

By: Representative Lamar

To: Ways and Means

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 TAXPAYERS WHO APPLIED DURING THE  
10 MONTH OF JANUARY 2024, FOR TAX CREDITS FOR CALENDAR YEAR 2024, BUT  
11 WHO WERE UNABLE TO BE AWARDED CREDITS DUE TO THE LIMIT ON THE  
12 AGGREGATE AMOUNT OF CREDITS AUTHORIZED FOR CALENDAR YEAR 2024,  
13 SHALL BE GIVEN PRIORITY FOR SUCH ADDITIONAL TAX CREDITS; TO REVISE  
14 THE PERCENTAGE OF TAX CREDITS ALLOCATED DURING A CALENDAR YEAR FOR  
15 CONTRIBUTIONS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS THAT  
16 MAY BE ALLOCATED FOR CONTRIBUTIONS TO A SINGLE ORGANIZATION; TO  
17 BRING FORWARD SECTIONS 27-7-22, 27-7-22.3, 27-7-22.5, 27-7-22.7,  
18 27-7-22.13, 27-7-22.15, 27-7-22.16, 27-7-22.17, 27-7-22.18,  
19 27-7-22.19, 27-7-22.20, 27-7-22.21, 27-7-22.22, 27-7-22.23,  
20 27-7-22.25, 27-7-22.27, 27-7-22.28, 27-7-22.29, 27-7-22.30,  
21 27-7-22.31, 27-7-22.32, 27-7-22.33, 27-7-22.34, 27-7-22.35,  
22 27-7-22.36, 27-7-22.37, 27-7-22.39, 27-7-22.40, 27-7-22.42,  
23 27-7-22.43, 27-7-22.44, 27-7-22.45, 27-7-22.46, 27-7-22.47,  
24 27-7-22.48, 27-7-22.49, 27-7-205, 27-7-207, 27-7-209, 57-73-21,  
25 57-73-23, 57-87-5, 57-87-7, 57-105-1, 57-10-409, 57-114-3,  
26 57-114-7, 57-114-9, 57-115-3 AND 57-115-5, MISSISSIPPI CODE OF  
27 1972, WHICH AUTHORIZE VARIOUS TAX CREDITS, FOR THE PURPOSES OF  
28 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

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



32           27-7-22.41. (1) For the purposes of this section, the  
33 following words and phrases shall have the meanings ascribed in  
34 this section unless the context clearly indicates otherwise:

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

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

39           (i) Licensed by or under contract with the  
40 Mississippi Department of Child Protection Services and provides  
41 services for:

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

44                   2. The safety, care and well-being of  
45 children in custody with the Department of Child Protection  
46 Services, or

47                   3. The express purpose of creating permanency  
48 for children through adoption; or

49           (ii) Certified by the department as an educational  
50 services charitable organization that is accredited by a regional  
51 accrediting organization and provides services to:

52                   1. Children in a foster care placement  
53 program established by the Department of Child Protection  
54 Services, children placed under the Safe Families for Children  
55 model, or children at significant risk of entering a foster care



56 placement program established by the Department of Child  
57 Protection Services,

58                   2. Children who have a chronic illness or  
59 physical, intellectual, developmental or emotional disability, or

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

64           (2) (a) The tax credit authorized in this section shall be  
65 available only to a taxpayer who is a business enterprise engaged  
66 in commercial, industrial or professional activities and operating  
67 as a corporation, limited liability company, partnership or sole  
68 proprietorship. Except as otherwise provided in this section, a  
69 credit is allowed against the taxes imposed by Sections 27-7-5,  
70 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
71 contributions made by a taxpayer during the taxable year to an  
72 eligible charitable organization. From and after January 1, 2022,  
73 for a taxpayer that is not operating as a corporation, a credit is  
74 also allowed against ad valorem taxes assessed and levied on real  
75 property for voluntary cash contributions made by the taxpayer  
76 during the taxable year to an eligible charitable organization.  
77 The amount of credit that may be utilized by a taxpayer in a  
78 taxable year shall be limited to (i) an amount not to exceed fifty  
79 percent (50%) of the total tax liability of the taxpayer for the  
80 taxes imposed by such sections of law and (ii) an amount not to



81 exceed fifty percent (50%) of the total tax liability of the  
82 taxpayer for ad valorem taxes assessed and levied on real  
83 property. Any tax credit claimed under this section but not used  
84 in any taxable year may be carried forward for five (5)  
85 consecutive years from the close of the tax year in which the  
86 credits were earned.

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

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

94 (3) Taxpayers taking a credit authorized by this section  
95 shall provide the name of the eligible charitable organization and  
96 the amount of the contribution to the department on forms provided  
97 by the department.

98 (4) An eligible charitable organization shall provide the  
99 department with a written certification that it meets all criteria  
100 to be considered an eligible charitable organization. An eligible  
101 charitable organization must also provide the department with  
102 written documented proof of its license and/or written contract  
103 with the Mississippi Department of Child Protection Services. The  
104 organization shall also notify the department of any changes that  
105 may affect eligibility under this section.



106           (5) The eligible charitable organization's written  
107 certification must be signed by an officer of the organization  
108 under penalty of perjury. The written certification shall include  
109 the following:

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

112                   (b) A statement that the organization does not provide,  
113 pay for or provide coverage of abortions and does not financially  
114 support any other entity that provides, pays for or provides  
115 coverage of abortions;

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

119                   (d) Any other information that the department requires  
120 to administer this section.

121           (6) The department shall review each written certification  
122 and determine whether the organization meets all the criteria to  
123 be considered an eligible charitable organization and notify the  
124 organization of its determination. The department may also  
125 periodically request recertification from the organization. The  
126 department shall compile and make available to the public a list  
127 of eligible charitable organizations.

128           (7) Tax credits authorized by this section that are earned  
129 by a partnership, limited liability company, S corporation or  
130 other similar pass-through entity, shall be allocated among all



131 partners, members or shareholders, respectively, either in  
132 proportion to their ownership interest in such entity or as the  
133 partners, members or shareholders mutually agree as provided in an  
134 executed document.

135 (8) (a) A taxpayer shall apply for credits with the  
136 department on forms prescribed by the department. In the  
137 application the taxpayer shall certify to the department the  
138 dollar amount of the contributions made or to be made during the  
139 calendar year. Within thirty (30) days after the receipt of an  
140 application, the department shall allocate credits based on the  
141 dollar amount of contributions as certified in the application.  
142 However, if the department cannot allocate the full amount of  
143 credits certified in the application due to the limit on the  
144 aggregate amount of credits that may be awarded under this section  
145 in a calendar year, the department shall so notify the applicant  
146 within thirty (30) days with the amount of credits, if any, that  
147 may be allocated to the applicant in the calendar year. Once the  
148 department has allocated credits to a taxpayer, if the  
149 contribution for which a credit is allocated has not been made as  
150 of the date of the allocation, then the contribution must be made  
151 not later than sixty (60) days from the date of the allocation.  
152 If the contribution is not made within such time period, the  
153 allocation shall be cancelled and returned to the department for  
154 reallocation. Upon final documentation of the contributions, if  
155 the actual dollar amount of the contributions is lower than the



156 amount estimated, the department shall adjust the tax credit  
157 allowed under this section.

158 (b) (i) A taxpayer who applied for a tax credit under  
159 this section during calendar year 2020, but who was unable to be  
160 awarded the credit due to the limit on the aggregate amount of  
161 credits authorized for calendar year 2020, shall be given priority  
162 for tax credits authorized to be allocated to taxpayers under this  
163 section by Section 27-7-22.39.

164 (ii) A taxpayer who applied during the month of  
165 January 2024, for a tax credit under this section for calendar  
166 year 2024, but who was unable to be awarded the credit due to the  
167 limit on the aggregate amount of credits authorized for calendar  
168 year 2024, shall be given priority for the allocation and awarding  
169 of the additional tax credits authorized for calendar year 2024  
170 under subsection (9) of this section.

171 (c) For the purposes of using a tax credit against ad  
172 valorem taxes assessed and levied on real property, a taxpayer  
173 shall present to the appropriate tax collector the tax credit  
174 documentation provided to the taxpayer by the Department of  
175 Revenue, and the tax collector shall apply the tax credit against  
176 such ad valorem taxes. The tax collector shall forward the tax  
177 credit documentation to the Department of Revenue along with the  
178 amount of the tax credit applied against ad valorem taxes, and the  
179 department shall disburse funds to the tax collector for the  
180 amount of the tax credit applied against ad valorem taxes. Such



181 payments by the Department of Revenue shall be made from current  
182 tax collections.

183 (9) The aggregate amount of tax credits that may be  
184 allocated by the department under this section during a calendar  
185 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
186 not more than fifty percent (50%) of tax credits allocated during  
187 a calendar year may be allocated for contributions to eligible  
188 charitable organizations described in subsection (1)(b)(ii) of  
189 this section. However, for calendar year 2021, the aggregate  
190 amount of tax credits that may be allocated by the department  
191 under this section during a calendar year shall not exceed Ten  
192 Million Dollars (\$10,000,000.00), for calendar year 2022, the  
193 aggregate amount of tax credits that may be allocated by the  
194 department under this section during a calendar year shall not  
195 exceed Sixteen Million Dollars (\$16,000,000.00), \* \* \* for  
196 calendar year 2023, and for each calendar year thereafter through  
197 calendar year 2024, the aggregate amount of tax credits that may  
198 be allocated by the department under this section during a  
199 calendar year shall not exceed Eighteen Million Dollars  
200 (\$18,000,000.00), and for calendar year 2025, and for each  
201 calendar year thereafter, the aggregate amount of tax credits that  
202 may be allocated by the department under this section during a  
203 calendar year shall not exceed Forty-eight Million Dollars  
204 (\$48,000,000.00). However, for calendar year 2024, additional  
205 credits in the aggregate amount of Six Million Dollars





206 (\$6,000,000.00) may be allocated for contributions to eligible  
207 charitable organizations described in subsection (1)(b)(ii) of  
208 this section and awarded according to the provisions of subsection  
209 (8)(b)(ii) of this section. For calendar year 2021, and for each  
210 calendar year thereafter, fifty percent (50%) of the tax credits  
211 allocated during a calendar year shall be allocated for  
212 contributions to eligible charitable organizations described in  
213 subsection (1)(b)(i) of this section and fifty percent (50%) of  
214 the tax credits allocated during a calendar year shall be  
215 allocated for contributions to eligible charitable organizations  
216 described in subsection (1)(b)(ii) of this section. For calendar  
217 year 2021, and for each calendar year thereafter, for credits  
218 allocated during a calendar year for contributions to eligible  
219 charitable organizations described in subsection (1)(b)(i) of this  
220 section, no more than twenty-five percent (25%) of such credits  
221 may be allocated for contributions to a single eligible charitable  
222 organization. Except as otherwise provided in this section, for  
223 calendar year 2021, and for each calendar year thereafter through  
224 calendar year 2024, for credits allocated during a calendar year  
225 for contributions to eligible charitable organizations described  
226 in subsection (1)(b)(ii) of this section, no more than four and  
227 one-half percent (4-1/2%) of such credits may be allocated for  
228 contributions to a single eligible charitable organization. For  
229 calendar year 2025, and for each calendar year thereafter, for  
230 credits allocated during a calendar year for contributions to



231 eligible charitable organizations described in subsection  
232 (1)(b)(ii) of this section, no more than three percent (3%) of  
233 such credits may be allocated for contributions to a single  
234 eligible charitable organization.

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

237 27-7-22. (1) For any qualified business, as defined in  
238 Section 57-51-5, which is located in a county, or portion thereof,  
239 designated as an enterprise zone pursuant to Title 57, Chapter 51,  
240 Mississippi Code of 1972, there shall be allowed as a credit  
241 against the tax imposed by this chapter, an amount equal to One  
242 Thousand Dollars (\$1,000.00) per net full-time employee as  
243 determined by the average annual employment of the business  
244 reported to the Employment Security Commission. Such credit shall  
245 be allowed annually to each qualified business for a period not to  
246 exceed ten (10) years. If the amount allowable as a credit  
247 exceeds the tax imposed by this chapter, the amount of such excess  
248 shall not be refundable or carried forward to any other taxable  
249 year.

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



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

259           (2) For any qualified business, as defined in Section  
260 57-54-5, there shall be allowed as a credit against the tax  
261 imposed by this chapter, an amount equal to One Thousand Dollars  
262 (\$1,000.00) per net full-time employee as determined by the  
263 average annual employment of the business reported to the  
264 Employment Security Commission. Such credit shall be allowed  
265 annually to each qualified business for a period not to exceed ten  
266 (10) years. If the amount allowable as a credit exceeds the tax  
267 imposed by this chapter, the amount of such excess shall not be  
268 refundable or carried forward to any other taxable year.

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

274           If the Mississippi Advanced Technology Initiative Act is  
275 repealed, any qualified business which had been granted a tax  
276 credit under this subsection prior to the date of such repeal  
277 shall be entitled to such tax credit until the period for which it  
278 was granted expires.



279           (3) For any qualified company, certified as such by the  
280 Mississippi Board of Economic Development under Section 57-53-1,  
281 there shall be allowed as a credit against the tax imposed by this  
282 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per  
283 net full-time employee in this state, provided there is a minimum  
284 of seventy-five (75) net full-time employees, as determined by the  
285 average annual employment of the company in this state reported to  
286 the Employment Security Commission. Such credit shall be allowed  
287 annually to each qualified company for a period not to exceed ten  
288 (10) years. If the amount allowable as a credit exceeds the tax  
289 imposed by this chapter, the amount of such excess shall not be  
290 refundable or carried forward to any other taxable year.

291           For the purpose of determining the credit allowed to a  
292 qualified company which has expanded its existing buildings and  
293 facilities, the number of net full-time employees shall be the  
294 difference between the average annual employment of such company  
295 before and after such expansion.

296           (4) For any qualified business or industry which is  
297 certified as such by the Mississippi Board of Economic Development  
298 pursuant to the Mississippi Flexible Tax Incentive Act and awarded  
299 any mFlex tax incentive amount for such qualified business's or  
300 industry's qualified economic development project, there shall be  
301 allowed as a credit against the tax imposed by this chapter, an  
302 amount prescribed by, and subject to, the Mississippi Flexible Tax  
303 Incentive Act.



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

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

310           27-7-22.3. (1) For taxpayers who are required to pay a job  
311 assessment fee as provided in Section 57-10-413, there shall be  
312 allowed as a credit against the taxes imposed by this chapter, an  
313 amount equal to the amount of the job assessment fee imposed upon  
314 such taxpayer pursuant to Section 57-10-413. If the amount  
315 allowable as a credit exceeds the tax imposed by this article and  
316 Section 27-7-22.3, the amount of such excess shall not be  
317 refundable or carried forward to any other taxable year.

318           (2) For any approved company as defined in Section  
319 57-10-401, there shall be allowed against the taxes imposed by  
320 this chapter on the income of the approved company generated by or  
321 arising out of the economic development project (as defined in  
322 Section 57-10-401), a credit in an amount not to exceed the total  
323 debt service paid under a financing agreement entered into under  
324 Section 57-10-409. The tax credit allowed in this subsection  
325 shall not exceed the amount of taxes due the State of Mississippi.

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



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

335       27-7-22.3. (1) For taxpayers who are required to pay a job  
336 assessment fee as provided in Section 57-10-413, there shall be  
337 allowed as a credit against the taxes imposed by this chapter, an  
338 amount equal to the amount of the job assessment fee imposed upon  
339 such taxpayer pursuant to Section 57-10-413. If the amount  
340 allowable as a credit exceeds the tax imposed by this article and  
341 Section 27-7-22.3, the amount of such excess shall not be  
342 refundable or carried forward to any other taxable year.

343       (2) For any approved company as defined in Section  
344 57-10-401, there shall be allowed against the taxes imposed by  
345 this chapter on the income of the approved company generated by or  
346 arising out of the economic development project (as defined in  
347 Section 57-10-401), a credit in an amount not to exceed the total  
348 debt service paid under a financing agreement entered into under  
349 Section 57-10-409. The tax credit allowed in this subsection  
350 shall not exceed the amount of taxes due the State of Mississippi.  
351 The amount of income of the approved company generated by or  
352 arising out of the economic development project shall be



353 determined by a formula adopted by the Mississippi Business  
354 Finance Corporation.

355 **[In cases involving an economic development project for which**  
356 **the Mississippi Business Finance Corporation has not issued bonds**  
357 **for the purpose of financing the approved costs of such project**  
358 **prior to July 1, 1997, or in cases involving an economic**  
359 **development project which has not been induced by a resolution of**  
360 **the Board of Directors of the Mississippi Business Finance**  
361 **Corporation that has been filed with the State Tax Commission**  
362 **prior to July 1, 1997, this section shall read as follows:]**

363 27-7-22.3. For any approved company as defined in Section  
364 57-10-401, there shall be allowed against the taxes imposed by  
365 this chapter on the income of the approved company generated by or  
366 arising out of the economic development project (as defined in  
367 Section 57-10-401), a credit in an amount not to exceed the total  
368 debt service paid under a financing agreement entered into under  
369 Section 57-10-409; provided, however, that the tax credit allowed  
370 in this subsection shall not exceed eighty percent (80%) of the  
371 amount of taxes due the State of Mississippi prior to the  
372 application of the credit. To the extent that financing agreement  
373 annual payments exceed the amount of the credit authorized  
374 pursuant to this section in any taxable year, such excess payment  
375 may be recouped from excess credits in succeeding years not to  
376 exceed three (3) years following the date upon which the credit  
377 was earned. The amount of income of the approved company



378 generated by or arising out of the economic development project  
379 shall be determined by a formula adopted by the Mississippi  
380 Business Finance Corporation.

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

383         27-7-22.5. (1) (a) For any manufacturer, distributor,  
384 wholesale or retail merchant who pays to a county, municipality,  
385 school district, levee district or any other taxing authority of  
386 the state or a political subdivision thereof, ad valorem taxes  
387 imposed on commodities, raw materials, works-in-process, products,  
388 goods, wares and merchandise held for resale, a credit against the  
389 income taxes imposed under this chapter shall be allowed for the  
390 portion of the ad valorem taxes so paid in the amounts prescribed  
391 in subsection (2).

392                 (b) (i) For any person, firm or corporation who pays  
393 to a county, municipality, school district, levee district or any  
394 other taxing authority of the state or a political subdivision  
395 thereof, ad valorem taxes imposed on rental equipment, a credit  
396 against the income taxes imposed under this chapter shall be  
397 allowed for the portion of the ad valorem taxes so paid in the  
398 amounts prescribed in subsection (2).

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





- 402                   1. Under rental agreements with no specific  
403 term;  
404                   2. Under at-will or open-ended agreements; or  
405                   3. Under rental agreements with terms  
406 ordinarily of less than three hundred sixty-five (365) days; and  
407                   4. Is not subject to privilege taxes imposed  
408 in Chapter 19, Title 27, Mississippi Code of 1972.

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

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

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

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



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

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

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

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

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

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



451           (3) Any amount of ad valorem taxes paid by a taxpayer that  
452 is applied toward the tax credit allowed in this section may not  
453 be used as a deduction by the taxpayer for state income tax  
454 purposes. In the case of a taxpayer that is a partnership,  
455 limited liability company or S corporation, the credit may be  
456 applied only to the tax attributable to partnership, limited  
457 liability company or S corporation income derived from the  
458 taxpayer.

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

461           27-7-22.7. (1) As used in this section, the term "port"  
462 means a state, county or municipal port or harbor established  
463 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1  
464 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections  
465 59-11-1 through 59-11-7.

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

471           (3) Except as otherwise provided by subsection (5) of this  
472 section, the amount of the credit allowed pursuant to this section  
473 shall be the total of the following charges on export cargo paid  
474 by the corporation:

475           (a) Receiving into the port;



476 (b) Handling to a vessel; and

477 (c) Wharfage.

478 (4) The credit provided for in this section shall not exceed  
479 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
480 for the taxable year reduced by the sum of all other credits  
481 allowable to such taxpayer under this chapter, except credit for  
482 tax payments made by or on behalf of the taxpayer. Any unused  
483 portion of the credit may be carried forward for the succeeding  
484 five (5) years. The maximum cumulative credit that may be claimed  
485 by a taxpayer pursuant to this section and for the period of time  
486 beginning on January 1, 1994, and ending on December 31, 2005, is  
487 limited to One Million Two Hundred Thousand Dollars  
488 (\$1,200,000.00).

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

494 (6) The purpose of the tax credit provided for in this  
495 section is to promote the increased use of ports and related  
496 facilities in this state, particularly by those taxpayers which  
497 would not otherwise use such ports and related facilities without  
498 the benefit of such tax credit, and increase the number of port  
499 related jobs and other economic development benefits associated  
500 with the increased use of such ports and related facilities. It



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

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

508 27-7-22.13. (1) For the purposes of this section, the term  
509 "financial institution" shall have the meaning set forth in  
510 Section 27-7-24.1(h) (i), (ii), (iii), (iv), or (viii).

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

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

518 (b) The purchase by a Mississippi domiciled financial  
519 institution of all or substantially all of the assets (including  
520 all or substantially all of the branches) of an out-of-state  
521 financial institution;

522 (c) The purchase by an out-of-state financial  
523 institution of all or substantially all of the assets (including  
524 all or substantially all of the branches) of a Mississippi  
525 domiciled financial institution;



526 (d) The purchase by a Mississippi domiciled financial  
527 institution of all or substantially all of the assets (including  
528 all or substantially all of the branches) of an out-of-state  
529 financial institution in a state other than the State of  
530 Mississippi even though:

531 (i) Two (2) or more financial institutions are not  
532 merged or consolidated; or

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

535 (e) The purchase by an out-of-state financial  
536 institution of all or substantially all of the assets (including  
537 all or substantially all of the branches) in the State of  
538 Mississippi of a financial institution even though:

539 (i) Two (2) or more financial institutions are not  
540 merged or consolidated; or

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

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

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

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



551 Employment Security Commission by the financial institution for  
552 the same month one (1) year following completion of the  
553 transaction, exclusive of the number of employees gained in  
554 connection with intervening transactions.

555 (4) The base amount of the credit provided in this section  
556 shall be equal to the net gain in the number of employees  
557 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The  
558 financial institution may claim as a credit against income tax an  
559 amount equal to one hundred percent (100%) of the base amount in  
560 the tax year the determination is made, eighty percent (80%) in  
561 the next year, sixty percent (60%) in the third year, forty  
562 percent (40%) in the fourth year and twenty percent (20%) in the  
563 fifth year. The credit allowed by this section shall not exceed  
564 the amount of the taxes due to the State of Mississippi by the  
565 financial institution. Any amount allowable as a credit pursuant  
566 to this section that exceeds the financial institution's tax  
567 liability shall not be refunded or carried forward to any other  
568 taxable year.

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

572 (6) The commission may promulgate regulations to implement  
573 this section.

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



576 27-7-22.15. (1) As used in this section, the following  
577 words and phrases shall have the meanings ascribed to herein  
578 unless the context clearly indicates otherwise:

579 (a) "Approved reforestation practices" means the  
580 following practices for establishing a crop of trees suitable for  
581 manufacturing into forest products:

582 (i) "Pine and hardwood tree planting practices"  
583 including the cost of seedlings, planting by hand or machine, and  
584 site preparation.

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

589 (iii) "Direct seeding practices" to establish a  
590 crop of pine or oak trees by directly applying seed/acorns to the  
591 site including the cost of seed/acorns, seeding and site  
592 preparation.

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

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

598 (b) "Eligible tree species" means pine and hardwood  
599 commercial tree species suitable for manufacturing into forest  
600 products.





601 (c) "Cost-share assistance" means partial financial  
602 payment for approved reforestation practices from the state  
603 government as authorized under Sections 49-19-201 through  
604 49-19-227, or the federal government.

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

609 (e) "Eligible lands" means nonindustrial private lands  
610 owned by a private individual, group or association, but shall not  
611 mean lands owned by private corporations which manufacture  
612 products or provide public utility services of any type or any  
613 subsidiary of such corporations.

614 (f) "Reforestation prescription or plan" means a  
615 written description of the approved reforestation practices that  
616 the eligible owner plans to use and includes a legal description  
617 and map of the area to be reforested, a list of the tree seedling  
618 or seed species to be used in the reforestation and the site  
619 preparation practices that will be utilized.

620 (2) Subject to the limitations provided in subsection (3) of  
621 this section, upon submission to the State Tax Commission of the  
622 written verification provided for in subsection (5) of this  
623 section and such other documentation as the State Tax Commission  
624 may require, any eligible owner who incurs costs for approved  
625 reforestation practices for eligible tree species on eligible



626 lands shall be allowed a credit, in an amount equal to the lesser  
627 of fifty percent (50%) of the actual costs of the approved  
628 reforestation practices or fifty percent (50%) of the average cost  
629 of approved practices as established by the Mississippi Forestry  
630 Commission under Section 49-19-219, against the taxes imposed  
631 pursuant to this chapter for the tax year in which the costs are  
632 incurred.

633 (3) The maximum amount of the credit provided for in  
634 subsection (2) of this section that may be utilized in any one (1)  
635 taxable year shall not exceed the lesser of Ten Thousand Dollars  
636 (\$10,000.00) or the amount of income tax imposed upon the eligible  
637 owner for the taxable year reduced by the sum of all other credits  
638 allowable to the eligible owner under this chapter, except credit  
639 for tax payments made by or on behalf of the eligible owner. Any  
640 unused portion of the credit may be carried forward for succeeding  
641 tax years. The maximum dollar amount of the credit provided for  
642 in subsection (2) of this section that an eligible owner may  
643 utilize during his lifetime shall be Seventy-five Thousand Dollars  
644 (\$75,000.00) in the aggregate.

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



651 (5) To be eligible for the tax credit, an eligible owner  
652 must have a reforestation prescription or plan prepared for the  
653 eligible lands by a graduate forester of a college, school or  
654 university accredited by the Society of American Foresters or by a  
655 registered forester under the Foresters Registration Law of 1977.  
656 The forester must verify in writing that the reforestation  
657 practices were completed and that the reforestation prescription  
658 or plan was followed.

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

661 27-7-22.16. (1) (a) Except as otherwise provided under  
662 this subsection, the words and phrases used in this section shall  
663 have the meanings ascribed to them in Section 49-35-5, Mississippi  
664 Code of 1972.

665 (b) "Remediation costs" means reasonable costs paid for  
666 the assessment, investigation, remediation, monitoring and related  
667 activities at a brownfield agreement site which are consistent  
668 with the remedy selected for the site, and costs paid to the  
669 Department of Environmental Quality for the processing of the  
670 brownfield agreement application and administration of a  
671 brownfield agreement. Remediation costs shall not include (i)  
672 costs incurred before June 24, 1999; (ii) costs incurred after the  
673 issuance of a No Further Action letter under Section 49-35-15,  
674 Mississippi Code of 1972; (iii) costs incurred before the  
675 acceptance of a brownfield agreement site into the Mississippi



676 Brownfields Voluntary Cleanup and Redevelopment program; (iv)  
677 costs incurred for any legal services or litigation costs; and (v)  
678 any funds provided by any federal, state or local governmental  
679 agency or political subdivision.

680 (2) Subject to the limitations provided in subsection (4) of  
681 this section, upon submission to the State Tax Commission of  
682 information provided for in subsection (5) of this section and any  
683 other documentation as the State Tax Commission may require, any  
684 brownfield party who (a) has conducted remediation at a brownfield  
685 agreement site in accordance with Sections 49-35-1 through  
686 49-35-25 and (b) has incurred remediation costs for activities  
687 under Sections 49-35-1 through 49-35-25, as approved by the  
688 Commission on Environmental Quality, shall be allowed a credit in  
689 an amount equal to twenty-five percent (25%) of the remediation  
690 costs at the brownfield agreement site as approved by the  
691 commission, against the taxes imposed under this chapter for the  
692 tax year in which the costs are incurred.

693 (3) (a) Before applying for the tax credit authorized in  
694 this section, a brownfield party shall submit an application to  
695 the Department of Environmental Quality for certification that the  
696 brownfield party has conducted remediation at a brownfield  
697 agreement site in accordance with Sections 49-35-1 through  
698 49-35-25 during the tax year(s) for which the credit is sought.  
699 The application shall be on forms prescribed by the Commission on



700 Environmental Quality and provided by the Department. The  
701 application shall include the following:

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

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

710 (iii) Any other information which the Commission  
711 on Environmental Quality or the State Tax Commission deems  
712 appropriate.

713 (b) Within sixty (60) days after receipt by the  
714 Department of a completed application, the department shall  
715 approve or disapprove the application. The Department shall  
716 notify the brownfield party in writing of its decision. If the  
717 department approves the application, the department shall provide  
718 the brownfield party with certification that the brownfield party  
719 has conducted remediation at a brownfield agreement site in  
720 accordance with Sections 49-35-1 through 49-35-25 during the tax  
721 year(s) for which the credit is sought. If the Department  
722 disapproves the application, the Department shall notify the  
723 brownfield party in writing and state the reasons for the  
724 disapproval.



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

730           (d) The Department's review of the application under  
731 this section shall be considered a part of the administration of  
732 the brownfield agreement.

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

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

744           (b) The maximum total credit under this section for a  
745 brownfield agreement site is One Hundred Fifty Thousand Dollars  
746 (\$150,000.00).

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



749 amount of remediation costs approved by the commission for the  
750 given tax year.

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

753 27-7-22.17. (1) Permanent business enterprises engaged in  
754 operating a project and companies that are members of an  
755 affiliated group that includes such permanent business enterprises  
756 are allowed a job tax credit for taxes imposed by Section 27-7-5  
757 equal to Five Thousand Dollars (\$5,000.00) annually for each net  
758 new full-time employee job for a period of twenty (20) years from  
759 the date the credit commences; however, if the permanent business  
760 enterprise is located in an area that has been declared by the  
761 Governor to be a disaster area and as a direct result of the  
762 disaster the business enterprise is unable to maintain the  
763 required number of employees, the commissioner may extend this  
764 time period for not more than two (2) years. The credit shall  
765 commence on the date selected by the permanent business  
766 enterprise; however, the commencement date shall not be more than  
767 five (5) years from the date the business enterprise commences  
768 commercial production. For the year in which the commencement  
769 date occurs, the number of new full-time jobs shall be determined  
770 by using the monthly average number of full-time employees subject  
771 to the Mississippi income tax withholding. Thereafter, the number  
772 of new full-time jobs shall be determined by comparing the monthly  
773 average number of full-time employees subject to the Mississippi



774 income tax withholding for the taxable year with the corresponding  
775 period of the prior taxable year. Once a permanent business  
776 enterprise creates or increases employment three thousand (3,000)  
777 or more, such enterprise and the members of the affiliated group  
778 that include such enterprise, shall be eligible for the credit.  
779 The credit is not allowed for any year of the twenty-year period  
780 in which the overall monthly average number of full-time employees  
781 subject to the Mississippi income tax withholding falls below  
782 three thousand (3,000); however, if the permanent business  
783 enterprise is located in an area that has been declared by the  
784 Governor to be a disaster area and as a direct result of the  
785 disaster the business enterprise is unable to maintain the  
786 required number of employees, the commissioner may waive the  
787 employment requirement for a period of time not to exceed two (2)  
788 years. The State Tax Commission shall adjust the credit allowed  
789 each year for the net new employment fluctuations above three  
790 thousand (3,000).

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





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

805 (3) The tax credits provided for in this section shall be in  
806 lieu of the tax credits provided for in Section 57-73-21 and any  
807 permanent business enterprise or any member of the affiliated  
808 group that includes such enterprise utilizing the tax credit  
809 authorized in this section shall not utilize the tax credit  
810 authorized in Section 57-73-21.

811 (4) As used in this section:

812 (a) "Project" means a project as defined in Section  
813 57-75-5(f) (iv).

814 (b) "Affiliated group" means one or more corporations  
815 connected through stock ownership with a common parent corporation  
816 where at least eighty percent (80%) of the voting power of all  
817 classes of stock and at least eighty percent (80%) of each class  
818 of the nonvoting stock of each of the member corporations, except  
819 the common parent corporation, is directly owned by one or more of  
820 the other member corporations; and the common parent corporation  
821 directly owns stock possessing at least eighty percent (80%) of  
822 the voting power of all classes of stock and at least eighty  
823 percent (80%) of each class of the nonvoting stock of at least one



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

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

829 27-7-22.18. (1) Any enterprise owning or operating a  
830 project as defined in Section 57-75-5(f)(xviii) is allowed a job  
831 tax credit for taxes imposed by Section 27-7-5 equal to Five  
832 Thousand Dollars (\$5,000.00) annually for each net new full-time  
833 employee job for a period of ten (10) years from the date the  
834 credit commences. The credit shall commence on the date selected  
835 by the enterprise; provided, however, that the commencement date  
836 shall not be more than two (2) years from the date the project  
837 becomes fully operational. For the year in which the commencement  
838 date occurs, the enterprise must select a date on which it has at  
839 least four hundred fifty (450) full-time employees subject to the  
840 Mississippi income tax withholding. From that date to the end of  
841 the year, the credit will be determined based on the remaining  
842 monthly average of full-time employees subject to the Mississippi  
843 income tax withholding. For each year thereafter, the number of  
844 new full-time jobs created shall be determined by calculating the  
845 monthly average number of full-time employees subject to the  
846 Mississippi income tax withholding for the year. For every year  
847 subsequent to the year the commencement date occurs, the credit is  
848 not allowed for any year in which the overall monthly average



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

854 (2) For the first five (5) years in which a tax credit is  
855 claimed under this section, any tax credit claimed but not used in  
856 any taxable year may be carried forward for five (5) consecutive  
857 years from the close of the tax year in which the credits were  
858 earned. For the remainder of the ten-year period, any tax credit  
859 claimed under this section but not used in any taxable year may be  
860 carried forward for three (3) consecutive years from the close of  
861 the tax year in which the credits were earned. The credit that  
862 may be utilized each year shall be limited to an amount not  
863 greater than the total state income tax liability of the  
864 enterprise that is generated by, or arises out of, the project.

865 (3) The tax credits provided for in this section shall be in  
866 lieu of the tax credits provided for in Section 57-73-21 and any  
867 enterprise utilizing the tax credit authorized in this section  
868 shall not utilize the tax credit authorized in Section 57-73-21.

