3491 current data available from the University Research Center,
3492 Mississippi Department of Employment Security and the United



3493 States Department of Commerce, the Department of Revenue shall
3494 rank and designate the state's counties as provided in this
3495 section. The twenty-eight (28) counties in this state having a
3496 combination of the highest unemployment rate and lowest per capita
3497 income for the most recent thirty-six-month period, with equal
3498 weight being given to each category, are designated Tier Three
3499 areas. The twenty-seven (27) counties in the state with a
3500 combination of the next highest unemployment rate and next lowest
3501 per capita income for the most recent thirty-six-month period,
3502 with equal weight being given to each category, are designated
3503 Tier Two areas. The twenty-seven (27) counties in the state with
3504 a combination of the lowest unemployment rate and the highest per
3505 capita income for the most recent thirty-six-month period, with
3506 equal weight being given to each category, are designated Tier One
3507 areas. Counties designated by the Department of Revenue qualify
3508 for the appropriate tax credit for jobs as provided in this
3509 section. The designation by the Department of Revenue is
3510 effective for the tax years of permanent business enterprises
3511 which begin after the date of designation. For companies which
3512 plan an expansion in their labor forces, the Department of Revenue
3513 shall prescribe certification procedures to ensure that the
3514 companies can claim credits in future years without regard to
3515 whether or not a particular county is removed from the list of
3516 Tier Three or Tier Two areas.



3517 (2) Permanent business enterprises in counties designated by
3518 the Department of Revenue as Tier Three areas are allowed a job
3519 tax credit for taxes imposed by Section 27-7-5 equal to ten
3520 percent (10%) of the payroll of the enterprise for net new
3521 full-time employee jobs for five (5) years beginning with years
3522 two (2) through six (6) after the creation of the minimum number
3523 of jobs required by this subsection; however, if the permanent
3524 business enterprise is located in an area that has been declared
3525 by the Governor to be a disaster area and as a direct result of
3526 the disaster the permanent business enterprise is unable to
3527 maintain the required number of jobs, the Commissioner of Revenue
3528 may extend this time period for not more than two (2) years. The
3529 number of new full-time jobs must be determined by comparing the
3530 monthly average number of full-time employees subject to the
3531 Mississippi income tax withholding for the taxable year with the
3532 corresponding period of the prior taxable year. Only those
3533 permanent business enterprises that increase employment by ten
3534 (10) or more in a Tier Three area are eligible for the credit.
3535 Credit is not allowed during any of the five (5) years if the net
3536 employment increase falls below ten (10). The Department of
3537 Revenue shall adjust the credit allowed each year for the net new
3538 employment fluctuations above the minimum level of ten (10).
3539 Medical cannabis establishments as defined in the Mississippi
3540 Medical Cannabis Act shall not be eligible for the tax credit
3541 authorized in this subsection (2).



3542 (3) Permanent business enterprises in counties that have
3543 been designated by the Department of Revenue as Tier Two areas are
3544 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
3545 to five percent (5%) of the payroll of the enterprise for net new
3546 full-time employee jobs for five (5) years beginning with years
3547 two (2) through six (6) after the creation of the minimum number
3548 of jobs required by this subsection; however, if the permanent
3549 business enterprise is located in an area that has been declared
3550 by the Governor to be a disaster area and as a direct result of
3551 the disaster the permanent business enterprise is unable to
3552 maintain the required number of jobs, the Commissioner of Revenue
3553 may extend this time period for not more than two (2) years. The
3554 number of new full-time jobs must be determined by comparing the
3555 monthly average number of full-time employees subject to
3556 Mississippi income tax withholding for the taxable year with the
3557 corresponding period of the prior taxable year. Only those
3558 permanent business enterprises that increase employment by fifteen
3559 (15) or more in Tier Two areas are eligible for the credit. The
3560 credit is not allowed during any of the five (5) years if the net
3561 employment increase falls below fifteen (15). The Department of
3562 Revenue shall adjust the credit allowed each year for the net new
3563 employment fluctuations above the minimum level of fifteen (15).
3564 Medical cannabis establishments as defined in the Mississippi
3565 Medical Cannabis Act shall not be eligible for the tax credit
3566 authorized in this subsection (3).



3567 (4) Permanent business enterprises in counties designated by
3568 the Department of Revenue as Tier One areas are allowed a job tax
3569 credit for taxes imposed by Section 27-7-5 equal to two and
3570 one-half percent (2.5%) of the payroll of the enterprise for net
3571 new full-time employee jobs for five (5) years beginning with
3572 years two (2) through six (6) after the creation of the minimum
3573 number of jobs required by this subsection; however, if the
3574 permanent business enterprise is located in an area that has been
3575 declared by the Governor to be a disaster area and as a direct
3576 result of the disaster the permanent business enterprise is unable
3577 to maintain the required number of jobs, the Commissioner of
3578 Revenue may extend this time period for not more than two (2)
3579 years. The number of new full-time jobs must be determined by
3580 comparing the monthly average number of full-time employees
3581 subject to Mississippi income tax withholding for the taxable year
3582 with the corresponding period of the prior taxable year. Only
3583 those permanent business enterprises that increase employment by
3584 twenty (20) or more in Tier One areas are eligible for the credit.
3585 The credit is not allowed during any of the five (5) years if the
3586 net employment increase falls below twenty (20). The Department
3587 of Revenue shall adjust the credit allowed each year for the net
3588 new employment fluctuations above the minimum level of twenty
3589 (20). Medical cannabis establishments as defined in the
3590 Mississippi Medical Cannabis Act shall not be eligible for the tax
3591 credit authorized in this subsection (4).



3592 (5) (a) In addition to the other credits authorized in this
3593 section, an additional Five Hundred Dollars (\$500.00) credit for
3594 each net new full-time employee or an additional One Thousand
3595 Dollars (\$1,000.00) credit for each net new full-time employee who
3596 is paid a salary, excluding benefits which are not subject to
3597 Mississippi income taxation, of at least one hundred twenty-five
3598 percent (125%) of the average annual wage of the state or an
3599 additional Two Thousand Dollars (\$2,000.00) credit for each net
3600 new full-time employee who is paid a salary, excluding benefits
3601 which are not subject to Mississippi income taxation, of at least
3602 two hundred percent (200%) of the average annual wage of the
3603 state, shall be allowed for any company establishing or
3604 transferring its national or regional headquarters from within or
3605 outside the State of Mississippi. A minimum of twenty (20) jobs
3606 must be created to qualify for the additional credit. The
3607 Department of Revenue shall establish criteria and prescribe
3608 procedures to determine if a company qualifies as a national or
3609 regional headquarters for purposes of receiving the credit awarded
3610 in this paragraph (a). As used in this paragraph (a), the average
3611 annual wage of the state is the most recently published average
3612 annual wage as determined by the Mississippi Department of
3613 Employment Security. Medical cannabis establishments as defined
3614 in the Mississippi Medical Cannabis Act shall not be eligible for
3615 the tax credit authorized in this paragraph (a).



3616 (b) In addition to the other credits authorized in this
3617 section, an additional Five Hundred Dollars (\$500.00) credit for
3618 each net new full-time employee or an additional One Thousand
3619 Dollars (\$1,000.00) credit for each net new full-time employee who
3620 is paid a salary, excluding benefits which are not subject to
3621 Mississippi income taxation, of at least one hundred twenty-five
3622 percent (125%) of the average annual wage of the state or an
3623 additional Two Thousand Dollars (\$2,000.00) credit for each net
3624 new full-time employee who is paid a salary, excluding benefits
3625 which are not subject to Mississippi income taxation, of at least
3626 two hundred percent (200%) of the average annual wage of the
3627 state, shall be allowed for any company expanding or making
3628 additions after January 1, 2013, to its national or regional
3629 headquarters within the State of Mississippi. A minimum of twenty
3630 (20) new jobs must be created to qualify for the additional
3631 credit. The Department of Revenue shall establish criteria and
3632 prescribe procedures to determine if a company qualifies as a
3633 national or regional headquarters for purposes of receiving the
3634 credit awarded in this paragraph (b). As used in this paragraph
3635 (b), the average annual wage of the state is the most recently
3636 published average annual wage as determined by the Mississippi
3637 Department of Employment Security. Medical cannabis
3638 establishments as defined in the Mississippi Medical Cannabis Act
3639 shall not be eligible for the tax credit authorized in this
3640 paragraph (b).



3641 (6) In addition to the other credits authorized in this
3642 section, any job requiring research and development skills
3643 (chemist, engineer, etc.) shall qualify for an additional One
3644 Thousand Dollars (\$1,000.00) credit for each net new full-time
3645 employee. Medical cannabis establishments as defined in the
3646 Mississippi Medical Cannabis Act shall not be eligible for the tax
3647 credit authorized in this subsection (6).

3648 (7) (a) In addition to the other credits authorized in this
3649 section, any company that transfers or relocates its national or
3650 regional headquarters to the State of Mississippi from outside the
3651 State of Mississippi may receive a tax credit in an amount equal
3652 to the actual relocation costs paid by the company. A minimum of
3653 twenty (20) jobs must be created in order to qualify for the
3654 additional credit authorized under this subsection. Relocation
3655 costs for which a credit may be awarded shall be determined by the
3656 Department of Revenue and shall include those nondepreciable
3657 expenses that are necessary to relocate headquarters employees to
3658 the national or regional headquarters, including, but not limited
3659 to, costs such as travel expenses for employees and members of
3660 their households to and from Mississippi in search of homes and
3661 moving expenses to relocate furnishings, household goods and
3662 personal property of the employees and members of their
3663 households. Medical cannabis establishments as defined in the
3664 Mississippi Medical Cannabis Act shall not be eligible for the tax
3665 credit authorized in this subsection (7).



3666 (b) The tax credit authorized under this subsection
3667 shall be applied for the taxable year in which the relocation
3668 costs are paid. The maximum cumulative amount of tax credits that
3669 may be claimed by all taxpayers claiming a credit under this
3670 subsection in any one (1) state fiscal year shall not exceed One
3671 Million Dollars (\$1,000,000.00), exclusive of credits that might
3672 be carried forward from previous taxable years. A company may not
3673 receive a credit for the relocation of an employee more than one
3674 (1) time in a twelve-month period for that employee.

3675 (c) The Department of Revenue shall establish criteria
3676 and prescribe procedures to determine if a company creates the
3677 required number of jobs and qualifies as a national or regional
3678 headquarters for purposes of receiving the credit awarded in this
3679 subsection. A company desiring to claim a credit under this
3680 subsection must submit an application for such credit with the
3681 Department of Revenue in a manner prescribed by the department.

3682 (d) In order to participate in the provisions of this
3683 section, a company must certify to the Mississippi Department of
3684 Revenue that it complies with the equal pay provisions of the
3685 federal Equal Pay Act of 1963, the Americans with Disabilities Act
3686 of 1990 and the fair pay provisions of the Civil Rights Act of
3687 1964.

3688 (e) This subsection shall stand repealed on July 1,
3689 2025.



3690 (8) In lieu of the other tax credits provided in this
3691 section, any commercial or industrial property owner which
3692 remediates contaminated property in accordance with Sections
3693 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3694 imposed by Section 27-7-5 equal to the percentage of payroll
3695 provided in subsection (2), (3) or (4) of this section for net new
3696 full-time employee jobs for five (5) years beginning with years
3697 two (2) through six (6) after the creation of the jobs. The
3698 number of new full-time jobs must be determined by comparing the
3699 monthly average number of full-time employees subject to
3700 Mississippi income tax withholding for the taxable year with the
3701 corresponding period of the prior taxable year. This subsection
3702 shall be administered in the same manner as subsections (2), (3)
3703 and (4), except the landowner shall not be required to increase
3704 employment by the levels provided in subsections (2), (3) and (4)
3705 to be eligible for the tax credit.

3706 (9) (a) Tax credits for five (5) years for the taxes
3707 imposed by Section 27-7-5 shall be awarded for increases in the
3708 annual payroll for net new full-time jobs created by business
3709 enterprises qualified under this section. The Department of
3710 Revenue shall adjust the credit allowed in the event of payroll
3711 fluctuations during the additional five (5) years of credit.

3712 (b) Tax credits for five (5) years for the taxes
3713 imposed by Section 27-7-5 shall be awarded for additional net new
3714 full-time jobs created by business enterprises qualified under



3715 subsections (5) and (6) of this section and for additional
3716 relocation costs paid by companies qualified under subsection (7)
3717 of this section. The Department of Revenue shall adjust the
3718 credit allowed in the event of employment fluctuations during the
3719 additional five (5) years of credit.

3720 (10) (a) The sale, merger, acquisition, reorganization,
3721 bankruptcy or relocation from one (1) county to another county
3722 within the state of any business enterprise may not create new
3723 eligibility in any succeeding business entity, but any unused job
3724 tax credit may be transferred and continued by any transferee of
3725 the business enterprise. The Department of Revenue shall
3726 determine whether or not qualifying net increases or decreases
3727 have occurred or proper transfers of credit have been made and may
3728 require reports, promulgate regulations, and hold hearings as
3729 needed for substantiation and qualification.