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

871 27-7-22.19. (1) Integrated suppliers are allowed a job tax  
872 credit for taxes imposed by Section 27-7-5 equal to One Thousand  
873 Dollars (\$1,000.00) annually for each net new full-time employee



874 for five (5) years from the date the credit commences; however, if  
875 the integrated supplier is located in an area that has been  
876 declared by the Governor to be a disaster area and as a direct  
877 result of the disaster the integrated supplier is unable to  
878 maintain the required number of employees, the commissioner may  
879 extend this time period for not more than two (2) years. The  
880 credit shall commence on the date selected by the integrated  
881 supplier; provided, however, that the commencement date shall not  
882 be more than five (5) years from the date the integrated supplier  
883 commences commercial production. For the year in which the  
884 commencement date occurs, the number of new full-time jobs shall  
885 be determined by using the monthly average number of full-time  
886 employees subject to Mississippi income tax withholding.  
887 Thereafter, the number of new full-time jobs shall be determined  
888 by comparing the monthly average number of full-time employees  
889 subject to Mississippi income tax withholding for the taxable year  
890 with the corresponding period of the prior taxable year. Only  
891 those integrated suppliers that increase employment by twenty (20)  
892 or more are eligible for the credit. The credit is not allowed  
893 during any of the five (5) years if the net employment increase  
894 falls below twenty (20); however, if the integrated supplier is  
895 located in an area that has been declared by the Governor to be a  
896 disaster area and as a direct result of the disaster the  
897 integrated supplier is unable to maintain the required number of  
898 employees, the commissioner may waive the employment requirement



899 for a period of time not to exceed two (2) years. The State Tax  
900 Commission shall adjust the credit allowed each year for the net  
901 new employment fluctuations above the minimum level of twenty  
902 (20).

903 (2) Any tax credit claimed under this section but not used  
904 in any taxable year may be carried forward for five (5)  
905 consecutive years from the close of the tax year in which the  
906 credits were earned; however, if the integrated supplier is  
907 located in an area that has been declared by the Governor to be a  
908 disaster area and as a direct result of the disaster the  
909 integrated supplier is unable to use the existing carryforward,  
910 the commissioner may extend the period that the credit may be  
911 carried forward for a period of time not to exceed two (2) years.  
912 The credit that may be utilized each year shall be limited to an  
913 amount not greater than fifty percent (50%) of the taxpayer's  
914 state income tax liability which is attributable to income derived  
915 from operation in the state for that year.

916 (3) The tax credits provided for in this section shall be in  
917 lieu of the tax credits provided for in Section 57-73-21, and any  
918 integrated supplier utilizing the tax credit authorized in this  
919 section shall not utilize the tax credit authorized in Section  
920 57-73-21.

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



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

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

927 27-7-22.20. (1) An enterprise owning or operating a project  
928 as defined in Section 57-75-5(f)(xviii) is allowed an annual  
929 investment tax credit for taxes imposed by Section 27-7-5 equal to  
930 seven and one-half percent (7-1/2%) of the eligible investments  
931 made by the enterprise. The credit shall commence on the date  
932 selected by the enterprise; provided, however, that the  
933 commencement date shall not be more than two (2) years from the  
934 date the project becomes fully operational. For the purposes of  
935 this section, the term "eligible investment" means the amount of  
936 investment in a project as defined in Section 57-75-5(f)(xviii)  
937 that is greater than Four Hundred Million Dollars  
938 (\$400,000,000.00) and used in the initial establishment of the  
939 project.

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



947 (3) The credit received under this section is subject to  
948 recapture if the property for which the tax credit was received is  
949 disposed of, or converted to, other than business use. The amount  
950 of the credit subject to recapture is one hundred percent (100%)  
951 of the credit in the first year and fifty percent (50%) of the  
952 credit in the second year. This subsection shall not apply in  
953 cases in which an entire facility is sold.

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

956 27-7-22.21. (1) As used in this section, the following  
957 words and phrases shall have the following meanings, unless the  
958 context clearly indicates otherwise:

959 (a) "Eligible land" means nonindustrial private lands  
960 in the state that are adjacent to and along a stream which is  
961 fully nominated to the Mississippi Scenic Streams Stewardship  
962 Program, or nonindustrial private lands in the state which are  
963 considered to be priority sites for conservation under the  
964 Mississippi Natural Heritage Program.

965 (b) "Eligible owner" means a private individual, group  
966 or association other than a private corporation, or any subsidiary  
967 thereof, which manufactures products or provides public utility  
968 services of any type.

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



972 conservation easement, provided such interest complies with the  
973 requirements of the United States Internal Revenue Code Section  
974 170(h), partial interest, mineral right, remainder or future  
975 interest, or other interest or right in real property.

976 (d) "Land" or "lands" means real property, with or  
977 without improvements thereon, rights-of-way, water and riparian  
978 rights, easements, privileges and all other rights or interests of  
979 any land or description in, relating to, or connected with real  
980 property.

981 (e) "Allowable transaction costs" mean the costs of the  
982 appraisal of the lands or interests in lands, including  
983 conservation easements, that are being donated, of the baseline  
984 survey of the natural features, animals and plants present on the  
985 site, of engineering and surveying fees, of maintenance fees, of  
986 monitoring fees and of legal fees, including the costs of document  
987 preparation, title review and title insurance.

988 (f) "Specified conservation purposes" mean the  
989 preservation of stream bank habitats and the stability of stream  
990 banks, or the protection of land necessary because of high  
991 biodiversity significance or high protection urgency due to the  
992 presence of exemplary natural communities or species of special  
993 concern, including threatened or endangered species.

994 (2) For the taxable years beginning on or after January 1,  
995 2003, for any income taxpayer who is an eligible owner, a credit  
996 against the taxes imposed by this chapter shall be allowed in the





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

999 (3) The credit provided for in this section shall be fifty  
1000 percent (50%) of the allowable transaction costs involved in the  
1001 donation for the tax year in which the allowable transaction costs  
1002 occur. The aggregate amount of the credit provided in this  
1003 section for allowable transaction costs shall not exceed the  
1004 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax  
1005 imposed upon the taxpayer for the taxable year reduced by the sum  
1006 of all other credits allowable to such taxpayer under this  
1007 chapter, except credit for tax payments made by or on behalf of  
1008 the taxpayer. Any unused portion of the credit may be carried  
1009 forward for ten (10) succeeding tax years. The maximum dollar  
1010 amount of the credit provided for in this section that an eligible  
1011 owner may utilize during his lifetime shall be Ten Thousand  
1012 Dollars (\$10,000.00) in the aggregate.

1013 (4) To be eligible for the credit provided for in this  
1014 section, an eligible owner must demonstrate that the donation  
1015 qualifies as a conservation contribution under Section 170(h) of  
1016 the United States Internal Revenue Code of 1986, by means of being  
1017 a donation in perpetuity, for conservation purposes and made to a  
1018 qualified holder or donee. A letter from the donee indicating  
1019 acceptance and a completed copy of the appropriate United States  
1020 Internal Revenue Service form shall constitute proof of



1021 acceptance. The eligible owner also must submit any other  
1022 documentation that the State Tax Commission may require.

1023 **SECTION 14.** Section 27-7-22.22, Mississippi Code of 1972, is  
1024 brought forward as follows:

1025 27-7-22.22. (1) A credit is allowed against the taxes  
1026 imposed by this chapter to a taxpayer for allowing land owned by  
1027 the taxpayer to be used as a natural area preserve, a wildlife  
1028 refuge or habitat area, a wildlife management area, or for the  
1029 purpose of providing public outdoor recreational opportunities, as  
1030 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to  
1031 the following conditions and limitations:

1032 (a) The land may not be under lease to the Mississippi  
1033 Commission on Wildlife, Fisheries and Parks, and the commission  
1034 must approve the land as being suitable for the uses described in  
1035 this section.

1036 (b) The amount of the tax credit allowed by this  
1037 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of  
1038 land in each taxable year.

1039 (c) In no event shall the amount of the tax credits  
1040 allowed by this section for a taxable year exceed the taxpayer's  
1041 liability for those taxes. Any unused credit amount shall be  
1042 allowed to be carried forward for five (5) years from the close of  
1043 the taxable year in which the land was approved for such a use.  
1044 No such credit shall be allowed the taxpayer against prior years'  
1045 tax liability.



1046           (2) To claim a credit allowed by this section, the taxpayer  
1047 shall provide any information required by the Mississippi  
1048 Commission on Wildlife, Fisheries and Parks or the Mississippi  
1049 Commissioner of Revenue. Every taxpayer claiming a credit under  
1050 this section shall maintain and make available for inspection by  
1051 the Mississippi Commission on Wildlife, Fisheries and Parks or the  
1052 Mississippi Commissioner of Revenue any records that either entity  
1053 considers necessary to determine and verify the amount of the  
1054 credit to which the taxpayer is entitled. The burden of proving  
1055 eligibility for a credit and the amount of the credit rests upon  
1056 the taxpayer, and no credit may be allowed to a taxpayer that  
1057 fails to maintain adequate records or to make them available for  
1058 inspection.

1059           (3) Upon approval of the Commission on Wildlife, Fisheries  
1060 and Parks under subsection (1) (a), a taxpayer seeking to claim any  
1061 tax credit provided for under this section must submit an  
1062 application to the Mississippi Commissioner of Revenue for  
1063 approval of the tax credit. The Mississippi Commissioner of  
1064 Revenue shall promulgate the rules and forms on which the  
1065 application is to be submitted. The Mississippi Commissioner of  
1066 Revenue shall review the application and may approve such  
1067 application upon determining that it meets the requirements of  
1068 this section within sixty (60) days after receiving the  
1069 application.



1070           **SECTION 15.** Section 27-7-22.23, Mississippi Code of 1972, is  
1071 brought forward as follows:

1072           27-7-22.23. (1) As used in this section, the term "port"  
1073 means a state, county or municipal port or harbor established  
1074 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1  
1075 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections  
1076 59-11-1 through 59-11-7.

1077           (2) Subject to the provisions of this section, for any  
1078 income taxpayer utilizing the port facilities at any port for the  
1079 import of cargo that is unloaded from a carrier calling at any  
1080 such port, a credit against the taxes imposed pursuant to this  
1081 chapter shall be allowed in the amounts provided in this section.  
1082 In order to be eligible for the credit authorized under this  
1083 section, a taxpayer must locate its United States headquarters in  
1084 Mississippi on or after July 1, 2004, employ at least five (5)  
1085 permanent full-time employees who actually work at such  
1086 headquarters and have a minimum capital investment of Two Million  
1087 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this  
1088 section, "full-time employee" shall mean an employee who works at  
1089 least thirty-five (35) hours per week.

1090           (3) (a) Except as otherwise provided by subsection (4) of  
1091 this section, the amount of the credit allowed pursuant to this  
1092 section shall be the total of the following charges on import of  
1093 cargo paid by the corporation:

1094                           (i) Receiving into the port;



1095 (ii) Handling from a vessel; and

1096 (iii) Wharfage.

1097 (b) The credit allowed pursuant to this section shall  
1098 not include charges paid by a corporation on the import of forest  
1099 products.

1100 (4) The credit provided for in this section shall not exceed  
1101 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
1102 for the taxable year reduced by the sum of all other credits  
1103 allowable to such taxpayer under this chapter, except credit for  
1104 tax payments made by or on behalf of the taxpayer. Any unused  
1105 portion of the credit may be carried forward for the succeeding  
1106 five (5) years. The maximum cumulative credit that may be claimed  
1107 by a taxpayer under this section is limited to One Million Dollars  
1108 (\$1,000,000.00) if the taxpayer employs at least five (5), but not  
1109 more than twenty-five (25) permanent full-time employees at its  
1110 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)  
1111 if the taxpayer employs more than twenty-five (25), but not more  
1112 than one hundred (100) permanent full-time employees at its  
1113 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)  
1114 if the taxpayer employs more than one hundred (100), but not more  
1115 than two hundred (200) permanent full-time employees at its  
1116 headquarters in Mississippi; and Four Million Dollars  
1117 (\$4,000,000.00) if the taxpayer employs more than two hundred  
1118 (200) permanent full-time employees at its headquarters in  
1119 Mississippi.



1120 (5) To obtain the credit provided for in this section, a  
1121 taxpayer must provide to the Department of Revenue a statement  
1122 from the governing authority of the port certifying the amount of  
1123 charges paid by the taxpayer for which a credit is claimed and any  
1124 other information required by the Department of Revenue.

1125 **SECTION 16.** Section 27-7-22.25, Mississippi Code of 1972, is  
1126 brought forward as follows:

1127 27-7-22.25. (1) As used in this section, the term "airport"  
1128 means an airport established pursuant to Chapters 3 and 5, Title  
1129 61, Mississippi Code of 1972.

1130 (2) Subject to the provisions of this section, for any  
1131 income taxpayer utilizing the facilities at any airport for the  
1132 export or import of cargo that is unloaded from a carrier at any  
1133 such airport, a credit against the taxes imposed pursuant to this  
1134 chapter shall be allowed in the amounts provided in this section.  
1135 In order to be eligible for the credit authorized under this  
1136 section, a taxpayer must locate its United States headquarters in  
1137 Mississippi on or after July 1, 2005, employ at least five (5) new  
1138 permanent full-time employees who actually work at such  
1139 headquarters and, after July 1, 2005, invest a minimum of Two  
1140 Million Dollars (\$2,000,000.00), in the aggregate, in real  
1141 property and/or personal property in Mississippi. For the  
1142 purposes of this section, "full-time employee" shall mean an  
1143 employee who works at least thirty-five (35) hours per week.



1144 (3) Except as otherwise provided by subsection (4) of this  
1145 section, the amount of the credit allowed pursuant to this section  
1146 shall be the total of the following charges on import or export of  
1147 cargo paid by the corporation:

- 1148 (a) Receiving into the airport;
- 1149 (b) Aircraft marshalling or handling fees; and
- 1150 (c) Aircraft landing fees.

1151 (4) The credit provided for in this section shall not exceed  
1152 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
1153 for the taxable year reduced by the sum of all other credits  
1154 allowable to such taxpayer under this chapter, except credit for  
1155 tax payments made by or on behalf of the taxpayer. Any unused  
1156 portion of the credit may be carried forward for the succeeding  
1157 five (5) years. The maximum cumulative credit that may be claimed  
1158 by a taxpayer under this section is limited to One Million Dollars  
1159 (\$1,000,000.00) if the taxpayer employs at least five (5), but not  
1160 more than twenty-five (25) permanent full-time employees at its  
1161 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)  
1162 if the taxpayer employs more than twenty-five (25), but not more  
1163 than one hundred (100) permanent full-time employees at its  
1164 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)  
1165 if the taxpayer employs more than one hundred (100), but not more  
1166 than two hundred (200) permanent full-time employees at its  
1167 headquarters in Mississippi; and Four Million Dollars  
1168 (\$4,000,000.00) if the taxpayer employs more than two hundred



1169 (200) permanent full-time employees at its headquarters in  
1170 Mississippi.

1171 (5) To obtain the credit provided for in this section, a  
1172 taxpayer must provide to the Department of Revenue a statement  
1173 from the governing authority of the airport certifying the amount  
1174 of charges paid by the taxpayer for which a credit is claimed and  
1175 any other information required by the Department of Revenue.

1176 (6) Any taxpayer who is eligible, before July 1, 2025, for  
1177 the credit provided for in this section, shall remain eligible for  
1178 such credit after July 1, 2025, notwithstanding the repeal of this  
1179 section.

1180 **SECTION 17.** Section 27-7-22.27, Mississippi Code of 1972, is  
1181 brought forward as follows:

1182 27-7-22.27. (1) As used in this section:

1183 (a) "Business enterprises" means entities primarily  
1184 engaged in:

1185 (i) Manufacturing, processing, warehousing,  
1186 distribution, wholesaling and research and development, or

1187 (ii) Permanent business enterprises designated by  
1188 rule and regulation of the Mississippi Development Authority as  
1189 air transportation and maintenance facilities, final destination  
1190 or resort hotels having a minimum of one hundred fifty (150) guest  
1191 rooms, recreational facilities that impact tourism, movie industry  
1192 studios, telecommunications enterprises, data or information





1193 processing enterprises or computer software development  
1194 enterprises or any technology intensive facility or enterprise.

1195 (b) "Economically distressed community" means an area  
1196 within a municipality that contains groupings of census tracts  
1197 that include and are contiguous to the central business district,  
1198 where within such census tract groupings at least thirty percent  
1199 (30%) of the residents have incomes that are less than the  
1200 national poverty level as published by the United States Bureau of  
1201 the Census in the most recent decennial census for which data is  
1202 available; in which the unemployment rate is at least one and  
1203 one-half (1-1/2) times greater than the national average, as  
1204 determined by the most recent data from the United States Bureau  
1205 of Labor Statistics, including estimates of unemployment developed  
1206 using the calculation method of the United States Bureau of Labor  
1207 Statistics Census Share; and

1208 (i) The municipal population of which is at least  
1209 four thousand (4,000) if any portion of the municipality is  
1210 located within a metropolitan area with a population of fifty  
1211 thousand (50,000), or more; or

1212 (ii) The municipal population of which is at least  
1213 one thousand (1,000) if no portion of the municipality is located  
1214 within a metropolitan area with a population of fifty thousand  
1215 (50,000), or more.

1216 (c) "Telecommunications enterprises" means entities  
1217 engaged in the creation, display, management, storage, processing,



1218 transmission or distribution for compensation of images, text,  
1219 voice, video or data by wire or by wireless means, or entities  
1220 engaged in the construction, design, development, manufacture,  
1221 maintenance or distribution for compensation of devices, products,  
1222 software or structures used in the above activities. Companies  
1223 organized to do business as commercial broadcast radio stations,  
1224 television stations or news organizations primarily serving  
1225 in-state markets shall not be included within the definition of  
1226 the term "telecommunications enterprises."

1227 (2) The governing authorities of a municipality may  
1228 designate an area within such municipality as an economically  
1229 distressed community.

1230 (3) Upon designation of an area within a municipality as an  
1231 economically distressed community, the governing authorities of a  
1232 municipality shall apply to the State Tax Commission for  
1233 certification of the area as an economically distressed community.  
1234 Such application shall provide the information necessary to  
1235 establish certification as an economically distressed community.  
1236 The State Tax Commission shall certify an area within a  
1237 municipality as an economically distressed community if it finds  
1238 that the designation meets the criteria provided for in subsection  
1239 (1)(b) of this section.

1240 (4) Permanent business enterprises in areas within  
1241 municipalities certified by the State Tax Commission as  
1242 economically distressed communities are allowed a job tax credit



1243 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of  
1244 the payroll of the enterprise for net new full-time employee jobs  
1245 for five (5) years beginning with years two (2) through six (6)  
1246 after the creation of the minimum number of jobs required by this  
1247 subsection. The number of new full-time jobs must be determined  
1248 by comparing the monthly average number of full-time employees  
1249 subject to the Mississippi income tax withholding for the taxable  
1250 year with the corresponding period of the prior taxable year.  
1251 Only those permanent business enterprises that increase employment  
1252 by ten (10) or more in an economically distressed community are  
1253 eligible for the credit. Credit is not allowed during any of the  
1254 five (5) years if the net employment increase falls below ten  
1255 (10). The State Tax Commission shall adjust the credit allowed  
1256 each year for the net new employment fluctuations above the  
1257 minimum level of ten (10).

1258 (5) Tax credits for five (5) years for the taxes imposed by  
1259 Section 27-7-5 shall be awarded for additional net new full-time  
1260 jobs created by business enterprises qualified under this section.  
1261 The State Tax Commission shall adjust the credit allowed in the  
1262 event of payroll fluctuations during the additional five (5) years  
1263 of credit.

1264 (6) The sale, merger, acquisition, reorganization,  
1265 bankruptcy or relocation from one (1) county to another county  
1266 within the state of any business enterprise may not create new  
1267 eligibility in any succeeding business entity, but any unused job



1268 tax credit may be transferred and continued by any transferee of  
1269 the business enterprise. The State Tax Commission shall determine  
1270 whether or not qualifying net increases or decreases have occurred  
1271 or proper transfers of credit have been made and may require  
1272 reports, promulgate regulations, and hold hearings as needed for  
1273 substantiation and qualification.

1274 (7) Any tax credit claimed under this section but not used  
1275 in any taxable year may be carried forward for five (5) years from  
1276 the close of the tax year in which the qualified jobs were  
1277 established but the credit established by this section taken in  
1278 any one (1) tax year must be limited to an amount not greater than  
1279 fifty percent (50%) of the taxpayer's state income tax liability  
1280 which is attributable to income derived from operations in the  
1281 state for that year.

1282 (8) No business enterprise for the transportation, handling,  
1283 storage, processing or disposal of hazardous waste is eligible to  
1284 receive the tax credits provided in this section.

1285 (9) The credits allowed under this section shall not be used  
1286 by any business enterprise or corporation other than the business  
1287 enterprise actually qualifying for the credits.

1288 (10) A business enterprise that receives a tax credit under  
1289 this section shall not be eligible for the tax credit authorized  
1290 in Section 57-73-21(2), (3) and (4).

1291 **SECTION 18.** Section 27-7-22.28, Mississippi Code of 1972, is  
1292 brought forward as follows:



1293 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,  
1294 the following terms and phrases shall have the meanings ascribed  
1295 in this section unless the context clearly indicates otherwise:

1296 (a) "Alternative energy project" means a business  
1297 enterprise engaged in manufacturing or producing alternative  
1298 energy in this state with not less than fifty percent (50%) of the  
1299 finished product being derived from resources or products from  
1300 this state.

1301 (b) "Authority" means the Mississippi Development  
1302 Authority.

1303 (c) "Producer" means a manufacturer or producer of  
1304 alternative energy through an alternative fuels project.

1305 (d) "State" means the State of Mississippi.

1306 **SECTION 19.** Section 27-7-22.29, Mississippi Code of 1972, is  
1307 brought forward as follows:

1308 27-7-22.29. (1) Producers are allowed a job tax credit for  
1309 taxes imposed by Section 27-7-5 equal to One Thousand Dollars  
1310 (\$1,000.00) annually for each net new full-time employee job for a  
1311 period of twenty (20) years from the date the credit begins;  
1312 however, if the producer is located in an area that has been  
1313 declared by the Governor to be a disaster area and as a direct  
1314 result of the disaster the producer is unable to maintain the  
1315 required number of employees, the commissioner may extend this  
1316 time period for not more two (2) years. The credit shall begin on  
1317 the date selected by the producer; however, the beginning date



1318 shall not be more than five (5) years from the date the producer  
1319 begins manufacturing or producing alternative energy. For the  
1320 year in which the beginning date occurs, the number of new  
1321 full-time jobs shall be determined by using the monthly average  
1322 number of full-time employees subject to the Mississippi income  
1323 tax withholding. Thereafter, the number of new full-time jobs  
1324 shall be determined by comparing the monthly average number of  
1325 full-time employees subject to the Mississippi income tax  
1326 withholding for the taxable year with the corresponding period of  
1327 the prior taxable year. Once a producer creates twenty-five (25)  
1328 or more new full-time employee jobs, the producer shall be  
1329 eligible for the credit; however, if the producer is located in an  
1330 area that has been declared by the Governor to be a disaster area  
1331 and as a direct result of the disaster the producer is unable to  
1332 maintain the required number of employees, the commissioner may  
1333 waive the employment requirement for a period of time not to  
1334 exceed two (2) years. The credit is not allowed for any year of  
1335 the twenty-year period in which the overall monthly average number  
1336 of full-time employees subject to the Mississippi income tax  
1337 withholding falls below twenty-five (25). The State Tax  
1338 Commission shall adjust the credit allowed each year for the net  
1339 new employment fluctuations above twenty-five (25).

1340 (2) Any tax credit claimed under this section but not used  
1341 in any taxable year may be carried forward for five (5)  
1342 consecutive years from the close of the tax year in which the



1343 credits were earned; however, if the producer is located in an  
1344 area that has been declared by the Governor to be a disaster area  
1345 and as a direct result of the disaster the producer is unable to  
1346 use the existing carryforward, the commissioner may extend the  
1347 period that the credit may be carried forward for a period of time  
1348 not to exceed two (2) years. The credit that may be utilized each  
1349 year shall be limited to an amount not greater than the total  
1350 state income tax liability of the producer that is generated by,  
1351 or arises out of, the alternative energy project.

1352 (3) The tax credits provided for in this section shall be in  
1353 lieu of the tax credits provided for in Section 57-73-21 and any  
1354 producer utilizing the tax credit authorized in this section shall  
1355 not utilize the tax credit authorized in Section 57-73-21.

1356 **SECTION 20.** Section 27-7-22.30, Mississippi Code of 1972, is  
1357 brought forward as follows:

1358 27-7-22.30. (1) As used in this section:

1359 (a) "Manufacturing enterprise" means an enterprise  
1360 that:

1361 (i) Falls within the definition of the term  
1362 "manufacturer" in Section 27-65-11; and

1363 (ii) Has operated in this state for not less than  
1364 two (2) years prior to application for the credit authorized by  
1365 this section.



1366           The term "manufacturing enterprise" does not include any  
1367 medical cannabis establishment as defined in the Mississippi  
1368 Medical Cannabis Act.

1369           (b) "Eligible investment" means an investment of at  
1370 least One Million Dollars (\$1,000,000.00) in buildings and/or  
1371 equipment for the manufacturing enterprise.

1372           (2) A manufacturing enterprise is allowed a manufacturing  
1373 investment tax credit for taxes imposed by Section 27-7-5 equal to  
1374 five percent (5%) of the eligible investments made by the  
1375 manufacturing enterprise.

1376           (3) Any tax credit claimed under this section but not used  
1377 in any taxable year may be carried forward for five (5) years from  
1378 the close of the tax year in which the eligible investment was  
1379 made, but the credit established by this section taken in any one  
1380 tax year shall not exceed fifty percent (50%) of the taxpayer's  
1381 state income tax liability which is attributable to income derived  
1382 from operations in the state for that year reduced by the sum of  
1383 all other income tax credits allowable to the taxpayer, except  
1384 credit for tax payments made by or on behalf of the taxpayer.

1385           (4) The maximum credit that may be claimed by a taxpayer on  
1386 any project shall be limited to One Million Dollars  
1387 (\$1,000,000.00).

1388           (5) The credit received under this section is subject to  
1389 recapture if the property for which the tax credit was received is  
1390 disposed of, or converted to, other than business use. The amount





1391 of the credit subject to recapture is one hundred percent (100%)  
1392 of the credit in the first year and fifty percent (50%) of the  
1393 credit in the second year. This subsection shall not apply in  
1394 cases in which an entire facility is sold.

1395 (6) The sale, merger, acquisition, reorganization,  
1396 bankruptcy or relocation from one (1) county to another county  
1397 within the state of any manufacturing enterprise may not create  
1398 new eligibility in any succeeding business entity, but any unused  
1399 manufacturing investment tax credit may be transferred and  
1400 continued by any transferee of the enterprise. The department  
1401 shall determine whether or not qualifying net increases or  
1402 decreases have occurred or proper transfers of credit have been  
1403 made and may require reports, promulgate regulations, and hold  
1404 hearings as needed for substantiation and qualification.

1405 (7) No manufacturing enterprise for the transportation,  
1406 handling, storage, processing or disposal of hazardous waste is  
1407 eligible to receive the tax credits provided in this section.

1408 (8) The credits allowed under this section shall not be used  
1409 by any business enterprise or corporation other than the  
1410 manufacturing enterprise actually qualifying for the credits.

1411 **SECTION 21.** Section 27-7-22.31, Mississippi Code of 1972, is  
1412 brought forward as follows:

1413 27-7-22.31. (1) As used in this section:

1414 (a) "Certified historic structure" means a property  
1415 located in Mississippi that has been:



1416 (i) Listed individually on the National Register  
1417 of Historic Places; or

1418 (ii) Determined eligible for the National Register  
1419 of Historic Places by the Secretary of the United States  
1420 Department of the Interior and will be listed within thirty (30)  
1421 months of claiming the rebate or credit authorized by this  
1422 section; or

1423 (iii) Property designated a Mississippi Landmark  
1424 by the Department of Archives and History pursuant to Section  
1425 39-7-3 et seq.

1426 (b) "Eligible property" means property located in  
1427 Mississippi and offered or used for residential or business  
1428 purposes.

1429 (c) "Structure in a certified historic district" means  
1430 a structure (and its structural components) located in Mississippi  
1431 which:

1432 (i) Is listed in the National Register of Historic  
1433 Places; or

1434 (ii) Has been determined eligible for the National  
1435 Register of Historic Places by the Secretary of the United States  
1436 Department of the Interior and will be listed within thirty (30)  
1437 months of claiming the rebate or credit authorized by this  
1438 section; or

1439 (iii) Is located in a registered historic district  
1440 listed on the National Register of Historic Places or located in a



1441 potential district that has been determined eligible for the  
1442 National Register of Historic Places by the Secretary of the  
1443 United States Department of the Interior and will be listed within  
1444 thirty (30) months of claiming the rebate or credit authorized by  
1445 this section, and is certified by the Secretary of the United  
1446 States Department of the Interior as being of historic  
1447 significance to the district; or

1448 (iv) Is certified by the Mississippi Department of  
1449 Archives and History as contributing to the historic significance  
1450 of:

1451 1. A certified historic district listed on  
1452 the National Register of Historic Places; or

1453 2. A potential district that has been  
1454 determined eligible for the National Register of Historic Places  
1455 by the Secretary of the United States Department of the Interior  
1456 and will be listed within thirty (30) months of claiming the  
1457 rebate or credit authorized by this section; or

1458 3. A local district that has been certified  
1459 by the United States Department of the Interior.

1460 (d) "Department" means the Department of Archives and  
1461 History.

1462 (2) Any taxpayer incurring costs and expenses for the  
1463 rehabilitation of eligible property, which is a certified historic  
1464 structure or a structure in a certified historic district, shall  
1465 be entitled to a rebate or credit against the taxes imposed



1466 pursuant to this chapter in an amount equal to twenty-five percent  
1467 (25%) of the total costs and expenses of rehabilitation incurred  
1468 after January 1, 2006, which shall include, but not be limited to,  
1469 qualified rehabilitation expenditures as defined under Section  
1470 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and  
1471 the related regulations thereunder:

1472 (a) If the costs and expenses associated with  
1473 rehabilitation exceed:

1474 (i) Five Thousand Dollars (\$5,000.00) in the case  
1475 of an owner-occupied dwelling; or

1476 (ii) Fifty percent (50%) of the adjusted basis in  
1477 the property in the case of all other properties; and

1478 (b) The rehabilitation is consistent with the standards  
1479 of the Secretary of the United States Department of the Interior  
1480 as determined by the department.

1481 (3) Any taxpayer eligible for the rebate or credit  
1482 authorized by this section may claim the rebate or credit in  
1483 phases if:

1484 (a) There is a written set of architectural plans and  
1485 specifications for all phases of the rehabilitation (written plans  
1486 outlining and describing all phases of the rehabilitation shall be  
1487 accepted as written plans and specifications);

1488 (b) The written set of architectural plans and  
1489 specifications are completed before the physical work on the  
1490 rehabilitation begins; and



1491 (c) The project receives final certification by the  
1492 department within sixty (60) months of the project start date  
1493 certified in the first phase.

1494 (4) (a) (i) If the amount of the tax credit established by  
1495 this section exceeds the total state income tax liability for the  
1496 credit year, the amount that exceeds the total state income tax  
1497 liability may be carried forward for the ten (10) succeeding tax  
1498 years.

1499 (ii) In lieu of claiming a tax credit, the  
1500 taxpayer may elect to claim a rebate in the amount of seventy-five  
1501 percent (75%) of the amount that would be eligible to claim as a  
1502 credit. The election may be made at any time after the  
1503 certification of the rebate. If the taxpayer has utilized a tax  
1504 credit on an income tax return prior to making an election to  
1505 claim a rebate, then the available rebate will be reduced by the  
1506 amount of credit utilized.

1507 (iii) Rebate requests shall be submitted to the  
1508 department on forms prescribed by the department. The department  
1509 will then provide the taxpayer with a voucher for the approved  
1510 amount. Within twelve (12) months of the issuance of the voucher  
1511 by the department, the taxpayer may submit the voucher to the  
1512 Department of Revenue to receive payment. Rebates shall be made  
1513 from current tax collections.

1514 (b) Not-for-profit entities, including, but not limited  
1515 to, nonprofit corporations organized under Section 79-11-101 et



1516 seq., shall be ineligible for the rebate or credit authorized by  
1517 this section. Credits granted to a partnership, a limited  
1518 liability company taxed as a partnership or multiple owners of  
1519 property shall be passed through to the partners, members or  
1520 owners on a pro rata basis or pursuant to an executed agreement  
1521 among the partners, members or owners documenting an alternative  
1522 distribution method. Partners, members or other owners of a  
1523 pass-through entity are not eligible to elect a refund of excess  
1524 credit in lieu of a carryforward of the credit. However, a  
1525 partnership or limited liability company taxed as a partnership  
1526 may elect to claim a rebate at the entity level on a form  
1527 prescribed by the department. Additionally, excess tax credits  
1528 that are attributable to rehabilitated property that was placed in  
1529 service by a pass-through entity prior to January 1, 2011, and  
1530 that have previously been allocated to and are held by another  
1531 pass-through entity prior to January 1, 2011, may be refunded to  
1532 such other pass-through entity.

1533 (5) (a) (i) To claim the rebate or credit authorized  
1534 pursuant to this section, the taxpayer shall apply to the  
1535 department which shall determine the amount of eligible  
1536 rehabilitation costs and expenses and whether the rehabilitation  
1537 is consistent with the standards of the Secretary of the United  
1538 States Department of the Interior. The department shall issue a  
1539 certificate evidencing the date of the rebate or credit and amount  
1540 of eligible rebate or credit if the taxpayer is found to be



1541 eligible for the tax rebate or credit. The taxpayer shall attach  
1542 the certificate to all income tax returns on which the credit is  
1543 claimed. Except as otherwise provided in this paragraph (a), the  
1544 department shall not issue certificates evidencing the eligible  
1545 rebate or credit which will result in rebates or credits being  
1546 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in  
1547 any one (1) calendar year for projects with total qualified  
1548 rehabilitation costs and expenses of One Million Seven Hundred  
1549 Fifty Thousand Dollars (\$1,750,000.00) or more. The department  
1550 shall also not issue certificates evidencing the eligible rebate  
1551 or credit which will result in rebates or credits being awarded in  
1552 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)  
1553 calendar year for projects with total qualified rehabilitation  
1554 costs and expenses of less than One Million Seven Hundred Fifty  
1555 Thousand Dollars (\$1,750,000.00).

1556 (ii) If claiming a credit instead of a rebate, the  
1557 taxpayer shall claim such credit on the income tax return for the  
1558 tax year for which the credit is certified.

1559 (b) The date of the rebate or credit shall be certified  
1560 in the following order:

1561 (i) The rebate or credit shall be certified based  
1562 on the date of project completion.

1563 (ii) If the eligible rebate or credit exceeds the  
1564 available limit in the year in which the project is completed, the  
1565 rebate or credit shall be certified based on the date the



1566 certification is issued by the department. The department shall  
1567 issue the certification in the first calendar year in which the  
1568 requested rebate or credit would not exceed the calendar year  
1569 limit.

1570 (c) The aggregate amount of tax rebates or credits that  
1571 may be awarded under this section shall not exceed One Hundred  
1572 Eighty Million Dollars (\$180,000,000.00).

1573 (6) (a) The rebate or credit received by a taxpayer  
1574 pursuant to this section is subject to recapture if:

1575 (i) The property is one that has been determined  
1576 eligible for the National Register of Historic Places but is not  
1577 listed on the National Register of Historic Places within thirty  
1578 (30) months of claiming the rebate or credit authorized by this  
1579 section;

1580 (ii) The potential district in which the property  
1581 is located is not listed on the National Register of Historic  
1582 Places within thirty (30) months of claiming the rebate or credit  
1583 authorized by this section; or

1584 (iii) The project has not received final  
1585 certification by the department within sixty (60) months of the  
1586 project start date certified in the first phase.

1587 (b) The taxpayer shall notify the department and the  
1588 Department of Revenue if any of the situations that subject the  
1589 credit to recapture occur.





1590           (7) (a) The board of trustees of the department shall  
1591 establish fees to be charged for the services performed by the  
1592 department under this section and shall publish the fee schedule.  
1593 The fees contained in the schedule shall be in amounts reasonably  
1594 calculated to recover the costs incurred by the department for the  
1595 administration of this section. Any taxpayer desiring to  
1596 participate in the tax credits authorized by this section shall  
1597 pay the appropriate fee as contained in the fee schedule to the  
1598 department, which shall be used by the department, without  
1599 appropriation, to offset the administrative costs of the  
1600 department associated with its duties under this section.

1601           (b) There is hereby created within the State Treasury a  
1602 special fund into which shall be deposited all the fees collected  
1603 by the department pursuant to this section. Money deposited into  
1604 the fund shall not lapse at the end of any fiscal year and  
1605 investment earnings on the proceeds in such special fund shall be  
1606 deposited into such fund. Money from the fund shall be disbursed  
1607 upon warrants issued by the State Fiscal Officer upon requisitions  
1608 signed by the executive director of the department to assist the  
1609 department in carrying out its duties under this section.

1610           (8) This section shall only apply to taxpayers:

1611           (a) Who have been issued a certificate evidencing the  
1612 eligible credit before December 31, 2030; or

1613           (b) Who, before December 31, 2030, have received a  
1614 determination in writing from the Mississippi Department of



1615 Archives and History, in accordance with the department's Historic  
1616 Preservation Certificate Application, Part 2, that the  
1617 rehabilitation is consistent with the historic character of the  
1618 property and that the property meets the United States Secretary  
1619 of the Interior's Standards for Rehabilitation, or will meet the  
1620 standards if certain specified conditions are met, and, who are  
1621 issued a certificate evidencing the eligible credit on or after  
1622 December 31, 2030.

1623           **SECTION 22.** Section 27-7-22.32, Mississippi Code of 1972, is  
1624 brought forward as follows:

1625           27-7-22.32. (1) (a) There shall be allowed as a credit  
1626 against the tax imposed by this chapter the amount of the  
1627 qualified adoption expenses paid or incurred, not to exceed Five  
1628 Thousand Dollars (\$5,000.00), for each dependent child residing  
1629 outside Mississippi but legally adopted by a taxpayer under the  
1630 laws of this state during calendar year 2023 or during any  
1631 calendar year thereafter. A taxpayer claiming a credit under this  
1632 paragraph (a) may not claim a credit under paragraph (b) of this  
1633 subsection for the adoption of the same child.

1634           (b) There shall be allowed as a credit against the tax  
1635 imposed by this chapter the amount of Ten Thousand Dollars  
1636 (\$10,000.00) for each dependent child residing in Mississippi and  
1637 legally adopted by a taxpayer under the laws of this state during  
1638 calendar year 2023 or during any calendar year thereafter. A  
1639 taxpayer claiming a credit under this paragraph (b) may not claim



1640 a credit under paragraph (a) of this subsection for the adoption  
1641 of the same child.

1642 (2) The tax credit under this section may be claimed for the  
1643 taxable year in which the adoption becomes final under the laws of  
1644 this state. Any tax credit claimed under this section but not  
1645 used in any taxable year may be carried forward for the five (5)  
1646 succeeding tax years. A tax credit is allowed under this section  
1647 for any child for which an exemption is claimed during the same  
1648 taxable year under Section 27-7-21(e). For the purposes of this  
1649 section, the term "qualified adoption expenses" means and has the  
1650 same definition as that term has in 26 USCA 23.

1651 **SECTION 23.** Section 27-7-22.33, Mississippi Code of 1972, is  
1652 brought forward as follows:

1653 27-7-22.33. (1) A taxpayer shall be allowed a credit  
1654 against the income taxes imposed under this chapter in an amount  
1655 equal to twenty-five percent (25%) of the premium costs paid  
1656 during the taxable year for a qualified long-term care insurance  
1657 policy as defined in Section 7702B of the Internal Revenue Code  
1658 that offers coverage to either the individual, the individual's  
1659 spouse, the individual's parent or parent-in-law, or the  
1660 individual's dependent as defined in Section 152 of the Internal  
1661 Revenue Code.

1662 (2) No taxpayer shall be entitled to the credit with respect  
1663 to the same expended amounts for qualified long-term care  
1664 insurance which are claimed by another taxpayer.



1665           (3) The credit allowed by this section shall not exceed Five  
1666 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,  
1667 whichever is less, for each qualified long-term care insurance  
1668 policy. Any unused tax credit shall not be allowed to be carried  
1669 forward to apply to the taxpayer's succeeding year's tax  
1670 liability.

1671           (4) No credit shall be allowed under this section with  
1672 respect to any premium for qualified long-term care insurance  
1673 either deducted or subtracted by the taxpayer in arriving at his  
1674 net taxable income under this section or with respect to any  
1675 premiums for qualified long-term care insurance which were  
1676 excluded from his net taxable income.

1677           **SECTION 24.** Section 27-7-22.34, Mississippi Code of 1972, is  
1678 brought forward as follows:

1679           27-7-22.34. (1) As used in this section, "qualified  
1680 business or industry" means any company that has been certified by  
1681 the Mississippi Major Economic Impact Authority as a project as  
1682 defined in Section 57-75-5(f)(xxii).

1683           (2) A qualified business or industry shall be allowed a job  
1684 tax credit for taxes imposed by Section 27-7-5 equal to Five  
1685 Thousand Dollars (\$5,000.00) annually for each net new full-time  
1686 employee job for a period of twenty (20) years from the date the  
1687 credit commences; however, if the qualified business or industry  
1688 is located in an area that has been declared by the Governor to be  
1689 a disaster area and as a direct result of the disaster the



1690 business or industry is unable to maintain the required number of  
1691 employees, the commissioner may extend this time period for not  
1692 more than two (2) years. The credit shall commence on the date  
1693 selected by the business or industry; however, the commencement  
1694 date shall not be more than six (6) years from the date the  
1695 business or industry commences commercial production. For the  
1696 year in which the commencement date occurs, the number of new  
1697 full-time jobs shall be determined by using the monthly average  
1698 number of full-time employees subject to the Mississippi income  
1699 tax withholding. Thereafter, the number of new full-time jobs  
1700 shall be determined by comparing the monthly average number of  
1701 full-time employees subject to the Mississippi income tax  
1702 withholding for the taxable year with the corresponding period of  
1703 the prior taxable year. Once a qualified business or industry  
1704 creates or increases employment by five hundred (500) or more,  
1705 such business or industry shall be eligible for the credit. The  
1706 credit is not allowed for any year of the twenty-year period in  
1707 which the overall monthly average number of full-time employees  
1708 subject to the Mississippi income tax withholding falls below five  
1709 hundred (500); however, if the qualified business or industry is  
1710 located in an area that has been declared by the Governor to be a  
1711 disaster area and as a direct result of the disaster the business  
1712 or industry is unable to maintain the required number of  
1713 employees, the commissioner may waive the employment requirement  
1714 for a period of time not to exceed two (2) years. The State Tax



1715 Commission shall adjust the credit allowed each year for the net  
1716 new employment fluctuations above five hundred (500).

1717 (3) Any tax credit claimed under this section but not used  
1718 in any taxable year may be carried forward for five (5)  
1719 consecutive years from the close of the tax year in which the  
1720 credits were earned; however, if the qualified business or  
1721 industry is located in an area that has been declared by the  
1722 Governor to be a disaster area and as a direct result of the  
1723 disaster the business or industry is unable to use the existing  
1724 carryforward, the commissioner may extend the period that the  
1725 credit may be carried forward for a period of time not to exceed  
1726 two (2) years. The credit that may be utilized each year shall be  
1727 limited to an amount not greater than the total state income tax  
1728 liability of the qualified business or industry that is generated  
1729 by, or arises out of, the project.

1730 (4) The tax credits provided for in this section shall be in  
1731 lieu of the tax credits provided for in Section 57-73-21 and any  
1732 qualified business or industry utilizing the tax credit authorized  
1733 in this section shall not utilize the tax credit authorized in  
1734 Section 57-73-21.

1735 **SECTION 25.** Section 27-7-22.35, Mississippi Code of 1972, is  
1736 brought forward as follows:

1737 27-7-22.35. (1) As used in this section:

1738 (a) "Eligible facility" means and includes a new  
1739 facility that creates at least twenty (20) full-time jobs with a



1740 minimum capital investment from private sources of Fifty Million  
1741 Dollars (\$50,000,000.00), that:

1742 (i) Consists of all components necessary for the  
1743 production of electric energy from the direct firing or co-firing  
1744 of biomass or waste heat recovery, and if applicable, other energy  
1745 sources;

1746 (ii) Produces both electric energy and useful  
1747 thermal energy, such as heat or steam, through the sequential use  
1748 of energy (cogeneration); and

1749 (iii) Consists of all components necessary for the  
1750 production of synfuel.

1751 An eligible facility includes all burners and boilers, any  
1752 handling and delivery equipment that supplies fuel directly to and  
1753 is integrated with such burners and boilers, steam headers,  
1754 turbines, generators, property used for the collection, processing  
1755 or storage of biomass or synfuel, transformers, pipelines and all  
1756 other property used in the transmission of electricity or synfuel  
1757 and related depreciable property.

1758 (b) "Biomass" means and includes any of the following:

1759 (i) Forest-related mill residues, pulping  
1760 by-product and other by-products of wood processing, thinnings,  
1761 slash, limbs, bark, brush and other cellulosic plant material or  
1762 nonmerchantable forest-related products;



1763                   (ii) Solid wood waste materials, including  
1764 dunnage, manufacturing and construction wood wastes, demolition  
1765 and storm debris and landscape or right-of-way trimmings;  
1766                   (iii) Agriculture wastes, including orchard tree  
1767 crops, vineyard, grain, legumes, sugar and other crop by-products  
1768 or residues and livestock waste nutrients;  
1769                   (iv) All plant and grass material that is grown  
1770 exclusively as a fuel for the production of electricity;  
1771                   (v) Refuse derived fuels consisting of organic  
1772 components and fibers of waste water treatment solids; or  
1773                   (vi) Whole trees.

1774           (c) "Synfuel" means any liquid or gaseous fuel obtained  
1775 from biomass.

1776           (d) "Waste heat recovery" means systems that produce  
1777 electricity from currently unused waste heat resulting from  
1778 combustion or other processes and which do not use an additional  
1779 combustion process. The term does not include any system whose  
1780 primary purpose is the generation of electricity.

1781           (2) An enterprise owning or operating an eligible facility  
1782 is allowed an annual investment tax credit for taxes imposed by  
1783 Section 27-7-5 equal to five percent (5%) of investments made by  
1784 the enterprise in the initial establishment of an eligible  
1785 facility. The credit shall commence on the date selected by the  
1786 enterprise; provided, however, that the commencement date shall





1787 not be more than two (2) years from the date the eligible facility  
1788 becomes fully operational.

1789 (3) Any tax credit claimed under this section but not used  
1790 in any taxable year may be carried forward for five (5)  
1791 consecutive years from the close of the tax year in which the  
1792 credits were earned. The credit that may be utilized in any one  
1793 (1) tax year shall be limited to an amount not greater than fifty  
1794 percent (50%) of the total state income tax liability of the  
1795 enterprise for that year that is generated by, or arises out of,  
1796 the eligible facility.

1797 **SECTION 26.** Section 27-7-22.36, Mississippi Code of 1972, is  
1798 brought forward as follows:

1799 27-7-22.36. (1) As used in this section:

1800 (a) "Full-time employee" means an employee who works at  
1801 least thirty-five (35) hours per week.

1802 (b) "New cut and sew job" means a job in which the  
1803 employee cuts and sews upholstery for upholstered household  
1804 furniture and which job did not exist in this state before January  
1805 1, 2010.

1806 (2) Any enterprise owning or operating an upholstered  
1807 household furniture manufacturing facility is allowed a job tax  
1808 credit for taxes imposed by this chapter equal to Two Thousand  
1809 Dollars (\$2,000.00) annually for each full-time employee employed  
1810 in a new cut and sew job for a period of five (5) years from the  
1811 date the credit commences. The credit shall commence on the date



1812 selected by the enterprise. For the year in which the  
1813 commencement date occurs, the credit will be determined based on  
1814 the monthly average number of full-time employees employed in new  
1815 cut and sew jobs subject to the Mississippi income tax withholding  
1816 who are employed by the enterprise. For each year thereafter, the  
1817 number of new cut and sew jobs shall be determined by comparing  
1818 the monthly average number of full-time employees employed in new  
1819 cut and sew jobs subject to the Mississippi income tax withholding  
1820 for the taxable year with the corresponding period of the prior  
1821 taxable year. The Department of Revenue shall verify that the  
1822 jobs claimed by enterprises to obtain the credit meet the  
1823 definition of the term "new cut and sew job." The Department of  
1824 Revenue shall adjust the credit allowed each year for employment  
1825 fluctuations.

1826 (3) The credit that may be used each year shall be limited  
1827 to an amount not greater than the total state income tax liability  
1828 of the enterprise. Any tax credit claimed under this section but  
1829 not used in any taxable year may be carried forward for five (5)  
1830 consecutive years from the close of the tax year in which the  
1831 credits were earned.

1832 (4) The tax credits provided for in this section shall be in  
1833 lieu of the tax credits provided for in Section 57-73-21 and any  
1834 enterprise using the tax credit authorized in this section shall  
1835 not use the tax credit authorized in Section 57-73-21.



1836 (5) Any taxpayer who is eligible for the credit authorized  
1837 in this section prior to January 1, 2026, shall be eligible for  
1838 the credit authorized in this section, notwithstanding the repeal  
1839 of this section, and shall be allowed to carry forward the credit  
1840 after January 1, 2026, as provided for in subsection (3) of this  
1841 section.

1842 (6) This section shall be repealed from and after January 1,  
1843 2026.

1844 **SECTION 27.** Section 27-7-22.37, Mississippi Code of 1972, is  
1845 brought forward as follows:

1846 27-7-22.37. (1) There shall be allowed as a credit against  
1847 the tax imposed by Section 27-7-5 the amount of the qualified  
1848 prekindergarten program support contributions paid to approved  
1849 providers, lead partners or collaboratives, not to exceed One  
1850 Million Dollars (\$1,000,000.00), by any individual, corporation or  
1851 other entity having taxable income under the laws of this state  
1852 during calendar year 2013 or during any calendar year thereafter.  
1853 In order to qualify for a tax credit, such contributions may  
1854 support the local match requirement of approved providers, lead  
1855 partners or collaboratives as is necessary to match  
1856 state-appropriated funds, and any such providers, lead partners or  
1857 collaboratives shall be approved by the State Department of  
1858 Education.

1859 (2) Any unused portion of the credit may be carried forward  
1860 for three (3) tax years.



1861 (3) Any prekindergarten program support contribution shall  
1862 be verified by submission to the Mississippi Department of Revenue  
1863 of a copy of the receipt provided to the donor taxpayer by the  
1864 prekindergarten program recipient or such other written  
1865 verification as may be required by the Department of Revenue.

1866 (4) The maximum amount of donations accepted by the  
1867 Department of Revenue in calendar year 2014 shall not exceed Eight  
1868 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not  
1869 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar  
1870 year 2016 and calendar years thereafter shall not exceed  
1871 Thirty-two Million Dollars (\$32,000,000.00), or what is  
1872 appropriated by the Legislature to fund Chapter 493, Laws of 2013  
1873 each year.

1874 (5) The Mississippi Department of Revenue shall promulgate  
1875 rules necessary to effectuate the purposes of Chapter 493, Laws of  
1876 2013. Such rules shall include a means of informing the public of  
1877 the existence of the prekindergarten support program and the  
1878 application process for provider, lead partner and collaborative  
1879 candidates.

1880 **SECTION 28.** Section 27-7-22.39, Mississippi Code of 1972, is  
1881 brought forward as follows:

1882 27-7-22.39. (1) As used in this section:

1883 (a) "Low-income residents" means persons whose  
1884 household income is less than one hundred fifty percent (150%) of  
1885 the federal poverty level.



1886           (b) "Qualifying charitable organization" means a  
1887 charitable organization that is exempt from federal income  
1888 taxation under Section 501(c)(3) of the Internal Revenue Code or  
1889 is a designated community action agency that receives community  
1890 services block grant program monies pursuant to 42 USC 9901. The  
1891 organization must spend at least fifty percent (50%) of its budget  
1892 on services to residents of this state who receive temporary  
1893 assistance for needy families benefits or low-income residents of  
1894 this state and their households or to children who have a chronic  
1895 illness or physical, intellectual, developmental or emotional  
1896 disability who are residents of this state. A charitable  
1897 organization that is exempt from federal income tax under Section  
1898 501(c)(3) of the Internal Revenue Code and that meets all other  
1899 requirements of this paragraph except that it does not spend at  
1900 least fifty percent (50%) of its overall budget in Mississippi may  
1901 be a qualifying charitable organization if it spends at least  
1902 fifty percent (50%) of its Mississippi budget on services to  
1903 qualified individuals in Mississippi and it certifies to the  
1904 department that one hundred percent (100%) of the voluntary cash  
1905 contributions from the taxpayer will be spent on services to  
1906 qualified individuals in Mississippi. Taxpayers choosing to make  
1907 donations through an umbrella charitable organization that  
1908 collects donations on behalf of member charities shall designate  
1909 that the donation be directed to a member charitable organization  
1910 that would qualify under this section on a stand-alone basis.



1911 Qualifying charitable organization does not include any entity  
1912 that provides, pays for or provides coverage of abortions or that  
1913 financially supports any other entity that provides, pays for or  
1914 provides coverage of abortions.

1915 (c) "Qualifying foster care charitable organization"  
1916 means a qualifying charitable organization that each operating  
1917 year provides services to at least one hundred (100) qualified  
1918 individuals in this state and spends at least fifty percent (50%)  
1919 of its budget on services to qualified individuals in this state.  
1920 A charitable organization that is exempt from federal income tax  
1921 under Section 501(c)(3) of the Internal Revenue Code and that  
1922 meets all other requirements of this paragraph except that it does  
1923 not spend at least fifty percent (50%) of its overall budget in  
1924 Mississippi may be a qualifying foster care charitable  
1925 organization if it spends at least fifty percent (50%) of its  
1926 Mississippi budget on services to qualified individuals in  
1927 Mississippi and it certifies to the department that one hundred  
1928 percent (100%) of the voluntary cash contributions from the  
1929 taxpayer will be spent on services to qualified individuals in  
1930 Mississippi. For the purposes of this paragraph, "qualified  
1931 individual" means a child in a foster care placement program  
1932 established by the Department of Child Protection Services, a  
1933 child placed under the Safe Families for Children model, or a  
1934 child at significant risk of entering a foster care placement



1935 program established by the Department of Child Protection  
1936 Services.

1937 (d) "Services" means:

1938 (i) Cash assistance, medical care, child care,  
1939 food, clothing, shelter, and job-placement services or any other  
1940 assistance that is reasonably necessary to meet immediate basic  
1941 needs and that is provided and used in this state;

1942 (ii) Job-training or education services or funding  
1943 for parents, foster parents or guardians; or

1944 (iii) Job-training or education services or  
1945 funding provided as part of a foster care independent living  
1946 program.

1947 (2) (a) Except as provided in subsections (3) and (4) of  
1948 this section, a credit is allowed against the taxes imposed by  
1949 this chapter for voluntary cash contributions by the taxpayer  
1950 during the taxable year to a qualifying charitable organization,  
1951 other than a qualifying foster care charitable organization, not  
1952 to exceed:

1953 (i) Through calendar year 2022, the lesser of Four  
1954 Hundred Dollars (\$400.00) or the amount of the contribution in any  
1955 taxable year for a single individual or a head of household; and  
1956 for calendar year 2023 and each calendar year thereafter, the  
1957 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the  
1958 amount of the contribution in any taxable year for a single  
1959 individual or a head of household.



1960 (ii) Through calendar year 2022, the lesser of  
1961 Eight Hundred Dollars (\$800.00) or the amount of the contribution  
1962 in any taxable year for a married couple filing a joint return;  
1963 and for calendar year 2023 and each calendar year thereafter, the  
1964 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the  
1965 amount of the contribution in any taxable year for a married  
1966 couple filing a joint return.

1967 (b) From and after January 1, 2023, a credit is also  
1968 allowed against ad valorem taxes assessed and levied on real  
1969 property for voluntary cash contributions made by the individual  
1970 taxpayer during the taxable year to a qualifying charitable  
1971 organization, other than a qualifying foster care charitable  
1972 organization. The amount of credit that may be utilized by a  
1973 taxpayer in a taxable year shall be limited to an amount not to  
1974 exceed fifty percent (50%) of the total tax liability of the  
1975 taxpayer for ad valorem taxes assessed and levied on real  
1976 property. Any tax credit claimed under this paragraph but not  
1977 used in any taxable year may be carried forward for five (5)  
1978 consecutive years from the close of the tax year in which the  
1979 credits were earned.

1980 (3) (a) A separate credit is allowed against the taxes  
1981 imposed by this chapter for voluntary cash contributions during  
1982 the taxable year to a qualifying foster care charitable  
1983 organization. A contribution to a qualifying foster care  
1984 charitable organization does not qualify for, and shall not be





1985 included in, any credit amount under subsection (2) of this  
1986 section. If the voluntary cash contribution by the taxpayer is to  
1987 a qualifying foster care charitable organization, the credit shall  
1988 not exceed:

1989 (i) Through calendar year 2022, the lesser of Five  
1990 Hundred Dollars (\$500.00) or the amount of the contribution in any  
1991 taxable year for a single individual or a head of household; and  
1992 for calendar year 2023 and each calendar year thereafter, the  
1993 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the  
1994 amount of the contribution in any taxable year for a single  
1995 individual or a head of household.

1996 (ii) Through calendar year 2022, the lesser of One  
1997 Thousand Dollars (\$1,000.00) or the amount of the contribution in  
1998 any taxable year for a married couple filing a joint return; and  
1999 for calendar year 2023 and each calendar year thereafter, the  
2000 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the  
2001 contribution in any taxable year for a married couple filing a  
2002 joint return.

2003 (b) From and after January 1, 2023, a credit is also  
2004 allowed against ad valorem taxes assessed and levied on real  
2005 property for voluntary cash contributions made by the individual  
2006 taxpayer during the taxable year to a qualifying foster care  
2007 charitable organization. The amount of credit that may be  
2008 utilized by a taxpayer in a taxable year shall be limited to an  
2009 amount not to exceed fifty percent (50%) of the total tax



2010 liability of the taxpayer for ad valorem taxes assessed and levied  
2011 on real property. Any tax credit claimed under this paragraph but  
2012 not used in any taxable year may be carried forward for five (5)  
2013 consecutive years from the close of the tax year in which the  
2014 credits were earned.

2015 (4) Subsections (2) and (3) of this section provide separate  
2016 credits against taxes imposed by this chapter depending on the  
2017 recipients of the contributions. A taxpayer, including a married  
2018 couple filing a joint return, in the same taxable year, may either  
2019 or both:

2020 (a) Contribute to a qualifying charitable organization,  
2021 other than a qualifying foster care charitable organization, and  
2022 claim a credit under subsection (2) of this section.

2023 (b) Contribute to a qualifying foster care charitable  
2024 organization and claim a credit under subsection (3) of this  
2025 section.

2026 (5) A husband and wife who file separate returns for a  
2027 taxable year in which they could have filed a joint return may  
2028 each claim only one-half (1/2) of the tax credit that would have  
2029 been allowed for a joint return.

2030 (6) Except as otherwise provided in subsections (2) and (3)  
2031 of this section, if the allowable tax credit exceeds the taxes  
2032 otherwise due under this chapter on the claimant's income, or if  
2033 there are no taxes due under this chapter, the taxpayer may carry  
2034 forward the amount of the claim not used to offset the taxes under



2035 this chapter for not more than five (5) consecutive taxable years'  
2036 income tax liability.

2037 (7) The credit allowed by this section is in lieu of a  
2038 deduction pursuant to Section 170 of the Internal Revenue Code and  
2039 taken for state tax purposes.

2040 (8) Taxpayers taking a credit authorized by this section  
2041 shall provide the name of the qualifying charitable organization  
2042 and the amount of the contribution to the department on forms  
2043 provided by the department.

2044 (9) A qualifying charitable organization shall provide the  
2045 department with a written certification that it meets all criteria  
2046 to be considered a qualifying charitable organization. The  
2047 organization shall also notify the department of any changes that  
2048 may affect the qualifications under this section.

2049 (10) The charitable organization's written certification  
2050 must be signed by an officer of the organization under penalty of  
2051 perjury. The written certification shall include the following:

2052 (a) Verification of the organization's status under  
2053 Section 501(c)(3) of the Internal Revenue Code or verification  
2054 that the organization is a designated community action agency that  
2055 receives community services block grant program monies pursuant to  
2056 42 USC 9901.

2057 (b) Financial data indicating the organization's budget  
2058 for the organization's prior operating year and the amount of that  
2059 budget spent on services to residents of this state who either:



2060 (i) Receive temporary assistance for needy  
2061 families benefits;  
2062 (ii) Are low-income residents of this state;  
2063 (iii) Are children who have a chronic illness or  
2064 physical, intellectual, developmental or emotional disability; or  
2065 (iv) Are children in a foster care placement  
2066 program established by the Department of Child Protection  
2067 Services, children placed under the Safe Families for Children  
2068 model or children at significant risk of entering a foster care  
2069 placement program established by the Department of Child  
2070 Protection Services.

2071 (c) A statement that the organization plans to continue  
2072 spending at least fifty percent (50%) of its budget on services to  
2073 residents of this state who receive temporary assistance for needy  
2074 families benefits, who are low-income residents of this state, who  
2075 are children who have a chronic illness or physical, intellectual,  
2076 developmental or emotional disability or who are children in a  
2077 foster care placement program established by the Department of  
2078 Child Protection Services, children placed under the Safe Families  
2079 for Children model or children at significant risk of entering a  
2080 foster care placement program established by the Department of  
2081 Child Protection Services. A charitable organization that is  
2082 exempt from federal income tax under Section 501(c)(3) of the  
2083 Internal Revenue Code and that meets all other requirements for a  
2084 qualifying charitable organization or qualifying foster care



2085 charitable organization except that it does not spend at least  
2086 fifty percent (50%) of its overall budget in Mississippi shall  
2087 submit a statement that it spends at least fifty percent (50%) of  
2088 its Mississippi budget on services to qualified individuals in  
2089 Mississippi and that one hundred percent (100%) of the voluntary  
2090 cash contributions it receives from Mississippi taxpayers will be  
2091 spent on services to qualified individuals in Mississippi.

2092 (d) In the case of a foster care charitable  
2093 organization, a statement that each operating year it provides  
2094 services to at least one hundred (100) qualified individuals in  
2095 this state.

2096 (e) A statement that the organization does not provide,  
2097 pay for or provide coverage of abortions and does not financially  
2098 support any other entity that provides, pays for or provides  
2099 coverage of abortions.

2100 (f) Any other information that the department requires  
2101 to administer this section.

2102 (11) The department shall review each written certification  
2103 and determine whether the organization meets all the criteria to  
2104 be considered a qualifying charitable organization and notify the  
2105 organization of its determination. The department may also  
2106 periodically request recertification from the organization. The  
2107 department shall compile and make available to the public a list  
2108 of the qualifying charitable organizations.



2109 (12) The aggregate amount of tax credits that may be awarded  
2110 under this section in any calendar year shall not exceed Three  
2111 Million Dollars (\$3,000,000.00). However, for calendar year 2021,  
2112 and for each calendar year thereafter, the aggregate amount of tax  
2113 credits that may be awarded under this section in any calendar  
2114 year shall not exceed One Million Dollars (\$1,000,000.00). In  
2115 addition, any tax credits not awarded under this section before  
2116 June 1, 2020, may be allocated during calendar year 2020 under  
2117 Section 27-7-22.41 for contributions by taxpayers to eligible  
2118 charitable organizations described in Section  
2119 27-7-22.41(1)(b)(ii) as provided under such section,  
2120 notwithstanding any limitation on the percentage of tax credits  
2121 that may be allocated for such contributions.

2122 (13) A taxpayer shall apply for credits with the department  
2123 on forms prescribed by the department. In the application the  
2124 taxpayer shall certify to the department the dollar amount of the  
2125 contributions made or to be made during the calendar year. Within  
2126 thirty (30) days after the receipt of an application, the  
2127 department shall allocate credits based on the dollar amount of  
2128 contributions as certified in the application. However, if the  
2129 department cannot allocate the full amount of credits certified in  
2130 the application due to the limit on the aggregate amount of  
2131 credits that may be awarded under this section in a calendar year,  
2132 the department shall so notify the applicant within thirty (30)  
2133 days with the amount of credits, if any, that may be allocated to



2134 the applicant in the calendar year. Once the department has  
2135 allocated credits to a taxpayer, if the contribution for which a  
2136 credit is allocated has not been made as of the date of the  
2137 allocation, then the contribution must be made not later than  
2138 sixty (60) days from the date of the allocation. If the  
2139 contribution is not made within such time period, the allocation  
2140 shall be cancelled and returned to the department for  
2141 reallocation. Upon final documentation of the contributions, if  
2142 the actual dollar amount of the contributions is lower than the  
2143 amount estimated, the department shall adjust the tax credit  
2144 allowed under this section.

2145 (14) This section shall be repealed from and after January  
2146 1, 2025.

2147 **SECTION 29.** Section 27-7-22.40, Mississippi Code of 1972, is  
2148 brought forward as follows:

2149 27-7-22.40. (1) The following words and phrases shall have  
2150 the meanings ascribed in this section unless the context clearly  
2151 indicates:

2152 (a) "Water transportation enterprise" means an  
2153 enterprise or establishment primarily engaged in providing inland  
2154 water transportation of cargo on lakes, rivers and/or intracoastal  
2155 waterways, except on the Great Lakes System.

2156 (b) "Mississippi full-time job" means a job created in  
2157 the State of Mississippi on or after January 1, 2019, and filled



2158 by a Mississippi resident who works at least thirty-five (35)  
2159 hours per week.

2160 (2) Subject to the provisions of this section, any water  
2161 transportation enterprise is allowed a job tax credit for taxes  
2162 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)  
2163 annually for each Mississippi full-time job created for a period  
2164 of five (5) years from the date the credit commences. A water  
2165 transportation enterprise may not claim a tax credit for the  
2166 reemployment of a person whose employment with the enterprise is  
2167 terminated by the enterprise if the reemployment by the enterprise  
2168 occurs within twelve (12) months from the date of the termination.  
2169 The credit shall commence on the date selected by the enterprise.  
2170 For the year in which the commencement date occurs, the credit  
2171 will be determined based on the monthly average number of  
2172 full-time employees employed by the water transportation  
2173 enterprise in Mississippi full-time jobs subject to the  
2174 Mississippi income tax withholding. For each year thereafter, the  
2175 number of Mississippi full-time jobs shall be determined by  
2176 comparing the monthly average number of full-time employees  
2177 employed at the water transportation enterprise in Mississippi  
2178 full-time jobs subject to the Mississippi income tax withholding  
2179 for the taxable year with the corresponding period of the prior  
2180 taxable year. The Department of Revenue shall adjust the credit  
2181 allowed each year for employment fluctuations.





2182 (3) The credit that may be used each year shall be limited  
2183 to an amount not greater than the total state income tax liability  
2184 of the water transportation enterprise. Any tax credit claimed  
2185 under this section but not used in any taxable year may be carried  
2186 forward for five (5) consecutive years from the close of the tax  
2187 year in which the credits were earned.

2188 (4) The sale, merger, acquisition, reorganization,  
2189 bankruptcy or relocation from one (1) county to another county  
2190 within the state of any water transportation enterprise may not  
2191 create new eligibility in any succeeding business entity, but any  
2192 unused job tax credit may be transferred and continued by any  
2193 transferee of the water transportation enterprise. The Department  
2194 of Revenue shall determine whether or not qualifying net increases  
2195 or decreases have occurred or proper transfers of credit have been  
2196 made and may require reports, promulgate regulations, and hold  
2197 hearings as needed for substantiation and qualification.

2198 (5) The credits allowed under this section shall not be used  
2199 by any business enterprise or corporation other than the water  
2200 transportation enterprise actually qualifying for the credits.

2201 (6) The maximum aggregate amount of tax credits that may be  
2202 claimed by all taxpayers claiming a credit under this section in a  
2203 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

2204 (7) Any water transportation enterprise that is eligible for  
2205 the credit authorized in this section before January 1, 2026,  
2206 shall be eligible for the credit authorized in this section,



2207 notwithstanding the repeal of this section, and shall be allowed  
2208 to carry forward the credit after January 1, 2026, as provided  
2209 for in subsection (3) of this section.

2210 (8) This section shall be repealed from and after January 1,  
2211 2026.

2212 **SECTION 30.** Section 27-7-22.42, Mississippi Code of 1972, is  
2213 brought forward as follows:

2214 27-7-22.42. (1) The following words and phrases shall have  
2215 the meanings as defined in this section unless the context clearly  
2216 indicates otherwise:

2217 (a) "Eligible taxpayer" means any railroad that is  
2218 classified by the United States Surface Transportation Board as a  
2219 Class II or Class III railroad.

2220 (b) "Eligible transferee" means any taxpayer having a  
2221 liability for taxes under this chapter.

2222 (c) "Qualified railroad reconstruction or replacement  
2223 expenditures" means gross expenditures for maintenance,  
2224 reconstruction or replacement of railroad infrastructure,  
2225 including track, roadbed, bridges, industrial leads and sidings,  
2226 and track-related structures owned or leased by a Class II or  
2227 Class III railroad in Mississippi as of January 1, 2022.

2228 (d) "Qualified new rail infrastructure expenditures"  
2229 means gross expenditures for new construction of industrial leads,  
2230 switches, spurs and sidings and extensions of existing sidings,



2231 for serving new customer locations or expansions in Mississippi,  
2232 by a Class II or Class III railroad located in Mississippi.