3730 (b) This subsection shall not apply in cases in which a
3731 business enterprise has ceased operation, laid off all its
3732 employees and is subsequently acquired by another unrelated
3733 business entity that continues operation of the enterprise in the
3734 same or a similar type of business. In such a case the succeeding
3735 business entity shall be eligible for the credit authorized by
3736 this section unless the cessation of operation of the business
3737 enterprise was for the purpose of obtaining new eligibility for
3738 the credit.



3739 (11) Any tax credit claimed under this section but not used
3740 in any taxable year may be carried forward for five (5) years from
3741 the close of the tax year in which the qualified jobs were
3742 established and/or headquarters relocation costs paid, as
3743 applicable, but the credit established by this section taken in
3744 any one (1) tax year must be limited to an amount not greater than
3745 fifty percent (50%) of the taxpayer's state income tax liability
3746 which is attributable to income derived from operations in the
3747 state for that year. If the permanent business enterprise is
3748 located in an area that has been declared by the Governor to be a
3749 disaster area and as a direct result of the disaster the business
3750 enterprise is unable to use the existing carryforward, the
3751 Commissioner of Revenue may extend the period that the credit may
3752 be carried forward for a period of time not to exceed two (2)
3753 years.

3754 (12) No business enterprise for the transportation,
3755 handling, storage, processing or disposal of hazardous waste is
3756 eligible to receive the tax credits provided in this section.

3757 (13) The credits allowed under this section shall not be
3758 used by any business enterprise or corporation other than the
3759 business enterprise actually qualifying for the credits.

3760 (14) As used in this section:

3761 (a) "Business enterprises" means entities primarily
3762 engaged in:



3763 (i) Manufacturing, processing, warehousing,
3764 warehousing activities, distribution, wholesaling and research and
3765 development, or

3766 (ii) Permanent business enterprises designated by
3767 rule and regulation of the Mississippi Development Authority as
3768 air transportation and maintenance facilities, final destination
3769 or resort hotels having a minimum of one hundred fifty (150) guest
3770 rooms, recreational facilities that impact tourism, movie industry
3771 studios, telecommunications enterprises, data or information
3772 processing enterprises or computer software development
3773 enterprises or any technology intensive facility or enterprise.

3774 (b) "Telecommunications enterprises" means entities
3775 engaged in the creation, display, management, storage, processing,
3776 transmission or distribution for compensation of images, text,
3777 voice, video or data by wire or by wireless means, or entities
3778 engaged in the construction, design, development, manufacture,
3779 maintenance or distribution for compensation of devices, products,
3780 software or structures used in the above activities. Companies
3781 organized to do business as commercial broadcast radio stations,
3782 television stations or news organizations primarily serving
3783 in-state markets shall not be included within the definition of
3784 the term "telecommunications enterprises."

3785 (c) "Warehousing activities" means entities that
3786 establish or expand facilities that service and support multiple
3787 retail or wholesale locations within and outside the state.



3788 Warehousing activities may be performed solely to support the
3789 primary activities of the entity, and credits generated shall
3790 offset the income of the entity based on an apportioned ratio of
3791 payroll for warehouse employees of the entity to total Mississippi
3792 payroll of the entity that includes the payroll of retail
3793 employees of the entity.

3794 (15) The tax credits provided for in this section shall be
3795 in addition to any tax credits described in Sections 57-51-13(b),
3796 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3797 action by the Mississippi Development Authority prior to July 1,
3798 1989, to any business enterprise determined prior to July 1, 1989,
3799 by the Mississippi Development Authority to be a qualified
3800 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3801 a qualified company as described in Section 57-53-1, as the case
3802 may be; however, from and after July 1, 1989, tax credits shall be
3803 allowed only under either this section or Sections 57-51-13(b),
3804 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
3805 employee.

3806 (16) A business enterprise that chooses to receive job
3807 training assistance pursuant to Section 57-1-451 shall not be
3808 eligible for the tax credits provided for in this section.

3809 **SECTION 42.** Section 57-73-23, Mississippi Code of 1972, is
3810 brought forward as follows:

3811 57-73-23. (1) A fifty percent (50%) income tax credit shall
3812 be granted to any employer providing dependent care for employees



3813 during the employee's work hours, and to any employer who provides
3814 a child care stipend of at least Six Thousand Dollars (\$6,000.00)
3815 to a licensed or registered entity providing dependent child care
3816 in the State of Mississippi for an employee's children during the
3817 employee's work hours.

3818 (2) In order for an employer who provides a child care
3819 stipend under this section to be eligible for the tax credit, the
3820 employer shall certify to the Department of Revenue:

3821 (a) The names of the employees on whose behalf the
3822 stipend is paid; and

3823 (b) The amount of the stipend paid on behalf of each of
3824 those employees;

3825 (c) The licensed or registered entity receiving the
3826 child care stipend from the employer on behalf of the employee,
3827 including the entity's federal identification number and license
3828 and registration number; and

3829 (d) Such other information as may be required by the
3830 Department of Revenue to ensure that credits under this section
3831 are granted only to employers who provide stipends to a licensed
3832 or registered entity providing dependent care in the State of
3833 Mississippi for an employee's children during the employee's work
3834 hours.

3835 (3) For an employer contracting with a licensed or
3836 registered entity to provide dependent care for its employees
3837 during the employee's work hours, the credit is applied to the net



3838 cost of any contract executed by the employer for another entity
3839 to provide dependent care; or, if the employer elects to provide
3840 dependent care itself, the credit is applied to expenses of
3841 dependent care staff, learning and recreational materials and
3842 equipment, and the construction and maintenance of a facility; or,
3843 if the employer elects to provide a child care stipend to a
3844 licensed or registered entity providing dependent care in the
3845 State of Mississippi for the employee's children during the
3846 employee's work hours, the credit is applied to the amount of the
3847 stipend provided. Additional eligible expenses include net costs
3848 assumed by the employer which increase the quality, availability
3849 and affordability of dependent care in the community used by
3850 employees during the employee's work hours. This cost is net of
3851 any reimbursement. A deduction shall not be allowed for any
3852 expenses which serve as the basis for an income tax credit. The
3853 credits allowed under this section shall not be used by any
3854 business enterprise or corporation other than the business
3855 enterprise actually qualifying for the credits.

3856 Credit may be carried forward for the five (5) successive
3857 years if the amount allowable as credit exceeds income tax
3858 liability in a tax year; however, thereafter, if the amount
3859 allowable as a credit exceeds the tax liability, the amount of
3860 excess shall not be refundable or carried forward to any other
3861 taxable year.



3862 The facility must have an average daily enrollment for the
3863 taxable year of no less than six (6) children who are twelve (12)
3864 years of age or less and be licensed according to the regulations
3865 governing licensure of child care facilities in Mississippi; or
3866 must serve five (5) or fewer children and/or elderly adults in a
3867 family child care/elder care home approved by the Department of
3868 Health for participation in the United States Department of
3869 Agriculture child and adult nutrition program; or must serve
3870 children over twelve (12) years of age but less than eighteen (18)
3871 years of age in either a community-based facility or a facility at
3872 the employment site; or must serve adult relatives of employees in
3873 either a community-based elder care facility or a facility at the
3874 employment site; or must serve children or adult dependents having
3875 physical, emotional or mental disabilities in either a
3876 community-based facility or a facility at the employment site.

3877 Employers will be certified as eligible for the tax credit by
3878 the State Department of Health for programs serving children
3879 twelve (12) years of age or younger and for programs serving
3880 elderly adults and by the Department of Revenue for programs
3881 serving other dependents older than twelve (12) years of age.

3882 **SECTION 43.** Section 57-87-5, Mississippi Code of 1972, is
3883 brought forward as follows:

3884 57-87-5. (1) For purposes of this section:

3885 (a) "Telecommunications enterprises" shall have the
3886 meaning ascribed to such term in Section 57-73-21(14);



3887 (b) "Tier One areas" mean counties designated as Tier
3888 One areas pursuant to Section 57-73-21(1);

3889 (c) "Tier Two areas" mean counties designated as Tier
3890 Two areas pursuant to Section 57-73-21(1);

3891 (d) "Tier Three areas" mean counties designated as Tier
3892 Three areas pursuant to Section 57-73-21(1); and

3893 (e) "Equipment used in the deployment of broadband
3894 technologies" means any equipment capable of being used for or in
3895 connection with the transmission of information at a rate, prior
3896 to taking into account the effects of any signal degradation, that
3897 is not less than three hundred eighty-four (384) kilobits per
3898 second in at least one (1) direction, including, but not limited
3899 to, asynchronous transfer mode switches, digital subscriber line
3900 access multiplexers, routers, servers, multiplexers, fiber optics
3901 and related equipment.

3902 (2) With respect to the investment in each year by a
3903 telecommunications enterprise after June 30, 2003, and before July
3904 1, 2025, there shall be allowed annually as a credit against the
3905 aggregate tax imposed by Chapters 7 and 13 of Title 27,
3906 Mississippi Code of 1972, an amount equal to:

3907 (a) Five percent (5%) of the cost of equipment used in
3908 the deployment of broadband technologies in Tier One areas;

3909 (b) Ten percent (10%) of the cost of equipment used in
3910 the deployment of broadband technologies in Tier Two areas; and



3911 (c) Fifteen percent (15%) of the cost of equipment used
3912 in the deployment of broadband technologies in Tier Three areas.

3913 (3) Such annual credits shall be allowed commencing with the
3914 taxable year in which such property is placed in service and
3915 continue for nine (9) consecutive years thereafter. The aggregate
3916 credit established by this section taken in any one (1)
3917 tax year shall be limited to an amount not greater than fifty
3918 percent (50%) of the taxpayer's tax liabilities under Chapters 7
3919 and 13 of Title 27, Mississippi Code of 1972; however, any tax
3920 credit claimed under this section, but not used in any taxable
3921 year, may be carried forward for ten (10) consecutive years from
3922 the close of the tax year in which the credits were earned.

3923 (4) The maximum aggregate amount of credits that may be
3924 claimed under this section shall not exceed the original
3925 investment made by a telecommunications enterprise in the
3926 qualifying equipment used in the deployment of broadband
3927 technologies.

3928 (5) For purposes of this section, the tier in which
3929 broadband technology is deployed shall be determined in the year
3930 in which such technology is deployed in a county and such tier
3931 shall not change if the county is later designated in another
3932 tier.

3933 (6) There will be no credit allowed under this section if
3934 the equipment used in the deployment of broadband technologies was
3935 paid for, or its cost was reimbursed by, funds made available



3936 under the Coronavirus Aid, Relief, and Economic Security (CARES)
3937 Act.

3938 **SECTION 44.** Section 57-87-7, Mississippi Code of 1972, is
3939 brought forward as follows:

3940 57-87-7. Equipment used in the deployment of broadband
3941 technologies by a telecommunications enterprise (as defined in
3942 Section 57-73-21(14)), that is placed in service after June 30,
3943 2003, and before July 1, 2025, shall be exempt from ad valorem
3944 taxation for a period of ten (10) years after the date such
3945 equipment is placed in service. For purposes of this section,
3946 "equipment used in the deployment of broadband technologies" means
3947 any equipment capable of being used for or in connection with the
3948 transmission of information at a rate, prior to taking into
3949 account the effects of any signal degradation, that is not less
3950 than three hundred eighty-four (384) kilobits per second in at
3951 least one direction, including, but not limited to, asynchronous
3952 transfer mode switches, digital subscriber line access
3953 multiplexers, routers, servers, multiplexers, fiber optics and
3954 related equipment.

3955 **SECTION 45.** Section 57-105-1, Mississippi Code of 1972, is
3956 brought forward as follows:

3957 57-105-1. (1) As used in this section:

3958 (a) "Adjusted purchase price" means the investment in
3959 the qualified community development entity for the qualified
3960 equity investment, substantially all of the proceeds of which are



3961 used to make qualified low-income community investments in
3962 Mississippi.

3963 For the purposes of calculating the amount of qualified
3964 low-income community investments held by a qualified community
3965 development entity, an investment will be considered held by a
3966 qualified community development entity even if the investment has
3967 been sold or repaid; provided that the qualified community
3968 development entity reinvests an amount equal to the capital
3969 returned to or recovered by the qualified community development
3970 entity from the original investment, exclusive of any profits
3971 realized, in another qualified low-income community investment in
3972 Mississippi, including any federal Indian reservation located
3973 within the geographical boundary of Mississippi within twelve (12)
3974 months of the receipt of such capital. A qualified community
3975 development entity will not be required to reinvest capital
3976 returned from the qualified low-income community investments after
3977 the sixth anniversary of the issuance of the qualified equity
3978 investment, the proceeds of which were used to make the qualified
3979 low-income community investment, and the qualified low-income
3980 community investment will be considered held by the qualified
3981 community development entity through the seventh anniversary of
3982 the qualified equity investment's issuance.

3983 (b) "Applicable percentage" means:

3984 (i) For any equity investment issued prior to July
3985 1, 2008, four percent (4%) for each of the second through seventh



3986 credit allowance dates for purposes of the taxes imposed by
3987 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
3988 the second through seventh credit allowance dates for purposes of
3989 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

3990 (ii) For any equity investment issued from and
3991 after July 1, 2008, eight percent (8%) for each of the first
3992 through third credit allowance dates for purposes of the taxes
3993 imposed by Section 27-7-5 or the taxes imposed by Sections
3994 27-15-103, 27-15-109 and 27-15-123.

3995 (c) "Credit allowance date" means, with respect to any
3996 qualified equity investment:

3997 (i) The later of:

3998 1. The date upon which the qualified equity
3999 investment is initially made; or

4000 2. The date upon which the Mississippi
4001 Development Authority issues a certificate under subsection (4) of
4002 this section; and

4003 (ii) 1. For equity investments issued prior to
4004 July 1, 2008, each of the subsequent six (6) anniversary dates of
4005 the date upon which the investment is initially made; or

4006 2. For equity investments issued from and
4007 after July 1, 2008, each of the subsequent two (2) anniversary
4008 dates of the date determined as provided for in subparagraph (i)
4009 of this paragraph.



4010 (d) "Qualified community development entity" shall have
4011 the meaning ascribed to such term in Section 45D of the Internal
4012 Revenue Code of 1986, as amended, if the entity has entered into
4013 an Allocation Agreement with the Community Development Financial
4014 Institutions Fund of the United States Department of the Treasury
4015 with respect to credits authorized by Section 45D of the Internal
4016 Revenue Code of 1986, as amended.

4017 (e) "Qualified active low-income community business"
4018 shall have the meaning ascribed to such term in Section 45D of the
4019 Internal Revenue Code of 1986, as amended.

4020 (f) "Qualified equity investment" shall have the
4021 meaning ascribed to such term in Section 45D of the Internal
4022 Revenue Code of 1986, as amended. The investment does not have to
4023 be designated as a qualified equity investment by the Community
4024 Development Financial Institutions Fund of the United States
4025 Treasury to be considered a qualified equity investment under this
4026 section but otherwise must meet the definition under the Internal
4027 Revenue Code. In addition to meeting the definition in Section
4028 45D of the Internal Revenue Code such investment must also:

4029 (i) Have been acquired after January 1, 2007, at
4030 its original issuance solely in exchange for cash; and

4031 (ii) Have been allocated by the Mississippi
4032 Development Authority.

4033 For the purposes of this section, such investment shall be
4034 deemed a qualified equity investment on the later of the date such



4035 qualified equity investment is made or the date on which the
4036 Mississippi Development Authority issues a certificate under
4037 subsection (4) of this section allocating credits based on such
4038 investment.

4039 (g) "Qualified low-income community investment" shall
4040 have the meaning ascribed to such term in Section 45D of the
4041 Internal Revenue Code of 1986, as amended; provided, however, that
4042 the maximum amount of qualified low-income community investments
4043 issued for a single qualified active low-income community
4044 business, on an aggregate basis with all of its affiliates, that
4045 may be included for purposes of allocating any credits under this
4046 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
4047 the aggregate, whether issued by one (1) or several qualified
4048 community development entities.

4049 (2) A taxpayer that holds a qualified equity investment on
4050 the credit allowance date shall be entitled to a credit applicable
4051 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
4052 and 27-15-123 during the taxable year that includes the credit
4053 allowance date. The amount of the credit shall be equal to the
4054 applicable percentage of the adjusted purchase price paid to the
4055 qualified community development entity for the qualified equity
4056 investment. The amount of the credit that may be utilized in any
4057 one (1) tax year shall be limited to an amount not greater than
4058 the total tax liability of the taxpayer for the taxes imposed by
4059 the above-referenced sections. The credit shall not be refundable



4060 or transferable. Any unused portion of the credit may be carried
4061 forward for seven (7) taxable years beyond the credit allowance
4062 date on which the credit was earned. The maximum aggregate amount
4063 of qualified equity investments that may be allocated by the
4064 Mississippi Development Authority may not exceed an amount that
4065 would result in taxpayers claiming in any one (1) state fiscal
4066 year credits in excess of Fifteen Million Dollars
4067 (\$15,000,000.00), exclusive of credits that might be carried
4068 forward from previous taxable years; however, a maximum of
4069 one-third (1/3) of this amount may be allocated as credits for
4070 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4071 taxpayer claiming a credit under this section against the taxes
4072 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4073 shall not be required to pay any additional tax under Section
4074 27-15-123 as a result of claiming such credit. The Mississippi
4075 Development Authority shall allocate credits within this limit as
4076 provided for in subsection (4) of this section.

4077 (3) Tax credits authorized by this section that are earned
4078 by a partnership, limited liability company, S corporation or
4079 other similar pass-through entity, shall be allocated among all
4080 partners, members or shareholders, respectively, either in
4081 proportion to their ownership interest in such entity or as the
4082 partners, members or shareholders mutually agree as provided in an
4083 executed document. Such allocation shall be made each taxable



4084 year of such pass-through entity which contains a credit allowance
4085 date.

4086 (4) The qualified community development entity shall apply
4087 for credits with the Mississippi Development Authority on forms
4088 prescribed by the Mississippi Development Authority. The
4089 qualified community development entity must pay an application fee
4090 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4091 Authority at the time the application is submitted. In the
4092 application the qualified community development entity shall
4093 certify to the Mississippi Development Authority the dollar amount
4094 of the qualified equity investments made or to be made in this
4095 state, including in any federal Indian reservation located within
4096 the state's geographical boundary, during the first twelve-month
4097 period following the initial credit allowance date. The
4098 Mississippi Development Authority shall allocate credits based on
4099 the dollar amount of qualified equity investments as certified in
4100 the application. Once the Mississippi Development Authority has
4101 allocated credits to a qualified community development entity, if
4102 the corresponding qualified equity investment has not been issued
4103 as of the date of such allocation, then the corresponding
4104 qualified equity investment must be issued not later than one
4105 hundred twenty (120) days from the date of such allocation. If
4106 the qualified equity investment is not issued within such time
4107 period, the allocation shall be cancelled and returned to the
4108 Mississippi Development Authority for reallocation. Upon final



4109 documentation of the qualified low-income community investments,
4110 if the actual dollar amount of the investments is lower than the
4111 amount estimated, the Mississippi Development Authority shall
4112 adjust the tax credit allowed under this section. The Department
4113 of Revenue may recapture all of the credit allowed under this
4114 section if:

4115 (a) Any amount of federal tax credits available with
4116 respect to a qualified equity investment that is eligible for a
4117 tax credit under this section is recaptured under Section 45D of
4118 the Internal Revenue Code of 1986, as amended; or

4119 (b) The qualified community development entity redeems
4120 or makes any principal repayment with respect to a qualified
4121 equity investment prior to the seventh anniversary of the issuance
4122 of the qualified equity investment; or

4123 (c) The qualified community development entity fails to
4124 maintain at least eighty-five percent (85%) of the proceeds of the
4125 qualified equity investment in qualified low-income community
4126 investments in Mississippi at any time prior to the seventh
4127 anniversary of the issuance of the qualified equity investment.

4128 Any credits that are subject to recapture under this
4129 subsection shall be recaptured from the taxpayer that actually
4130 claimed the credit.

4131 The Mississippi Development Authority shall not allocate any
4132 credits under this section after July 1, 2024.



4133 (5) Each qualified community development entity that
4134 receives qualified equity investments to make qualified low-income
4135 community investments in Mississippi must annually report to the
4136 Mississippi Development Authority the North American Industry
4137 Classification System Code, the county, the dollars invested, the
4138 number of jobs assisted and the number of jobs assisted with wages
4139 over one hundred percent (100%) of the federal poverty level for a
4140 family of four (4) of each qualified low-income community
4141 investment.

4142 (6) The Mississippi Development Authority shall file an
4143 annual report on all qualified low-income community investments
4144 with the Governor, the Clerk of the House of Representatives, the
4145 Secretary of the Senate and the Secretary of State describing the
4146 North American Industry Classification System Code, the county,
4147 the dollars invested, the number of jobs assisted and the number
4148 of jobs assisted with wages over one hundred percent (100%) of the
4149 federal poverty level for a family of four (4) of each qualified
4150 low-income community investment. The annual report will be posted
4151 on the Mississippi Development Authority's Internet website.

4152 (7) (a) The purpose of this subsection is to authorize the
4153 creation and establishment of public benefit corporations for
4154 financing arrangements regarding public property and facilities.

4155 (b) As used in this subsection:



4156 (i) "New Markets Tax Credit transaction" means any
4157 financing transaction which utilizes either this section or
4158 Section 45D of the Internal Revenue Code of 1986, as amended.

4159 (ii) "Public benefit corporation" means a
4160 nonprofit corporation formed or designated by a public entity to
4161 carry out the purposes of this subsection.

4162 (iii) "Public entity or public entities" includes
4163 utility districts, regional solid waste authorities, regional
4164 utility authorities, community hospitals, regional airport
4165 authorities, municipal airport authorities, community and junior
4166 colleges, educational building corporations established by or on
4167 behalf of the state institutions of higher learning, school
4168 districts, planning and development districts, county economic
4169 development districts, urban renewal agencies, any other regional
4170 or local economic development authority, agency or governmental
4171 entity, and any other regional or local industrial development
4172 authority, agency or governmental entity.

4173 (iv) "Public property or facilities" means any
4174 property or facilities owned or leased by a public entity or
4175 public benefit corporation.

4176 (c) Notwithstanding any other provision of law to the
4177 contrary, public entities are authorized pursuant to this
4178 subsection to create one or more public benefit corporations or
4179 designate an existing corporation as a public benefit corporation
4180 for the purpose of entering into financing agreements and engaging



4181 in New Markets Tax Credit transactions, which shall include,
4182 without limitation, arrangements to plan, acquire, renovate,
4183 construct, lease, sublease, manage, operate and/or improve new or
4184 existing public property or facilities located within the
4185 boundaries or service area of the public entity. Any financing
4186 arrangement authorized under this subsection shall further any
4187 purpose of the public entity and may include a term of up to fifty
4188 (50) years.

4189 (d) Notwithstanding any other provision of law to the
4190 contrary and in order to facilitate the acquisition, renovation,
4191 construction, leasing, subleasing, management, operating and/or
4192 improvement of new or existing public property or facilities to
4193 further any purpose of a public entity, public entities are
4194 authorized to enter into financing arrangements in order to
4195 transfer public property or facilities to and/or from public
4196 benefit corporations, including, without limitation, sales,
4197 sale-leasebacks, leases and lease-leasebacks, provided such
4198 transfer is related to any New Markets Tax Credit transaction
4199 furthering any purpose of the public entity. Any such transfer
4200 under this paragraph (d) and the public property or facilities
4201 transferred in connection therewith shall be exempted from any
4202 limitation or requirements with respect to leasing, acquiring,
4203 and/or constructing public property or facilities.

4204 (e) With respect to a New Markets Tax Credit
4205 transaction, public entities and public benefit corporations are



4206 authorized to enter into financing arrangements with any
4207 governmental, nonprofit or for-profit entity in order to leverage
4208 funds not otherwise available to public entities for the
4209 acquisition, construction and/or renovation of properties
4210 transferred to such public benefit corporations. The use of any
4211 funds loaned by or contributed by a public benefit corporation or
4212 borrowed by or otherwise made available to a public benefit
4213 corporation in such financing arrangement shall be dedicated
4214 solely to (i) the development of new properties or facilities
4215 and/or the renovation of existing properties or facilities or
4216 operation of properties or facilities, and/or (ii) the payment of
4217 costs and expenditures related to any such financing arrangements,
4218 including, but not limited to, funding any reserves required in
4219 connection therewith, the repayment of any indebtedness incurred
4220 in connection therewith, and the payment of fees and expenses
4221 incurred in connection with the closing, administration,
4222 accounting and/or compliance with respect to the New Markets Tax
4223 Credit transaction.

4224 (f) A public benefit corporation created pursuant to
4225 this subsection shall not be a political subdivision of the state
4226 but shall be a nonprofit corporation organized and governed under
4227 the provisions of the laws of this state and shall be a special
4228 purpose corporation established to facilitate New Markets Tax
4229 Credit transactions consistent with the requirements of this
4230 section.



4231 (g) Neither this subsection nor anything herein
4232 contained is or shall be construed as a restriction or limitation
4233 upon any powers which the public entity or public benefit
4234 corporation might otherwise have under any laws of this state, and
4235 this subsection is cumulative to any such powers. This subsection
4236 does and shall be construed to provide a complete additional and
4237 alternative method for the doing of the things authorized thereby
4238 and shall be regarded as supplemental and additional to powers
4239 conferred by other laws.

4240 (8) The Mississippi Development Authority shall promulgate
4241 rules and regulations to implement the provisions of this section.

4242 **SECTION 46.** Section 57-10-409, Mississippi Code of 1972, is
4243 brought forward as follows:

4244 **[In cases involving an economic development project for which**
4245 **the Mississippi Business Finance Corporation has issued bonds for**
4246 **the purpose of financing the approved costs of such project prior**
4247 **to July 1, 1994, this section shall read as follows:]**

4248 57-10-409. The corporation may enter into, with any approved
4249 company, a financing agreement with respect to its economic
4250 development project. The terms and provisions of each financing
4251 agreement shall be determined by negotiations between the
4252 corporation and the approved company, except that each financing
4253 agreement shall include the following provisions:

4254 (a) If the corporation issues any bonds in connection
4255 with an economic development project, the term of the financing



4256 agreement shall not be less than the last maturity of the bonds
4257 issued with respect to the economic development project, except
4258 that the financing agreement may terminate upon the earlier
4259 redemption of all of the bonds issued with respect to the economic
4260 development project and may grant to the approved company an
4261 option to purchase the economic development project from the
4262 corporation upon the termination of the financing agreement for
4263 such consideration and under such terms and conditions the
4264 corporation may approve. Nothing in this paragraph shall limit
4265 the extension of the term of a financing agreement if there is a
4266 refunding of the correlative bonds or otherwise.