2233 (2) Subject to the provisions of this section, an eligible  
2234 taxpayer making qualified railroad reconstruction or replacement  
2235 expenditures shall be allowed a credit against the taxes imposed  
2236 under this chapter. The credit shall be for an amount equal to  
2237 the lesser of fifty percent (50%) of an eligible taxpayer's  
2238 qualified railroad reconstruction or replacement expenditures for  
2239 the taxable year or the product of Five Thousand Dollars  
2240 (\$5,000.00) multiplied by the number of miles of railroad track  
2241 owned or leased within the State of Mississippi by the eligible  
2242 taxpayer as of the close of the taxable year. For qualified new  
2243 rail infrastructure expenditures, the credit shall be for an  
2244 amount equal to the lesser of fifty percent (50%) of an eligible  
2245 taxpayer's qualified new rail infrastructure expenditures for the  
2246 taxable year, capped at One Million Dollars (\$1,000,000.00) per  
2247 new rail-served customer project. However, the tax credit shall  
2248 not exceed the amount of tax imposed upon the taxpayer for the  
2249 taxable year reduced by the sum of all other credits allowable to  
2250 the taxpayer under this chapter, except credit for tax payments  
2251 made by or on behalf of the taxpayer. Any tax credit claimed  
2252 under this section but not used in any taxable year may be carried  
2253 forward for five (5) consecutive years from the close of the  
2254 taxable year in which the credit was earned. The aggregate amount  
2255 of credits that may be claimed by all taxpayers claiming a credit



2256 under this section during a calendar year shall not exceed Eight  
2257 Million Dollars (\$8,000,000.00). In addition, an eligible  
2258 taxpayer may transfer by written agreement any unused tax credit  
2259 to an eligible transferee at any time during the year in which the  
2260 credit is earned and the five (5) years following the taxable year  
2261 in which the qualified railroad reconstruction or replacement  
2262 expenditures or the qualified new rail infrastructure expenditures  
2263 are made. The eligible taxpayer and the eligible transferee must  
2264 jointly file a copy of the written transfer agreement with the  
2265 Department of Revenue within thirty (30) days of the transfer.  
2266 The written agreement must contain the: (a) name, address, and  
2267 taxpayer identification number of the parties to the transfer; (b)  
2268 taxable year the eligible taxpayer incurred the qualified railroad  
2269 reconstruction or replacement expenditures or the qualified new  
2270 rail infrastructure expenditures; (c) amount of credit being  
2271 transferred; and (d) taxable year or years for which the credit  
2272 may be claimed by the eligible transferee.

2273 This section shall stand repealed on January 1, 2024.

2274 **SECTION 31.** Section 27-7-22.43, Mississippi Code of 1972, is  
2275 brought forward as follows:

2276 27-7-22.43. (1) This section shall be known and may be  
2277 cited as the "Pregnancy Resource Act."

2278 (2) For the purposes of this section, the following words  
2279 and phrases shall have the meanings ascribed in this section  
2280 unless the context clearly indicates otherwise:



2281 (a) "Department" means the Department of Revenue.

2282 (b) "Eligible charitable organization" means an  
2283 organization that is exempt from federal income taxation under  
2284 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy  
2285 resource center or crisis pregnancy center. To be considered an  
2286 "eligible charitable organization" a pregnancy resource center or  
2287 crisis pregnancy center must meet the following criteria:

2288 (i) Certify that no more than twenty percent (20%)  
2289 of the contributions received under this section will be spent on  
2290 administrative purposes;

2291 (ii) File annually with the Secretary of State the  
2292 organization's publicly available Internal Revenue Service  
2293 filings.

2294 (3) (a) The tax credit authorized in this section shall be  
2295 available only to a taxpayer who is a business enterprise engaged  
2296 in commercial, industrial or professional activities and operating  
2297 as a corporation, limited liability company, partnership or sole  
2298 proprietorship. Except as otherwise provided in this section, a  
2299 credit is allowed against the taxes imposed by Sections 27-7-5,  
2300 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
2301 contributions made by a taxpayer during the taxable year to an  
2302 eligible charitable organization. For calendar year 2022, for a  
2303 taxpayer that is not operating as a corporation, a credit is also  
2304 allowed against ad valorem taxes assessed and levied on real  
2305 property for voluntary cash contributions made by the taxpayer



2306 during the taxable year to an eligible charitable organization.  
2307 From and after January 1, 2023, a credit is also allowed against  
2308 ad valorem taxes assessed and levied on real property for  
2309 voluntary cash contributions made by a taxpayer during the taxable  
2310 year to an eligible charitable organization. The amount of credit  
2311 that may be utilized by a taxpayer in a taxable year shall be  
2312 limited to (i) an amount not to exceed fifty percent (50%) of the  
2313 total tax liability of the taxpayer for the taxes imposed by such  
2314 sections of law and (ii) an amount not to exceed fifty percent  
2315 (50%) of the total tax liability of the taxpayer for ad valorem  
2316 taxes assessed and levied on real property. Any tax credit  
2317 claimed under this section but not used in any taxable year may be  
2318 carried forward for five (5) consecutive years from the close of  
2319 the tax year in which the credits were earned.

2320 (b) A contribution for which a credit is claimed under  
2321 this section may not be used as a deduction by the taxpayer for  
2322 state income tax purposes.

2323 (4) Taxpayers taking a credit authorized by this section  
2324 shall provide the name of the eligible charitable organization and  
2325 the amount of the contribution to the department on forms provided  
2326 by the department.

2327 (5) An eligible charitable organization shall provide the  
2328 department with a written certification that it meets all criteria  
2329 to be considered an eligible charitable organization. The



2330 organization shall also notify the department of any changes that  
2331 may affect eligibility under this section.

2332 (6) The eligible charitable organization's written  
2333 certification must be signed by an officer of the organization  
2334 under penalty of perjury. The written certification shall include  
2335 the following:

2336 (a) Verification of the organization's status under  
2337 Section 501(c)(3) of the Internal Revenue Code;

2338 (b) A statement that the organization does not provide,  
2339 pay for or provide coverage of abortions and does not financially  
2340 support any other entity that provides, pays for or provides  
2341 coverage of abortions;

2342 (c) Any other information that the department requires  
2343 to administer this section.

2344 (7) The department shall review each written certification  
2345 and determine whether the organization meets all the criteria to  
2346 be considered an eligible charitable organization and notify the  
2347 organization of its determination. The department may also  
2348 periodically request recertification from the organization. The  
2349 department shall compile and make available to the public a list  
2350 of eligible charitable organizations.

2351 (8) Tax credits authorized by this section that are earned  
2352 by a partnership, limited liability company, S corporation or  
2353 other similar pass-through entity, shall be allocated among all  
2354 partners, members or shareholders, respectively, either in



2355 proportion to their ownership interest in such entity or as the  
2356 partners, members or shareholders mutually agree as provided in an  
2357 executed document.

2358         (9) (a) A taxpayer shall apply for credits with the  
2359 department on forms prescribed by the department. In the  
2360 application the taxpayer shall certify to the department the  
2361 dollar amount of the contributions made or to be made during the  
2362 calendar year. Within thirty (30) days after the receipt of an  
2363 application, the department shall allocate credits based on the  
2364 dollar amount of contributions as certified in the application.  
2365 However, if the department cannot allocate the full amount of  
2366 credits certified in the application due to the limit on the  
2367 aggregate amount of credits that may be awarded under this section  
2368 in a calendar year, the department shall so notify the applicant  
2369 within thirty (30) days with the amount of credits, if any, that  
2370 may be allocated to the applicant in the calendar year. Once the  
2371 department has allocated credits to a taxpayer, if the  
2372 contribution for which a credit is allocated has not been made as  
2373 of the date of the allocation, then the contribution must be made  
2374 not later than sixty (60) days from the date of the allocation.  
2375 If the contribution is not made within such time period, the  
2376 allocation shall be cancelled and returned to the department for  
2377 reallocation. Upon final documentation of the contributions, if  
2378 the actual dollar amount of the contributions is lower than the





2379 amount estimated, the department shall adjust the tax credit  
2380 allowed under this section.

2381 (b) For the purposes of using a tax credit against ad  
2382 valorem taxes assessed and levied on real property, a taxpayer  
2383 shall present to the appropriate tax collector the tax credit  
2384 documentation provided to the taxpayer by the Department of  
2385 Revenue, and the tax collector shall apply the tax credit against  
2386 such ad valorem taxes. The tax collector shall forward the tax  
2387 credit documentation to the Department of Revenue along with the  
2388 amount of the tax credit applied against ad valorem taxes, and the  
2389 department shall disburse funds to the tax collector for the  
2390 amount of the tax credit applied against ad valorem taxes. Such  
2391 payments by the Department of Revenue shall be made from current  
2392 tax collections.

2393 (10) The aggregate amount of tax credits that may be  
2394 allocated by the department under this section during a calendar  
2395 year shall not exceed Three Million Five Hundred Thousand Dollars  
2396 (\$3,500,000.00). However, for calendar year 2023, and for each  
2397 calendar year thereafter, the aggregate amount of tax credits that  
2398 may be allocated by the department under this section during a  
2399 calendar year shall not exceed Ten Million Dollars  
2400 (\$10,000,000.00). For credits allocated during a calendar year  
2401 for contributions to eligible charitable organizations, no more  
2402 than twenty-five percent (25%) of such credits may be allocated  
2403 for contributions to a single eligible charitable organization;



2404 however, credits not allocated before June 1, may be allocated  
2405 without regard to such restriction for the same calendar year.

2406 **SECTION 32.** Section 27-7-22.44, Mississippi Code of 1972, is  
2407 brought forward as follows:

2408 27-7-22.44. (1) As used in this section, the following  
2409 words shall have the meanings ascribed herein unless the context  
2410 clearly requires otherwise:

2411 (a) "Blood donation" means the voluntary and  
2412 uncompensated donation of whole blood, or specific components of  
2413 blood, by an employee, drawn for use by a nonprofit blood bank  
2414 organization as part of a blood drive.

2415 (b) "Blood drive" means a function held at a specific  
2416 date and time which is organized by a nonprofit blood bank  
2417 organization in coordination with an employer or group of  
2418 employers and is closed to nonemployees.

2419 (c) "Employee" means an individual employed by an  
2420 employer authorized to claim a tax credit under this section.

2421 (d) "Employer" means a sole proprietor, general  
2422 partnership, limited partnership, limited liability company,  
2423 corporation or other legally recognized business entity.

2424 (e) "Verified donation" means a blood donation by an  
2425 employee, made during a blood drive, which can be documented by an  
2426 employer.

2427 (2) Subject to the provisions of this section, for calendar  
2428 year 2022 and for calendar year 2023, a taxpayer that is an



2429 employer shall be allowed a credit against the taxes imposed under  
2430 this chapter for each verified blood donation made by an employee  
2431 as part of a blood drive. The credit shall be for an amount equal  
2432 to Twenty Dollars (\$20.00) for each verified donation. However,  
2433 the tax credit shall not exceed the amount of tax imposed upon the  
2434 taxpayer for the taxable year reduced by the sum of all other  
2435 credits allowable to the taxpayer under this chapter, except  
2436 credit for tax payments made by or on behalf of the taxpayer. The  
2437 maximum aggregate amount of tax credits that may be claimed by all  
2438 taxpayers claiming a credit under this section in a taxable year  
2439 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The  
2440 department shall annually calculate and publish a percentage by  
2441 which the tax credit authorized by this section shall be reduced  
2442 so the maximum aggregate amount of tax credits claimed by all  
2443 taxpayers claiming a credit in a taxable year does not exceed One  
2444 Hundred Thousand Dollars (\$100,000.00).

2445       **SECTION 33.** Section 27-7-22.45, Mississippi Code of 1972, is  
2446 brought forward as follows:

2447       27-7-22.45. (1) As used in this section,

2448               (a) "Affiliated enterprise" or an "affiliate" shall  
2449 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2450               (b) "Authority" shall have the meaning ascribed to such  
2451 term in Section 57-75-5(b);

2452               (c) "Project" shall have the meaning ascribed to such  
2453 term in Section 57-75-5(f)(xxxi); and



2454           (d) "Qualified business or industry" shall mean any  
2455 company that has been certified by the Major Economic Impact  
2456 Authority as a project as defined in Section 57-75-5(f)(xxxi), or  
2457 any other company which becomes subject to the tax levied by this  
2458 chapter because it is an affiliate of the company that has been  
2459 certified by the Major Economic Impact Authority as a project as  
2460 defined in Section 57-75-5(f)(xxxi).

2461           (2) Each qualified business or industry shall be allowed an  
2462 annual credit, for a period of fifteen (15) successive years,  
2463 against the tax imposed by this chapter upon such qualified  
2464 business or industry in each such year, in an annual amount equal  
2465 to the amount of the qualified business's or industry's tax  
2466 imposed by this chapter for each such year during the fifteen (15)  
2467 year period on income derived thereby from any project, as defined  
2468 by Section 57-75-5(f)(xxxi).

2469           (3) The tax credit authorized by this section may be  
2470 utilized by any qualified business or industry and by any  
2471 affiliates thereof that file a combined tax return for the tax  
2472 imposed by this chapter. The credit shall not apply to offset tax  
2473 on income derived from activities subject to Mississippi income  
2474 tax prior to certification of the project.

2475           (4) A qualified business or industry may elect the date upon  
2476 which the fifteen (15) year period will begin; however, the date  
2477 may not be later than twenty-four (24) months after the date the  
2478 qualified business or industry begins commercial production of the



2479 project or such earlier date prescribed by a definitive written  
2480 agreement between the authority and the qualified business or  
2481 industry and/or an affiliate thereof.

2482 (5) In the event that the annual number of full-time jobs  
2483 maintained or caused to be maintained by the qualified business or  
2484 industry and/or any affiliate thereof falls below the minimum  
2485 annual number of full-time jobs required by the authority pursuant  
2486 to a written agreement between the authority and the qualified  
2487 business or industry and/or any affiliate thereof for one or more  
2488 years, the annual tax credit granted by this section may be  
2489 reduced or suspended by the authority until the first tax year  
2490 during which the annual number of full-time jobs maintained or  
2491 caused to be maintained by the qualified business or industry  
2492 and/or any affiliate thereof reaches the minimum annual number of  
2493 full-time jobs required by the authority pursuant to a written  
2494 agreement between the authority and the qualified business or  
2495 industry and/or any affiliate thereof.

2496 (6) A qualified business or industry that utilizes the  
2497 annual tax credits authorized by this section shall not be  
2498 eligible for the credits authorized in Sections 57-73-21 through  
2499 57-73-29.

2500 (7) A qualified business or industry shall be entitled to  
2501 utilize a single sales apportionment factor in the calculation of  
2502 its liability for income tax imposed by this chapter for any year  
2503 for which it files a Mississippi income tax return. The qualified



2504 business or industry shall be entitled to continue to utilize such  
2505 single sales apportionment factor notwithstanding a suspension of  
2506 the income tax credit pursuant to subsection (5) of this section.  
2507 In no event shall a qualified business or industry be entitled to  
2508 utilize a single sales apportionment factor for purposes of  
2509 calculating its liability for income tax imposed by this chapter  
2510 on any income derived from any operations or activities thereof  
2511 subject to tax liability imposed by this chapter prior to January  
2512 1, 2023, except to the extent that the qualified business or  
2513 industry is entitled to utilize a single sales apportionment  
2514 factor in the calculation of its liability for income tax on  
2515 income derived from any operations or activities thereof subject  
2516 to tax liability imposed by this chapter prior to January 1, 2023,  
2517 pursuant to any other section of law or regulation duly adopted by  
2518 the department.

2519 (8) The Mississippi Development Authority may promulgate  
2520 rules and regulations necessary to administer the provisions of  
2521 this section.

2522 **SECTION 34.** Section 27-7-22.46, Mississippi Code of 1972, is  
2523 brought forward as follows:

2524 27-7-22.46. (1) For the purposes of this section, the  
2525 following words and phrases shall have the meanings ascribed in  
2526 this section unless the context clearly indicates otherwise:

2527 (a) "Department" means the Department of Revenue.



2528           (b) "Eligible charitable organization" means an  
2529 organization that is exempt from federal income taxation under  
2530 Section 501(c)(3) of the Internal Revenue Code and is purchasing,  
2531 warehousing and delivering food directly to food pantries or soup  
2532 kitchens in more than five (5) Mississippi counties on a monthly  
2533 basis.

2534           (2) (a) The tax credit authorized in this section shall be  
2535 available only to a taxpayer that is a business enterprise engaged  
2536 in commercial, industrial or professional activities and operating  
2537 as a corporation, limited liability company, partnership or sole  
2538 proprietorship. Except as otherwise provided in this section, a  
2539 credit is allowed against the taxes imposed by Sections 27-7-5,  
2540 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
2541 contributions made by a taxpayer during the taxable year to an  
2542 eligible charitable organization. A credit is also allowed  
2543 against ad valorem taxes assessed and levied on real property for  
2544 voluntary cash contributions made by the taxpayer during the  
2545 taxable year to an eligible charitable organization. The amount  
2546 of credit that may be utilized by a taxpayer in a taxable year  
2547 shall be limited to (i) an amount not to exceed fifty percent  
2548 (50%) of the total tax liability of the taxpayer for the taxes  
2549 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,  
2550 and (ii) an amount not to exceed fifty percent (50%) of the total  
2551 tax liability of the taxpayer for ad valorem taxes assessed and  
2552 levied on real property. Any credit claimed under this section



2553 but not used in the tax year in which it was earned may be carried  
2554 forward for five (5) consecutive years from the close of the tax  
2555 year in which it was earned.

2556 (b) A contribution for which a credit is claimed under  
2557 this section may not be used as a deduction by the taxpayer for  
2558 state income tax purposes.

2559 (3) A taxpayer taking a credit authorized by this section  
2560 shall provide the name of the eligible charitable organization and  
2561 the amount of the contribution to the department on forms provided  
2562 by the department.

2563 (4) To be considered an eligible charitable organization  
2564 under this section, an organization shall provide the department  
2565 with a written certification that it meets all criteria. The  
2566 organization shall also notify the department of any changes that  
2567 may affect eligibility under this section.

2568 (5) The eligible charitable organization's written  
2569 certification must be signed by an officer of the organization  
2570 under penalty of perjury. The written certification shall include  
2571 the following:

2572 (a) Verification of the organization's status under  
2573 Section 501(c)(3) of the Internal Revenue Code;

2574 (b) A statement that the organization will use the  
2575 contribution only for the purchasing of food and will deliver the  
2576 food to food pantries and soup kitchens in the state; and





2577 (c) Any other information that the department requires  
2578 in order to administer this section.

2579 (6) The department shall review each written certification  
2580 and determine whether the organization meets all the criteria to  
2581 be considered an eligible charitable organization and shall notify  
2582 the organization of its determination. The department may also  
2583 periodically request recertification from the organization. The  
2584 department shall compile and make available to the public a list  
2585 of eligible charitable organizations.

2586 (7) Tax credits authorized by this section that are earned  
2587 by a partnership, limited liability company, S corporation or  
2588 other similar pass-through entity, shall be allocated among all  
2589 partners, members or shareholders, respectively, either in  
2590 proportion to their ownership interest in such entity or as the  
2591 partners, members or shareholders mutually agree as provided in an  
2592 executed document.

2593 (8) (a) A taxpayer shall apply for credits with the  
2594 department on forms prescribed by the department. In the  
2595 application, the taxpayer shall certify to the department the  
2596 dollar amount of the contributions made or to be made during the  
2597 calendar year. Within thirty (30) days after the receipt of an  
2598 application, the department shall allocate credits based on the  
2599 dollar amount of contributions as certified in the application.  
2600 However, if the department cannot allocate the full amount of  
2601 credits certified in the application due to the limit on the



2602 aggregate amount of credits that may be awarded under this section  
2603 in a calendar year, the department shall so notify the applicant  
2604 within thirty (30) days with the amount of credits, if any, that  
2605 may be allocated to the applicant in the calendar year. Once the  
2606 department has allocated credits to a taxpayer, if the  
2607 contribution for which a credit is allocated has not been made as  
2608 of the date of the allocation, then the contribution must be made  
2609 not later than sixty (60) days from the date of the allocation.  
2610 If the contribution is not made within such time period, the  
2611 allocation shall be cancelled and returned to the department for  
2612 reallocation. Upon final documentation of the contribution, if  
2613 the actual dollar amount of the contribution is lower than the  
2614 amount estimated, the department shall adjust the tax credit  
2615 allowed under this section.

2616 (b) For the purposes of using a tax credit against ad  
2617 valorem taxes assessed and levied on real property, a taxpayer  
2618 shall present to the appropriate tax collector the tax credit  
2619 documentation provided to the taxpayer by the department, and the  
2620 tax collector shall apply the tax credit against such ad valorem  
2621 taxes. The tax collector shall forward the tax credit  
2622 documentation to the department along with the amount of the tax  
2623 credit applied against ad valorem taxes, and the department shall  
2624 disburse funds to the tax collector for the amount of the tax  
2625 credit applied against ad valorem taxes. Such payments by the  
2626 department shall be made from current tax collections.



2627 (9) The aggregate amount of tax credits that may be  
2628 allocated by the department under this section during a calendar  
2629 year shall not exceed One Million Dollars (\$1,000,000.00).

2630 **SECTION 35.** Section 27-7-22.47, Mississippi Code of 1972, is  
2631 brought forward as follows:

2632 27-7-22.47. (1) For the purposes of this section, the  
2633 following words and phrases shall have the meanings ascribed in  
2634 this section unless the context clearly indicates otherwise:

2635 (a) "Department" means the Department of Revenue.

2636 (b) "Eligible transitional home organization" means an  
2637 organization that is exempt from federal income taxation under  
2638 Section 501(c)(3) of the Internal Revenue Code that provides  
2639 transitional housing for homeless persons age twenty-five (25) and  
2640 under, homeless families and/or homeless and/or referred unwed  
2641 pregnant women.

2642 "Eligible transitional home organization" does not include  
2643 any entity that provides, pays for or provides coverage of  
2644 abortions or that financially supports any other entity that  
2645 provides, pays for or provides coverage of abortions.

2646 "Eligible transitional home organization" does not include  
2647 any entity that charges a fee for the services and/or benefits it  
2648 provides as an eligible transitional home organization. The  
2649 prohibition against charging a fee for services and/or benefits is  
2650 limited to services and benefits the entity provides as an  
2651 eligible transitional home organization and does not apply to any



2652 other services and/or benefits the entity may provide to persons  
2653 not being served by the entity's transitional home services.

2654 (c) "Transitional housing" means temporary housing the  
2655 purpose of which is to provide homeless persons age twenty-five  
2656 (25) and under, homeless families and/or homeless and/or referred  
2657 unwed pregnant women with temporary shelter and facilitate their  
2658 movement to permanent housing within an amount of time that the  
2659 eligible transitional home organization determines to be  
2660 appropriate.

2661 "Transitional housing" includes a program designed by the  
2662 eligible transitional home organization that offers structure,  
2663 supervision, support, life skills, education and training as the  
2664 eligible transitional home organization determines to be  
2665 appropriate for each individual and/or family to achieve and/or  
2666 maintain independence.

2667 (2) (a) (i) The tax credit authorized in this subsection  
2668 shall be available only to a taxpayer who is a business enterprise  
2669 engaged in commercial, industrial or professional activities and  
2670 operating as a corporation, limited liability company, partnership  
2671 or sole proprietorship. Except as otherwise provided in this  
2672 subsection, a credit is allowed against the taxes imposed by  
2673 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary  
2674 cash contributions made by a taxpayer during the taxable year to  
2675 an eligible transitional home organization. A credit is also  
2676 allowed against ad valorem taxes assessed and levied on real



2677 property for voluntary cash contributions made by the taxpayer  
2678 during the taxable year to an eligible transitional home  
2679 organization. The amount of credit that may be utilized by a  
2680 taxpayer in a taxable year shall be limited to an amount not to  
2681 exceed fifty percent (50%) of the total tax liability of the  
2682 taxpayer for the taxes imposed by such sections of law and an  
2683 amount not to exceed fifty percent (50%) of the total tax  
2684 liability of the taxpayer for ad valorem taxes assessed and levied  
2685 on real property. Any tax credit claimed under this subsection  
2686 but not used in any taxable year may be carried forward for five  
2687 (5) consecutive years from the close of the tax year in which the  
2688 credits were earned.

2689 (ii) A contribution to an eligible transitional  
2690 home organization for which a credit is claimed under this  
2691 subsection does not qualify for and shall not be included in any  
2692 credit that may be claimed under subsection (3) of this section.

2693 (iii) A contribution for which a credit is claimed  
2694 under this subsection may not be used as a deduction by the  
2695 taxpayer for state income tax purposes.

2696 (b) Taxpayers taking a credit authorized by this  
2697 subsection shall provide the name of the eligible transitional  
2698 home organization and the amount of the contribution to the  
2699 department on forms provided by the department.

2700 (c) An eligible transitional home organization shall  
2701 provide the department with a written certification that it meets



2702 all criteria to be considered an eligible transitional home  
2703 organization. The organization shall also notify the department  
2704 of any changes that may affect eligibility under this section.

2705 (d) The eligible transitional home organization's  
2706 written certification must be signed by an officer of the  
2707 organization under penalty of perjury. The written certification  
2708 shall include the following:

2709 (i) Verification of the organization's status  
2710 under Section 501(c)(3) of the Internal Revenue Code;

2711 (ii) Information about the facilities that  
2712 demonstrate the applicant's ability to provide housing for  
2713 homeless persons age twenty-five (25) and under, homeless  
2714 families, and/or homeless and/or referred unwed pregnant women;

2715 (iii) Sufficient materials to document the program  
2716 of the applicant that demonstrate that the applicant has and runs  
2717 a program that offers structure, supervision, support, life  
2718 skills, education and training as the eligible transitional home  
2719 organization determines to be appropriate for each individual  
2720 and/or family to achieve and/or maintain independence;

2721 (iv) A statement that the organization does not  
2722 charge a fee for services or benefits provided in whole or in part  
2723 by its transitional housing program; and

2724 (v) Any other information that the department  
2725 requires to administer this section.



2726           (e) The department shall review each written  
2727 certification and determine whether the organization meets all the  
2728 criteria to be considered an eligible transitional home  
2729 organization and notify the organization of its determination.  
2730 The department may also periodically request recertification from  
2731 the organization. The department shall compile and make available  
2732 to the public a list of eligible transitional home organizations.

2733           (f) Tax credits authorized by this subsection that are  
2734 earned by a partnership, limited liability company, S corporation  
2735 or other similar pass-through entity, shall be allocated among all  
2736 partners, members or shareholders, respectively, either in  
2737 proportion to their ownership interest in such entity or as the  
2738 partners, members or shareholders mutually agree as provided in an  
2739 executed document.

2740           (g) (i) A taxpayer shall apply for credits with the  
2741 department on forms prescribed by the department. In the  
2742 application the taxpayer shall certify to the department the  
2743 dollar amount of the contributions made or to be made during the  
2744 calendar year. Within thirty (30) days after the receipt of an  
2745 application, the department shall allocate credits based on the  
2746 dollar amount of contributions as certified in the application.  
2747 However, if the department cannot allocate the full amount of  
2748 credits certified in the application due to the limit on the  
2749 aggregate amount of credits that may be awarded under this  
2750 subsection in a calendar year, the department shall so notify the



2751 applicant within thirty (30) days with the amount of credits, if  
2752 any, that may be allocated to the applicant in the calendar year.  
2753 Once the department has allocated credits to a taxpayer, if the  
2754 contribution for which a credit is allocated has not been made as  
2755 of the date of the allocation, then the contribution must be made  
2756 not later than sixty (60) days from the date of the allocation.  
2757 If the contribution is not made within such time period, the  
2758 allocation shall be cancelled and returned to the department for  
2759 reallocation. Upon final documentation of the contributions, if  
2760 the actual dollar amount of the contributions is lower than the  
2761 amount estimated, the department shall adjust the tax credit  
2762 allowed under this subsection.

2763                   (ii) For the purposes of using a tax credit  
2764 against ad valorem taxes assessed and levied on real property, a  
2765 taxpayer shall present to the appropriate tax collector the tax  
2766 credit documentation provided to the taxpayer by the Department of  
2767 Revenue, and the tax collector shall apply the tax credit against  
2768 such ad valorem taxes. The tax collector shall forward the tax  
2769 credit documentation to the Department of Revenue along with the  
2770 amount of the tax credit applied against ad valorem taxes, and the  
2771 department shall disburse funds to the tax collector for the  
2772 amount of the tax credit applied against ad valorem taxes. Such  
2773 payments by the Department of Revenue shall be made from current  
2774 tax collections.





2775           (h) The aggregate amount of tax credits that may be  
2776 allocated by the department under this subsection during a  
2777 calendar year shall not exceed Ten Million Dollars  
2778 (\$10,000,000.00). For credits allocated during a calendar year  
2779 for contributions to eligible transitional home organizations, no  
2780 more than twenty-five percent (25%) of such credits may be  
2781 allocated for contributions to a single eligible transitional home  
2782 organization.

2783           (3) (a) (i) Except as otherwise provided in this  
2784 subsection, a credit is allowed against the taxes imposed by this  
2785 chapter for voluntary cash contributions by an individual taxpayer  
2786 during the taxable year to an eligible transitional home  
2787 organization. A credit is also allowed against ad valorem taxes  
2788 assessed and levied on real property for voluntary cash  
2789 contributions made by an individual taxpayer during the taxable  
2790 year to an eligible transitional home organization. The amount of  
2791 credit that may be utilized by a taxpayer in a taxable year shall  
2792 be limited to an amount not to exceed fifty percent (50%) of the  
2793 total tax liability of the taxpayer for the taxes imposed by this  
2794 chapter and an amount not to exceed fifty percent (50%) of the  
2795 total tax liability of the taxpayer for ad valorem taxes assessed  
2796 and levied on real property. Any tax credit claimed under this  
2797 subsection but not used in any taxable year may be carried forward  
2798 for five (5) consecutive years from the close of the tax year in  
2799 which the credits were earned.



2800 (ii) A husband and wife who file separate returns  
2801 for a taxable year in which they could have filed a joint return  
2802 may each claim only one-half (1/2) of the tax credit that would  
2803 have been allowed for a joint return.

2804 (iii) A contribution to an eligible transitional  
2805 home organization for which a credit is claimed under this  
2806 subsection does not qualify for and shall not be included in any  
2807 credit that may be claimed under subsection (2) of this section.

2808 (iv) A contribution for which a credit is claimed  
2809 under this subsection may not be used as a deduction by the  
2810 taxpayer for state income tax purposes.

2811 (b) Taxpayers taking a credit authorized by this  
2812 subsection shall provide the name of the eligible transitional  
2813 home organization and the amount of the contribution to the  
2814 department on forms provided by the department.

2815 (c) An eligible transitional home organization shall  
2816 provide the department with a written certification that it meets  
2817 all criteria to be considered an eligible transitional home  
2818 organization. The organization shall also notify the department  
2819 of any changes that may affect eligibility under this section.

2820 (d) The eligible transitional housing organization's  
2821 written certification must be signed by an officer of the  
2822 organization under penalty of perjury. The written certification  
2823 shall include the following:



2824 (i) Verification of the organization's status  
2825 under Section 501(c)(3) of the Internal Revenue Code;

2826 (ii) Information about the facilities that  
2827 demonstrate the applicant's ability to provide housing for  
2828 homeless persons age twenty-five (25) and under, homeless  
2829 families, and/or homeless and/or referred unwed pregnant women;

2830 (iii) Sufficient materials to document the program  
2831 of the applicant that demonstrate that the applicant has and runs  
2832 a program that offers structure, supervision, support, life  
2833 skills, education and training as the eligible transitional home  
2834 organization determines to be appropriate for each individual  
2835 and/or family to achieve and/or maintain independence;

2836 (iv) A statement that the organization does not  
2837 charge a fee for services or benefits provided in whole or in part  
2838 by its transitional housing program; and

2839 (v) Any other information that the department  
2840 requires to administer this section.

2841 (e) The department shall review each written  
2842 certification and determine whether the organization meets all the  
2843 criteria to be considered an eligible transitional home  
2844 organization and notify the organization of its determination.  
2845 The department may also periodically request recertification from  
2846 the organization. The department shall compile and make available  
2847 to the public a list of eligible transitional home organizations.



2848           (f) (i) A taxpayer shall apply for credits with the  
2849 department on forms prescribed by the department. In the  
2850 application the taxpayer shall certify to the department the  
2851 dollar amount of the contributions made or to be made during the  
2852 calendar year. Within thirty (30) days after the receipt of an  
2853 application, the department shall allocate credits based on the  
2854 dollar amount of contributions as certified in the application.  
2855 However, if the department cannot allocate the full amount of  
2856 credits certified in the application due to the limit on the  
2857 aggregate amount of credits that may be awarded under this  
2858 subsection in a calendar year, the department shall so notify the  
2859 applicant within thirty (30) days with the amount of credits, if  
2860 any, that may be allocated to the applicant in the calendar year.  
2861 Once the department has allocated credits to a taxpayer, if the  
2862 contribution for which a credit is allocated has not been made as  
2863 of the date of the allocation, then the contribution must be made  
2864 not later than sixty (60) days from the date of the allocation.  
2865 If the contribution is not made within such time period, the  
2866 allocation shall be cancelled and returned to the department for  
2867 reallocation. Upon final documentation of the contributions, if  
2868 the actual dollar amount of the contributions is lower than the  
2869 amount estimated, the department shall adjust the tax credit  
2870 allowed under this subsection.

2871           (ii) For the purposes of using a tax credit  
2872 against ad valorem taxes assessed and levied on real property, a



2873 taxpayer shall present to the appropriate tax collector the tax  
2874 credit documentation provided to the taxpayer by the Department of  
2875 Revenue, and the tax collector shall apply the tax credit against  
2876 such ad valorem taxes. The tax collector shall forward the tax  
2877 credit documentation to the Department of Revenue along with the  
2878 amount of the tax credit applied against ad valorem taxes, and the  
2879 department shall disburse funds to the tax collector for the  
2880 amount of the tax credit applied against ad valorem taxes. Such  
2881 payments by the Department of Revenue shall be made from current  
2882 tax collections.

2883 (g) The aggregate amount of tax credits that may be  
2884 allocated by the department under this subsection during a  
2885 calendar year shall not exceed One Million Dollars  
2886 (\$1,000,000.00).

2887 **SECTION 36.** Section 27-7-22.48, Mississippi Code of 1972, is  
2888 brought forward as follows:

2889 27-7-22.48. (1) (a) For the purposes of this section, the  
2890 following words and phrases shall have the meanings ascribed in  
2891 this section unless the context clearly indicates otherwise:

2892 (i) "Department" means the Department of Revenue.

2893 (ii) "Eligible charitable organization" means an  
2894 organization that is exempt from federal income taxation under  
2895 Section 501(c)(3) of the Internal Revenue Code and spends at least  
2896 fifty percent (50%) of its budget on contracting or making other  
2897 agreements or arrangements with physicians and/or nurse



2898 practitioners to provide health care services to low-income  
2899 residents of this state including those who are mothers and to  
2900 their households.

2901 "Eligible charitable organization" does not include any  
2902 entity that provides, pays for or provides coverage of abortions  
2903 or that financially supports any other entity that provides, pays  
2904 for or provides coverage of abortions.