4267 (b) If the corporation issues any bonds in connection
4268 with an economic development project, the financing agreement
4269 shall specify that the annual obligations of the approved company
4270 under Sections 57-10-401 through 57-10-445 shall equal in each
4271 year at least the annual debt service for that year on the bonds
4272 issued with respect to the economic development project; and the
4273 approved company shall pay such obligation of the financing
4274 agreement to the trustee for bonds issued for the benefit of the
4275 approved company, at such time and in such amounts sufficient to
4276 amortize such bonds.

4277 (c) If the corporation loans funds to an approved
4278 company that is a private company under the Mississippi Small
4279 Enterprise Development Finance Act, the financing agreement shall



4280 include the terms and conditions of the loan required by Section
4281 57-71-1 et seq.

4282 (d) (i) In consideration for financing agreement
4283 payment, the approved company may be permitted the following
4284 during the period of time in which the financing agreement is in
4285 effect, not to exceed twenty-five (25) years:

4286 1. A tax credit on the amount provided for in
4287 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4288 2. The aggregate assessment withheld by the
4289 approved company in each year.

4290 (ii) The income tax credited to the approved
4291 company referred to herein shall be credited in the fiscal year of
4292 the financing agreement in which the tax return of the approved
4293 company is filed. The approved company shall not be required to
4294 pay estimated tax payments under Section 27-7-319, Mississippi
4295 Code of 1972.

4296 (e) (i) The financing agreement shall provide that the
4297 assessments, when added to the credit for the state corporate
4298 income tax herein granted, shall not exceed the total financing
4299 agreement annual payment by the approved company in any year;
4300 however, to the extent that financing agreement annual payments
4301 exceed credits received and assessments collected in any year, the
4302 excess payment may be recouped from excess credits or assessment
4303 collections in succeeding years.



4304 (ii) If during any fiscal year of the financing
4305 agreement the total of the income tax credit granted to the
4306 approved company plus the assessment collected from the wages of
4307 the employees equals the annual payment pursuant to the financing
4308 agreement, and if all excess payments pursuant to the financing
4309 agreement accumulated in prior years have been recouped, the
4310 assessment collected from the wages of the employees shall cease
4311 for the remainder of the fiscal year of the financing agreement.

4312 (f) The financing agreement shall provide that:

4313 (i) It may be assigned by the approved company
4314 only upon the prior written consent of the corporation following
4315 the adoption of a resolution by the corporation to such effect;
4316 and

4317 (ii) Upon the default by the approved company in
4318 the obligation to render its annual payment, the corporation shall
4319 have the right, at its option, to declare the financing agreement
4320 in default and to accelerate the total of all annual payments that
4321 are to be made or to terminate the financing agreement and cause
4322 to be sold the economic development project at public or private
4323 sale, or to pursue any other remedies available under the Uniform
4324 Commercial Code, as from time to time amended, or otherwise
4325 available in law or equity.

4326 **[In cases involving an economic development project for which**
4327 **the Mississippi Business Finance Corporation has not issued bonds**
4328 **for the purpose of financing the approved costs of such project**



4329 **prior to July 1, 1994, but has issued bonds for such project prior**
4330 **to July 1, 1997, or in cases involving an economic development**
4331 **project which has been induced by a resolution of the Board of**
4332 **Directors of the Mississippi Business Finance Corporation that has**
4333 **been filed with the State Tax Commission prior to July 1, 1997,**
4334 **this section shall read as follows:]**

4335 57-10-409. The corporation may enter into, with any approved
4336 company, a financing agreement with respect to its economic
4337 development project. The terms and provisions of each financing
4338 agreement shall be determined by negotiations between the
4339 corporation and the approved company, except that each financing
4340 agreement shall include the following provisions:

4341 (a) If the corporation issues any bonds in connection
4342 with an economic development project, the term of the financing
4343 agreement shall not be less than the last maturity of the bonds
4344 issued with respect to the economic development project, except
4345 that the financing agreement may terminate upon the earlier
4346 redemption of all of the bonds issued with respect to the economic
4347 development project and may grant to the approved company an
4348 option to purchase the economic development project from the
4349 corporation upon the termination of the financing agreement for
4350 such consideration and under such terms and conditions the
4351 corporation may approve. Nothing in this paragraph shall limit
4352 the extension of the term of a financing agreement if there is a
4353 refunding of the correlative bonds or otherwise.



4354 (b) If the corporation issues any bonds in connection
4355 with an economic development project, the financing agreement
4356 shall specify that the annual obligations of the approved company
4357 under Sections 57-10-401 through 57-10-445 shall equal in each
4358 year at least the annual debt service for that year on the bonds
4359 issued with respect to the economic development project; and the
4360 approved company shall pay such obligation of the financing
4361 agreement to the trustee for bonds issued for the benefit of the
4362 approved company, at such time and in such amounts sufficient to
4363 amortize such bonds.

4364 (c) If the corporation loans funds to an approved
4365 company that is a private company under the Mississippi Small
4366 Enterprise Development Finance Act, the financing agreement shall
4367 include the terms and conditions of the loan required by Section
4368 57-71-1 et seq.

4369 (d) (i) In consideration for financing agreement
4370 payment, the approved company may be permitted the following
4371 during the period of time in which the financing agreement is in
4372 effect, not to exceed twenty-five (25) years:

4373 1. A tax credit on the amount provided for in
4374 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4375 2. The aggregate assessment withheld by the
4376 approved company in each year.

4377 (ii) The income tax credited to the approved
4378 company referred to herein shall be credited in the fiscal year of



4379 the financing agreement in which the tax return of the approved
4380 company is filed. The approved company shall not be required to
4381 pay estimated tax payments under Section 27-7-319, Mississippi
4382 Code of 1972.

4383 (e) (i) The financing agreement shall provide that the
4384 assessments, when added to the credit for the state corporate
4385 income tax herein granted, shall not exceed the total financing
4386 agreement annual payment by the approved company in any year;
4387 however, to the extent that financing agreement annual payments
4388 exceed credits received and assessments collected in any year, the
4389 excess payment may be recouped from excess credits or assessment
4390 collections in succeeding years not to exceed three (3) years
4391 following the termination of the period of time during which the
4392 financing agreement is in effect.

4393 (ii) If during any fiscal year of the financing
4394 agreement the total of the income tax credit granted to the
4395 approved company plus the assessment collected from the wages of
4396 the employees equals the annual payment pursuant to the financing
4397 agreement, and if all excess payments pursuant to the financing
4398 agreement accumulated in prior years have been recouped, the
4399 assessment collected from the wages of the employees shall cease
4400 for the remainder of the fiscal year of the financing agreement.

4401 (f) The financing agreement shall provide that:

4402 (i) It may be assigned by the approved company
4403 only upon the prior written consent of the corporation following



4404 the adoption of a resolution by the corporation to such effect;
4405 and

4406 (ii) Upon the default by the approved company in
4407 the obligation to render its annual payment, the corporation shall
4408 have the right, at its option, to declare the financing agreement
4409 in default and to accelerate the total of all annual payments that
4410 are to be made or to terminate the financing agreement and cause
4411 to be sold the economic development project at public or private
4412 sale, or to pursue any other remedies available under the Uniform
4413 Commercial Code, as from time to time amended, or otherwise
4414 available in law or equity.

4415 **[In cases involving an economic development project for which**
4416 **the Mississippi Business Finance Corporation has not issued bonds**
4417 **for the purpose of financing the approved costs of such project**
4418 **prior to July 1, 1997, or in cases involving an economic**
4419 **development project which has not been induced by a resolution of**
4420 **the Board of Directors of the Mississippi Business Finance**
4421 **Corporation that has been filed with the State Tax Commission**
4422 **prior to July 1, 1997, this section shall read as follows:]**

4423 57-10-409. The corporation may enter into, with any approved
4424 company, a financing agreement with respect to its economic
4425 development project. The terms and provisions of each financing
4426 agreement shall be determined by negotiations between the
4427 corporation and the approved company, except that each financing
4428 agreement shall include the following provisions:



4429 (a) If the corporation issues any bonds in connection
4430 with an economic development project, the term of the financing
4431 agreement shall not be less than the last maturity of the bonds
4432 issued with respect to the economic development project, except
4433 that the financing agreement may terminate upon the earlier
4434 redemption of all of the bonds issued with respect to the economic
4435 development project and may grant to the approved company an
4436 option to purchase the economic development project from the
4437 corporation upon the termination of the financing agreement for
4438 such consideration and under such terms and conditions the
4439 corporation may approve. Nothing in this paragraph shall limit
4440 the extension of the term of a financing agreement if there is a
4441 refunding of the correlative bonds or otherwise.

4442 (b) If the corporation issues any bonds in connection
4443 with an economic development project, the financing agreement
4444 shall specify that the annual obligations of the approved company
4445 under Sections 57-10-401 through 57-10-445 shall equal in each
4446 year at least the annual debt service for that year on the bonds
4447 issued with respect to the economic development project; and the
4448 approved company shall pay such obligation of the financing
4449 agreement to the trustee for bonds issued for the benefit of the
4450 approved company, at such time and in such amounts sufficient to
4451 amortize such bonds.

4452 (c) If the corporation loans funds to an approved
4453 company that is a private company under the Mississippi Small



4454 Enterprise Development Finance Act, the financing agreement shall
4455 include the terms and conditions of the loan required by Section
4456 57-71-1 et seq.

4457 (d) (i) In consideration for financing agreement
4458 payment, the approved company may be permitted a tax credit on the
4459 amount provided for in Section 27-7-22.3(2), Mississippi Code of
4460 1972, during the period of time in which the financing agreement
4461 is in effect, not to exceed twenty-five (25) years.

4462 (ii) The income tax credited to the approved
4463 company referred to herein shall be credited in the fiscal year of
4464 the financing agreement in which the tax return of the approved
4465 company is filed. The approved company shall not be required to
4466 pay estimated tax payments under Section 27-7-319, Mississippi
4467 Code of 1972.

4468 (e) The financing agreement shall provide that:

4469 (i) It may be assigned by the approved company
4470 only upon the prior written consent of the corporation following
4471 the adoption of a resolution by the corporation to such effect;
4472 and

4473 (ii) Upon the default by the approved company in
4474 the obligation to render its annual payment, the corporation shall
4475 have the right, at its option, to declare the financing agreement
4476 in default and to accelerate the total of all annual payments that
4477 are to be made or to terminate the financing agreement and cause
4478 to be sold the economic development project at public or private



4479 sale, or to pursue any other remedies available under the Uniform
4480 Commercial Code, as from time to time amended, or otherwise
4481 available in law or equity.

4482 **SECTION 47.** Section 57-114-3, Mississippi Code of 1972, is
4483 brought forward as follows:

4484 57-114-3. For purposes of this chapter, the following words
4485 shall have the meanings ascribed herein unless the context
4486 otherwise requires:

4487 (a) "Affiliate" means, with respect to a specified
4488 entity, (i) another person or entity that directly or indirectly,
4489 through one or more intermediaries, controls or is controlled by
4490 or is under common control with the specified person or entity,
4491 where the term "control" means the ownership or possession,
4492 directly or indirectly, of the power to direct more than fifty
4493 percent (50%) of the voting equity securities or a similar
4494 ownership interest in the specified controlled entity, or (ii) any
4495 member of an affiliated group of corporations, of which the
4496 specified entity is also a member, which are each subject to
4497 income taxation in Mississippi and may elect to file a combined
4498 Mississippi income tax return in accordance with state law.

4499 (b) "Authority" means the Mississippi Development
4500 Authority.

4501 (c) "Annual report" means the report described in
4502 Section 57-114-13.



4503 (d) "Applicable accounting rules" shall mean the
4504 accounting principles generally recognized as applicable to a
4505 qualified business or industry and pursuant to which such
4506 qualified business or industry regularly prepares and maintains
4507 its financial and accounting books and records, and which
4508 specifically incorporate Generally Accepted Accounting Principles
4509 or International Financial Reporting Standards, as appropriate.

4510 (e) "Applicant" means any corporation, limited
4511 liability company, partnership, person or sole proprietorship,
4512 business trust or other legal entity and subunit or affiliate
4513 thereof that applies to the authority, in the manner prescribed by
4514 this chapter, seeking (i) certification by the authority that such
4515 applicant is a qualified business or industry and that its
4516 proposed new project or expansion of an existing business or
4517 industrial operation is a qualified economic development project,
4518 and (ii) an award in connection therewith of an mFlex tax
4519 incentive.