2905 (iii) "Low-income residents" means persons whose  
2906 household income does not exceed one hundred eighty-five percent  
2907 (185%) of the federal poverty level converted to a modified  
2908 adjusted gross income equivalent standard.

2909 (iv) "Nurse practitioner" means a nurse  
2910 practitioner certified under Section 73-15-20, Mississippi Code of  
2911 1972.

2912 (v) "Physician" means an individual licensed to  
2913 practice medicine or osteopathic medicine under Section 73-25-1 et  
2914 seq., Mississippi Code of 1972.

2915 (2) (a) (i) The tax credit authorized in this subsection  
2916 shall be available only to a taxpayer who is a business enterprise  
2917 engaged in commercial, industrial or professional activities and  
2918 operating as a corporation, limited liability company, partnership  
2919 or sole proprietorship. Except as otherwise provided in this  
2920 subsection, a credit is allowed against the taxes imposed by  
2921 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary  
2922 cash contributions made by a taxpayer during the taxable year to



2923 an eligible charitable organization. A credit is also allowed  
2924 against ad valorem taxes assessed and levied on real property for  
2925 voluntary cash contributions made by the taxpayer during the  
2926 taxable year to an eligible charitable organization. The amount  
2927 of credit that may be utilized by a taxpayer in a taxable year  
2928 shall be limited to an amount not to exceed fifty percent (50%) of  
2929 the total tax liability of the taxpayer for the taxes imposed by  
2930 such sections of law and an amount not to exceed fifty percent  
2931 (50%) of the total tax liability of the taxpayer for ad valorem  
2932 taxes assessed and levied on real property. Any tax credit  
2933 claimed under this subsection but not used in any taxable year may  
2934 be carried forward for five (5) consecutive years from the close  
2935 of the tax year in which the credits were earned.

2936 (ii) A contribution to an eligible charitable  
2937 organization for which a credit is claimed under this subsection  
2938 does not qualify for and shall not be included in any credit that  
2939 may be claimed under subsection (3) of this section.

2940 (iii) A contribution for which a credit is claimed  
2941 under this subsection may not be used as a deduction by the  
2942 taxpayer for state income tax purposes.

2943 (b) Taxpayers taking a credit authorized by this  
2944 subsection shall provide the name of the eligible charitable  
2945 organization and the amount of the contribution to the department  
2946 on forms provided by the department.



2947 (c) An eligible charitable organization shall provide  
2948 the department with a written certification that it meets all  
2949 criteria to be considered an eligible charitable organization.  
2950 The organization shall also notify the department of any changes  
2951 that may affect eligibility under this subsection.

2952 (d) The eligible charitable organization's written  
2953 certification must be signed by an officer of the organization  
2954 under penalty of perjury. The written certification shall include  
2955 the following:

2956 (i) Verification of the organization's status  
2957 under Section 501(c)(3) of the Internal Revenue Code;

2958 (ii) A statement that the organization does not  
2959 provide, pay for or provide coverage of abortions and does not  
2960 financially support any other entity that provides, pays for or  
2961 provides coverage of abortions;

2962 (iii) Any other information that the department  
2963 requires to administer this subsection.

2964 (e) The department shall review each written  
2965 certification and determine whether the organization meets all the  
2966 criteria to be considered an eligible charitable organization and  
2967 notify the organization of its determination. The department may  
2968 also periodically request recertification from the organization.  
2969 The department shall compile and make available to the public a  
2970 list of eligible charitable organizations.





2971 (f) Tax credits authorized by this subsection that are  
2972 earned by a partnership, limited liability company, S corporation  
2973 or other similar pass-through entity, shall be allocated among all  
2974 partners, members or shareholders, respectively, either in  
2975 proportion to their ownership interest in such entity or as the  
2976 partners, members or shareholders mutually agree as provided in an  
2977 executed document.

2978 (g) (i) A taxpayer shall apply for credits with the  
2979 department on forms prescribed by the department. In the  
2980 application the taxpayer shall certify to the department the  
2981 dollar amount of the contributions made or to be made during the  
2982 calendar year. Within thirty (30) days after the receipt of an  
2983 application, the department shall allocate credits based on the  
2984 dollar amount of contributions as certified in the application.  
2985 However, if the department cannot allocate the full amount of  
2986 credits certified in the application due to the limit on the  
2987 aggregate amount of credits that may be awarded under this  
2988 subsection in a calendar year, the department shall so notify the  
2989 applicant within thirty (30) days with the amount of credits, if  
2990 any, that may be allocated to the applicant in the calendar year.  
2991 Once the department has allocated credits to a taxpayer, if the  
2992 contribution for which a credit is allocated has not been made as  
2993 of the date of the allocation, then the contribution must be made  
2994 not later than sixty (60) days from the date of the allocation.  
2995 If the contribution is not made within such time period, the



2996 allocation shall be cancelled and returned to the department for  
2997 reallocation. Upon final documentation of the contributions, if  
2998 the actual dollar amount of the contributions is lower than the  
2999 amount estimated, the department shall adjust the tax credit  
3000 allowed under this subsection.

3001 (ii) For the purposes of using a tax credit  
3002 against ad valorem taxes assessed and levied on real property, a  
3003 taxpayer shall present to the appropriate tax collector the tax  
3004 credit documentation provided to the taxpayer by the Department of  
3005 Revenue, and the tax collector shall apply the tax credit against  
3006 such ad valorem taxes. The tax collector shall forward the tax  
3007 credit documentation to the Department of Revenue along with the  
3008 amount of the tax credit applied against ad valorem taxes, and the  
3009 department shall disburse funds to the tax collector for the  
3010 amount of the tax credit applied against ad valorem taxes. Such  
3011 payments by the Department of Revenue shall be made from current  
3012 tax collections.

3013 (h) The aggregate amount of tax credits that may be  
3014 allocated by the department under this subsection during a  
3015 calendar year shall not exceed Three Million Dollars  
3016 (\$3,000,000.00).

3017 (3) (a) (i) Except as otherwise provided in this  
3018 subsection, a credit is allowed against the taxes imposed by this  
3019 chapter for voluntary cash contributions by an individual taxpayer  
3020 during the taxable year to an eligible charitable organization. A



3021 credit is also allowed against ad valorem taxes assessed and  
3022 levied on real property for voluntary cash contributions made by  
3023 the taxpayer during the taxable year to an eligible charitable  
3024 organization. The amount of credit that may be utilized by a  
3025 taxpayer in a taxable year shall be limited to an amount not to  
3026 exceed fifty percent (50%) of the total tax liability of the  
3027 taxpayer for the taxes imposed by this chapter and an amount not  
3028 to exceed fifty percent (50%) of the total tax liability of the  
3029 taxpayer for ad valorem taxes assessed and levied on real  
3030 property. Any tax credit claimed under this subsection but not  
3031 used in any taxable year may be carried forward for five (5)  
3032 consecutive years from the close of the tax year in which the  
3033 credits were earned.

3034 (ii) A husband and wife who file separate returns  
3035 for a taxable year in which they could have filed a joint return  
3036 may each claim only one-half (1/2) of the tax credit that would  
3037 have been allowed for a joint return.

3038 (iii) A contribution to an eligible charitable  
3039 organization for which a credit is claimed under this subsection  
3040 does not qualify for and shall not be included in any credit that  
3041 may be claimed under subsection (2) of this section.

3042 (iv) A contribution for which a credit is claimed  
3043 under this subsection may not be used as a deduction by the  
3044 taxpayer for state income tax purposes.



3045           (b) Taxpayers taking a credit authorized by this  
3046 subsection shall provide the name of the eligible charitable  
3047 organization and the amount of the contribution to the department  
3048 on forms provided by the department.

3049           (c) An eligible charitable organization shall provide  
3050 the department with a written certification that it meets all  
3051 criteria to be considered an eligible charitable organization.  
3052 The organization shall also notify the department of any changes  
3053 that may affect eligibility under this subsection.

3054           (d) The eligible charitable organization's written  
3055 certification must be signed by an officer of the organization  
3056 under penalty of perjury. The written certification shall include  
3057 the following:

3058                   (i) Verification of the organization's status  
3059 under Section 501(c)(3) of the Internal Revenue Code;

3060                   (ii) A statement that the organization does not  
3061 provide, pay for or provide coverage of abortions and does not  
3062 financially support any other entity that provides, pays for or  
3063 provides coverage of abortions;

3064                   (iii) Any other information that the department  
3065 requires to administer this subsection.

3066           (e) The department shall review each written  
3067 certification and determine whether the organization meets all the  
3068 criteria to be considered an eligible charitable organization and  
3069 notify the organization of its determination. The department may



3070 also periodically request recertification from the organization.  
3071 The department shall compile and make available to the public a  
3072 list of eligible charitable organizations.

3073           (f) (i) A taxpayer shall apply for credits with the  
3074 department on forms prescribed by the department. In the  
3075 application the taxpayer shall certify to the department the  
3076 dollar amount of the contributions made or to be made during the  
3077 calendar year. Within thirty (30) days after the receipt of an  
3078 application, the department shall allocate credits based on the  
3079 dollar amount of contributions as certified in the application.  
3080 However, if the department cannot allocate the full amount of  
3081 credits certified in the application due to the limit on the  
3082 aggregate amount of credits that may be awarded under this  
3083 subsection in a calendar year, the department shall so notify the  
3084 applicant within thirty (30) days with the amount of credits, if  
3085 any, that may be allocated to the applicant in the calendar year.  
3086 Once the department has allocated credits to a taxpayer, if the  
3087 contribution for which a credit is allocated has not been made as  
3088 of the date of the allocation, then the contribution must be made  
3089 not later than sixty (60) days from the date of the allocation.  
3090 If the contribution is not made within such time period, the  
3091 allocation shall be cancelled and returned to the department for  
3092 reallocation. Upon final documentation of the contributions, if  
3093 the actual dollar amount of the contributions is lower than the



3094 amount estimated, the department shall adjust the tax credit  
3095 allowed under this subsection.

3096 (ii) For the purposes of using a tax credit  
3097 against ad valorem taxes assessed and levied on real property, a  
3098 taxpayer shall present to the appropriate tax collector the tax  
3099 credit documentation provided to the taxpayer by the Department of  
3100 Revenue, and the tax collector shall apply the tax credit against  
3101 such ad valorem taxes. The tax collector shall forward the tax  
3102 credit documentation to the Department of Revenue along with the  
3103 amount of the tax credit applied against ad valorem taxes, and the  
3104 department shall disburse funds to the tax collector for the  
3105 amount of the tax credit applied against ad valorem taxes. Such  
3106 payments by the Department of Revenue shall be made from current  
3107 tax collections.

3108 (g) The aggregate amount of tax credits that may be  
3109 allocated by the department under this subsection during a  
3110 calendar year shall not exceed One Million Dollars  
3111 (\$1,000,000.00).

3112 **SECTION 37.** Section 27-7-22.49, Mississippi Code of 1972, is  
3113 brought forward as follows:

3114 27-7-22.49. (1) As used in this section, the following  
3115 words and phrases shall have the meanings ascribed in this section  
3116 unless the context clearly indicates otherwise:

3117 (a) "Employment-related expenses" means and has the  
3118 same definition as such term has in 26 USCS Section 21.



3119 (b) "Qualifying individual" means and has the same  
3120 definition as such term has in 26 USCS Section 21(b)(1)(A).

3121 (2) Subject to the provisions of this section, any taxpayer  
3122 allowed to claim a federal income tax credit under 26 USCS Section  
3123 21 for employment-related expenses incurred related to one (1) or  
3124 more qualifying individuals shall be allowed a credit against the  
3125 taxes imposed under this chapter in the manner prescribed in this  
3126 section. The amount of the credit shall be equal to twenty-five  
3127 percent (25%) of the amount of the federal income tax credit  
3128 lawfully claimed by the taxpayer for such employment-related  
3129 expenses on the taxpayer's federal income tax return. However,  
3130 the amount of credit that may be utilized by a taxpayer in a  
3131 taxable year shall be limited to an amount not to exceed the total  
3132 tax liability of the taxpayer for the taxes imposed under this  
3133 chapter. In order to claim the credit provided for in this  
3134 section, a taxpayer must claim the federal income tax credit on  
3135 the taxpayer's federal income tax return and have an adjusted  
3136 gross income for such return of not more than Fifty Thousand  
3137 Dollars (\$50,000.00). A taxpayer must provide a copy of such  
3138 return and any other information required by the department.

3139 **SECTION 38.** Section 27-7-205, Mississippi Code of 1972, is  
3140 brought forward as follows:

3141 27-7-205. As used in this article:

3142 (a) "Qualified community foundation" means an entity  
3143 that is exempt from federal income taxation under Section



3144 501(c)(3) of the Internal Revenue Code that is recognized by the  
3145 Mississippi Association of Grantmakers as meeting the following  
3146 requirements:

3147 (i) It is organized by articles of incorporation  
3148 in the State of Mississippi to serve the State of Mississippi, or  
3149 one or more Mississippi counties or municipalities, or a  
3150 combination thereof;

3151 (ii) It is comprised of permanent, component funds  
3152 established by multiple separate donors;

3153 (iii) It supports broad-based charitable interests  
3154 that benefit the residents of a defined geographic area, no larger  
3155 than the State of Mississippi;

3156 (iv) It is directed by a board of directors that  
3157 is comprised of community representatives and is independent in  
3158 that it is not subject to the control of another entity;

3159 (v) It actively engages in charitable activities,  
3160 including, but not limited to, supporting two (2) or more  
3161 unaffiliated tax-exempt organizations through grants or other  
3162 professionally accepted means of charitable support, and serving  
3163 in leadership roles on important community issues;

3164 (vi) It complies with the guidelines of the  
3165 Mississippi Association of Grantmakers, or its successor entity,  
3166 for membership by a community foundation; and





3167 (vii) It is in good standing with having complied  
3168 with Endow Mississippi certification, reporting, and data privacy  
3169 requirements.

3170 (b) "Endowment gift" means an irrevocable contribution  
3171 to an endowed fund held by a qualified community foundation.

3172 (c) "Qualified contribution" means an endowment gift of  
3173 at least One Thousand Dollars (\$1,000.00) made to a qualified  
3174 community foundation for an endowed fund established to  
3175 substantially benefit charitable causes in this state, and that is  
3176 a charitable gift as defined in Section 170(c) of the Internal  
3177 Revenue Code. A qualified contribution may take any form, subject  
3178 to the giving policies of the qualified community foundation  
3179 receiving it.

3180 (d) "Endowed fund" means a fund held in a qualified  
3181 community foundation that provides benefit to charitable causes in  
3182 Mississippi that is intended to exist in perpetuity. An endowed  
3183 fund may include, but is not limited to, donor-advised funds,  
3184 community foundation affiliate funds, field-of-interest funds,  
3185 agency funds and designated organizational funds.

3186 **SECTION 39.** Section 27-7-207, Mississippi Code of 1972, is  
3187 brought forward as follows:

3188 27-7-207. (1) Subject to the limitations provided for in  
3189 this section, through calendar year 2028, a taxpayer shall be  
3190 allowed a credit against the tax imposed by Chapter 7, Title 27,  
3191 in an amount equal to twenty-five percent (25%) of a qualified



3192 contribution to an endowed fund at a qualified community  
3193 foundation, subject to the following:

3194 (a) The minimum amount of a qualified contribution  
3195 shall be One Thousand Dollars (\$1,000.00).

3196 (b) The maximum amount of a qualified contribution  
3197 shall be Five Hundred Thousand Dollars (\$500,000.00).

3198 (c) The total qualified contributions from any  
3199 qualified taxpayer eligible for the tax credit authorized under  
3200 this section shall be Five Hundred Thousand Dollars (\$500,000.00)  
3201 per year.

3202 (2) Except as otherwise provided in this subsection, the  
3203 aggregate amount of tax credits authorized under this article  
3204 shall not exceed One Million Dollars (\$1,000,000.00) in any one  
3205 (1) calendar year. The credits shall be awarded on a first-come,  
3206 first-served basis. If the tax credits authorized for any  
3207 calendar year are not utilized, the amount not utilized may be  
3208 awarded or carried forward in up to five (5) subsequent calendar  
3209 years from the year in which such credits are made available.

3210 (3) If the amount allowable as a credit exceeds the tax  
3211 imposed by Chapter 7, Title 27, the amount of such excess may be  
3212 carried forward for not more than five (5) subsequent taxable  
3213 years.

3214 (4) From and after January 1, 2029, no additional credits  
3215 shall be authorized under this section; however, any tax credits  
3216 authorized prior to January 1, 2029, and not used, may be carried



3217 forward for not more than five (5) taxable years subsequent to  
3218 calendar year 2028.

3219         **SECTION 40.** Section 27-7-209, Mississippi Code of 1972, is  
3220 brought forward as follows:

3221         27-7-209. For each calendar year, a total of ten percent  
3222 (10%) of the authorized tax credits shall be reserved for  
3223 qualified contributions to each of the qualified community  
3224 foundations in Mississippi for a period of nine (9) months. Any  
3225 credits that are not utilized within the nine-month period shall  
3226 be utilized for qualified contributions to any qualified community  
3227 foundation on a first-come, first-served basis. Any credits not  
3228 specifically reserved under this section shall also be available  
3229 to any qualified community foundation on a first-come,  
3230 first-served basis. The Mississippi Association of Grantmakers,  
3231 or its successor entity, shall, in cooperation with qualified  
3232 community foundations, develop, establish and maintain records  
3233 that determine the priority for the awarding of tax credits under  
3234 this article.

3235         **SECTION 41.** Section 57-73-21, Mississippi Code of 1972, is  
3236 brought forward as follows:

3237         **[In cases involving business enterprises that received or**  
3238 **applied for the job tax credit authorized by this section prior to**  
3239 **January 1, 2005, this section shall read as follows:]**

3240         57-73-21. (1) Annually by December 31, using the most  
3241 current data available from the University Research Center,



3242 Mississippi Department of Employment Security and the United  
3243 States Department of Commerce, the State Tax Commission shall rank  
3244 and designate the state's counties as provided in this section.  
3245 The twenty-eight (28) counties in this state having a combination  
3246 of the highest unemployment rate and lowest per capita income for  
3247 the most recent thirty-six-month period, with equal weight being  
3248 given to each category, are designated Tier Three areas. The  
3249 twenty-seven (27) counties in the state with a combination of the  
3250 next highest unemployment rate and next lowest per capita income  
3251 for the most recent thirty-six-month period, with equal weight  
3252 being given to each category, are designated Tier Two areas. The  
3253 twenty-seven (27) counties in the state with a combination of the  
3254 lowest unemployment rate and the highest per capita income for the  
3255 most recent thirty-six-month period, with equal weight being given  
3256 to each category, are designated Tier One areas. Counties  
3257 designated by the Tax Commission qualify for the appropriate tax  
3258 credit for jobs as provided in subsections (2), (3) and (4) of  
3259 this section. The designation by the Tax Commission is effective  
3260 for the tax years of permanent business enterprises which begin  
3261 after the date of designation. For companies which plan an  
3262 expansion in their labor forces, the Tax Commission shall  
3263 prescribe certification procedures to ensure that the companies  
3264 can claim credits in future years without regard to whether or not  
3265 a particular county is removed from the list of Tier Three or Tier  
3266 Two areas.



3267 (2) Permanent business enterprises primarily engaged in  
3268 manufacturing, processing, warehousing, distribution, wholesaling  
3269 and research and development, or permanent business enterprises  
3270 designated by rule and regulation of the Mississippi Development  
3271 Authority as air transportation and maintenance facilities, final  
3272 destination or resort hotels having a minimum of one hundred fifty  
3273 (150) guest rooms, recreational facilities that impact tourism,  
3274 movie industry studios, telecommunications enterprises, data or  
3275 information processing enterprises or computer software  
3276 development enterprises or any technology intensive facility or  
3277 enterprise, in counties designated by the Tax Commission as Tier  
3278 Three areas are allowed a job tax credit for taxes imposed by  
3279 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually  
3280 for each net new full-time employee job for five (5) years  
3281 beginning with years two (2) through six (6) after the creation of  
3282 the job; however, if the permanent business enterprise is located  
3283 in an area that has been declared by the Governor to be a disaster  
3284 area and as a direct result of the disaster the permanent business  
3285 enterprise is unable to maintain the required number of jobs, the  
3286 Chairman of the State Tax Commission may extend this time period  
3287 for not more two (2) years. The number of new full-time jobs must  
3288 be determined by comparing the monthly average number of full-time  
3289 employees subject to the Mississippi income tax withholding for  
3290 the taxable year with the corresponding period of the prior  
3291 taxable year. Only those permanent businesses that increase



3292 employment by ten (10) or more in a Tier Three area are eligible  
3293 for the credit. Credit is not allowed during any of the five (5)  
3294 years if the net employment increase falls below ten (10). The  
3295 Tax Commission shall adjust the credit allowed each year for the  
3296 net new employment fluctuations above the minimum level of ten  
3297 (10).

3298 (3) Permanent business enterprises primarily engaged in  
3299 manufacturing, processing, warehousing, distribution, wholesaling  
3300 and research and development, or permanent business enterprises  
3301 designated by rule and regulation of the Mississippi Development  
3302 Authority as air transportation and maintenance facilities, final  
3303 destination or resort hotels having a minimum of one hundred fifty  
3304 (150) guest rooms, recreational facilities that impact tourism,  
3305 movie industry studios, telecommunications enterprises, data or  
3306 information processing enterprises or computer software  
3307 development enterprises or any technology intensive facility or  
3308 enterprise, in counties that have been designated by the Tax  
3309 Commission as Tier Two areas are allowed a job tax credit for  
3310 taxes imposed by Section 27-7-5 equal to One Thousand Dollars  
3311 (\$1,000.00) annually for each net new full-time employee job for  
3312 five (5) years beginning with years two (2) through six (6) after  
3313 the creation of the job; however, if the permanent business  
3314 enterprise is located in an area that has been declared by the  
3315 Governor to be a disaster area and as a direct result of the  
3316 disaster the permanent business enterprise is unable to maintain



3317 the required number of jobs, the Chairman of the State Tax  
3318 Commission may extend this time period for not more two (2) years.  
3319 The number of new full-time jobs must be determined by comparing  
3320 the monthly average number of full-time employees subject to  
3321 Mississippi income tax withholding for the taxable year with the  
3322 corresponding period of the prior taxable year. Only those  
3323 permanent businesses that increase employment by fifteen (15) or  
3324 more in Tier Two areas are eligible for the credit. The credit is  
3325 not allowed during any of the five (5) years if the net employment  
3326 increase falls below fifteen (15). The Tax Commission shall  
3327 adjust the credit allowed each year for the net new employment  
3328 fluctuations above the minimum level of fifteen (15).

3329 (4) Permanent business enterprises primarily engaged in  
3330 manufacturing, processing, warehousing, distribution, wholesaling  
3331 and research and development, or permanent business enterprises  
3332 designated by rule and regulation of the Mississippi Development  
3333 Authority as air transportation and maintenance facilities, final  
3334 destination or resort hotels having a minimum of one hundred fifty  
3335 (150) guest rooms, recreational facilities that impact tourism,  
3336 movie industry studios, telecommunications enterprises, data or  
3337 information processing enterprises or computer software  
3338 development enterprises or any technology intensive facility or  
3339 enterprise, in counties designated by the Tax Commission as Tier  
3340 One areas are allowed a job tax credit for taxes imposed by  
3341 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually



3342 for each net new full-time employee job for five (5) years  
3343 beginning with years two (2) through six (6) after the creation of  
3344 the job; however, if the permanent business enterprise is located  
3345 in an area that has been declared by the Governor to be a disaster  
3346 area and as a direct result of the disaster the permanent business  
3347 enterprise is unable to maintain the required number of jobs, the  
3348 Chairman of the State Tax Commission may extend this time period  
3349 for not more than two (2) years. The number of new full-time jobs  
3350 must be determined by comparing the monthly average number of  
3351 full-time employees subject to Mississippi income tax withholding  
3352 for the taxable year with the corresponding period of the prior  
3353 taxable year. Only those permanent businesses that increase  
3354 employment by twenty (20) or more in Tier One areas are eligible  
3355 for the credit. The credit is not allowed during any of the five  
3356 (5) years if the net employment increase falls below twenty (20).  
3357 The Tax Commission shall adjust the credit allowed each year for  
3358 the net new employment fluctuations above the minimum level of  
3359 twenty (20).

3360 (5) In addition to the credits authorized in subsections  
3361 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)  
3362 credit for each net new full-time employee or an additional One  
3363 Thousand Dollars (\$1,000.00) credit for each net new full-time  
3364 employee who is paid a salary, excluding benefits which are not  
3365 subject to Mississippi income taxation, of at least one hundred  
3366 twenty-five percent (125%) of the average annual wage of the state





3367 or an additional Two Thousand Dollars (\$2,000.00) credit for each  
3368 net new full-time employee who is paid a salary, excluding  
3369 benefits which are not subject to Mississippi income taxation, of  
3370 at least two hundred percent (200%) of the average annual wage of  
3371 the state, shall be allowed for any company establishing or  
3372 transferring its national or regional headquarters from within or  
3373 outside the State of Mississippi. A minimum of thirty-five (35)  
3374 jobs must be created to qualify for the additional credit. The  
3375 State Tax Commission shall establish criteria and prescribe  
3376 procedures to determine if a company qualifies as a national or  
3377 regional headquarters for purposes of receiving the credit awarded  
3378 in this subsection. As used in this subsection, the average  
3379 annual wage of the state is the most recently published average  
3380 annual wage as determined by the Mississippi Department of  
3381 Employment Security.

3382 (6) In addition to the credits authorized in subsections  
3383 (2), (3), (4) and (5), any job requiring research and development  
3384 skills (chemist, engineer, etc.) shall qualify for an additional  
3385 One Thousand Dollars (\$1,000.00) credit for each net new full-time  
3386 employee.

3387 (7) In lieu of the tax credits provided in subsections (2)  
3388 through (6), any commercial or industrial property owner which  
3389 remediates contaminated property in accordance with Sections  
3390 49-35-1 through 49-35-25, is allowed a job tax credit for taxes  
3391 imposed by Section 27-7-5 equal to the amounts provided in



3392 subsection (2), (3) or (4) for each net new full-time employee job  
3393 for five (5) years beginning with years two (2) through six (6)  
3394 after the creation of the job. The number of new full-time jobs  
3395 must be determined by comparing the monthly average number of  
3396 full-time employees subject to Mississippi income tax withholding  
3397 for the taxable year with the corresponding period of the prior  
3398 taxable year. This subsection shall be administered in the same  
3399 manner as subsections (2), (3) and (4), except the landowner shall  
3400 not be required to increase employment by the levels provided in  
3401 subsections (2), (3) and (4) to be eligible for the tax credit.

3402 (8) Tax credits for five (5) years for the taxes imposed by  
3403 Section 27-7-5 shall be awarded for additional net new full-time  
3404 jobs created by business enterprises qualified under subsections  
3405 (2), (3), (4), (5), (6) and (7) of this section. Except as  
3406 otherwise provided, the Tax Commission shall adjust the credit  
3407 allowed in the event of employment fluctuations during the  
3408 additional five (5) years of credit.

3409 (9) (a) The sale, merger, acquisition, reorganization,  
3410 bankruptcy or relocation from one (1) county to another county  
3411 within the state of any business enterprise may not create new  
3412 eligibility in any succeeding business entity, but any unused job  
3413 tax credit may be transferred and continued by any transferee of  
3414 the business enterprise. The Tax Commission shall determine  
3415 whether or not qualifying net increases or decreases have occurred  
3416 or proper transfers of credit have been made and may require



3417 reports, promulgate regulations, and hold hearings as needed for  
3418 substantiation and qualification.

3419 (b) This subsection shall not apply in cases in which a  
3420 business enterprise has ceased operation, laid off all its  
3421 employees and is subsequently acquired by another unrelated  
3422 business entity that continues operation of the enterprise in the  
3423 same or a similar type of business. In such a case the succeeding  
3424 business entity shall be eligible for the credit authorized by  
3425 this section unless the cessation of operation of the business  
3426 enterprise was for the purpose of obtaining new eligibility for  
3427 the credit.

3428 (10) Any tax credit claimed under this section but not used  
3429 in any taxable year may be carried forward for five (5) years from  
3430 the close of the tax year in which the qualified jobs were  
3431 established but the credit established by this section taken in  
3432 any one (1) tax year must be limited to an amount not greater than  
3433 fifty percent (50%) of the taxpayer's state income tax liability  
3434 which is attributable to income derived from operations in the  
3435 state for that year. If the permanent business enterprise is  
3436 located in an area that has been declared by the Governor to be a  
3437 disaster area and as a direct result of the disaster the business  
3438 enterprise is unable to use the existing carryforward, the  
3439 Chairman of the State Tax Commission may extend the period that  
3440 the credit may be carried forward for a period of time not to  
3441 exceed two (2) years.



3442 (11) No business enterprise for the transportation,  
3443 handling, storage, processing or disposal of hazardous waste is  
3444 eligible to receive the tax credits provided in this section.

3445 (12) The credits allowed under this section shall not be  
3446 used by any business enterprise or corporation other than the  
3447 business enterprise actually qualifying for the credits.

3448 (13) The tax credits provided for in this section shall be  
3449 in addition to any tax credits described in Sections 57-51-13(b),  
3450 57-53-1(1) (a) and 57-54-9(b) and granted pursuant to official  
3451 action by the Mississippi Development Authority prior to July 1,  
3452 1989, to any business enterprise determined prior to July 1, 1989,  
3453 by the Mississippi Development Authority to be a qualified  
3454 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
3455 a qualified company as described in Section 57-53-1, as the case  
3456 may be; however, from and after July 1, 1989, tax credits shall be  
3457 allowed only under either this section or Sections 57-51-13(b),  
3458 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time  
3459 employee.

3460 (14) As used in this section, the term "telecommunications  
3461 enterprises" means entities engaged in the creation, display,  
3462 management, storage, processing, transmission or distribution for  
3463 compensation of images, text, voice, video or data by wire or by  
3464 wireless means, or entities engaged in the construction, design,  
3465 development, manufacture, maintenance or distribution for  
3466 compensation of devices, products, software or structures used in



3467 the above activities. Companies organized to do business as  
3468 commercial broadcast radio stations, television stations or news  
3469 organizations primarily serving in-state markets shall not be  
3470 included within the definition of the term "telecommunications  
3471 enterprises."

3472 **[In cases involving business enterprises that apply for the**  
3473 **job tax credit authorized by this section from and after January**  
3474 **1, 2005, this section shall read as follows:]**

3475 57-73-21. (1) Annually by December 31, using the most  
3476 current data available from the University Research Center,  
3477 Mississippi Department of Employment Security and the United  
3478 States Department of Commerce, the Department of Revenue shall  
3479 rank and designate the state's counties as provided in this  
3480 section. The twenty-eight (28) counties in this state having a  
3481 combination of the highest unemployment rate and lowest per capita  
3482 income for the most recent thirty-six-month period, with equal  
3483 weight being given to each category, are designated Tier Three  
3484 areas. The twenty-seven (27) counties in the state with a  
3485 combination of the next highest unemployment rate and next lowest  
3486 per capita income for the most recent thirty-six-month period,  
3487 with equal weight being given to each category, are designated  
3488 Tier Two areas. The twenty-seven (27) counties in the state with  
3489 a combination of the lowest unemployment rate and the highest per  
3490 capita income for the most recent thirty-six-month period, with  
3491 equal weight being given to each category, are designated Tier One



3492 areas. Counties designated by the Department of Revenue qualify  
3493 for the appropriate tax credit for jobs as provided in this  
3494 section. The designation by the Department of Revenue is  
3495 effective for the tax years of permanent business enterprises  
3496 which begin after the date of designation. For companies which  
3497 plan an expansion in their labor forces, the Department of Revenue  
3498 shall prescribe certification procedures to ensure that the  
3499 companies can claim credits in future years without regard to  
3500 whether or not a particular county is removed from the list of  
3501 Tier Three or Tier Two areas.

3502 (2) Permanent business enterprises in counties designated by  
3503 the Department of Revenue as Tier Three areas are allowed a job  
3504 tax credit for taxes imposed by Section 27-7-5 equal to ten  
3505 percent (10%) of the payroll of the enterprise for net new  
3506 full-time employee jobs for five (5) years beginning with years  
3507 two (2) through six (6) after the creation of the minimum number  
3508 of jobs required by this subsection; however, if the permanent  
3509 business enterprise is located in an area that has been declared  
3510 by the Governor to be a disaster area and as a direct result of  
3511 the disaster the permanent business enterprise is unable to  
3512 maintain the required number of jobs, the Commissioner of Revenue  
3513 may extend this time period for not more than two (2) years. The  
3514 number of new full-time jobs must be determined by comparing the  
3515 monthly average number of full-time employees subject to the  
3516 Mississippi income tax withholding for the taxable year with the



3517 corresponding period of the prior taxable year. Only those  
3518 permanent business enterprises that increase employment by ten  
3519 (10) or more in a Tier Three area are eligible for the credit.  
3520 Credit is not allowed during any of the five (5) years if the net  
3521 employment increase falls below ten (10). The Department of  
3522 Revenue shall adjust the credit allowed each year for the net new  
3523 employment fluctuations above the minimum level of ten (10).  
3524 Medical cannabis establishments as defined in the Mississippi  
3525 Medical Cannabis Act shall not be eligible for the tax credit  
3526 authorized in this subsection (2).

3527 (3) Permanent business enterprises in counties that have  
3528 been designated by the Department of Revenue as Tier Two areas are  
3529 allowed a job tax credit for taxes imposed by Section 27-7-5 equal  
3530 to five percent (5%) of the payroll of the enterprise for net new  
3531 full-time employee jobs for five (5) years beginning with years  
3532 two (2) through six (6) after the creation of the minimum number  
3533 of jobs required by this subsection; however, if the permanent  
3534 business enterprise is located in an area that has been declared  
3535 by the Governor to be a disaster area and as a direct result of  
3536 the disaster the permanent business enterprise is unable to  
3537 maintain the required number of jobs, the Commissioner of Revenue  
3538 may extend this time period for not more than two (2) years. The  
3539 number of new full-time jobs must be determined by comparing the  
3540 monthly average number of full-time employees subject to  
3541 Mississippi income tax withholding for the taxable year with the



3542 corresponding period of the prior taxable year. Only those  
3543 permanent business enterprises that increase employment by fifteen  
3544 (15) or more in Tier Two areas are eligible for the credit. The  
3545 credit is not allowed during any of the five (5) years if the net  
3546 employment increase falls below fifteen (15). The Department of  
3547 Revenue shall adjust the credit allowed each year for the net new  
3548 employment fluctuations above the minimum level of fifteen (15).  
3549 Medical cannabis establishments as defined in the Mississippi  
3550 Medical Cannabis Act shall not be eligible for the tax credit  
3551 authorized in this subsection (3).