4520 (f) "Average state or county wage" shall mean, as of
4521 the project certification date, the lesser of the most recently
4522 published average annual wage per person as determined and
4523 published by the Mississippi Department of Employment Security for
4524 the state or the county in which the qualified project is or will
4525 be located; provided that, if a qualified project is or will be
4526 located in two (2) or more counties, the average state or county
4527 wage, as used in this chapter, shall mean, as of the project



4528 certification date, only the most recently published average
4529 annual wage per person as determined and published by the
4530 Mississippi Department of Employment Security for the state.

4531 (g) "Average employer wage" means the qualified annual
4532 payroll for all new full-time jobs created in the State of
4533 Mississippi by a qualified business or industry divided by the
4534 number of new full-time jobs thereof for which such qualified
4535 annual payroll was paid or is otherwise payable.

4536 (h) "Base full-time job" means a job (i) for which an
4537 employee was already hired by the qualified business or industry
4538 before, and is employed as of, the project certification date;
4539 (ii) that offers a minimum of one thousand eight hundred twenty
4540 (1,820) hours of an employee's time per year (i.e., thirty-five
4541 (35) hours per week on average) for a normal four (4) consecutive
4542 quarter period of the qualified business or industry's operations
4543 or a job for which the employee was hired before, and is employed
4544 as of, the project certification date and is compensated based on
4545 one thousand eight hundred twenty (1,820) hours for such annual
4546 period (including in each case an employee who, after hiring,
4547 elects to take unpaid time off or is on short-term or long-term
4548 disability); and (iii) the employee holding such job receives
4549 salary or wages subject to state income tax withholdings. The
4550 term "base full-time job" also means a base-leased employee.
4551 Part-time jobs may not be combined to add up to a base full-time
4552 job.



4553 (i) "Base-leased employee" means a nontemporary
4554 employee:
4555 (i) Who was leased by the qualified business or
4556 industry before the project certification date from another
4557 business or enterprise that is 1. in the business of leasing
4558 employees, and 2. is registered with the Office of the Secretary
4559 of State and qualified to do business in the state;
4560 (ii) Who is leased as of the project certification
4561 date;
4562 (iii) Who is not otherwise an employee of such
4563 qualified business or industry;
4564 (iv) Who, as of the project certification date,
4565 was already performing services for, and under the supervision of,
4566 the qualified business or industry pursuant to a leasing agreement
4567 between the qualified business or industry and such other employee
4568 leasing firm;
4569 (v) Whose job-performing services for the
4570 qualified business or industry offers a minimum of one thousand
4571 eight hundred twenty (1,820) hours of an employee's time per year
4572 (i.e., thirty-five (35) hours per week on average) for an entire
4573 normal work year of the qualified business or industry's
4574 operations or a job for which the employee is leased before the
4575 project certification date and is compensated based on one
4576 thousand eight hundred twenty (1,820) hours for such annual period
4577 (including in each case an employee who, after being leased,



4578 elects to take unpaid time off or is on short-term or long-term
4579 disability); and

4580 (vi) Whose job receives salary or wages subject to
4581 state income tax withholdings. Individuals employed by an
4582 independent contractor performing one or more services for the
4583 qualified business or industry pursuant to a services or
4584 management agreement (e.g., security services, landscaping
4585 services, and cafeteria management and food services) shall not be
4586 considered as base-leased employees.

4587 (j) "Contractor tax" shall mean the tax levied by
4588 Section 27-65-21, except for the tax upon the sale of
4589 manufacturing or processing machinery for a manufacturer or custom
4590 processor.

4591 (k) "Construction contract" shall mean any contract or
4592 portion of any contract for any one or more of the activities
4593 described in Section 27-65-21 for which the contractor tax applies
4594 and is payable by the contractor that is party thereto.

4595 (l) "Manufacturing machinery," as used in this chapter,
4596 shall have the same meaning ascribed to such term in Section
4597 27-65-11, as interpreted by any regulations promulgated by the
4598 Department of Revenue with respect to such section.

4599 (m) "mFlex agreement" means the written agreement
4600 entered into between a qualified business or industry and the
4601 authority in accordance with Section 57-114-7(4)(c).



4602 (n) "mFlex tax incentive" means the tax incentive
4603 authorized by this chapter to be calculated and awarded by the
4604 authority, and thereafter applied as a credit to offset state
4605 taxes, in accordance with, and subject to, this chapter.

4606 (o) "Minimum job creation requirement" means the
4607 creation by the qualified business or industry, following the
4608 project certification date, of at least ten (10) new full-time
4609 jobs in the state.

4610 (p) "Minimum qualified investment" means a qualified
4611 investment of not less than Two Million Five Hundred Thousand
4612 Dollars (\$2,500,000.00).

4613 (q) "New full-time job" means a job:

4614 (i) For which an employee is hired by the
4615 qualified business or industry after the project certification
4616 date;

4617 (ii) That offers a minimum of one thousand eight
4618 hundred twenty (1,820) hours of an employee's time per year (i.e.,
4619 thirty-five (35) hours per week on average) for a normal four (4)
4620 consecutive quarter period of the qualified business or industry's
4621 operations or a job for which the employee is hired after the
4622 project certification date and is compensated based on one
4623 thousand eight hundred twenty (1,820) hours for such annual period
4624 (including in each case an employee who, after hiring, elects to
4625 take unpaid time off or is on short-term or long-term disability);
4626 and



4627 (iii) The employee holding such job receives
4628 salary or wages subject to state income tax withholdings. The
4629 term "new full-time job" also means new-leased employee.
4630 Part-time jobs may not be combined to add up to a new full-time
4631 job.

4632 (r) "New-leased employee" means a nontemporary
4633 employee:

4634 (i) Who is leased by the qualified business or
4635 industry after the project certification date from another
4636 business or enterprise that is 1. in the business of leasing
4637 employees, and 2. is registered with the Office of the Secretary
4638 of State and qualified to do business in the state;

4639 (ii) Who is not otherwise an employee of such
4640 qualified business or industry;

4641 (iii) Who performs services for the qualified
4642 business or industry pursuant to a leasing agreement between the
4643 qualified business or industry and such other employee-leasing
4644 firm;

4645 (iv) Whose job-performing services for the
4646 qualified business or industry offers a minimum of one thousand
4647 eight hundred twenty (1,820) hours of an employee's time per year
4648 (i.e., thirty-five (35) hours per week on average) for an entire
4649 normal work year of the qualified business or industry's
4650 operations or a job for which the employee is leased after the
4651 project certification date and is compensated based on one



4652 thousand eight hundred twenty (1,820) hours for such annual period
4653 (including in each case an employee who, after being leased,
4654 elects to take unpaid time off or is on short-term or long-term
4655 disability); and

4656 (v) Whose job receives salary or wages subject to
4657 state income tax withholdings. Individuals employed by an
4658 independent contractor performing one or more services for the
4659 qualified business or industry pursuant to a services or
4660 management agreement (e.g., security services, landscaping
4661 services, and cafeteria management and food services) shall not be
4662 considered as a new-leased employees.

4663 (s) "Nonmanufacturing equipment" means all tangible
4664 personal property that is not manufacturing machinery, including,
4665 but not limited to, office furniture, fixtures, office computers
4666 and communications equipment, and warehouse equipment such as
4667 racking and shelving.

4668 (t) "Part-time job" means a job (i) for which an
4669 employee is hired by the qualified business or industry that
4670 requires fewer than one thousand eight hundred twenty (1,820)
4671 hours of an employee's time per year (i.e., requires fewer than
4672 thirty-five (35) hours per week on average) for an entire normal
4673 work year of the qualified business or industry's operations or a
4674 job for which the employee is hired and is compensated based on
4675 fewer than one thousand eight hundred twenty (1,820) hours for
4676 such annual period; and (iii) for which the employee holding such



4677 job receives salary or wages subject to state income tax
4678 withholdings.

4679 (u) "Project certification date" means the actual date
4680 of the authority's certification, or the effective date of
4681 certification determined and prescribed by the authority, of the
4682 qualified business or industry and its qualified economic
4683 development project as eligible for the state tax credits
4684 determined and awarded by the authority, as authorized by, and in
4685 accordance with, this chapter.

4686 (v) "Qualified annual payroll" means the sum of the
4687 annual salary and wages for new full-time jobs of the qualified
4688 business or industry, excluding the amount or value of any
4689 benefits that are not subject to state income taxes.

4690 (w) "Qualified business or industry" means any
4691 corporation, limited liability company, partnership, person or
4692 sole proprietorship, business trust or other legal entity and
4693 subunit or affiliate thereof, which makes a qualified minimum
4694 investment in a qualified economic development project.

4695 (x) "Qualified economic development project" or
4696 "qualified project" means the location in the state of one or more
4697 of the following enumerated enterprises for which a corporation,
4698 limited liability company, partnership, sole proprietorship,
4699 business trust or other legal entity, or subunit or affiliate
4700 thereof, makes or causes to be made from the minimum qualified



4701 investment and/or satisfies or causes to be satisfied the minimum
4702 job creation requirement:

4703 (i) A new warehouse and/or distribution enterprise
4704 or an expansion of an existing warehouse and/or distribution
4705 enterprise; provided that, in any such instance, such warehouse
4706 and/or distribution enterprise or expansion thereof is certified
4707 by the authority to qualify as such;

4708 (ii) A new manufacturing, remanufacturing,
4709 assembly, processing and/or refinery enterprise or an expansion of
4710 an existing manufacturing, remanufacturing, assembly, processing
4711 and/or refinery enterprise; provided that, in any such instance,
4712 such manufacturing, remanufacturing, assembly, processing and/or
4713 refinery enterprise or expansion thereof is certified by the
4714 authority to qualify as such;

4715 (iii) A new research or research and development
4716 enterprise or an expansion of an existing research or research and
4717 development enterprise; provided that, in any such instance, such
4718 research and development enterprise or an expansion thereof is
4719 certified by the authority to qualify as such;

4720 (iv) A new regional or national headquarters of
4721 the qualified business or industry or an expansion of an existing
4722 regional or national headquarters of the qualified business or
4723 industry; provided that, in any such instance, such regional or
4724 national headquarters or expansion thereof is certified by the
4725 authority to qualify as such;



4726 (v) An air transportation, repair and/or
4727 maintenance enterprise or an expansion of an existing air
4728 transportation, repair and/or maintenance enterprise; provided
4729 that, in either instance, such air transportation, repair and/or
4730 maintenance enterprise or expansion thereof is certified by the
4731 authority to qualify as such;

4732 (vi) A ship or other maritime vessel or barge
4733 transportation, repair and/or maintenance enterprise or an
4734 expansion of an existing ship or other maritime vessel or barge
4735 transportation, repair and/or maintenance enterprise; provided
4736 that, in either instance, the ship or other maritime vessel or
4737 barge transportation, repair and/or maintenance enterprise or
4738 expansion thereof is certified by the authority to qualify as
4739 such;

4740 (vii) A new data/information processing enterprise
4741 or an expansion of an existing new data/information processing
4742 enterprise; provided that, in any such instance such
4743 data/information processing enterprise or expansion thereof is
4744 certified by the authority to qualify as such;

4745 (viii) A new technology intensive enterprise or an
4746 expansion of an existing technology intensive enterprise; provided
4747 that, in either instance, the technology intensive enterprise or
4748 expansion thereof is certified by the authority to qualify as
4749 such; provided further, that a business or enterprise primarily
4750 engaged in creating computer programming codes to develop



4751 applications, websites and/or software shall qualify as a
4752 technology intensive enterprise;

4753 (ix) A new telecommunications enterprise
4754 principally engaged in the creation, display, management, storage,
4755 processing, transmission and/or distribution, for compensation, of
4756 images, text, voice, video or data by wire or by wireless means,
4757 or engaged in the construction, design, development, manufacture,
4758 maintenance or distribution for compensation of devices, products,
4759 software or structures used in the above activities, or an
4760 expansion of an existing telecommunications enterprise as herein
4761 described; provided that, in any such instance, any such
4762 telecommunications enterprise or expansion thereof is certified by
4763 the authority to qualify as such; provided further, that
4764 commercial broadcast radio stations, television stations or news
4765 organizations primarily serving in-state markets shall not be
4766 included within the definition of the term "telecommunications
4767 enterprise";

4768 (x) A new data center enterprise principally
4769 engaged in the utilization of hardware, software, technology,
4770 infrastructure and/or workforce, to store, manage or manipulate
4771 digital data, or an expansion of an existing data center
4772 enterprise as herein described; provided that, in such instance,
4773 any such data center enterprise or expansion thereof is certified
4774 by the authority to qualify as such.



4775 (y) "Qualified investment" means any expenditures made
4776 or caused to be made by the qualified business or industry
4777 following the project certification date for construction,
4778 installation, equipping and operation of a qualified economic
4779 development project from any source or combination of sources,
4780 excluding any funds contributed by the state or any agency or
4781 other political subdivision thereof, or by any local government or
4782 any agency or other political subdivision thereof, to the extent
4783 such expenditures can be capitalized under applicable accounting
4784 rules or otherwise by the Internal Revenue Code, whether or not
4785 the qualified business or industry elects to capitalize the same,
4786 as reflected in its financial statements, including, but not
4787 limited to, all costs associated with the acquisition,
4788 installation and/or construction of, or capital leasehold interest
4789 in, any buildings and other real property improvements, fixtures,
4790 equipment, machinery, landscaping, fire protection, depreciable
4791 fixed assets, engineering and design costs.

4792 (z) "Reporting year" means the twelve-month period
4793 ending on the last day of the month during which the annual
4794 anniversary of a project certification date occurs, and for which
4795 an annual report must be filed with the authority by a qualified
4796 business or industry in accordance with Section 57-114-13.

4797 (aa) "State" means the State of Mississippi.

4798 (bb) "State tax" means:



4799 (i) Any sales and use tax imposed on, and payable
4800 directly to the Department of Revenue by, the qualified business
4801 or industry in accordance with state law, except for contractor's
4802 tax and the taxes levied by Section 27-65-24(1) (b);

4803 (ii) All income tax imposed pursuant to law on
4804 income earned by the qualified business or industry pursuant to
4805 state law;

4806 (iii) Franchise tax imposed pursuant to state law
4807 on the value of capital used, invested or employed by the business
4808 enterprise certified by the Mississippi Development Authority; and

4809 (iv) Withholding tax required to be deducted and
4810 withheld from employee wages pursuant to Section 27-7-301 et seq.

4811 **SECTION 48.** Section 57-114-7, Mississippi Code of 1972, is
4812 brought forward as follows:

4813 57-114-7. (1) The authority shall evaluate an application
4814 to determine whether the applicant's proposed project is a
4815 qualified economic development project and whether it is therefore
4816 eligible for an award by the authority of an mFlex tax incentive,
4817 as calculated in accordance with Section 57-114-9.

4818 (2) Upon approval of an applicant's application, the
4819 authority shall issue a certification (a) designating the
4820 applicant's project as a "qualified economic development project"
4821 and eligible for the mFlex tax incentive authorized by this
4822 chapter; (b) awarding the initial mFlex tax incentive calculated
4823 pursuant to Section 57-114-9; and (c) imposing those mandatory



4824 conditions pursuant to subsection (4) of this section and any
4825 discretionary conditions otherwise imposed by the authority.

4826 (3) Upon the issuance of the certification and execution of
4827 the mFlex agreement by a qualified business or industry and the
4828 authority, the qualified business or industry may apply the amount
4829 of its mFlex tax incentive as a credit to offset (a) any state
4830 taxes (except for withholding tax required to be deducted and
4831 withheld from employee wages pursuant to Section 27-7-301 et
4832 seq.), as incurred thereby, up to the full amount of the mFlex tax
4833 incentive awarded by the authority for the associated qualified
4834 economic development project, and (b) only up to twenty percent
4835 (20%) of the mFlex tax incentive amount may be applied as a credit
4836 during the course of any reporting year to offset withholding tax
4837 deducted and withheld from employee wages pursuant to Section
4838 27-7-301 et seq.; provided that the amount of the mFlex tax
4839 incentive available to be applied as a credit to offset such state
4840 taxes shall be subject to any subsequent adjustments made by the
4841 authority to such award pursuant to Section 57-114-13, and any
4842 performance requirements set out in the mFlex agreement. The
4843 amount of the mFlex tax incentive available to be applied as a
4844 credit to offset any state taxes described in Section
4845 57-114-3(bb) (i) shall be limited to those such taxes payable
4846 directly by the qualified business or industry to the Department
4847 of Revenue pursuant to a direct pay permit issued by the
4848 Department of Revenue under Section 27-65-93. The amount of the



4849 mFlex tax incentive available to be applied as a credit to offset
4850 any state taxes may not be applied as a credit to offset any state
4851 taxes incurred prior to the issuance of the certification by the
4852 authority and execution of the mFlex agreement by the qualified
4853 business or industry and the authority.

4854 (4) The following conditions shall apply to each such
4855 certification made, and each mFlex tax incentive awarded, by the
4856 authority in accordance with this chapter:

4857 (a) Any certification and mFlex tax incentive award
4858 issued by the authority under this chapter is nontransferable and
4859 cannot be applied, used or assigned to any other person or
4860 business or tax account without prior approval by the authority,
4861 except for one or more affiliates of the qualified business or
4862 industry disclosed thereby on its application or in a subsequent
4863 annual report submitted to the authority in accordance with this
4864 chapter;

4865 (b) No qualified business or industry may claim or use
4866 the mFlex tax incentive awarded thereto under this chapter unless
4867 the qualified business or industry is in full compliance with all
4868 state and local tax laws, and related ordinances, permits and
4869 other applicable governmental approvals; and

4870 (c) Each qualified business or industry must enter into
4871 an mFlex agreement with the authority which sets out, at a
4872 minimum, (i) the obligation of the business or industry to provide
4873 an annual report to the authority pursuant to Section 57-114-13



4874 that demonstrates the actual amount of its qualified investment,
4875 including actual expenditures on manufacturing machinery,
4876 nonmanufacturing equipment and component building materials, the
4877 number of new full-time jobs created and maintained as a result of
4878 the project, and any other relevant information as may be required
4879 by the authority; and (ii) terms for readjustment or recapture of
4880 all or a portion of the mFlex tax incentive awarded thereto
4881 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy
4882 the minimum job creation requirement if certification of the
4883 project is predicated on satisfaction of the minimum job creation
4884 requirement and not the minimum qualified investment, or 2. fails
4885 to satisfy the minimum qualified investment if certification of
4886 the project is predicated on satisfaction of the minimum job
4887 creation requirement and not the minimum qualified investment,
4888 and/or 3. fails to otherwise satisfy any other additional
4889 performance requirements of the qualified business or industry or
4890 its qualified economic development project that are imposed by the
4891 authority.

4892 (5) In addition to those mandatory conditions prescribed by
4893 this chapter that apply to each certification and award of an
4894 mFlex tax incentive made by the authority in accordance herewith,
4895 the authority is authorized to impose any other conditions upon
4896 any certification and award of an mFlex tax incentive made by the
4897 authority as it shall find best promotes economic development in
4898 the state.



4899 (6) Upon certifying a qualified business or industry as
4900 eligible for, and awarding, an mFlex tax incentive under this
4901 chapter, the authority shall forward the certification along with
4902 any other necessary information to the Department of Revenue so
4903 that the mFlex tax incentive awarded to the qualified business or
4904 industry can be recorded by the Department of Revenue and used to
4905 verify each state tax credit subsequently applied by the qualified
4906 business or industry.

4907 (7) Within thirty (30) days following the end of each
4908 calendar quarter, the authority shall provide to the Governor,
4909 Lieutenant Governor and the Speaker of the House of
4910 Representatives a copy of each certification made, together with a
4911 copy of each mFlex agreement approved and executed, during the
4912 immediately preceding calendar quarter.

4913 **SECTION 49.** Section 57-114-9, Mississippi Code of 1972, is
4914 brought forward as follows:

4915 57-114-9. **Calculation and application of an mFlex tax**
4916 **incentive award.** The total amount of the initial mFlex tax
4917 incentive determined and awarded by the authority to the certified
4918 applicant shall be calculated by the authority as follows:

4919 (a) Subject to paragraph (f) below, one and one-half
4920 percent (1.5%) of the total purchase or sales price, or value,
4921 including any installation costs thereof, as applicable, of all
4922 manufacturing or processing machinery acquired, leased or
4923 otherwise moved into the state following the project certification



4924 date to establish and equip the qualified economic development
4925 project; plus

4926 (b) Subject to paragraph (f) below, seven percent (7%)
4927 of the total purchase or sales price, or value, including any
4928 installation costs thereof, as applicable, of all nonmanufacturing
4929 equipment, other than tagged over-the-road vehicles, acquired,
4930 leased or otherwise moved into the state following the project
4931 certification date to establish and equip the qualified economic
4932 development project; plus

4933 (c) Subject to paragraph (f) below, two percent (2%) of
4934 the total contract price or compensation paid to any contractor
4935 pursuant to any construction contract entered into following the
4936 project certification date by the qualified business or industry
4937 or any affiliate thereof, to construct, build, erect, repair or
4938 add to any building, facility, structure or other improvement to
4939 real property described in Section 27-65-21(1)(a)(i) to establish
4940 and construct the qualified economic development project; plus, if
4941 applicable;

4942 (d) To the extent that the average employer wage is
4943 equal to or more than seventy-five percent (75%) of the average
4944 state or county wage, then an additional fifteen percent (15%) of
4945 the product derived by multiplying the average employer wage by
4946 the number of new full-time jobs; plus, if applicable;

4947 (e) (i) To the extent that 1. the qualified economic
4948 development project is an enterprise enumerated in Section



4949 57-114-3(x) (i) or (x) (ii); 2. the number of new full-time jobs
4950 totals fifty (50) or more; 3. the qualified investment totals Ten
4951 Million Dollars (\$10,000,000) or more; 4. the average employer
4952 wage is equal to or more than one hundred ten percent (110%) of
4953 the average state or county wage; and 5. all full-time employees
4954 are eligible for and offered health insurance coverage funded in
4955 whole or at least fifty percent (50%) by the qualified business or
4956 industry (or by a leasing company with respect to leased
4957 employees), then an additional thirty percent (30%) of the product
4958 derived by multiplying the average employer wage by the number of
4959 new full-time jobs; or

4960 (ii) To the extent that subparagraph (i) of this
4961 paragraph (e) does not apply, but 1. the number of new full-time
4962 jobs totals twenty-five (25) or more; 2. the average employer wage
4963 is equal to or more than one hundred twenty-five percent (125%) of
4964 the average state or county wage; and 3. 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; provided, however, that the initial mFlex tax
4971 incentive award amount determined by the authority and awarded on
4972 the project certification date shall be based upon estimates
4973 provided by the qualified business or industry to the authority



4974 with respect to paragraphs (a) through (d) of this section, which
4975 estimates shall be memorialized as project performance measures
4976 agreed to by the qualified business or industry in the mFlex
4977 agreement; provided, further, that such initial award amount shall
4978 be subject to any subsequent adjustments made by the authority
4979 pursuant to Section 57-114-13;

4980 (f) To the extent that all or any portion of the
4981 purchases to establish a qualified economic development project
4982 which are financed by proceeds from bonds issued pursuant to
4983 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex
4984 tax incentive determined in accordance with this section shall
4985 exclude the amount calculated in accordance with paragraphs (a),
4986 (b) and (c) above; provided that, this paragraph (f) shall not
4987 apply in determining the mFlex tax incentive for a qualified
4988 economic development project to the extent that (i) the qualified
4989 economic development project is an expansion of an existing
4990 project, (ii) all or any portion of the purchases to establish the
4991 existing project were financed by proceeds from bonds issued
4992 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et
4993 seq., and (iii) no purchases to establish the expansion
4994 constituting a qualified economic development project are financed
4995 by proceeds from bonds issued pursuant to Section 57-10-201 et
4996 seq. or Section 57-10-401 et seq.

4997 **SECTION 50.** Section 57-115-3, Mississippi Code of 1972, is
4998 brought forward as follows:



4999 57-115-3. As used in this chapter, the following terms and
5000 phrases shall have the meanings ascribed in this section unless
5001 the context clearly indicates otherwise:

5002 (a) "Affiliate" means:

5003 (i) Any person who, directly or indirectly,
5004 beneficially owns, controls, or holds power to vote fifteen
5005 percent (15%) or more of the outstanding voting securities or
5006 other voting ownership interest of a Mississippi small business
5007 investment company or insurance company; and

5008 (ii) Any person, fifteen percent (15%) or more of
5009 whose outstanding voting securities or other voting ownership
5010 interests are directly or indirectly beneficially owned,
5011 controlled, or held, with power to vote by a Mississippi small
5012 business investment company or insurance company. Notwithstanding
5013 this paragraph (a), an investment by a participating investor in a
5014 Mississippi small business investment company pursuant to an
5015 allocation of tax credits under this chapter does not cause that
5016 Mississippi small business investment company to become an
5017 affiliate of that participating investor.

5018 (b) "Allocation date" means the date on which credits
5019 are allocated to the participating investors of a Mississippi
5020 small business investment company under this chapter.

5021 (c) "MDA" means the Mississippi Development Authority.

5022 (d) "Department" means the Mississippi Department of
5023 Banking and Consumer Finance.



5024 (e) "Designated capital" means an amount of money that:
5025 (i) Is invested by a participating investor in a
5026 Mississippi small business investment company; and
5027 (ii) Fully funds the purchase price of a
5028 participating investor's equity interest in a Mississippi small
5029 business investment company or a qualified debt instrument issued
5030 by a Mississippi small business investment company, or both.

5031 (f) "Mississippi small business investment company"
5032 means a partnership, corporation, trust, or limited liability
5033 company, organized on a for-profit basis, that:
5034 (i) Has its principal office located in
5035 Mississippi or is headquartered in Mississippi;
5036 (ii) Has as its primary business activity the
5037 investment of cash in qualified businesses; and
5038 (iii) Is certified by the MDA as meeting the
5039 criteria described in this section to qualify as either a primary
5040 or secondary Mississippi small business investment company.

5041 (g) "Participating investor" means any insurer that
5042 contributes designated capital pursuant to this chapter.

5043 (h) "Person" means any natural person or entity,
5044 including, but not limited to, a corporation, general or limited
5045 partnership, trust, or limited liability company.