3552 (4) Permanent business enterprises in counties designated by  
3553 the Department of Revenue as Tier One areas are allowed a job tax  
3554 credit for taxes imposed by Section 27-7-5 equal to two and  
3555 one-half percent (2.5%) of the payroll of the enterprise for net  
3556 new full-time employee jobs for five (5) years beginning with  
3557 years two (2) through six (6) after the creation of the minimum  
3558 number of jobs required by this subsection; however, if the  
3559 permanent business enterprise is located in an area that has been  
3560 declared by the Governor to be a disaster area and as a direct  
3561 result of the disaster the permanent business enterprise is unable  
3562 to maintain the required number of jobs, the Commissioner of  
3563 Revenue may extend this time period for not more than two (2)  
3564 years. The number of new full-time jobs must be determined by  
3565 comparing the monthly average number of full-time employees  
3566 subject to Mississippi income tax withholding for the taxable year





3567 with the corresponding period of the prior taxable year. Only  
3568 those permanent business enterprises that increase employment by  
3569 twenty (20) or more in Tier One areas are eligible for the credit.  
3570 The credit is not allowed during any of the five (5) years if the  
3571 net employment increase falls below twenty (20). The Department  
3572 of Revenue shall adjust the credit allowed each year for the net  
3573 new employment fluctuations above the minimum level of twenty  
3574 (20). Medical cannabis establishments as defined in the  
3575 Mississippi Medical Cannabis Act shall not be eligible for the tax  
3576 credit authorized in this subsection (4).

3577 (5) (a) In addition to the other credits authorized in this  
3578 section, an additional Five Hundred Dollars (\$500.00) credit for  
3579 each net new full-time employee or an additional One Thousand  
3580 Dollars (\$1,000.00) credit for each net new full-time employee who  
3581 is paid a salary, excluding benefits which are not subject to  
3582 Mississippi income taxation, of at least one hundred twenty-five  
3583 percent (125%) of the average annual wage of the state or an  
3584 additional Two Thousand Dollars (\$2,000.00) credit for each net  
3585 new full-time employee who is paid a salary, excluding benefits  
3586 which are not subject to Mississippi income taxation, of at least  
3587 two hundred percent (200%) of the average annual wage of the  
3588 state, shall be allowed for any company establishing or  
3589 transferring its national or regional headquarters from within or  
3590 outside the State of Mississippi. A minimum of twenty (20) jobs  
3591 must be created to qualify for the additional credit. The



3592 Department of Revenue shall establish criteria and prescribe  
3593 procedures to determine if a company qualifies as a national or  
3594 regional headquarters for purposes of receiving the credit awarded  
3595 in this paragraph (a). As used in this paragraph (a), the average  
3596 annual wage of the state is the most recently published average  
3597 annual wage as determined by the Mississippi Department of  
3598 Employment Security. Medical cannabis establishments as defined  
3599 in the Mississippi Medical Cannabis Act shall not be eligible for  
3600 the tax credit authorized in this paragraph (a).

3601 (b) In addition to the other credits authorized in this  
3602 section, an additional Five Hundred Dollars (\$500.00) credit for  
3603 each net new full-time employee or an additional One Thousand  
3604 Dollars (\$1,000.00) credit for each net new full-time employee who  
3605 is paid a salary, excluding benefits which are not subject to  
3606 Mississippi income taxation, of at least one hundred twenty-five  
3607 percent (125%) of the average annual wage of the state or an  
3608 additional Two Thousand Dollars (\$2,000.00) credit for each net  
3609 new full-time employee who is paid a salary, excluding benefits  
3610 which are not subject to Mississippi income taxation, of at least  
3611 two hundred percent (200%) of the average annual wage of the  
3612 state, shall be allowed for any company expanding or making  
3613 additions after January 1, 2013, to its national or regional  
3614 headquarters within the State of Mississippi. A minimum of twenty  
3615 (20) new jobs must be created to qualify for the additional  
3616 credit. The Department of Revenue shall establish criteria and



3617 prescribe procedures to determine if a company qualifies as a  
3618 national or regional headquarters for purposes of receiving the  
3619 credit awarded in this paragraph (b). As used in this paragraph  
3620 (b), the average annual wage of the state is the most recently  
3621 published average annual wage as determined by the Mississippi  
3622 Department of Employment Security. Medical cannabis  
3623 establishments as defined in the Mississippi Medical Cannabis Act  
3624 shall not be eligible for the tax credit authorized in this  
3625 paragraph (b).

3626 (6) In addition to the other credits authorized in this  
3627 section, any job requiring research and development skills  
3628 (chemist, engineer, etc.) shall qualify for an additional One  
3629 Thousand Dollars (\$1,000.00) credit for each net new full-time  
3630 employee. Medical cannabis establishments as defined in the  
3631 Mississippi Medical Cannabis Act shall not be eligible for the tax  
3632 credit authorized in this subsection (6).

3633 (7) (a) In addition to the other credits authorized in this  
3634 section, any company that transfers or relocates its national or  
3635 regional headquarters to the State of Mississippi from outside the  
3636 State of Mississippi may receive a tax credit in an amount equal  
3637 to the actual relocation costs paid by the company. A minimum of  
3638 twenty (20) jobs must be created in order to qualify for the  
3639 additional credit authorized under this subsection. Relocation  
3640 costs for which a credit may be awarded shall be determined by the  
3641 Department of Revenue and shall include those nondepreciable



3642 expenses that are necessary to relocate headquarters employees to  
3643 the national or regional headquarters, including, but not limited  
3644 to, costs such as travel expenses for employees and members of  
3645 their households to and from Mississippi in search of homes and  
3646 moving expenses to relocate furnishings, household goods and  
3647 personal property of the employees and members of their  
3648 households. Medical cannabis establishments as defined in the  
3649 Mississippi Medical Cannabis Act shall not be eligible for the tax  
3650 credit authorized in this subsection (7).

3651 (b) The tax credit authorized under this subsection  
3652 shall be applied for the taxable year in which the relocation  
3653 costs are paid. The maximum cumulative amount of tax credits that  
3654 may be claimed by all taxpayers claiming a credit under this  
3655 subsection in any one (1) state fiscal year shall not exceed One  
3656 Million Dollars (\$1,000,000.00), exclusive of credits that might  
3657 be carried forward from previous taxable years. A company may not  
3658 receive a credit for the relocation of an employee more than one  
3659 (1) time in a twelve-month period for that employee.

3660 (c) The Department of Revenue shall establish criteria  
3661 and prescribe procedures to determine if a company creates the  
3662 required number of jobs and qualifies as a national or regional  
3663 headquarters for purposes of receiving the credit awarded in this  
3664 subsection. A company desiring to claim a credit under this  
3665 subsection must submit an application for such credit with the  
3666 Department of Revenue in a manner prescribed by the department.



3667 (d) In order to participate in the provisions of this  
3668 section, a company must certify to the Mississippi Department of  
3669 Revenue that it complies with the equal pay provisions of the  
3670 federal Equal Pay Act of 1963, the Americans with Disabilities Act  
3671 of 1990 and the fair pay provisions of the Civil Rights Act of  
3672 1964.

3673 (e) This subsection shall stand repealed on July 1,  
3674 2025.

3675 (8) In lieu of the other tax credits provided in this  
3676 section, any commercial or industrial property owner which  
3677 remediates contaminated property in accordance with Sections  
3678 49-35-1 through 49-35-25, is allowed a job tax credit for taxes  
3679 imposed by Section 27-7-5 equal to the percentage of payroll  
3680 provided in subsection (2), (3) or (4) of this section for net new  
3681 full-time employee jobs for five (5) years beginning with years  
3682 two (2) through six (6) after the creation of the jobs. The  
3683 number of new full-time jobs must be determined by comparing the  
3684 monthly average number of full-time employees subject to  
3685 Mississippi income tax withholding for the taxable year with the  
3686 corresponding period of the prior taxable year. This subsection  
3687 shall be administered in the same manner as subsections (2), (3)  
3688 and (4), except the landowner shall not be required to increase  
3689 employment by the levels provided in subsections (2), (3) and (4)  
3690 to be eligible for the tax credit.



3691           (9)   (a)   Tax credits for five (5) years for the taxes  
3692 imposed by Section 27-7-5 shall be awarded for increases in the  
3693 annual payroll for net new full-time jobs created by business  
3694 enterprises qualified under this section. The Department of  
3695 Revenue shall adjust the credit allowed in the event of payroll  
3696 fluctuations during the additional five (5) years of credit.

3697           (b)   Tax credits for five (5) years for the taxes  
3698 imposed by Section 27-7-5 shall be awarded for additional net new  
3699 full-time jobs created by business enterprises qualified under  
3700 subsections (5) and (6) of this section and for additional  
3701 relocation costs paid by companies qualified under subsection (7)  
3702 of this section. The Department of Revenue shall adjust the  
3703 credit allowed in the event of employment fluctuations during the  
3704 additional five (5) years of credit.

3705           (10) (a) The sale, merger, acquisition, reorganization,  
3706 bankruptcy or relocation from one (1) county to another county  
3707 within the state of any business enterprise may not create new  
3708 eligibility in any succeeding business entity, but any unused job  
3709 tax credit may be transferred and continued by any transferee of  
3710 the business enterprise. The Department of Revenue shall  
3711 determine whether or not qualifying net increases or decreases  
3712 have occurred or proper transfers of credit have been made and may  
3713 require reports, promulgate regulations, and hold hearings as  
3714 needed for substantiation and qualification.



3715           (b) This subsection shall not apply in cases in which a  
3716 business enterprise has ceased operation, laid off all its  
3717 employees and is subsequently acquired by another unrelated  
3718 business entity that continues operation of the enterprise in the  
3719 same or a similar type of business. In such a case the succeeding  
3720 business entity shall be eligible for the credit authorized by  
3721 this section unless the cessation of operation of the business  
3722 enterprise was for the purpose of obtaining new eligibility for  
3723 the credit.

3724           (11) Any tax credit claimed under this section but not used  
3725 in any taxable year may be carried forward for five (5) years from  
3726 the close of the tax year in which the qualified jobs were  
3727 established and/or headquarters relocation costs paid, as  
3728 applicable, but the credit established by this section taken in  
3729 any one (1) tax year must be limited to an amount not greater than  
3730 fifty percent (50%) of the taxpayer's state income tax liability  
3731 which is attributable to income derived from operations in the  
3732 state for that year. If the permanent business enterprise is  
3733 located in an area that has been declared by the Governor to be a  
3734 disaster area and as a direct result of the disaster the business  
3735 enterprise is unable to use the existing carryforward, the  
3736 Commissioner of Revenue may extend the period that the credit may  
3737 be carried forward for a period of time not to exceed two (2)  
3738 years.



3739 (12) No business enterprise for the transportation,  
3740 handling, storage, processing or disposal of hazardous waste is  
3741 eligible to receive the tax credits provided in this section.

3742 (13) The credits allowed under this section shall not be  
3743 used by any business enterprise or corporation other than the  
3744 business enterprise actually qualifying for the credits.

3745 (14) As used in this section:

3746 (a) "Business enterprises" means entities primarily  
3747 engaged in:

3748 (i) Manufacturing, processing, warehousing,  
3749 warehousing activities, distribution, wholesaling and research and  
3750 development, or

3751 (ii) Permanent business enterprises designated by  
3752 rule and regulation of the Mississippi Development Authority as  
3753 air transportation and maintenance facilities, final destination  
3754 or resort hotels having a minimum of one hundred fifty (150) guest  
3755 rooms, recreational facilities that impact tourism, movie industry  
3756 studios, telecommunications enterprises, data or information  
3757 processing enterprises or computer software development  
3758 enterprises or any technology intensive facility or enterprise.

3759 (b) "Telecommunications enterprises" means entities  
3760 engaged in the creation, display, management, storage, processing,  
3761 transmission or distribution for compensation of images, text,  
3762 voice, video or data by wire or by wireless means, or entities  
3763 engaged in the construction, design, development, manufacture,





3764 maintenance or distribution for compensation of devices, products,  
3765 software or structures used in the above activities. Companies  
3766 organized to do business as commercial broadcast radio stations,  
3767 television stations or news organizations primarily serving  
3768 in-state markets shall not be included within the definition of  
3769 the term "telecommunications enterprises."

3770 (c) "Warehousing activities" means entities that  
3771 establish or expand facilities that service and support multiple  
3772 retail or wholesale locations within and outside the state.  
3773 Warehousing activities may be performed solely to support the  
3774 primary activities of the entity, and credits generated shall  
3775 offset the income of the entity based on an apportioned ratio of  
3776 payroll for warehouse employees of the entity to total Mississippi  
3777 payroll of the entity that includes the payroll of retail  
3778 employees of the entity.

3779 (15) The tax credits provided for in this section shall be  
3780 in addition to any tax credits described in Sections 57-51-13(b),  
3781 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official  
3782 action by the Mississippi Development Authority prior to July 1,  
3783 1989, to any business enterprise determined prior to July 1, 1989,  
3784 by the Mississippi Development Authority to be a qualified  
3785 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
3786 a qualified company as described in Section 57-53-1, as the case  
3787 may be; however, from and after July 1, 1989, tax credits shall be  
3788 allowed only under either this section or Sections 57-51-13(b),



3789 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time  
3790 employee.

3791 (16) A business enterprise that chooses to receive job  
3792 training assistance pursuant to Section 57-1-451 shall not be  
3793 eligible for the tax credits provided for in this section.

3794 **SECTION 42.** Section 57-73-23, Mississippi Code of 1972, is  
3795 brought forward as follows:

3796 57-73-23. (1) A fifty percent (50%) income tax credit shall  
3797 be granted to any employer providing dependent care for employees  
3798 during the employee's work hours, and to any employer who provides  
3799 a child care stipend of at least Six Thousand Dollars (\$6,000.00)  
3800 to a licensed or registered entity providing dependent child care  
3801 in the State of Mississippi for an employee's children during the  
3802 employee's work hours.

3803 (2) In order for an employer who provides a child care  
3804 stipend under this section to be eligible for the tax credit, the  
3805 employer shall certify to the Department of Revenue:

3806 (a) The names of the employees on whose behalf the  
3807 stipend is paid; and

3808 (b) The amount of the stipend paid on behalf of each of  
3809 those employees;

3810 (c) The licensed or registered entity receiving the  
3811 child care stipend from the employer on behalf of the employee,  
3812 including the entity's federal identification number and license  
3813 and registration number; and



3814           (d) Such other information as may be required by the  
3815 Department of Revenue to ensure that credits under this section  
3816 are granted only to employers who provide stipends to a licensed  
3817 or registered entity providing dependent care in the State of  
3818 Mississippi for an employee's children during the employee's work  
3819 hours.

3820           (3) For an employer contracting with a licensed or  
3821 registered entity to provide dependent care for its employees  
3822 during the employee's work hours, the credit is applied to the net  
3823 cost of any contract executed by the employer for another entity  
3824 to provide dependent care; or, if the employer elects to provide  
3825 dependent care itself, the credit is applied to expenses of  
3826 dependent care staff, learning and recreational materials and  
3827 equipment, and the construction and maintenance of a facility; or,  
3828 if the employer elects to provide a child care stipend to a  
3829 licensed or registered entity providing dependent care in the  
3830 State of Mississippi for the employee's children during the  
3831 employee's work hours, the credit is applied to the amount of the  
3832 stipend provided. Additional eligible expenses include net costs  
3833 assumed by the employer which increase the quality, availability  
3834 and affordability of dependent care in the community used by  
3835 employees during the employee's work hours. This cost is net of  
3836 any reimbursement. A deduction shall not be allowed for any  
3837 expenses which serve as the basis for an income tax credit. The  
3838 credits allowed under this section shall not be used by any



3839 business enterprise or corporation other than the business  
3840 enterprise actually qualifying for the credits.

3841 Credit may be carried forward for the five (5) successive  
3842 years if the amount allowable as credit exceeds income tax  
3843 liability in a tax year; however, thereafter, if the amount  
3844 allowable as a credit exceeds the tax liability, the amount of  
3845 excess shall not be refundable or carried forward to any other  
3846 taxable year.

3847 The facility must have an average daily enrollment for the  
3848 taxable year of no less than six (6) children who are twelve (12)  
3849 years of age or less and be licensed according to the regulations  
3850 governing licensure of child care facilities in Mississippi; or  
3851 must serve five (5) or fewer children and/or elderly adults in a  
3852 family child care/elder care home approved by the Department of  
3853 Health for participation in the United States Department of  
3854 Agriculture child and adult nutrition program; or must serve  
3855 children over twelve (12) years of age but less than eighteen (18)  
3856 years of age in either a community-based facility or a facility at  
3857 the employment site; or must serve adult relatives of employees in  
3858 either a community-based elder care facility or a facility at the  
3859 employment site; or must serve children or adult dependents having  
3860 physical, emotional or mental disabilities in either a  
3861 community-based facility or a facility at the employment site.

3862 Employers will be certified as eligible for the tax credit by  
3863 the State Department of Health for programs serving children



3864 twelve (12) years of age or younger and for programs serving  
3865 elderly adults and by the Department of Revenue for programs  
3866 serving other dependents older than twelve (12) years of age.

3867         **SECTION 43.** Section 57-87-5, Mississippi Code of 1972, is  
3868 brought forward as follows:

3869             57-87-5. (1) For purposes of this section:

3870                 (a) "Telecommunications enterprises" shall have the  
3871 meaning ascribed to such term in Section 57-73-21(14);

3872                 (b) "Tier One areas" mean counties designated as Tier  
3873 One areas pursuant to Section 57-73-21(1);

3874                 (c) "Tier Two areas" mean counties designated as Tier  
3875 Two areas pursuant to Section 57-73-21(1);

3876                 (d) "Tier Three areas" mean counties designated as Tier  
3877 Three areas pursuant to Section 57-73-21(1); and

3878                 (e) "Equipment used in the deployment of broadband  
3879 technologies" means any equipment capable of being used for or in  
3880 connection with the transmission of information at a rate, prior  
3881 to taking into account the effects of any signal degradation, that  
3882 is not less than three hundred eighty-four (384) kilobits per  
3883 second in at least one (1) direction, including, but not limited  
3884 to, asynchronous transfer mode switches, digital subscriber line  
3885 access multiplexers, routers, servers, multiplexers, fiber optics  
3886 and related equipment.

3887             (2) With respect to the investment in each year by a  
3888 telecommunications enterprise after June 30, 2003, and before July



3889 1, 2025, there shall be allowed annually as a credit against the  
3890 aggregate tax imposed by Chapters 7 and 13 of Title 27,  
3891 Mississippi Code of 1972, an amount equal to:

3892 (a) Five percent (5%) of the cost of equipment used in  
3893 the deployment of broadband technologies in Tier One areas;

3894 (b) Ten percent (10%) of the cost of equipment used in  
3895 the deployment of broadband technologies in Tier Two areas; and

3896 (c) Fifteen percent (15%) of the cost of equipment used  
3897 in the deployment of broadband technologies in Tier Three areas.

3898 (3) Such annual credits shall be allowed commencing with the  
3899 taxable year in which such property is placed in service and  
3900 continue for nine (9) consecutive years thereafter. The aggregate  
3901 credit established by this section taken in any one (1)  
3902 tax year shall be limited to an amount not greater than fifty  
3903 percent (50%) of the taxpayer's tax liabilities under Chapters 7  
3904 and 13 of Title 27, Mississippi Code of 1972; however, any tax  
3905 credit claimed under this section, but not used in any taxable  
3906 year, may be carried forward for ten (10) consecutive years from  
3907 the close of the tax year in which the credits were earned.

3908 (4) The maximum aggregate amount of credits that may be  
3909 claimed under this section shall not exceed the original  
3910 investment made by a telecommunications enterprise in the  
3911 qualifying equipment used in the deployment of broadband  
3912 technologies.



3913 (5) For purposes of this section, the tier in which  
3914 broadband technology is deployed shall be determined in the year  
3915 in which such technology is deployed in a county and such tier  
3916 shall not change if the county is later designated in another  
3917 tier.

3918 (6) There will be no credit allowed under this section if  
3919 the equipment used in the deployment of broadband technologies was  
3920 paid for, or its cost was reimbursed by, funds made available  
3921 under the Coronavirus Aid, Relief, and Economic Security (CARES)  
3922 Act.

3923 **SECTION 44.** Section 57-87-7, Mississippi Code of 1972, is  
3924 brought forward as follows:

3925 57-87-7. Equipment used in the deployment of broadband  
3926 technologies by a telecommunications enterprise (as defined in  
3927 Section 57-73-21(14)), that is placed in service after June 30,  
3928 2003, and before July 1, 2025, shall be exempt from ad valorem  
3929 taxation for a period of ten (10) years after the date such  
3930 equipment is placed in service. For purposes of this section,  
3931 "equipment used in the deployment of broadband technologies" means  
3932 any equipment capable of being used for or in connection with the  
3933 transmission of information at a rate, prior to taking into  
3934 account the effects of any signal degradation, that is not less  
3935 than three hundred eighty-four (384) kilobits per second in at  
3936 least one direction, including, but not limited to, asynchronous  
3937 transfer mode switches, digital subscriber line access



3938 multiplexers, routers, servers, multiplexers, fiber optics and  
3939 related equipment.

3940         **SECTION 45.** Section 57-105-1, Mississippi Code of 1972, is  
3941 brought forward as follows:

3942             57-105-1. (1) As used in this section:

3943                 (a) "Adjusted purchase price" means the investment in  
3944 the qualified community development entity for the qualified  
3945 equity investment, substantially all of the proceeds of which are  
3946 used to make qualified low-income community investments in  
3947 Mississippi.

3948             For the purposes of calculating the amount of qualified  
3949 low-income community investments held by a qualified community  
3950 development entity, an investment will be considered held by a  
3951 qualified community development entity even if the investment has  
3952 been sold or repaid; provided that the qualified community  
3953 development entity reinvests an amount equal to the capital  
3954 returned to or recovered by the qualified community development  
3955 entity from the original investment, exclusive of any profits  
3956 realized, in another qualified low-income community investment in  
3957 Mississippi, including any federal Indian reservation located  
3958 within the geographical boundary of Mississippi within twelve (12)  
3959 months of the receipt of such capital. A qualified community  
3960 development entity will not be required to reinvest capital  
3961 returned from the qualified low-income community investments after  
3962 the sixth anniversary of the issuance of the qualified equity





3963 investment, the proceeds of which were used to make the qualified  
3964 low-income community investment, and the qualified low-income  
3965 community investment will be considered held by the qualified  
3966 community development entity through the seventh anniversary of  
3967 the qualified equity investment's issuance.

3968 (b) "Applicable percentage" means:

3969 (i) For any equity investment issued prior to July  
3970 1, 2008, four percent (4%) for each of the second through seventh  
3971 credit allowance dates for purposes of the taxes imposed by  
3972 Section 27-7-5 and one and one-third percent (1-1/3%) for each of  
3973 the second through seventh credit allowance dates for purposes of  
3974 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

3975 (ii) For any equity investment issued from and  
3976 after July 1, 2008, eight percent (8%) for each of the first  
3977 through third credit allowance dates for purposes of the taxes  
3978 imposed by Section 27-7-5 or the taxes imposed by Sections  
3979 27-15-103, 27-15-109 and 27-15-123.

3980 (c) "Credit allowance date" means, with respect to any  
3981 qualified equity investment:

3982 (i) The later of:

3983 1. The date upon which the qualified equity  
3984 investment is initially made; or

3985 2. The date upon which the Mississippi  
3986 Development Authority issues a certificate under subsection (4) of  
3987 this section; and



3988 (ii) 1. For equity investments issued prior to  
3989 July 1, 2008, each of the subsequent six (6) anniversary dates of  
3990 the date upon which the investment is initially made; or

3991 2. For equity investments issued from and  
3992 after July 1, 2008, each of the subsequent two (2) anniversary  
3993 dates of the date determined as provided for in subparagraph (i)  
3994 of this paragraph.

3995 (d) "Qualified community development entity" shall have  
3996 the meaning ascribed to such term in Section 45D of the Internal  
3997 Revenue Code of 1986, as amended, if the entity has entered into  
3998 an Allocation Agreement with the Community Development Financial  
3999 Institutions Fund of the United States Department of the Treasury  
4000 with respect to credits authorized by Section 45D of the Internal  
4001 Revenue Code of 1986, as amended.

4002 (e) "Qualified active low-income community business"  
4003 shall have the meaning ascribed to such term in Section 45D of the  
4004 Internal Revenue Code of 1986, as amended.

4005 (f) "Qualified equity investment" shall have the  
4006 meaning ascribed to such term in Section 45D of the Internal  
4007 Revenue Code of 1986, as amended. The investment does not have to  
4008 be designated as a qualified equity investment by the Community  
4009 Development Financial Institutions Fund of the United States  
4010 Treasury to be considered a qualified equity investment under this  
4011 section but otherwise must meet the definition under the Internal



4012 Revenue Code. In addition to meeting the definition in Section  
4013 45D of the Internal Revenue Code such investment must also:

4014 (i) Have been acquired after January 1, 2007, at  
4015 its original issuance solely in exchange for cash; and

4016 (ii) Have been allocated by the Mississippi  
4017 Development Authority.

4018 For the purposes of this section, such investment shall be  
4019 deemed a qualified equity investment on the later of the date such  
4020 qualified equity investment is made or the date on which the  
4021 Mississippi Development Authority issues a certificate under  
4022 subsection (4) of this section allocating credits based on such  
4023 investment.

4024 (g) "Qualified low-income community investment" shall  
4025 have the meaning ascribed to such term in Section 45D of the  
4026 Internal Revenue Code of 1986, as amended; provided, however, that  
4027 the maximum amount of qualified low-income community investments  
4028 issued for a single qualified active low-income community  
4029 business, on an aggregate basis with all of its affiliates, that  
4030 may be included for purposes of allocating any credits under this  
4031 section shall not exceed Ten Million Dollars (\$10,000,000.00), in  
4032 the aggregate, whether issued by one (1) or several qualified  
4033 community development entities.

4034 (2) A taxpayer that holds a qualified equity investment on  
4035 the credit allowance date shall be entitled to a credit applicable  
4036 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109



4037 and 27-15-123 during the taxable year that includes the credit  
4038 allowance date. The amount of the credit shall be equal to the  
4039 applicable percentage of the adjusted purchase price paid to the  
4040 qualified community development entity for the qualified equity  
4041 investment. The amount of the credit that may be utilized in any  
4042 one (1) tax year shall be limited to an amount not greater than  
4043 the total tax liability of the taxpayer for the taxes imposed by  
4044 the above-referenced sections. The credit shall not be refundable  
4045 or transferable. Any unused portion of the credit may be carried  
4046 forward for seven (7) taxable years beyond the credit allowance  
4047 date on which the credit was earned. The maximum aggregate amount  
4048 of qualified equity investments that may be allocated by the  
4049 Mississippi Development Authority may not exceed an amount that  
4050 would result in taxpayers claiming in any one (1) state fiscal  
4051 year credits in excess of Fifteen Million Dollars  
4052 (\$15,000,000.00), exclusive of credits that might be carried  
4053 forward from previous taxable years; however, a maximum of  
4054 one-third (1/3) of this amount may be allocated as credits for  
4055 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any  
4056 taxpayer claiming a credit under this section against the taxes  
4057 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123  
4058 shall not be required to pay any additional tax under Section  
4059 27-15-123 as a result of claiming such credit. The Mississippi  
4060 Development Authority shall allocate credits within this limit as  
4061 provided for in subsection (4) of this section.



4062 (3) Tax credits authorized by this section that are earned  
4063 by a partnership, limited liability company, S corporation or  
4064 other similar pass-through entity, shall be allocated among all  
4065 partners, members or shareholders, respectively, either in  
4066 proportion to their ownership interest in such entity or as the  
4067 partners, members or shareholders mutually agree as provided in an  
4068 executed document. Such allocation shall be made each taxable  
4069 year of such pass-through entity which contains a credit allowance  
4070 date.

4071 (4) The qualified community development entity shall apply  
4072 for credits with the Mississippi Development Authority on forms  
4073 prescribed by the Mississippi Development Authority. The  
4074 qualified community development entity must pay an application fee  
4075 of One Thousand Dollars (\$1,000.00) to the Mississippi Development  
4076 Authority at the time the application is submitted. In the  
4077 application the qualified community development entity shall  
4078 certify to the Mississippi Development Authority the dollar amount  
4079 of the qualified equity investments made or to be made in this  
4080 state, including in any federal Indian reservation located within  
4081 the state's geographical boundary, during the first twelve-month  
4082 period following the initial credit allowance date. The  
4083 Mississippi Development Authority shall allocate credits based on  
4084 the dollar amount of qualified equity investments as certified in  
4085 the application. Once the Mississippi Development Authority has  
4086 allocated credits to a qualified community development entity, if



4087 the corresponding qualified equity investment has not been issued  
4088 as of the date of such allocation, then the corresponding  
4089 qualified equity investment must be issued not later than one  
4090 hundred twenty (120) days from the date of such allocation. If  
4091 the qualified equity investment is not issued within such time  
4092 period, the allocation shall be cancelled and returned to the  
4093 Mississippi Development Authority for reallocation. Upon final  
4094 documentation of the qualified low-income community investments,  
4095 if the actual dollar amount of the investments is lower than the  
4096 amount estimated, the Mississippi Development Authority shall  
4097 adjust the tax credit allowed under this section. The Department  
4098 of Revenue may recapture all of the credit allowed under this  
4099 section if:

4100 (a) Any amount of federal tax credits available with  
4101 respect to a qualified equity investment that is eligible for a  
4102 tax credit under this section is recaptured under Section 45D of  
4103 the Internal Revenue Code of 1986, as amended; or

4104 (b) The qualified community development entity redeems  
4105 or makes any principal repayment with respect to a qualified  
4106 equity investment prior to the seventh anniversary of the issuance  
4107 of the qualified equity investment; or

4108 (c) The qualified community development entity fails to  
4109 maintain at least eighty-five percent (85%) of the proceeds of the  
4110 qualified equity investment in qualified low-income community



4111 investments in Mississippi at any time prior to the seventh  
4112 anniversary of the issuance of the qualified equity investment.

4113 Any credits that are subject to recapture under this  
4114 subsection shall be recaptured from the taxpayer that actually  
4115 claimed the credit.

4116 The Mississippi Development Authority shall not allocate any  
4117 credits under this section after July 1, 2024.

4118 (5) Each qualified community development entity that  
4119 receives qualified equity investments to make qualified low-income  
4120 community investments in Mississippi must annually report to the  
4121 Mississippi Development Authority the North American Industry  
4122 Classification System Code, the county, the dollars invested, the  
4123 number of jobs assisted and the number of jobs assisted with wages  
4124 over one hundred percent (100%) of the federal poverty level for a  
4125 family of four (4) of each qualified low-income community  
4126 investment.

4127 (6) The Mississippi Development Authority shall file an  
4128 annual report on all qualified low-income community investments  
4129 with the Governor, the Clerk of the House of Representatives, the  
4130 Secretary of the Senate and the Secretary of State describing the  
4131 North American Industry Classification System Code, the county,  
4132 the dollars invested, the number of jobs assisted and the number  
4133 of jobs assisted with wages over one hundred percent (100%) of the  
4134 federal poverty level for a family of four (4) of each qualified



4135 low-income community investment. The annual report will be posted  
4136 on the Mississippi Development Authority's Internet website.

4137 (7) (a) The purpose of this subsection is to authorize the  
4138 creation and establishment of public benefit corporations for  
4139 financing arrangements regarding public property and facilities.

4140 (b) As used in this subsection:

4141 (i) "New Markets Tax Credit transaction" means any  
4142 financing transaction which utilizes either this section or  
4143 Section 45D of the Internal Revenue Code of 1986, as amended.

4144 (ii) "Public benefit corporation" means a  
4145 nonprofit corporation formed or designated by a public entity to  
4146 carry out the purposes of this subsection.

4147 (iii) "Public entity or public entities" includes  
4148 utility districts, regional solid waste authorities, regional  
4149 utility authorities, community hospitals, regional airport  
4150 authorities, municipal airport authorities, community and junior  
4151 colleges, educational building corporations established by or on  
4152 behalf of the state institutions of higher learning, school  
4153 districts, planning and development districts, county economic  
4154 development districts, urban renewal agencies, any other regional  
4155 or local economic development authority, agency or governmental  
4156 entity, and any other regional or local industrial development  
4157 authority, agency or governmental entity.





4158 (iv) "Public property or facilities" means any  
4159 property or facilities owned or leased by a public entity or  
4160 public benefit corporation.

4161 (c) Notwithstanding any other provision of law to the  
4162 contrary, public entities are authorized pursuant to this  
4163 subsection to create one or more public benefit corporations or  
4164 designate an existing corporation as a public benefit corporation  
4165 for the purpose of entering into financing agreements and engaging  
4166 in New Markets Tax Credit transactions, which shall include,  
4167 without limitation, arrangements to plan, acquire, renovate,  
4168 construct, lease, sublease, manage, operate and/or improve new or  
4169 existing public property or facilities located within the  
4170 boundaries or service area of the public entity. Any financing  
4171 arrangement authorized under this subsection shall further any  
4172 purpose of the public entity and may include a term of up to fifty  
4173 (50) years.

4174 (d) Notwithstanding any other provision of law to the  
4175 contrary and in order to facilitate the acquisition, renovation,  
4176 construction, leasing, subleasing, management, operating and/or  
4177 improvement of new or existing public property or facilities to  
4178 further any purpose of a public entity, public entities are  
4179 authorized to enter into financing arrangements in order to  
4180 transfer public property or facilities to and/or from public  
4181 benefit corporations, including, without limitation, sales,  
4182 sale-leasebacks, leases and lease-leasebacks, provided such



4183 transfer is related to any New Markets Tax Credit transaction  
4184 furthering any purpose of the public entity. Any such transfer  
4185 under this paragraph (d) and the public property or facilities  
4186 transferred in connection therewith shall be exempted from any  
4187 limitation or requirements with respect to leasing, acquiring,  
4188 and/or constructing public property or facilities.

4189 (e) With respect to a New Markets Tax Credit  
4190 transaction, public entities and public benefit corporations are  
4191 authorized to enter into financing arrangements with any  
4192 governmental, nonprofit or for-profit entity in order to leverage  
4193 funds not otherwise available to public entities for the  
4194 acquisition, construction and/or renovation of properties  
4195 transferred to such public benefit corporations. The use of any  
4196 funds loaned by or contributed by a public benefit corporation or  
4197 borrowed by or otherwise made available to a public benefit  
4198 corporation in such financing arrangement shall be dedicated  
4199 solely to (i) the development of new properties or facilities  
4200 and/or the renovation of existing properties or facilities or  
4201 operation of properties or facilities, and/or (ii) the payment of  
4202 costs and expenditures related to any such financing arrangements,  
4203 including, but not limited to, funding any reserves required in  
4204 connection therewith, the repayment of any indebtedness incurred  
4205 in connection therewith, and the payment of fees and expenses  
4206 incurred in connection with the closing, administration,



4207 accounting and/or compliance with respect to the New Markets Tax  
4208 Credit transaction.