5046 (i) "Qualified business" means a business that is
5047 independently owned and operated and meets all of the following
5048 requirements:



5049 (i) It is headquartered in Mississippi, its
5050 principal business operations are located in Mississippi and at
5051 least eighty percent (80%) of its employees are located in
5052 Mississippi;

5053 (ii) It has not more than one hundred (100)
5054 employees at the time of the first qualified investment in the
5055 business;

5056 (iii) It is not more than ten percent (10%)
5057 engaged in:

5058 1. Professional services provided by
5059 accountants, doctors, or lawyers;

5060 2. Banking or lending;

5061 3. Real estate development;

5062 4. Retail;

5063 5. Insurance; or

5064 6. Making loans to or investments in a
5065 Mississippi small business investment company or an affiliate; and

5066 (iv) It is not a franchise of and has no financial
5067 relationship with a Mississippi small business investment company
5068 or any affiliate of a Mississippi small business investment
5069 company prior to a Mississippi small business investment company's
5070 first qualified investment in the business.

5071 A business classified as a qualified business at the time of
5072 the first qualified investment in the business will remain
5073 classified as a qualified business and may receive continuing



5074 qualified investments from any Mississippi small business
5075 investment company. Continuing investments will constitute
5076 qualified investments even though the business may not meet the
5077 definition of a qualified business at the time of such continuing
5078 investments; however, the business cannot fail to satisfy
5079 subparagraph (iii) and (iv) of this paragraph (i).

5080 (j) "Qualified debt instrument" means a debt instrument
5081 issued by a Mississippi small business investment company that
5082 meets all of the following criteria:

5083 (i) It is issued at par value or a premium;

5084 (ii) It has an original maturity date of at least
5085 four (4) years from the date of issuance and a repayment schedule
5086 that is not faster than a level principal amortization over four
5087 (4) years; and

5088 (iii) Has no interest or payment features that
5089 allow for the prepayment of interest or are tied to the
5090 profitability of the Mississippi small business investment company
5091 or the success of its investments.

5092 (k) "Qualified distribution" means any distribution or
5093 payment by a Mississippi small business investment company in
5094 connection with the following:

5095 (i) Reasonable costs and expenses of forming,
5096 syndicating and organizing the Mississippi small business
5097 investment company, including fees paid for professional services
5098 and the costs of financing and insuring the obligations of a



5099 Mississippi small business investment company, provided no such
5100 payment is made to more than one (1) participating investor or an
5101 affiliate or related party of a participating investor;

5102 (ii) An annual management fee not to exceed two
5103 percent (2%) of designated capital on an annual basis to offset
5104 the costs and expenses of managing and operating a Mississippi
5105 small business investment company;

5106 (iii) Any projected increase in federal or state
5107 taxes, including penalties and interest related to state and
5108 federal income taxes, or to the equity owners of the company
5109 resulting from the earnings or other tax liability of the company
5110 to the extent that the increase is related to the ownership,
5111 management, or operation of the company;

5112 (iv) Reasonable and necessary fees in accordance
5113 with industry custom for ongoing professional services, including,
5114 but not limited to, legal and accounting services related to the
5115 operation of a Mississippi small business investment company, not
5116 including lobbying or governmental relations; and

5117 (v) Payments of principal and interest to holders
5118 of qualified debt instruments issued by a Mississippi small
5119 business investment company which may be made without restriction.

5120 (1) "Qualified investment" means the investment of
5121 money by a Mississippi small business investment company in a
5122 qualified business for the purchase of any debt, debt
5123 participation, equity, or hybrid security of any nature and



5124 description, including a debt instrument or security that has the
5125 characteristics of debt but which provides for conversion into
5126 equity or equity participation instruments such as options or
5127 warrants; provided that any debt, debt participation or other debt
5128 instrument or security shall have a maturity of at least three (3)
5129 years. Any repayment of a qualified investment prior to one (1)
5130 year from the date of issuance shall result in the amount of the
5131 qualified investment being reduced by fifty percent (50%) for
5132 purposes of the cumulative investment requirement set forth in
5133 Section 57-115-9(1)(c).

5134 (m) "State premium tax liability" means any liability
5135 incurred by an insurance company under the provisions of Section
5136 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a
5137 reduction by the state of the liability imposed by Section
5138 27-15-103, 27-15-109 or 27-15-123.

5139 **SECTION 51.** Section 57-115-5, Mississippi Code of 1972, is
5140 brought forward as follows:

5141 57-115-5. (1) (a) The MDA must provide a standardized
5142 format for applying for the Mississippi small business investment
5143 credit authorized under this chapter, and for certification as a
5144 Mississippi small business investment company.

5145 (b) An applicant for certification as a primary
5146 Mississippi small business investment company must:

5147 (i) File an application with the MDA which shall
5148 include a business plan detailing:



5149 1. The approximate percentage of designated
5150 capital the applicant will invest in qualified businesses by the
5151 second, fourth and sixth anniversaries of its allocation date;

5152 2. The industry segments listed by the North
5153 American Industrial Classification System code and percentage of
5154 designated capital in which the applicant will invest; and

5155 3. The number of jobs that will be created or
5156 retained as a result of the applicant's investments once all
5157 designated capital has been invested. A job shall be considered
5158 created or retained if the job pays one hundred twenty-five
5159 percent (125%) of the state average annual wage and is maintained
5160 for at least three (3) years. The application shall project, at a
5161 minimum, that one (1) job shall be created or maintained for each
5162 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5163 awarded to the participating investors of the Mississippi small
5164 business investment company;

5165 (ii) Pay a nonrefundable application fee of Seven
5166 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing
5167 the application;

5168 (iii) Submit as part of its application an audited
5169 balance sheet that contains an unqualified opinion of an
5170 independent certified public accountant issued not more than
5171 thirty-five (35) days before the application date that states that
5172 the applicant has an equity capitalization of Five Hundred



5173 Thousand Dollars (\$500,000.00) or more in the form of unencumbered
5174 cash, marketable securities or other liquid assets; and

5175 (iv) Have at least two (2) principals or persons,
5176 at least one (1) of which is primarily located in Mississippi,
5177 employed or engaged to manage the funds who each have a minimum of
5178 five (5) years of money management experience in the venture
5179 capital or private equity or lending industry.

5180 (c) An applicant for certification as a secondary
5181 Mississippi small business investment company must:

5182 (i) File an application with the MDA which shall
5183 include a business plan detailing:

5184 1. The approximate percentage of designated
5185 capital the applicant will invest in qualified businesses by the
5186 second, fourth and sixth anniversaries of its allocation date;

5187 2. The industry segments listed by the North
5188 American Industrial Classification System code and percentage of
5189 designated capital in which the applicant will invest; and

5190 3. The number of jobs that will be created or
5191 retained as a result of the applicant's investments once all
5192 designated capital has been invested. A job shall be considered
5193 created or retained if the job pays one hundred twenty-five
5194 percent (125%) of the state average annual wage and is maintained
5195 for at least three (3) years. The application shall project, at a
5196 minimum, that one (1) job shall be created or maintained for each
5197 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits



5198 awarded to the participating investors of the Mississippi small
5199 business investment company;

5200 (ii) Pay a nonrefundable application fee of Three
5201 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of
5202 filing the application;

5203 (iii) Submit as part of its application an audited
5204 balance sheet that contains an unqualified opinion of an
5205 independent certified public accountant issued not more than
5206 thirty-five (35) days before the application date that states that
5207 the applicant has an equity capitalization of One Hundred Fifty
5208 Thousand Dollars (\$150,000.00) or more in the form of unencumbered
5209 cash, marketable securities or other liquid assets;

5210 (iv) Demonstrate that fifty percent (50%) of all
5211 secondary investment company investments have been in Mississippi,
5212 and all of the applicant's employees have lived in Mississippi for
5213 at least two (2) years prior to the application being filed, and
5214 that those who are employed or engaged to manage the funds have a
5215 minimum of three (3) years of money management experience in the
5216 venture capital or private equity or lending industry; and

5217 (v) Submit as part of its application a signed and
5218 notarized partnership agreement letter with a certified primary
5219 Mississippi small business investment company.

5220 (d) (i) Any participating partner or individual in a
5221 certified secondary small business investment company that
5222 successfully participated in the initial authorization and



5223 allocation of credits in 2012, and which is a partner in a
5224 submitted application for credits allocated in subsection (4) (b)
5225 of this section, while partnered with the same primary small
5226 business investment company from the previous 2012 allocation,
5227 shall have the requirements in paragraph (c) (iii) and (iv) of this
5228 subsection waived as having been completed through the previous
5229 allocation.

5230 (ii) Any participating partner or individual in a
5231 certified secondary small business investment company that
5232 successfully participated in the authorization and allocation of
5233 credits in 2018, and which is a partner in a submitted application
5234 for credits allocated in subsection (4) (c) of this section, while
5235 partnered with the same primary small business investment company
5236 from the previous 2018 allocation, shall have the requirements in
5237 paragraph (c) (iii) and (iv) of this subsection waived as having
5238 been completed through the previous allocation.

5239 (e) The MDA may certify partnerships, corporations,
5240 trusts, or limited liability companies, organized on a for-profit
5241 basis, which submit an application to be designated as a
5242 Mississippi small business investment company if the applicant is
5243 located, headquartered, and licensed or registered to conduct
5244 business in Mississippi, has as its primary business activity the
5245 investment of cash in qualified businesses, and meets all of the
5246 criteria of this section.

5247 (f) The MDA must:



5248 (i) Review the organizational documents of each
5249 applicant for certification and the business history of each
5250 applicant;

5251 (ii) Determine whether the applicant has satisfied
5252 all of the requirements of this section; and

5253 (iii) Determine whether the officers and the board
5254 of directors, general partners, trustees, managers or members are
5255 trustworthy and are thoroughly acquainted with the requirements of
5256 this chapter.

5257 (g) Within forty-five (45) days after the receipt of an
5258 application, the MDA may issue the certification or refuse the
5259 certification and may communicate in detail to the applicant the
5260 grounds for refusal, including suggestions for the removal of the
5261 grounds.

5262 (h) The MDA must begin accepting applications to become
5263 a Mississippi small business investment company not later than
5264 August 1, 2012, for credits allocated in subsection (4)(a) of this
5265 section, not later than August 1, 2018, for credits allocated in
5266 subsection (4)(b) of this section, and not later than August 1,
5267 2023, for credits allocated in subsection (4)(c) of this section.

5268 (i) Certification by the MDA and operation of a primary
5269 Mississippi small business investment company is not subject to
5270 completion of any relationship or agreement with a secondary
5271 Mississippi small business investment company, and it is not the
5272 intent of this chapter to compel any such agreement.



5273 (2) (a) An insurance company or affiliate of an insurance
5274 company must not, directly or indirectly:

5275 (i) Beneficially own, whether through rights,
5276 options, convertible interest, or otherwise, fifteen percent (15%)
5277 or more of the voting securities or other voting ownership
5278 interest of a Mississippi small business investment company;

5279 (ii) Manage a Mississippi small business
5280 investment company; or

5281 (iii) Control the direction of investments for a
5282 Mississippi small business investment company.

5283 (b) A Mississippi small business investment company may
5284 obtain one or more guaranties, indemnities, bonds, insurance
5285 policies, or other payment undertakings for the benefit of its
5286 participating investors from any entity, except that in no case
5287 can more than one (1) participating investor of a Mississippi
5288 small business investment company on an aggregate basis with all
5289 affiliates of the participating investor, be entitled to provide
5290 guaranties, indemnities, bonds, insurance policies, or other
5291 payment undertakings in favor of the participating investors of a
5292 Mississippi small business investment company and its affiliates
5293 in this state.

5294 (c) This subsection (2) does not preclude a
5295 participating investor, insurance company or other party from
5296 exercising its legal rights and remedies, including, without
5297 limitation, interim management of a Mississippi small business



5298 investment company, in the event that a Mississippi small business
5299 investment company is in default of its statutory obligations or
5300 its contractual obligations to a participating investor, insurance
5301 company, or other party, or from monitoring a Mississippi small
5302 business investment company to ensure its compliance with this
5303 chapter or disallowing any investments that have not been approved
5304 by the MDA.

5305 (d) The MDA may contract with an independent third
5306 party to review, investigate, and certify that the applications
5307 comply with the provisions of this chapter.

5308 (3) (a) At the time of its investment of designated capital
5309 a participating investor shall earn a vested credit against the
5310 participating investor's state premium tax liability in an amount
5311 equal to one hundred percent (100%) of the participating
5312 investor's investment of designated capital in a Mississippi small
5313 business investment company, subject to the limits imposed by this
5314 section.

5315 (b) From and after January 1, 2015, a participating
5316 investor may claim the credit allocated in subsection (4)(a) of
5317 this section as follows: For each taxable year from 2015 through
5318 2019, an amount equal to twenty percent (20%) of the participating
5319 investor's investment of designated capital.

5320 (c) From and after January 1, 2021, a participating
5321 investor may claim the credit allocated in subsection (4)(b) of
5322 this section as follows:



5323 (i) For each taxable year from 2021 through 2025,
5324 an amount equal to sixteen and sixty-six one-hundredths percent
5325 (16.66%) of the participating investor's investment of designated
5326 capital; and

5327 (ii) For the 2026 taxable year, an amount equal to
5328 sixteen and seven-tenths percent (16.7%) of the participating
5329 investor's investment of designated capital.

5330 (d) From and after January 1, 2027, a participating
5331 investor may claim the credit allocated in subsection (4)(c) of
5332 this section as follows:

5333 (i) For each taxable year from 2027 through 2031,
5334 an amount equal to sixteen and sixty-six one-hundredths percent
5335 (16.66%) of the participating investor's investment of designated
5336 capital; and

5337 (ii) For the 2032 taxable year, an amount equal to
5338 sixteen and seven-tenths percent (16.7%) of the participating
5339 investor's investment of designated capital.

5340 (e) The credit for any taxable year cannot exceed the
5341 state premium tax liability of the participating investor for the
5342 taxable year. If the amount of the credit exceeds the state
5343 premium tax liability of the participating investor for the
5344 taxable year, the excess is an investment tax credit carryover for
5345 five (5) years from the date the credit is first able to be
5346 utilized in accordance with paragraph (a) of this subsection (3).



5347 (f) Notwithstanding any provision of this chapter to
5348 the contrary, the granting of any credits against the insurance
5349 premium tax shall not affect the insurance premium tax receipts
5350 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,
5351 45-11-5 and 21-29-233, which shall take priority over all other
5352 distributions of premium tax receipts and shall be calculated
5353 based upon gross insurance premium tax liability before the
5354 application of the tax credits.

5355 (g) A participating investor claiming a credit under
5356 this chapter is not required to pay any additional retaliatory tax
5357 under Section 27-15-123 levied as a result of claiming the credit.

5358 (h) A participating investor is not required to reduce
5359 the amount of tax pursuant to the state premium tax liability
5360 included by the participating investor in connection with
5361 ratemaking for any insurance contract written in this state
5362 because of a reduction in the participating investor's tax
5363 liability based on the tax credit allowed under this chapter.

5364 (i) If the taxes paid by a participating investor with
5365 respect to its state premium tax liability constitute a credit
5366 against any other tax that is imposed by this state, the
5367 participating investor's credit against the other tax shall not be
5368 reduced by virtue of the reduction in the participating investor's
5369 tax liability based on the tax credit allowed under this chapter.

5370 (j) Final decertification of a Mississippi small
5371 business investment company under this chapter prior to such



5372 Mississippi small business investment company meeting the
5373 requirements of Section 57-115-7(1)(a)(ii), shall result in the
5374 disallowance and the recapture of all of the credits allocated to
5375 its participating investors under this chapter. Once a
5376 Mississippi small business investment company has satisfied the
5377 requirements of Section 57-115-7(1)(a)(ii), any subsequent
5378 decertification shall not cause the disallowance or recapture of
5379 any credits allocated to its participating investors under this
5380 chapter.

5381 (k) The credits allowed under this chapter are not
5382 transferable; however, a participating investor may transfer
5383 credits to an affiliated insurance company provided it gives prior
5384 written notice of such transfer to the MDA and the Department of
5385 Revenue.

5386 (4) (a) (i) Through January 1, 2018, the aggregate amount
5387 of investment tax credits that may be allocated to all
5388 participating investors of Mississippi small business investment
5389 companies under this section shall not exceed Fifty Million
5390 Dollars (\$50,000,000.00), and no Mississippi small business
5391 investment company, on an aggregate basis with its affiliates, may
5392 file credit allocation claims that exceed Fifty Million Dollars
5393 (\$50,000,000.00).

5394 (ii) The Fifty Million Dollars (\$50,000,000.00)
5395 aggregate amount of investment tax credits allocated in this
5396 paragraph (a) shall be divided into a primary tax credit pool



5397 which may be applied for by certified primary Mississippi small
5398 business investment companies and a secondary tax credit pool
5399 which may be applied for by certified secondary Mississippi small
5400 business investment companies. The secondary tax credit pool
5401 shall be Three Million Five Hundred Thousand Dollars
5402 (\$3,500,000.00) of the total Fifty Million Dollars
5403 (\$50,000,000.00) aggregate amount of investment tax credits.
5404 Secondary Mississippi small business investment companies may not
5405 apply for more than One Million Seven Hundred Fifty Thousand
5406 Dollars (\$1,750,000.00) worth of credits on a single application.
5407 A certified secondary Mississippi small business investment
5408 company may apply for additional tax credit allocation from the
5409 secondary tax credit pool, if the credits are available, after
5410 fifty percent (50%) of its previously allocated credits are used
5411 in qualified investments.

5412 (iii) If there are any tax credits remaining
5413 available for allocation in the secondary tax credit pool on
5414 August 1, 2013, those available tax credits shall revert to the
5415 primary tax credit pool and be made available to primary
5416 Mississippi small business investment companies according to rules
5417 and regulations promulgated by the MDA. Prior to August 1, 2013,
5418 primary Mississippi small business investment companies, including
5419 any wholly owned subsidiary company, shall be prohibited from
5420 making application to the MDA to be additionally certified as a
5421 secondary Mississippi small business investment company for



5422 purposes of the tax credits allocated in this paragraph (a) and
5423 prohibited from applying for any tax credit allocation from the
5424 secondary tax credit pool. A certified primary Mississippi small
5425 business investment company may have ownership equity in a
5426 certified secondary Mississippi small business investment company,
5427 but the equity interest owned by the certified primary Mississippi
5428 small business investment company shall not exceed forty percent
5429 (40%).

5430 (b) (i) From and after July 1, 2018, through January
5431 1, 2023, an additional aggregate amount of investment tax credits
5432 may be allocated to all participating investors of Mississippi
5433 small business investment companies under this section. The
5434 amount so allocated shall not exceed Forty-five Million Dollars
5435 (\$45,000,000.00), and no Mississippi small business investment
5436 company, on an aggregate basis with its affiliates, may file
5437 credit allocation claims on the additional aggregate amount of tax
5438 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5439 (ii) The Forty-five Million Dollars
5440 (\$45,000,000.00) aggregate amount of investment tax credits
5441 allocated in this paragraph (b) shall be divided into a primary
5442 tax credit pool which may be applied for by certified primary
5443 Mississippi small business investment companies and a secondary
5444 tax credit pool which may be applied for by certified secondary
5445 Mississippi small business investment companies. The secondary
5446 tax credit pool shall be Three Million Five Hundred Thousand



5447 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5448 (\$45,000,000.00) aggregate amount of investment tax credits.
5449 Secondary Mississippi small business investment companies may not
5450 apply for more than One Million Seven Hundred Fifty Thousand
5451 Dollars (\$1,750,000.00) worth of credits on a single application.
5452 A certified secondary Mississippi small business investment
5453 company may apply for additional tax credit allocation from the
5454 secondary tax credit pool, if the credits are available, after
5455 fifty percent (50%) of its previously allocated credits are used
5456 in qualified investments.

5457 (iii) If there are any tax credits remaining
5458 available for allocation in the secondary tax credit pool on
5459 August 1, 2019, those available tax credits shall revert to the
5460 primary tax credit pool and be made available to primary
5461 Mississippi small business investment companies according to rules
5462 and regulations promulgated by the MDA. Prior to August 1, 2022,
5463 primary Mississippi small business investment companies, including
5464 any wholly owned subsidiary company, shall be prohibited from
5465 making application to the MDA to be additionally certified as a
5466 secondary Mississippi small business investment company for
5467 purposes of the tax credits allocated in this paragraph (b) and
5468 prohibited from applying for any tax credit allocation from the
5469 secondary tax credit pool. A certified primary Mississippi small
5470 business investment company may have ownership equity in a
5471 certified secondary Mississippi small business investment company,



5472 but the equity interest owned by the certified primary Mississippi
5473 small business investment company shall not exceed forty percent
5474 (40%).

5475 (c) (i) From and after July 1, 2023, an additional
5476 aggregate amount of investment tax credits may be allocated to all
5477 participating investors of Mississippi small business investment
5478 companies under this section. The amount so allocated shall not
5479 exceed Forty-five Million Dollars (\$45,000,000.00), and no
5480 Mississippi small business investment company, on an aggregate
5481 basis with its affiliates, may file credit allocation claims on
5482 the additional aggregate amount of tax credits that exceed
5483 Forty-five Million Dollars (\$45,000,000.00).

5484 (ii) The Forty-five Million Dollars
5485 (\$45,000,000.00) aggregate amount of investment tax credits
5486 allocated in this paragraph (c) shall be divided into a primary
5487 tax credit pool which may be applied for by certified primary
5488 Mississippi small business investment companies and a secondary
5489 tax credit pool which may be applied for by certified secondary
5490 Mississippi small business investment companies. The secondary
5491 tax credit pool shall be Three Million Five Hundred Thousand
5492 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5493 (\$45,000,000.00) aggregate amount of investment tax credits.
5494 Secondary Mississippi small business investment companies may not
5495 apply for more than One Million Seven Hundred Fifty Thousand
5496 Dollars (\$1,750,000.00) worth of credits on a single application.



5497 A certified secondary Mississippi small business investment
5498 company may apply for additional tax credit allocation from the
5499 secondary tax credit pool, if the credits are available, after
5500 fifty percent (50%) of its previously allocated credits are used
5501 in qualified investments.

5502 (iii) If there are any tax credits remaining
5503 available for allocation in the secondary tax credit pool on
5504 August 1, 2024, those available tax credits shall revert to the
5505 primary tax credit pool and be made available to primary
5506 Mississippi small business investment companies according to rules
5507 and regulations promulgated by the MDA. Prior to August 1, 2027,
5508 primary Mississippi small business investment companies, including
5509 any wholly owned subsidiary company, shall be prohibited from
5510 making application to the MDA to be additionally certified as a
5511 secondary Mississippi small business investment company for
5512 purposes of the tax credits allocated in this paragraph (c) and
5513 prohibited from applying for any tax credit allocation from the
5514 secondary tax credit pool. A certified primary Mississippi small
5515 business investment company may have ownership equity in a
5516 certified secondary Mississippi small business investment company,
5517 but the equity interest owned by the certified primary Mississippi
5518 small business investment company shall not exceed forty percent
5519 (40%).

5520 (d) Credits must be allocated to investors in the order
5521 that the credit allocation claims are filed with the MDA.



5522 (e) Any credit allocation claims filed with the MDA
5523 before the initial credit allocation claim filing date will be
5524 deemed to have been filed on the initial credit allocation claim
5525 filing date. The MDA will set the initial credit allocation claim
5526 filing date to be not less than one hundred twenty (120) days and
5527 not more than one hundred fifty (150) days after the date the MDA
5528 begins accepting applications for certification. Credit
5529 allocation claims filed on the same day with the MDA must be
5530 treated as having been filed contemporaneously.

5531 (f) If two (2) or more Mississippi small business
5532 investment companies file credit allocation claims with the MDA on
5533 behalf of their respective participating investors on the same day
5534 and the aggregate amount of credit allocation claims exceeds the
5535 aggregate limit of credits authorized under this subsection (4) or
5536 the lesser amount of credits that remain unallocated on that day,
5537 then the credits shall be allocated among the participating
5538 investors who filed on that day on a pro rata basis with respect
5539 to the amounts claimed. The pro rata allocation for any one (1)
5540 participating investor is the product obtained by multiplying a
5541 fraction, the numerator of which is the amount of the credit
5542 allocation claim filed on behalf of a participating investor and
5543 the denominator of which is the total of all credit allocation
5544 claims filed on behalf of all participating investors on that day,
5545 by the aggregate limit of credits authorized under this subsection



5546 (4) or the lesser amount of credits that remain unallocated on
5547 that day.

5548 (g) Within ten (10) business days after the MDA
5549 receives a credit allocation claim filed by a Mississippi small
5550 business investment company on behalf of one or more of its
5551 participating investors, the MDA may notify the Mississippi small
5552 business investment company of the amount of credits allocated to
5553 each of the participating investors of that Mississippi small
5554 business investment company. In the event a Mississippi small
5555 business investment company does not receive an investment of
5556 designated capital from each participating investor required to
5557 earn the amount of credits allocated to the participating investor
5558 within ten (10) business days of the Mississippi small business
5559 investment company's receipt of notice of allocation, then it
5560 shall notify the MDA on or before the next business day, and the
5561 credits allocated to the participating investor of the Mississippi
5562 small business investment company will be forfeited. The MDA may
5563 then reallocate those forfeited credits among the participating
5564 investors of the other Mississippi small business investment
5565 companies on a pro rata basis with respect to the credit
5566 allocation claims filed on behalf of the participating investors.
5567 The MDA may levy a fine of not more than Fifty Thousand Dollars
5568 (\$50,000.00) on any participating investor that does not invest
5569 the full amount of designated capital required to fund the credits



5570 allocated to it by the MDA in accordance with the credit
5571 allocation claim filed on its behalf.

5572 (h) No participating investor, on an aggregate basis
5573 with its affiliates, may file an allocation claim for more than
5574 twenty-five percent (25%) of the maximum amount of investment tax
5575 credits authorized under this subsection (4), regardless of
5576 whether the claim is made in connection with one or more
5577 Mississippi small business investment companies.

5578 **SECTION 52.** Section 1 of this act shall take effect and be
5579 in force from and after January 1, 2024, and the remainder of this
5580 act shall take effect and be in force from and after July 1, 2024.