4209 (f) A public benefit corporation created pursuant to  
4210 this subsection shall not be a political subdivision of the state  
4211 but shall be a nonprofit corporation organized and governed under  
4212 the provisions of the laws of this state and shall be a special  
4213 purpose corporation established to facilitate New Markets Tax  
4214 Credit transactions consistent with the requirements of this  
4215 section.

4216 (g) Neither this subsection nor anything herein  
4217 contained is or shall be construed as a restriction or limitation  
4218 upon any powers which the public entity or public benefit  
4219 corporation might otherwise have under any laws of this state, and  
4220 this subsection is cumulative to any such powers. This subsection  
4221 does and shall be construed to provide a complete additional and  
4222 alternative method for the doing of the things authorized thereby  
4223 and shall be regarded as supplemental and additional to powers  
4224 conferred by other laws.

4225 (8) The Mississippi Development Authority shall promulgate  
4226 rules and regulations to implement the provisions of this section.

4227 **SECTION 46.** Section 57-10-409, Mississippi Code of 1972, is  
4228 brought forward as follows:

4229 **[In cases involving an economic development project for which**  
4230 **the Mississippi Business Finance Corporation has issued bonds for**



4231 **the purpose of financing the approved costs of such project prior**  
4232 **to July 1, 1994, this section shall read as follows:]**

4233           57-10-409. The corporation may enter into, with any approved  
4234 company, a financing agreement with respect to its economic  
4235 development project. The terms and provisions of each financing  
4236 agreement shall be determined by negotiations between the  
4237 corporation and the approved company, except that each financing  
4238 agreement shall include the following provisions:

4239           (a) If the corporation issues any bonds in connection  
4240 with an economic development project, the term of the financing  
4241 agreement shall not be less than the last maturity of the bonds  
4242 issued with respect to the economic development project, except  
4243 that the financing agreement may terminate upon the earlier  
4244 redemption of all of the bonds issued with respect to the economic  
4245 development project and may grant to the approved company an  
4246 option to purchase the economic development project from the  
4247 corporation upon the termination of the financing agreement for  
4248 such consideration and under such terms and conditions the  
4249 corporation may approve. Nothing in this paragraph shall limit  
4250 the extension of the term of a financing agreement if there is a  
4251 refunding of the correlative bonds or otherwise.

4252           (b) If the corporation issues any bonds in connection  
4253 with an economic development project, the financing agreement  
4254 shall specify that the annual obligations of the approved company  
4255 under Sections 57-10-401 through 57-10-445 shall equal in each



4256 year at least the annual debt service for that year on the bonds  
4257 issued with respect to the economic development project; and the  
4258 approved company shall pay such obligation of the financing  
4259 agreement to the trustee for bonds issued for the benefit of the  
4260 approved company, at such time and in such amounts sufficient to  
4261 amortize such bonds.

4262 (c) If the corporation loans funds to an approved  
4263 company that is a private company under the Mississippi Small  
4264 Enterprise Development Finance Act, the financing agreement shall  
4265 include the terms and conditions of the loan required by Section  
4266 57-71-1 et seq.

4267 (d) (i) In consideration for financing agreement  
4268 payment, the approved company may be permitted the following  
4269 during the period of time in which the financing agreement is in  
4270 effect, not to exceed twenty-five (25) years:

4271 1. A tax credit on the amount provided for in  
4272 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4273 2. The aggregate assessment withheld by the  
4274 approved company in each year.

4275 (ii) The income tax credited to the approved  
4276 company referred to herein shall be credited in the fiscal year of  
4277 the financing agreement in which the tax return of the approved  
4278 company is filed. The approved company shall not be required to  
4279 pay estimated tax payments under Section 27-7-319, Mississippi  
4280 Code of 1972.



4281           (e) (i) The financing agreement shall provide that the  
4282 assessments, when added to the credit for the state corporate  
4283 income tax herein granted, shall not exceed the total financing  
4284 agreement annual payment by the approved company in any year;  
4285 however, to the extent that financing agreement annual payments  
4286 exceed credits received and assessments collected in any year, the  
4287 excess payment may be recouped from excess credits or assessment  
4288 collections in succeeding years.

4289           (ii) If during any fiscal year of the financing  
4290 agreement the total of the income tax credit granted to the  
4291 approved company plus the assessment collected from the wages of  
4292 the employees equals the annual payment pursuant to the financing  
4293 agreement, and if all excess payments pursuant to the financing  
4294 agreement accumulated in prior years have been recouped, the  
4295 assessment collected from the wages of the employees shall cease  
4296 for the remainder of the fiscal year of the financing agreement.

4297           (f) The financing agreement shall provide that:

4298           (i) It may be assigned by the approved company  
4299 only upon the prior written consent of the corporation following  
4300 the adoption of a resolution by the corporation to such effect;  
4301 and

4302           (ii) Upon the default by the approved company in  
4303 the obligation to render its annual payment, the corporation shall  
4304 have the right, at its option, to declare the financing agreement  
4305 in default and to accelerate the total of all annual payments that



4306 are to be made or to terminate the financing agreement and cause  
4307 to be sold the economic development project at public or private  
4308 sale, or to pursue any other remedies available under the Uniform  
4309 Commercial Code, as from time to time amended, or otherwise  
4310 available in law or equity.

4311 **[In cases involving an economic development project for which**  
4312 **the Mississippi Business Finance Corporation has not issued bonds**  
4313 **for the purpose of financing the approved costs of such project**  
4314 **prior to July 1, 1994, but has issued bonds for such project prior**  
4315 **to July 1, 1997, or in cases involving an economic development**  
4316 **project which has been induced by a resolution of the Board of**  
4317 **Directors of the Mississippi Business Finance Corporation that has**  
4318 **been filed with the State Tax Commission prior to July 1, 1997,**  
4319 **this section shall read as follows:]**

4320 57-10-409. The corporation may enter into, with any approved  
4321 company, a financing agreement with respect to its economic  
4322 development project. The terms and provisions of each financing  
4323 agreement shall be determined by negotiations between the  
4324 corporation and the approved company, except that each financing  
4325 agreement shall include the following provisions:

4326 (a) If the corporation issues any bonds in connection  
4327 with an economic development project, the term of the financing  
4328 agreement shall not be less than the last maturity of the bonds  
4329 issued with respect to the economic development project, except  
4330 that the financing agreement may terminate upon the earlier



4331 redemption of all of the bonds issued with respect to the economic  
4332 development project and may grant to the approved company an  
4333 option to purchase the economic development project from the  
4334 corporation upon the termination of the financing agreement for  
4335 such consideration and under such terms and conditions the  
4336 corporation may approve. Nothing in this paragraph shall limit  
4337 the extension of the term of a financing agreement if there is a  
4338 refunding of the correlative bonds or otherwise.

4339           (b) If the corporation issues any bonds in connection  
4340 with an economic development project, the financing agreement  
4341 shall specify that the annual obligations of the approved company  
4342 under Sections 57-10-401 through 57-10-445 shall equal in each  
4343 year at least the annual debt service for that year on the bonds  
4344 issued with respect to the economic development project; and the  
4345 approved company shall pay such obligation of the financing  
4346 agreement to the trustee for bonds issued for the benefit of the  
4347 approved company, at such time and in such amounts sufficient to  
4348 amortize such bonds.

4349           (c) If the corporation loans funds to an approved  
4350 company that is a private company under the Mississippi Small  
4351 Enterprise Development Finance Act, the financing agreement shall  
4352 include the terms and conditions of the loan required by Section  
4353 57-71-1 et seq.

4354           (d) (i) In consideration for financing agreement  
4355 payment, the approved company may be permitted the following





4356 during the period of time in which the financing agreement is in  
4357 effect, not to exceed twenty-five (25) years:

4358                   1. A tax credit on the amount provided for in  
4359 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4360                   2. The aggregate assessment withheld by the  
4361 approved company in each year.

4362                   (ii) The income tax credited to the approved  
4363 company referred to herein shall be credited in the fiscal year of  
4364 the financing agreement in which the tax return of the approved  
4365 company is filed. The approved company shall not be required to  
4366 pay estimated tax payments under Section 27-7-319, Mississippi  
4367 Code of 1972.

4368                   (e) (i) The financing agreement shall provide that the  
4369 assessments, when added to the credit for the state corporate  
4370 income tax herein granted, shall not exceed the total financing  
4371 agreement annual payment by the approved company in any year;  
4372 however, to the extent that financing agreement annual payments  
4373 exceed credits received and assessments collected in any year, the  
4374 excess payment may be recouped from excess credits or assessment  
4375 collections in succeeding years not to exceed three (3) years  
4376 following the termination of the period of time during which the  
4377 financing agreement is in effect.

4378                   (ii) If during any fiscal year of the financing  
4379 agreement the total of the income tax credit granted to the  
4380 approved company plus the assessment collected from the wages of



4381 the employees equals the annual payment pursuant to the financing  
4382 agreement, and if all excess payments pursuant to the financing  
4383 agreement accumulated in prior years have been recouped, the  
4384 assessment collected from the wages of the employees shall cease  
4385 for the remainder of the fiscal year of the financing agreement.

4386 (f) The financing agreement shall provide that:

4387 (i) It may be assigned by the approved company  
4388 only upon the prior written consent of the corporation following  
4389 the adoption of a resolution by the corporation to such effect;  
4390 and

4391 (ii) Upon the default by the approved company in  
4392 the obligation to render its annual payment, the corporation shall  
4393 have the right, at its option, to declare the financing agreement  
4394 in default and to accelerate the total of all annual payments that  
4395 are to be made or to terminate the financing agreement and cause  
4396 to be sold the economic development project at public or private  
4397 sale, or to pursue any other remedies available under the Uniform  
4398 Commercial Code, as from time to time amended, or otherwise  
4399 available in law or equity.

4400 **[In cases involving an economic development project for which**  
4401 **the Mississippi Business Finance Corporation has not issued bonds**  
4402 **for the purpose of financing the approved costs of such project**  
4403 **prior to July 1, 1997, or in cases involving an economic**  
4404 **development project which has not been induced by a resolution of**  
4405 **the Board of Directors of the Mississippi Business Finance**



4406 **Corporation that has been filed with the State Tax Commission**  
4407 **prior to July 1, 1997, this section shall read as follows:]**

4408 57-10-409. The corporation may enter into, with any approved  
4409 company, a financing agreement with respect to its economic  
4410 development project. The terms and provisions of each financing  
4411 agreement shall be determined by negotiations between the  
4412 corporation and the approved company, except that each financing  
4413 agreement shall include the following provisions:

4414 (a) If the corporation issues any bonds in connection  
4415 with an economic development project, the term of the financing  
4416 agreement shall not be less than the last maturity of the bonds  
4417 issued with respect to the economic development project, except  
4418 that the financing agreement may terminate upon the earlier  
4419 redemption of all of the bonds issued with respect to the economic  
4420 development project and may grant to the approved company an  
4421 option to purchase the economic development project from the  
4422 corporation upon the termination of the financing agreement for  
4423 such consideration and under such terms and conditions the  
4424 corporation may approve. Nothing in this paragraph shall limit  
4425 the extension of the term of a financing agreement if there is a  
4426 refunding of the correlative bonds or otherwise.

4427 (b) If the corporation issues any bonds in connection  
4428 with an economic development project, the financing agreement  
4429 shall specify that the annual obligations of the approved company  
4430 under Sections 57-10-401 through 57-10-445 shall equal in each



4431 year at least the annual debt service for that year on the bonds  
4432 issued with respect to the economic development project; and the  
4433 approved company shall pay such obligation of the financing  
4434 agreement to the trustee for bonds issued for the benefit of the  
4435 approved company, at such time and in such amounts sufficient to  
4436 amortize such bonds.

4437 (c) If the corporation loans funds to an approved  
4438 company that is a private company under the Mississippi Small  
4439 Enterprise Development Finance Act, the financing agreement shall  
4440 include the terms and conditions of the loan required by Section  
4441 57-71-1 et seq.

4442 (d) (i) In consideration for financing agreement  
4443 payment, the approved company may be permitted a tax credit on the  
4444 amount provided for in Section 27-7-22.3(2), Mississippi Code of  
4445 1972, during the period of time in which the financing agreement  
4446 is in effect, not to exceed twenty-five (25) years.

4447 (ii) The income tax credited to the approved  
4448 company referred to herein shall be credited in the fiscal year of  
4449 the financing agreement in which the tax return of the approved  
4450 company is filed. The approved company shall not be required to  
4451 pay estimated tax payments under Section 27-7-319, Mississippi  
4452 Code of 1972.

4453 (e) The financing agreement shall provide that:

4454 (i) It may be assigned by the approved company  
4455 only upon the prior written consent of the corporation following



4456 the adoption of a resolution by the corporation to such effect;  
4457 and

4458 (ii) Upon the default by the approved company in  
4459 the obligation to render its annual payment, the corporation shall  
4460 have the right, at its option, to declare the financing agreement  
4461 in default and to accelerate the total of all annual payments that  
4462 are to be made or to terminate the financing agreement and cause  
4463 to be sold the economic development project at public or private  
4464 sale, or to pursue any other remedies available under the Uniform  
4465 Commercial Code, as from time to time amended, or otherwise  
4466 available in law or equity.

4467 **SECTION 47.** Section 57-114-3, Mississippi Code of 1972, is  
4468 brought forward as follows:

4469 57-114-3. For purposes of this chapter, the following words  
4470 shall have the meanings ascribed herein unless the context  
4471 otherwise requires:

4472 (a) "Affiliate" means, with respect to a specified  
4473 entity, (i) another person or entity that directly or indirectly,  
4474 through one or more intermediaries, controls or is controlled by  
4475 or is under common control with the specified person or entity,  
4476 where the term "control" means the ownership or possession,  
4477 directly or indirectly, of the power to direct more than fifty  
4478 percent (50%) of the voting equity securities or a similar  
4479 ownership interest in the specified controlled entity, or (ii) any  
4480 member of an affiliated group of corporations, of which the



4481 specified entity is also a member, which are each subject to  
4482 income taxation in Mississippi and may elect to file a combined  
4483 Mississippi income tax return in accordance with state law.

4484 (b) "Authority" means the Mississippi Development  
4485 Authority.

4486 (c) "Annual report" means the report described in  
4487 Section 57-114-13.

4488 (d) "Applicable accounting rules" shall mean the  
4489 accounting principles generally recognized as applicable to a  
4490 qualified business or industry and pursuant to which such  
4491 qualified business or industry regularly prepares and maintains  
4492 its financial and accounting books and records, and which  
4493 specifically incorporate Generally Accepted Accounting Principles  
4494 or International Financial Reporting Standards, as appropriate.

4495 (e) "Applicant" means any corporation, limited  
4496 liability company, partnership, person or sole proprietorship,  
4497 business trust or other legal entity and subunit or affiliate  
4498 thereof that applies to the authority, in the manner prescribed by  
4499 this chapter, seeking (i) certification by the authority that such  
4500 applicant is a qualified business or industry and that its  
4501 proposed new project or expansion of an existing business or  
4502 industrial operation is a qualified economic development project,  
4503 and (ii) an award in connection therewith of an mFlex tax  
4504 incentive.



4505           (f) "Average state or county wage" shall mean, as of  
4506 the project certification date, the lesser of the most recently  
4507 published average annual wage per person as determined and  
4508 published by the Mississippi Department of Employment Security for  
4509 the state or the county in which the qualified project is or will  
4510 be located; provided that, if a qualified project is or will be  
4511 located in two (2) or more counties, the average state or county  
4512 wage, as used in this chapter, shall mean, as of the project  
4513 certification date, only the most recently published average  
4514 annual wage per person as determined and published by the  
4515 Mississippi Department of Employment Security for the state.

4516           (g) "Average employer wage" means the qualified annual  
4517 payroll for all new full-time jobs created in the State of  
4518 Mississippi by a qualified business or industry divided by the  
4519 number of new full-time jobs thereof for which such qualified  
4520 annual payroll was paid or is otherwise payable.

4521           (h) "Base full-time job" means a job (i) for which an  
4522 employee was already hired by the qualified business or industry  
4523 before, and is employed as of, the project certification date;  
4524 (ii) that offers a minimum of one thousand eight hundred twenty  
4525 (1,820) hours of an employee's time per year (i.e., thirty-five  
4526 (35) hours per week on average) for a normal four (4) consecutive  
4527 quarter period of the qualified business or industry's operations  
4528 or a job for which the employee was hired before, and is employed  
4529 as of, the project certification date and is compensated based on



4530 one thousand eight hundred twenty (1,820) hours for such annual  
4531 period (including in each case an employee who, after hiring,  
4532 elects to take unpaid time off or is on short-term or long-term  
4533 disability); and (iii) the employee holding such job receives  
4534 salary or wages subject to state income tax withholdings. The  
4535 term "base full-time job" also means a base-leased employee.  
4536 Part-time jobs may not be combined to add up to a base full-time  
4537 job.

4538 (i) "Base-leased employee" means a nontemporary  
4539 employee:

4540 (i) Who was leased by the qualified business or  
4541 industry before the project certification date from another  
4542 business or enterprise that is 1. in the business of leasing  
4543 employees, and 2. is registered with the Office of the Secretary  
4544 of State and qualified to do business in the state;

4545 (ii) Who is leased as of the project certification  
4546 date;

4547 (iii) Who is not otherwise an employee of such  
4548 qualified business or industry;

4549 (iv) Who, as of the project certification date,  
4550 was already performing services for, and under the supervision of,  
4551 the qualified business or industry pursuant to a leasing agreement  
4552 between the qualified business or industry and such other employee  
4553 leasing firm;





4554 (v) Whose job-performing services for the  
4555 qualified business or industry offers a minimum of one thousand  
4556 eight hundred twenty (1,820) hours of an employee's time per year  
4557 (i.e., thirty-five (35) hours per week on average) for an entire  
4558 normal work year of the qualified business or industry's  
4559 operations or a job for which the employee is leased before the  
4560 project certification date and is compensated based on one  
4561 thousand eight hundred twenty (1,820) hours for such annual period  
4562 (including in each case an employee who, after being leased,  
4563 elects to take unpaid time off or is on short-term or long-term  
4564 disability); and

4565 (vi) Whose job receives salary or wages subject to  
4566 state income tax withholdings. Individuals employed by an  
4567 independent contractor performing one or more services for the  
4568 qualified business or industry pursuant to a services or  
4569 management agreement (e.g., security services, landscaping  
4570 services, and cafeteria management and food services) shall not be  
4571 considered as base-leased employees.

4572 (j) "Contractor tax" shall mean the tax levied by  
4573 Section 27-65-21, except for the tax upon the sale of  
4574 manufacturing or processing machinery for a manufacturer or custom  
4575 processor.

4576 (k) "Construction contract" shall mean any contract or  
4577 portion of any contract for any one or more of the activities



4578 described in Section 27-65-21 for which the contractor tax applies  
4579 and is payable by the contractor that is party thereto.

4580 (l) "Manufacturing machinery," as used in this chapter,  
4581 shall have the same meaning ascribed to such term in Section  
4582 27-65-11, as interpreted by any regulations promulgated by the  
4583 Department of Revenue with respect to such section.

4584 (m) "mFlex agreement" means the written agreement  
4585 entered into between a qualified business or industry and the  
4586 authority in accordance with Section 57-114-7(4)(c).

4587 (n) "mFlex tax incentive" means the tax incentive  
4588 authorized by this chapter to be calculated and awarded by the  
4589 authority, and thereafter applied as a credit to offset state  
4590 taxes, in accordance with, and subject to, this chapter.

4591 (o) "Minimum job creation requirement" means the  
4592 creation by the qualified business or industry, following the  
4593 project certification date, of at least ten (10) new full-time  
4594 jobs in the state.

4595 (p) "Minimum qualified investment" means a qualified  
4596 investment of not less than Two Million Five Hundred Thousand  
4597 Dollars (\$2,500,000.00).

4598 (q) "New full-time job" means a job:

4599 (i) For which an employee is hired by the  
4600 qualified business or industry after the project certification  
4601 date;



4602                   (ii) That offers a minimum of one thousand eight  
4603 hundred twenty (1,820) hours of an employee's time per year (i.e.,  
4604 thirty-five (35) hours per week on average) for a normal four (4)  
4605 consecutive quarter period of the qualified business or industry's  
4606 operations or a job for which the employee is hired after the  
4607 project certification date and is compensated based on one  
4608 thousand eight hundred twenty (1,820) hours for such annual period  
4609 (including in each case an employee who, after hiring, elects to  
4610 take unpaid time off or is on short-term or long-term disability);  
4611 and

4612                   (iii) The employee holding such job receives  
4613 salary or wages subject to state income tax withholdings. The  
4614 term "new full-time job" also means new-leased employee.  
4615 Part-time jobs may not be combined to add up to a new full-time  
4616 job.

4617                   (r) "New-leased employee" means a nontemporary  
4618 employee:

4619                   (i) Who is leased by the qualified business or  
4620 industry after the project certification date from another  
4621 business or enterprise that is 1. in the business of leasing  
4622 employees, and 2. is registered with the Office of the Secretary  
4623 of State and qualified to do business in the state;

4624                   (ii) Who is not otherwise an employee of such  
4625 qualified business or industry;



4626 (iii) Who performs services for the qualified  
4627 business or industry pursuant to a leasing agreement between the  
4628 qualified business or industry and such other employee-leasing  
4629 firm;

4630 (iv) Whose job-performing services for the  
4631 qualified business or industry offers a minimum of one thousand  
4632 eight hundred twenty (1,820) hours of an employee's time per year  
4633 (i.e., thirty-five (35) hours per week on average) for an entire  
4634 normal work year of the qualified business or industry's  
4635 operations or a job for which the employee is leased after the  
4636 project certification date and is compensated based on one  
4637 thousand eight hundred twenty (1,820) hours for such annual period  
4638 (including in each case an employee who, after being leased,  
4639 elects to take unpaid time off or is on short-term or long-term  
4640 disability); and

4641 (v) Whose job receives salary or wages subject to  
4642 state income tax withholdings. Individuals employed by an  
4643 independent contractor performing one or more services for the  
4644 qualified business or industry pursuant to a services or  
4645 management agreement (e.g., security services, landscaping  
4646 services, and cafeteria management and food services) shall not be  
4647 considered as a new-leased employees.

4648 (s) "Nonmanufacturing equipment" means all tangible  
4649 personal property that is not manufacturing machinery, including,  
4650 but not limited to, office furniture, fixtures, office computers



4651 and communications equipment, and warehouse equipment such as  
4652 racking and shelving.

4653           (t) "Part-time job" means a job (i) for which an  
4654 employee is hired by the qualified business or industry that  
4655 requires fewer than one thousand eight hundred twenty (1,820)  
4656 hours of an employee's time per year (i.e., requires fewer than  
4657 thirty-five (35) hours per week on average) for an entire normal  
4658 work year of the qualified business or industry's operations or a  
4659 job for which the employee is hired and is compensated based on  
4660 fewer than one thousand eight hundred twenty (1,820) hours for  
4661 such annual period; and (iii) for which the employee holding such  
4662 job receives salary or wages subject to state income tax  
4663 withholdings.

4664           (u) "Project certification date" means the actual date  
4665 of the authority's certification, or the effective date of  
4666 certification determined and prescribed by the authority, of the  
4667 qualified business or industry and its qualified economic  
4668 development project as eligible for the state tax credits  
4669 determined and awarded by the authority, as authorized by, and in  
4670 accordance with, this chapter.

4671           (v) "Qualified annual payroll" means the sum of the  
4672 annual salary and wages for new full-time jobs of the qualified  
4673 business or industry, excluding the amount or value of any  
4674 benefits that are not subject to state income taxes.



4675           (w) "Qualified business or industry" means any  
4676 corporation, limited liability company, partnership, person or  
4677 sole proprietorship, business trust or other legal entity and  
4678 subunit or affiliate thereof, which makes a qualified minimum  
4679 investment in a qualified economic development project.

4680           (x) "Qualified economic development project" or  
4681 "qualified project" means the location in the state of one or more  
4682 of the following enumerated enterprises for which a corporation,  
4683 limited liability company, partnership, sole proprietorship,  
4684 business trust or other legal entity, or subunit or affiliate  
4685 thereof, makes or causes to be made from the minimum qualified  
4686 investment and/or satisfies or causes to be satisfied the minimum  
4687 job creation requirement:

4688           (i) A new warehouse and/or distribution enterprise  
4689 or an expansion of an existing warehouse and/or distribution  
4690 enterprise; provided that, in any such instance, such warehouse  
4691 and/or distribution enterprise or expansion thereof is certified  
4692 by the authority to qualify as such;

4693           (ii) A new manufacturing, remanufacturing,  
4694 assembly, processing and/or refinery enterprise or an expansion of  
4695 an existing manufacturing, remanufacturing, assembly, processing  
4696 and/or refinery enterprise; provided that, in any such instance,  
4697 such manufacturing, remanufacturing, assembly, processing and/or  
4698 refinery enterprise or expansion thereof is certified by the  
4699 authority to qualify as such;



4700 (iii) A new research or research and development  
4701 enterprise or an expansion of an existing research or research and  
4702 development enterprise; provided that, in any such instance, such  
4703 research and development enterprise or an expansion thereof is  
4704 certified by the authority to qualify as such;

4705 (iv) A new regional or national headquarters of  
4706 the qualified business or industry or an expansion of an existing  
4707 regional or national headquarters of the qualified business or  
4708 industry; provided that, in any such instance, such regional or  
4709 national headquarters or expansion thereof is certified by the  
4710 authority to qualify as such;

4711 (v) An air transportation, repair and/or  
4712 maintenance enterprise or an expansion of an existing air  
4713 transportation, repair and/or maintenance enterprise; provided  
4714 that, in either instance, such air transportation, repair and/or  
4715 maintenance enterprise or expansion thereof is certified by the  
4716 authority to qualify as such;

4717 (vi) A ship or other maritime vessel or barge  
4718 transportation, repair and/or maintenance enterprise or an  
4719 expansion of an existing ship or other maritime vessel or barge  
4720 transportation, repair and/or maintenance enterprise; provided  
4721 that, in either instance, the ship or other maritime vessel or  
4722 barge transportation, repair and/or maintenance enterprise or  
4723 expansion thereof is certified by the authority to qualify as  
4724 such;



4725 (vii) A new data/information processing enterprise  
4726 or an expansion of an existing new data/information processing  
4727 enterprise; provided that, in any such instance such  
4728 data/information processing enterprise or expansion thereof is  
4729 certified by the authority to qualify as such;

4730 (viii) A new technology intensive enterprise or an  
4731 expansion of an existing technology intensive enterprise; provided  
4732 that, in either instance, the technology intensive enterprise or  
4733 expansion thereof is certified by the authority to qualify as  
4734 such; provided further, that a business or enterprise primarily  
4735 engaged in creating computer programming codes to develop  
4736 applications, websites and/or software shall qualify as a  
4737 technology intensive enterprise;

4738 (ix) A new telecommunications enterprise  
4739 principally engaged in the creation, display, management, storage,  
4740 processing, transmission and/or distribution, for compensation, of  
4741 images, text, voice, video or data by wire or by wireless means,  
4742 or engaged in the construction, design, development, manufacture,  
4743 maintenance or distribution for compensation of devices, products,  
4744 software or structures used in the above activities, or an  
4745 expansion of an existing telecommunications enterprise as herein  
4746 described; provided that, in any such instance, any such  
4747 telecommunications enterprise or expansion thereof is certified by  
4748 the authority to qualify as such; provided further, that  
4749 commercial broadcast radio stations, television stations or news





4750 organizations primarily serving in-state markets shall not be  
4751 included within the definition of the term "telecommunications  
4752 enterprise";

4753                   (x) A new data center enterprise principally  
4754 engaged in the utilization of hardware, software, technology,  
4755 infrastructure and/or workforce, to store, manage or manipulate  
4756 digital data, or an expansion of an existing data center  
4757 enterprise as herein described; provided that, in such instance,  
4758 any such data center enterprise or expansion thereof is certified  
4759 by the authority to qualify as such.

4760                   (y) "Qualified investment" means any expenditures made  
4761 or caused to be made by the qualified business or industry  
4762 following the project certification date for construction,  
4763 installation, equipping and operation of a qualified economic  
4764 development project from any source or combination of sources,  
4765 excluding any funds contributed by the state or any agency or  
4766 other political subdivision thereof, or by any local government or  
4767 any agency or other political subdivision thereof, to the extent  
4768 such expenditures can be capitalized under applicable accounting  
4769 rules or otherwise by the Internal Revenue Code, whether or not  
4770 the qualified business or industry elects to capitalize the same,  
4771 as reflected in its financial statements, including, but not  
4772 limited to, all costs associated with the acquisition,  
4773 installation and/or construction of, or capital leasehold interest  
4774 in, any buildings and other real property improvements, fixtures,



4775 equipment, machinery, landscaping, fire protection, depreciable  
4776 fixed assets, engineering and design costs.

4777 (z) "Reporting year" means the twelve-month period  
4778 ending on the last day of the month during which the annual  
4779 anniversary of a project certification date occurs, and for which  
4780 an annual report must be filed with the authority by a qualified  
4781 business or industry in accordance with Section 57-114-13.

4782 (aa) "State" means the State of Mississippi.

4783 (bb) "State tax" means:

4784 (i) Any sales and use tax imposed on, and payable  
4785 directly to the Department of Revenue by, the qualified business  
4786 or industry in accordance with state law, except for contractor's  
4787 tax and the taxes levied by Section 27-65-24(1)(b);

4788 (ii) All income tax imposed pursuant to law on  
4789 income earned by the qualified business or industry pursuant to  
4790 state law;

4791 (iii) Franchise tax imposed pursuant to state law  
4792 on the value of capital used, invested or employed by the business  
4793 enterprise certified by the Mississippi Development Authority; and

4794 (iv) Withholding tax required to be deducted and  
4795 withheld from employee wages pursuant to Section 27-7-301 et seq.

4796 **SECTION 48.** Section 57-114-7, Mississippi Code of 1972, is  
4797 brought forward as follows:

4798 57-114-7. (1) The authority shall evaluate an application  
4799 to determine whether the applicant's proposed project is a



4800 qualified economic development project and whether it is therefore  
4801 eligible for an award by the authority of an mFlex tax incentive,  
4802 as calculated in accordance with Section 57-114-9.

4803 (2) Upon approval of an applicant's application, the  
4804 authority shall issue a certification (a) designating the  
4805 applicant's project as a "qualified economic development project"  
4806 and eligible for the mFlex tax incentive authorized by this  
4807 chapter; (b) awarding the initial mFlex tax incentive calculated  
4808 pursuant to Section 57-114-9; and (c) imposing those mandatory  
4809 conditions pursuant to subsection (4) of this section and any  
4810 discretionary conditions otherwise imposed by the authority.

4811 (3) Upon the issuance of the certification and execution of  
4812 the mFlex agreement by a qualified business or industry and the  
4813 authority, the qualified business or industry may apply the amount  
4814 of its mFlex tax incentive as a credit to offset (a) any state  
4815 taxes (except for withholding tax required to be deducted and  
4816 withheld from employee wages pursuant to Section 27-7-301 et  
4817 seq.), as incurred thereby, up to the full amount of the mFlex tax  
4818 incentive awarded by the authority for the associated qualified  
4819 economic development project, and (b) only up to twenty percent  
4820 (20%) of the mFlex tax incentive amount may be applied as a credit  
4821 during the course of any reporting year to offset withholding tax  
4822 deducted and withheld from employee wages pursuant to Section  
4823 27-7-301 et seq.; provided that the amount of the mFlex tax  
4824 incentive available to be applied as a credit to offset such state



4825 taxes shall be subject to any subsequent adjustments made by the  
4826 authority to such award pursuant to Section 57-114-13, and any  
4827 performance requirements set out in the mFlex agreement. The  
4828 amount of the mFlex tax incentive available to be applied as a  
4829 credit to offset any state taxes described in Section  
4830 57-114-3(bb) (i) shall be limited to those such taxes payable  
4831 directly by the qualified business or industry to the Department  
4832 of Revenue pursuant to a direct pay permit issued by the  
4833 Department of Revenue under Section 27-65-93. The amount of the  
4834 mFlex tax incentive available to be applied as a credit to offset  
4835 any state taxes may not be applied as a credit to offset any state  
4836 taxes incurred prior to the issuance of the certification by the  
4837 authority and execution of the mFlex agreement by the qualified  
4838 business or industry and the authority.

4839 (4) The following conditions shall apply to each such  
4840 certification made, and each mFlex tax incentive awarded, by the  
4841 authority in accordance with this chapter:

4842 (a) Any certification and mFlex tax incentive award  
4843 issued by the authority under this chapter is nontransferable and  
4844 cannot be applied, used or assigned to any other person or  
4845 business or tax account without prior approval by the authority,  
4846 except for one or more affiliates of the qualified business or  
4847 industry disclosed thereby on its application or in a subsequent  
4848 annual report submitted to the authority in accordance with this  
4849 chapter;



4850           (b) No qualified business or industry may claim or use  
4851 the mFlex tax incentive awarded thereto under this chapter unless  
4852 the qualified business or industry is in full compliance with all  
4853 state and local tax laws, and related ordinances, permits and  
4854 other applicable governmental approvals; and

4855           (c) Each qualified business or industry must enter into  
4856 an mFlex agreement with the authority which sets out, at a  
4857 minimum, (i) the obligation of the business or industry to provide  
4858 an annual report to the authority pursuant to Section 57-114-13  
4859 that demonstrates the actual amount of its qualified investment,  
4860 including actual expenditures on manufacturing machinery,  
4861 nonmanufacturing equipment and component building materials, the  
4862 number of new full-time jobs created and maintained as a result of  
4863 the project, and any other relevant information as may be required  
4864 by the authority; and (ii) terms for readjustment or recapture of  
4865 all or a portion of the mFlex tax incentive awarded thereto  
4866 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy  
4867 the minimum job creation requirement if certification of the  
4868 project is predicated on satisfaction of the minimum job creation  
4869 requirement and not the minimum qualified investment, or 2. fails  
4870 to satisfy the minimum qualified investment if certification of  
4871 the project is predicated on satisfaction of the minimum job  
4872 creation requirement and not the minimum qualified investment,  
4873 and/or 3. fails to otherwise satisfy any other additional  
4874 performance requirements of the qualified business or industry or



4875 its qualified economic development project that are imposed by the  
4876 authority.

4877 (5) In addition to those mandatory conditions prescribed by  
4878 this chapter that apply to each certification and award of an  
4879 mFlex tax incentive made by the authority in accordance herewith,  
4880 the authority is authorized to impose any other conditions upon  
4881 any certification and award of an mFlex tax incentive made by the  
4882 authority as it shall find best promotes economic development in  
4883 the state.

4884 (6) Upon certifying a qualified business or industry as  
4885 eligible for, and awarding, an mFlex tax incentive under this  
4886 chapter, the authority shall forward the certification along with  
4887 any other necessary information to the Department of Revenue so  
4888 that the mFlex tax incentive awarded to the qualified business or  
4889 industry can be recorded by the Department of Revenue and used to  
4890 verify each state tax credit subsequently applied by the qualified  
4891 business or industry.

4892 (7) Within thirty (30) days following the end of each  
4893 calendar quarter, the authority shall provide to the Governor,  
4894 Lieutenant Governor and the Speaker of the House of  
4895 Representatives a copy of each certification made, together with a  
4896 copy of each mFlex agreement approved and executed, during the  
4897 immediately preceding calendar quarter.

4898 **SECTION 49.** Section 57-114-9, Mississippi Code of 1972, is  
4899 brought forward as follows:



4900           57-114-9.   **Calculation and application of an mFlex tax**  
4901 **incentive award.** The total amount of the initial mFlex tax  
4902 incentive determined and awarded by the authority to the certified  
4903 applicant shall be calculated by the authority as follows:

4904           (a) Subject to paragraph (f) below, one and one-half  
4905 percent (1.5%) of the total purchase or sales price, or value,  
4906 including any installation costs thereof, as applicable, of all  
4907 manufacturing or processing machinery acquired, leased or  
4908 otherwise moved into the state following the project certification  
4909 date to establish and equip the qualified economic development  
4910 project; plus

4911           (b) Subject to paragraph (f) below, seven percent (7%)  
4912 of the total purchase or sales price, or value, including any  
4913 installation costs thereof, as applicable, of all nonmanufacturing  
4914 equipment, other than tagged over-the-road vehicles, acquired,  
4915 leased or otherwise moved into the state following the project  
4916 certification date to establish and equip the qualified economic  
4917 development project; plus

4918           (c) Subject to paragraph (f) below, two percent (2%) of  
4919 the total contract price or compensation paid to any contractor  
4920 pursuant to any construction contract entered into following the  
4921 project certification date by the qualified business or industry  
4922 or any affiliate thereof, to construct, build, erect, repair or  
4923 add to any building, facility, structure or other improvement to  
4924 real property described in Section 27-65-21(1)(a)(i) to establish



4925 and construct the qualified economic development project; plus, if  
4926 applicable;

4927 (d) To the extent that the average employer wage is  
4928 equal to or more than seventy-five percent (75%) of the average  
4929 state or county wage, then an additional fifteen percent (15%) of  
4930 the product derived by multiplying the average employer wage by  
4931 the number of new full-time jobs; plus, if applicable;

4932 (e) (i) To the extent that 1. the qualified economic  
4933 development project is an enterprise enumerated in Section  
4934 57-114-3(x)(i) or (x)(ii); 2. the number of new full-time jobs  
4935 totals fifty (50) or more; 3. the qualified investment totals Ten  
4936 Million Dollars (\$10,000,000) or more; 4. the average employer  
4937 wage is equal to or more than one hundred ten percent (110%) of  
4938 the average state or county wage; and 5. all full-time employees  
4939 are eligible for and offered health insurance coverage funded in  
4940 whole or at least fifty percent (50%) by the qualified business or  
4941 industry (or by a leasing company with respect to leased  
4942 employees), then an additional thirty percent (30%) of the product  
4943 derived by multiplying the average employer wage by the number of  
4944 new full-time jobs; or

4945 (ii) To the extent that subparagraph (i) of this  
4946 paragraph (e) does not apply, but 1. the number of new full-time  
4947 jobs totals twenty-five (25) or more; 2. the average employer wage  
4948 is equal to or more than one hundred twenty-five percent (125%) of  
4949 the average state or county wage; and 3. all full-time employees





4950 are eligible for and offered health insurance coverage funded in  
4951 whole or at least fifty percent (50%) by the qualified business or  
4952 industry (or by a leasing company with respect to leased  
4953 employees), then an additional thirty percent (30%) of the product  
4954 derived by multiplying the average employer wage by the number of  
4955 new full-time jobs; provided, however, that the initial mFlex tax  
4956 incentive award amount determined by the authority and awarded on  
4957 the project certification date shall be based upon estimates  
4958 provided by the qualified business or industry to the authority  
4959 with respect to paragraphs (a) through (d) of this section, which  
4960 estimates shall be memorialized as project performance measures  
4961 agreed to by the qualified business or industry in the mFlex  
4962 agreement; provided, further, that such initial award amount shall  
4963 be subject to any subsequent adjustments made by the authority  
4964 pursuant to Section 57-114-13;

4965 (f) To the extent that all or any portion of the  
4966 purchases to establish a qualified economic development project  
4967 which are financed by proceeds from bonds issued pursuant to  
4968 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex  
4969 tax incentive determined in accordance with this section shall  
4970 exclude the amount calculated in accordance with paragraphs (a),  
4971 (b) and (c) above; provided that, this paragraph (f) shall not  
4972 apply in determining the mFlex tax incentive for a qualified  
4973 economic development project to the extent that (i) the qualified  
4974 economic development project is an expansion of an existing



4975 project, (ii) all or any portion of the purchases to establish the  
4976 existing project were financed by proceeds from bonds issued  
4977 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et  
4978 seq., and (iii) no purchases to establish the expansion  
4979 constituting a qualified economic development project are financed  
4980 by proceeds from bonds issued pursuant to Section 57-10-201 et  
4981 seq. or Section 57-10-401 et seq.

4982           **SECTION 50.** Section 57-115-3, Mississippi Code of 1972, is  
4983 brought forward as follows:

4984           57-115-3. As used in this chapter, the following terms and  
4985 phrases shall have the meanings ascribed in this section unless  
4986 the context clearly indicates otherwise:

4987           (a) "Affiliate" means:

4988                   (i) Any person who, directly or indirectly,  
4989 beneficially owns, controls, or holds power to vote fifteen  
4990 percent (15%) or more of the outstanding voting securities or  
4991 other voting ownership interest of a Mississippi small business  
4992 investment company or insurance company; and

4993                   (ii) Any person, fifteen percent (15%) or more of  
4994 whose outstanding voting securities or other voting ownership  
4995 interests are directly or indirectly beneficially owned,  
4996 controlled, or held, with power to vote by a Mississippi small  
4997 business investment company or insurance company. Notwithstanding  
4998 this paragraph (a), an investment by a participating investor in a  
4999 Mississippi small business investment company pursuant to an



5000 allocation of tax credits under this chapter does not cause that  
5001 Mississippi small business investment company to become an  
5002 affiliate of that participating investor.

5003 (b) "Allocation date" means the date on which credits  
5004 are allocated to the participating investors of a Mississippi  
5005 small business investment company under this chapter.

5006 (c) "MDA" means the Mississippi Development Authority.

5007 (d) "Department" means the Mississippi Department of  
5008 Banking and Consumer Finance.

5009 (e) "Designated capital" means an amount of money that:

5010 (i) Is invested by a participating investor in a  
5011 Mississippi small business investment company; and

5012 (ii) Fully funds the purchase price of a  
5013 participating investor's equity interest in a Mississippi small  
5014 business investment company or a qualified debt instrument issued  
5015 by a Mississippi small business investment company, or both.

5016 (f) "Mississippi small business investment company"  
5017 means a partnership, corporation, trust, or limited liability  
5018 company, organized on a for-profit basis, that:

5019 (i) Has its principal office located in  
5020 Mississippi or is headquartered in Mississippi;

5021 (ii) Has as its primary business activity the  
5022 investment of cash in qualified businesses; and



5023 (iii) Is certified by the MDA as meeting the  
5024 criteria described in this section to qualify as either a primary  
5025 or secondary Mississippi small business investment company.

5026 (g) "Participating investor" means any insurer that  
5027 contributes designated capital pursuant to this chapter.

5028 (h) "Person" means any natural person or entity,  
5029 including, but not limited to, a corporation, general or limited  
5030 partnership, trust, or limited liability company.

5031 (i) "Qualified business" means a business that is  
5032 independently owned and operated and meets all of the following  
5033 requirements:

5034 (i) It is headquartered in Mississippi, its  
5035 principal business operations are located in Mississippi and at  
5036 least eighty percent (80%) of its employees are located in  
5037 Mississippi;

5038 (ii) It has not more than one hundred (100)  
5039 employees at the time of the first qualified investment in the  
5040 business;

5041 (iii) It is not more than ten percent (10%)  
5042 engaged in:

- 5043 1. Professional services provided by  
5044 accountants, doctors, or lawyers;  
5045 2. Banking or lending;  
5046 3. Real estate development;  
5047 4. Retail;



5048                                   5. Insurance; or  
5049                                   6. Making loans to or investments in a  
5050 Mississippi small business investment company or an affiliate; and  
5051                                   (iv) It is not a franchise of and has no financial  
5052 relationship with a Mississippi small business investment company  
5053 or any affiliate of a Mississippi small business investment  
5054 company prior to a Mississippi small business investment company's  
5055 first qualified investment in the business.

5056           A business classified as a qualified business at the time of  
5057 the first qualified investment in the business will remain  
5058 classified as a qualified business and may receive continuing  
5059 qualified investments from any Mississippi small business  
5060 investment company. Continuing investments will constitute  
5061 qualified investments even though the business may not meet the  
5062 definition of a qualified business at the time of such continuing  
5063 investments; however, the business cannot fail to satisfy  
5064 subparagraph (iii) and (iv) of this paragraph (i).

5065                                   (j) "Qualified debt instrument" means a debt instrument  
5066 issued by a Mississippi small business investment company that  
5067 meets all of the following criteria:

5068                                   (i) It is issued at par value or a premium;  
5069                                   (ii) It has an original maturity date of at least  
5070 four (4) years from the date of issuance and a repayment schedule  
5071 that is not faster than a level principal amortization over four  
5072 (4) years; and



5073 (iii) Has no interest or payment features that  
5074 allow for the prepayment of interest or are tied to the  
5075 profitability of the Mississippi small business investment company  
5076 or the success of its investments.

5077 (k) "Qualified distribution" means any distribution or  
5078 payment by a Mississippi small business investment company in  
5079 connection with the following:

5080 (i) Reasonable costs and expenses of forming,  
5081 syndicating and organizing the Mississippi small business  
5082 investment company, including fees paid for professional services  
5083 and the costs of financing and insuring the obligations of a  
5084 Mississippi small business investment company, provided no such  
5085 payment is made to more than one (1) participating investor or an  
5086 affiliate or related party of a participating investor;

5087 (ii) An annual management fee not to exceed two  
5088 percent (2%) of designated capital on an annual basis to offset  
5089 the costs and expenses of managing and operating a Mississippi  
5090 small business investment company;

5091 (iii) Any projected increase in federal or state  
5092 taxes, including penalties and interest related to state and  
5093 federal income taxes, or to the equity owners of the company  
5094 resulting from the earnings or other tax liability of the company  
5095 to the extent that the increase is related to the ownership,  
5096 management, or operation of the company;



5097 (iv) Reasonable and necessary fees in accordance  
5098 with industry custom for ongoing professional services, including,  
5099 but not limited to, legal and accounting services related to the  
5100 operation of a Mississippi small business investment company, not  
5101 including lobbying or governmental relations; and

5102 (v) Payments of principal and interest to holders  
5103 of qualified debt instruments issued by a Mississippi small  
5104 business investment company which may be made without restriction.

5105 (1) "Qualified investment" means the investment of  
5106 money by a Mississippi small business investment company in a  
5107 qualified business for the purchase of any debt, debt  
5108 participation, equity, or hybrid security of any nature and  
5109 description, including a debt instrument or security that has the  
5110 characteristics of debt but which provides for conversion into  
5111 equity or equity participation instruments such as options or  
5112 warrants; provided that any debt, debt participation or other debt  
5113 instrument or security shall have a maturity of at least three (3)  
5114 years. Any repayment of a qualified investment prior to one (1)  
5115 year from the date of issuance shall result in the amount of the  
5116 qualified investment being reduced by fifty percent (50%) for  
5117 purposes of the cumulative investment requirement set forth in  
5118 Section 57-115-9(1)(c).

5119 (m) "State premium tax liability" means any liability  
5120 incurred by an insurance company under the provisions of Section  
5121 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a



5122 reduction by the state of the liability imposed by Section  
5123 27-15-103, 27-15-109 or 27-15-123.

5124 **SECTION 51.** Section 57-115-5, Mississippi Code of 1972, is  
5125 brought forward as follows:

5126 57-115-5. (1) (a) The MDA must provide a standardized  
5127 format for applying for the Mississippi small business investment  
5128 credit authorized under this chapter, and for certification as a  
5129 Mississippi small business investment company.

5130 (b) An applicant for certification as a primary  
5131 Mississippi small business investment company must:

5132 (i) File an application with the MDA which shall  
5133 include a business plan detailing:

5134 1. The approximate percentage of designated  
5135 capital the applicant will invest in qualified businesses by the  
5136 second, fourth and sixth anniversaries of its allocation date;

5137 2. The industry segments listed by the North  
5138 American Industrial Classification System code and percentage of  
5139 designated capital in which the applicant will invest; and

5140 3. The number of jobs that will be created or  
5141 retained as a result of the applicant's investments once all  
5142 designated capital has been invested. A job shall be considered  
5143 created or retained if the job pays one hundred twenty-five  
5144 percent (125%) of the state average annual wage and is maintained  
5145 for at least three (3) years. The application shall project, at a  
5146 minimum, that one (1) job shall be created or maintained for each





5147 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits  
5148 awarded to the participating investors of the Mississippi small  
5149 business investment company;

5150 (ii) Pay a nonrefundable application fee of Seven  
5151 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing  
5152 the application;

5153 (iii) Submit as part of its application an audited  
5154 balance sheet that contains an unqualified opinion of an  
5155 independent certified public accountant issued not more than  
5156 thirty-five (35) days before the application date that states that  
5157 the applicant has an equity capitalization of Five Hundred  
5158 Thousand Dollars (\$500,000.00) or more in the form of unencumbered  
5159 cash, marketable securities or other liquid assets; and

5160 (iv) Have at least two (2) principals or persons,  
5161 at least one (1) of which is primarily located in Mississippi,  
5162 employed or engaged to manage the funds who each have a minimum of  
5163 five (5) years of money management experience in the venture  
5164 capital or private equity or lending industry.

5165 (c) An applicant for certification as a secondary  
5166 Mississippi small business investment company must:

5167 (i) File an application with the MDA which shall  
5168 include a business plan detailing:

5169 1. The approximate percentage of designated  
5170 capital the applicant will invest in qualified businesses by the  
5171 second, fourth and sixth anniversaries of its allocation date;



5172                   2. The industry segments listed by the North  
5173 American Industrial Classification System code and percentage of  
5174 designated capital in which the applicant will invest; and

5175                   3. The number of jobs that will be crested or  
5176 retained as a result of the applicant's investments once all  
5177 designated capital has been invested. A job shall be considered  
5178 created or retained if the job pays one hundred twenty-five  
5179 percent (125%) of the state average annual wage and is maintained  
5180 for at least three (3) years. The application shall project, at a  
5181 minimum, that one (1) job shall be created or maintained for each  
5182 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits  
5183 awarded to the participating investors of the Mississippi small  
5184 business investment company;

5185                   (ii) Pay a nonrefundable application fee of Three  
5186 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of  
5187 filing the application;

5188                   (iii) Submit as part of its application an audited  
5189 balance sheet that contains an unqualified opinion of an  
5190 independent certified public accountant issued not more than  
5191 thirty-five (35) days before the application date that states that  
5192 the applicant has an equity capitalization of One Hundred Fifty  
5193 Thousand Dollars (\$150,000.00) or more in the form of unencumbered  
5194 cash, marketable securities or other liquid assets;

5195                   (iv) Demonstrate that fifty percent (50%) of all  
5196 secondary investment company investments have been in Mississippi,



5197 and all of the applicant's employees have lived in Mississippi for  
5198 at least two (2) years prior to the application being filed, and  
5199 that those who are employed or engaged to manage the funds have a  
5200 minimum of three (3) years of money management experience in the  
5201 venture capital or private equity or lending industry; and

5202 (v) Submit as part of its application a signed and  
5203 notarized partnership agreement letter with a certified primary  
5204 Mississippi small business investment company.

5205 (d) (i) Any participating partner or individual in a  
5206 certified secondary small business investment company that  
5207 successfully participated in the initial authorization and  
5208 allocation of credits in 2012, and which is a partner in a  
5209 submitted application for credits allocated in subsection (4) (b)  
5210 of this section, while partnered with the same primary small  
5211 business investment company from the previous 2012 allocation,  
5212 shall have the requirements in paragraph (c) (iii) and (iv) of this  
5213 subsection waived as having been completed through the previous  
5214 allocation.

5215 (ii) Any participating partner or individual in a  
5216 certified secondary small business investment company that  
5217 successfully participated in the authorization and allocation of  
5218 credits in 2018, and which is a partner in a submitted application  
5219 for credits allocated in subsection (4) (c) of this section, while  
5220 partnered with the same primary small business investment company  
5221 from the previous 2018 allocation, shall have the requirements in



5222 paragraph (c)(iii) and (iv) of this subsection waived as having  
5223 been completed through the previous allocation.

5224 (e) The MDA may certify partnerships, corporations,  
5225 trusts, or limited liability companies, organized on a for-profit  
5226 basis, which submit an application to be designated as a  
5227 Mississippi small business investment company if the applicant is  
5228 located, headquartered, and licensed or registered to conduct  
5229 business in Mississippi, has as its primary business activity the  
5230 investment of cash in qualified businesses, and meets all of the  
5231 criteria of this section.

5232 (f) The MDA must:

5233 (i) Review the organizational documents of each  
5234 applicant for certification and the business history of each  
5235 applicant;

5236 (ii) Determine whether the applicant has satisfied  
5237 all of the requirements of this section; and

5238 (iii) Determine whether the officers and the board  
5239 of directors, general partners, trustees, managers or members are  
5240 trustworthy and are thoroughly acquainted with the requirements of  
5241 this chapter.

5242 (g) Within forty-five (45) days after the receipt of an  
5243 application, the MDA may issue the certification or refuse the  
5244 certification and may communicate in detail to the applicant the  
5245 grounds for refusal, including suggestions for the removal of the  
5246 grounds.



5247 (h) The MDA must begin accepting applications to become  
5248 a Mississippi small business investment company not later than  
5249 August 1, 2012, for credits allocated in subsection (4)(a) of this  
5250 section, not later than August 1, 2018, for credits allocated in  
5251 subsection (4)(b) of this section, and not later than August 1,  
5252 2023, for credits allocated in subsection (4)(c) of this section.

5253 (i) Certification by the MDA and operation of a primary  
5254 Mississippi small business investment company is not subject to  
5255 completion of any relationship or agreement with a secondary  
5256 Mississippi small business investment company, and it is not the  
5257 intent of this chapter to compel any such agreement.

5258 (2) (a) An insurance company or affiliate of an insurance  
5259 company must not, directly or indirectly:

5260 (i) Beneficially own, whether through rights,  
5261 options, convertible interest, or otherwise, fifteen percent (15%)  
5262 or more of the voting securities or other voting ownership  
5263 interest of a Mississippi small business investment company;

5264 (ii) Manage a Mississippi small business  
5265 investment company; or

5266 (iii) Control the direction of investments for a  
5267 Mississippi small business investment company.

5268 (b) A Mississippi small business investment company may  
5269 obtain one or more guaranties, indemnities, bonds, insurance  
5270 policies, or other payment undertakings for the benefit of its  
5271 participating investors from any entity, except that in no case



5272 can more than one (1) participating investor of a Mississippi  
5273 small business investment company on an aggregate basis with all  
5274 affiliates of the participating investor, be entitled to provide  
5275 guaranties, indemnities, bonds, insurance policies, or other  
5276 payment undertakings in favor of the participating investors of a  
5277 Mississippi small business investment company and its affiliates  
5278 in this state.

5279 (c) This subsection (2) does not preclude a  
5280 participating investor, insurance company or other party from  
5281 exercising its legal rights and remedies, including, without  
5282 limitation, interim management of a Mississippi small business  
5283 investment company, in the event that a Mississippi small business  
5284 investment company is in default of its statutory obligations or  
5285 its contractual obligations to a participating investor, insurance  
5286 company, or other party, or from monitoring a Mississippi small  
5287 business investment company to ensure its compliance with this  
5288 chapter or disallowing any investments that have not been approved  
5289 by the MDA.

5290 (d) The MDA may contract with an independent third  
5291 party to review, investigate, and certify that the applications  
5292 comply with the provisions of this chapter.

5293 (3) (a) At the time of its investment of designated capital  
5294 a participating investor shall earn a vested credit against the  
5295 participating investor's state premium tax liability in an amount  
5296 equal to one hundred percent (100%) of the participating



5297 investor's investment of designated capital in a Mississippi small  
5298 business investment company, subject to the limits imposed by this  
5299 section.

5300 (b) From and after January 1, 2015, a participating  
5301 investor may claim the credit allocated in subsection (4)(a) of  
5302 this section as follows: For each taxable year from 2015 through  
5303 2019, an amount equal to twenty percent (20%) of the participating  
5304 investor's investment of designated capital.

5305 (c) From and after January 1, 2021, a participating  
5306 investor may claim the credit allocated in subsection (4)(b) of  
5307 this section as follows:

5308 (i) For each taxable year from 2021 through 2025,  
5309 an amount equal to sixteen and sixty-six one-hundredths percent  
5310 (16.66%) of the participating investor's investment of designated  
5311 capital; and

5312 (ii) For the 2026 taxable year, an amount equal to  
5313 sixteen and seven-tenths percent (16.7%) of the participating  
5314 investor's investment of designated capital.

5315 (d) From and after January 1, 2027, a participating  
5316 investor may claim the credit allocated in subsection (4)(c) of  
5317 this section as follows:

5318 (i) For each taxable year from 2027 through 2031,  
5319 an amount equal to sixteen and sixty-six one-hundredths percent  
5320 (16.66%) of the participating investor's investment of designated  
5321 capital; and



5322                   (ii) For the 2032 taxable year, an amount equal to  
5323 sixteen and seven-tenths percent (16.7%) of the participating  
5324 investor's investment of designated capital.

5325                   (e) The credit for any taxable year cannot exceed the  
5326 state premium tax liability of the participating investor for the  
5327 taxable year. If the amount of the credit exceeds the state  
5328 premium tax liability of the participating investor for the  
5329 taxable year, the excess is an investment tax credit carryover for  
5330 five (5) years from the date the credit is first able to be  
5331 utilized in accordance with paragraph (a) of this subsection (3).

5332                   (f) Notwithstanding any provision of this chapter to  
5333 the contrary, the granting of any credits against the insurance  
5334 premium tax shall not affect the insurance premium tax receipts  
5335 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,  
5336 45-11-5 and 21-29-233, which shall take priority over all other  
5337 distributions of premium tax receipts and shall be calculated  
5338 based upon gross insurance premium tax liability before the  
5339 application of the tax credits.

5340                   (g) A participating investor claiming a credit under  
5341 this chapter is not required to pay any additional retaliatory tax  
5342 under Section 27-15-123 levied as a result of claiming the credit.

5343                   (h) A participating investor is not required to reduce  
5344 the amount of tax pursuant to the state premium tax liability  
5345 included by the participating investor in connection with  
5346 ratemaking for any insurance contract written in this state





5347 because of a reduction in the participating investor's tax  
5348 liability based on the tax credit allowed under this chapter.

5349 (i) If the taxes paid by a participating investor with  
5350 respect to its state premium tax liability constitute a credit  
5351 against any other tax that is imposed by this state, the  
5352 participating investor's credit against the other tax shall not be  
5353 reduced by virtue of the reduction in the participating investor's  
5354 tax liability based on the tax credit allowed under this chapter.

5355 (j) Final decertification of a Mississippi small  
5356 business investment company under this chapter prior to such  
5357 Mississippi small business investment company meeting the  
5358 requirements of Section 57-115-7(1)(a)(ii), shall result in the  
5359 disallowance and the recapture of all of the credits allocated to  
5360 its participating investors under this chapter. Once a  
5361 Mississippi small business investment company has satisfied the  
5362 requirements of Section 57-115-7(1)(a)(ii), any subsequent  
5363 decertification shall not cause the disallowance or recapture of  
5364 any credits allocated to its participating investors under this  
5365 chapter.

5366 (k) The credits allowed under this chapter are not  
5367 transferable; however, a participating investor may transfer  
5368 credits to an affiliated insurance company provided it gives prior  
5369 written notice of such transfer to the MDA and the Department of  
5370 Revenue.



5371           (4)   (a)   (i) Through January 1, 2018, the aggregate amount  
5372 of investment tax credits that may be allocated to all  
5373 participating investors of Mississippi small business investment  
5374 companies under this section shall not exceed Fifty Million  
5375 Dollars (\$50,000,000.00), and no Mississippi small business  
5376 investment company, on an aggregate basis with its affiliates, may  
5377 file credit allocation claims that exceed Fifty Million Dollars  
5378 (\$50,000,000.00).

5379                           (ii) The Fifty Million Dollars (\$50,000,000.00)  
5380 aggregate amount of investment tax credits allocated in this  
5381 paragraph (a) shall be divided into a primary tax credit pool  
5382 which may be applied for by certified primary Mississippi small  
5383 business investment companies and a secondary tax credit pool  
5384 which may be applied for by certified secondary Mississippi small  
5385 business investment companies. The secondary tax credit pool  
5386 shall be Three Million Five Hundred Thousand Dollars  
5387 (\$3,500,000.00) of the total Fifty Million Dollars  
5388 (\$50,000,000.00) aggregate amount of investment tax credits.  
5389 Secondary Mississippi small business investment companies may not  
5390 apply for more than One Million Seven Hundred Fifty Thousand  
5391 Dollars (\$1,750,000.00) worth of credits on a single application.  
5392 A certified secondary Mississippi small business investment  
5393 company may apply for additional tax credit allocation from the  
5394 secondary tax credit pool, if the credits are available, after



5395 fifty percent (50%) of its previously allocated credits are used  
5396 in qualified investments.

5397 (iii) If there are any tax credits remaining  
5398 available for allocation in the secondary tax credit pool on  
5399 August 1, 2013, those available tax credits shall revert to the  
5400 primary tax credit pool and be made available to primary  
5401 Mississippi small business investment companies according to rules  
5402 and regulations promulgated by the MDA. Prior to August 1, 2013,  
5403 primary Mississippi small business investment companies, including  
5404 any wholly owned subsidiary company, shall be prohibited from  
5405 making application to the MDA to be additionally certified as a  
5406 secondary Mississippi small business investment company for  
5407 purposes of the tax credits allocated in this paragraph (a) and  
5408 prohibited from applying for any tax credit allocation from the  
5409 secondary tax credit pool. A certified primary Mississippi small  
5410 business investment company may have ownership equity in a  
5411 certified secondary Mississippi small business investment company,  
5412 but the equity interest owned by the certified primary Mississippi  
5413 small business investment company shall not exceed forty percent  
5414 (40%).

5415 (b) (i) From and after July 1, 2018, through January  
5416 1, 2023, an additional aggregate amount of investment tax credits  
5417 may be allocated to all participating investors of Mississippi  
5418 small business investment companies under this section. The  
5419 amount so allocated shall not exceed Forty-five Million Dollars



5420 (\$45,000,000.00), and no Mississippi small business investment  
5421 company, on an aggregate basis with its affiliates, may file  
5422 credit allocation claims on the additional aggregate amount of tax  
5423 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5424 (ii) The Forty-five Million Dollars  
5425 (\$45,000,000.00) aggregate amount of investment tax credits  
5426 allocated in this paragraph (b) shall be divided into a primary  
5427 tax credit pool which may be applied for by certified primary  
5428 Mississippi small business investment companies and a secondary  
5429 tax credit pool which may be applied for by certified secondary  
5430 Mississippi small business investment companies. The secondary  
5431 tax credit pool shall be Three Million Five Hundred Thousand  
5432 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars  
5433 (\$45,000,000.00) aggregate amount of investment tax credits.  
5434 Secondary Mississippi small business investment companies may not  
5435 apply for more than One Million Seven Hundred Fifty Thousand  
5436 Dollars (\$1,750,000.00) worth of credits on a single application.  
5437 A certified secondary Mississippi small business investment  
5438 company may apply for additional tax credit allocation from the  
5439 secondary tax credit pool, if the credits are available, after  
5440 fifty percent (50%) of its previously allocated credits are used  
5441 in qualified investments.

5442 (iii) If there are any tax credits remaining  
5443 available for allocation in the secondary tax credit pool on  
5444 August 1, 2019, those available tax credits shall revert to the



5445 primary tax credit pool and be made available to primary  
5446 Mississippi small business investment companies according to rules  
5447 and regulations promulgated by the MDA. Prior to August 1, 2022,  
5448 primary Mississippi small business investment companies, including  
5449 any wholly owned subsidiary company, shall be prohibited from  
5450 making application to the MDA to be additionally certified as a  
5451 secondary Mississippi small business investment company for  
5452 purposes of the tax credits allocated in this paragraph (b) and  
5453 prohibited from applying for any tax credit allocation from the  
5454 secondary tax credit pool. A certified primary Mississippi small  
5455 business investment company may have ownership equity in a  
5456 certified secondary Mississippi small business investment company,  
5457 but the equity interest owned by the certified primary Mississippi  
5458 small business investment company shall not exceed forty percent  
5459 (40%).

5460 (c) (i) From and after July 1, 2023, an additional  
5461 aggregate amount of investment tax credits may be allocated to all  
5462 participating investors of Mississippi small business investment  
5463 companies under this section. The amount so allocated shall not  
5464 exceed Forty-five Million Dollars (\$45,000,000.00), and no  
5465 Mississippi small business investment company, on an aggregate  
5466 basis with its affiliates, may file credit allocation claims on  
5467 the additional aggregate amount of tax credits that exceed  
5468 Forty-five Million Dollars (\$45,000,000.00).



5469 (ii) The Forty-five Million Dollars  
5470 (\$45,000,000.00) aggregate amount of investment tax credits  
5471 allocated in this paragraph (c) shall be divided into a primary  
5472 tax credit pool which may be applied for by certified primary  
5473 Mississippi small business investment companies and a secondary  
5474 tax credit pool which may be applied for by certified secondary  
5475 Mississippi small business investment companies. The secondary  
5476 tax credit pool shall be Three Million Five Hundred Thousand  
5477 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars  
5478 (\$45,000,000.00) aggregate amount of investment tax credits.  
5479 Secondary Mississippi small business investment companies may not  
5480 apply for more than One Million Seven Hundred Fifty Thousand  
5481 Dollars (\$1,750,000.00) worth of credits on a single application.  
5482 A certified secondary Mississippi small business investment  
5483 company may apply for additional tax credit allocation from the  
5484 secondary tax credit pool, if the credits are available, after  
5485 fifty percent (50%) of its previously allocated credits are used  
5486 in qualified investments.

5487 (iii) If there are any tax credits remaining  
5488 available for allocation in the secondary tax credit pool on  
5489 August 1, 2024, those available tax credits shall revert to the  
5490 primary tax credit pool and be made available to primary  
5491 Mississippi small business investment companies according to rules  
5492 and regulations promulgated by the MDA. Prior to August 1, 2027,  
5493 primary Mississippi small business investment companies, including



5494 any wholly owned subsidiary company, shall be prohibited from  
5495 making application to the MDA to be additionally certified as a  
5496 secondary Mississippi small business investment company for  
5497 purposes of the tax credits allocated in this paragraph (c) and  
5498 prohibited from applying for any tax credit allocation from the  
5499 secondary tax credit pool. A certified primary Mississippi small  
5500 business investment company may have ownership equity in a  
5501 certified secondary Mississippi small business investment company,  
5502 but the equity interest owned by the certified primary Mississippi  
5503 small business investment company shall not exceed forty percent  
5504 (40%).

5505 (d) Credits must be allocated to investors in the order  
5506 that the credit allocation claims are filed with the MDA.

5507 (e) Any credit allocation claims filed with the MDA  
5508 before the initial credit allocation claim filing date will be  
5509 deemed to have been filed on the initial credit allocation claim  
5510 filing date. The MDA will set the initial credit allocation claim  
5511 filing date to be not less than one hundred twenty (120) days and  
5512 not more than one hundred fifty (150) days after the date the MDA  
5513 begins accepting applications for certification. Credit  
5514 allocation claims filed on the same day with the MDA must be  
5515 treated as having been filed contemporaneously.

5516 (f) If two (2) or more Mississippi small business  
5517 investment companies file credit allocation claims with the MDA on  
5518 behalf of their respective participating investors on the same day



5519 and the aggregate amount of credit allocation claims exceeds the  
5520 aggregate limit of credits authorized under this subsection (4) or  
5521 the lesser amount of credits that remain unallocated on that day,  
5522 then the credits shall be allocated among the participating  
5523 investors who filed on that day on a pro rata basis with respect  
5524 to the amounts claimed. The pro rata allocation for any one (1)  
5525 participating investor is the product obtained by multiplying a  
5526 fraction, the numerator of which is the amount of the credit  
5527 allocation claim filed on behalf of a participating investor and  
5528 the denominator of which is the total of all credit allocation  
5529 claims filed on behalf of all participating investors on that day,  
5530 by the aggregate limit of credits authorized under this subsection  
5531 (4) or the lesser amount of credits that remain unallocated on  
5532 that day.

5533 (g) Within ten (10) business days after the MDA  
5534 receives a credit allocation claim filed by a Mississippi small  
5535 business investment company on behalf of one or more of its  
5536 participating investors, the MDA may notify the Mississippi small  
5537 business investment company of the amount of credits allocated to  
5538 each of the participating investors of that Mississippi small  
5539 business investment company. In the event a Mississippi small  
5540 business investment company does not receive an investment of  
5541 designated capital from each participating investor required to  
5542 earn the amount of credits allocated to the participating investor  
5543 within ten (10) business days of the Mississippi small business





5544 investment company's receipt of notice of allocation, then it  
5545 shall notify the MDA on or before the next business day, and the  
5546 credits allocated to the participating investor of the Mississippi  
5547 small business investment company will be forfeited. The MDA may  
5548 then reallocate those forfeited credits among the participating  
5549 investors of the other Mississippi small business investment  
5550 companies on a pro rata basis with respect to the credit  
5551 allocation claims filed on behalf of the participating investors.  
5552 The MDA may levy a fine of not more than Fifty Thousand Dollars  
5553 (\$50,000.00) on any participating investor that does not invest  
5554 the full amount of designated capital required to fund the credits  
5555 allocated to it by the MDA in accordance with the credit  
5556 allocation claim filed on its behalf.

5557 (h) No participating investor, on an aggregate basis  
5558 with its affiliates, may file an allocation claim for more than  
5559 twenty-five percent (25%) of the maximum amount of investment tax  
5560 credits authorized under this subsection (4), regardless of  
5561 whether the claim is made in connection with one or more  
5562 Mississippi small business investment companies.

5563 **SECTION 52.** This act shall take effect and be in force from  
5564 and after January 1, 2024, and the remainder of this act shall  
5565 take effect and be in force from and after July 1, 2024.

