

By: Senator(s) Blount, Simmons (12th)

To: Finance

SENATE BILL NO. 2989

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO  
2 FREEZE THE PHASE-IN OF INCOME TAX CUTS; TO AMEND SECTIONS 27-13-5  
3 AND 27-13-7, MISSISSIPPI CODE OF 1972, TO FREEZE THE PHASE-OUT OF  
4 THE CORPORATION FRANCHISE TAX; TO REPEAL SECTION 5, CHAPTER 499,  
5 LAWS OF 2016, WHICH PROVIDES THAT THE CORPORATION FRANCHISE TAX  
6 LAW IS REPEALED FROM AND AFTER JANUARY 1, 2028; AND FOR RELATED  
7 PURPOSES.

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

9 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is  
10 amended as follows:

11 27-7-5. (1) (a) Except as otherwise provided in this  
12 section, there is hereby assessed and levied, to be collected and  
13 paid as hereinafter provided, for the calendar year 1983 and  
14 fiscal years ending during the calendar year 1983 and all taxable  
15 years thereafter, upon the entire net income of every resident  
16 individual, corporation, association, trust or estate, in excess  
17 of the credits provided, a tax at the following rates:

18 (i) 1. Through calendar year 2017, on the first  
19 Five Thousand Dollars (\$5,000.00) of taxable income, or any part  
20 thereof, the rate shall be three percent (3%);



21                   2. For calendar year 2018, on the first One  
22 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
23 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
24 taxable income, or any part thereof, the rate shall be three  
25 percent (3%);

26                   3. For calendar year 2019, on the first Two  
27 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
28 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
29 taxable income, or any part thereof, the rate shall be three  
30 percent (3%);

31                   4. For calendar year 2020, on the first Three  
32 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
33 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
34 taxable income, or any part thereof, the rate shall be three  
35 percent (3%);

36                   5. For calendar year 2021, on the first Four  
37 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
38 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
39 taxable income, or any part thereof, the rate shall be three  
40 percent (3%);

41                   6. For calendar year 2022 and all taxable  
42 years thereafter, there shall be no tax levied on the first Five  
43 Thousand Dollars (\$5,000.00) of taxable income;

44                   (ii) On taxable income in excess of Five Thousand  
45 Dollars (\$5,000.00) up to and including Ten Thousand Dollars



46 (\$10,000.00), or any part thereof, the rate shall be four percent  
47 (4%); and

48 (iii) On all taxable income in excess of Ten  
49 Thousand Dollars (\$10,000.00), the rate shall be five percent  
50 (5%).

51 (b) \* \* \* For calendar year 2023 \* \* \* only, there  
52 shall be no tax levied under subparagraph (ii) of paragraph (a) of  
53 this subsection on the taxable income of individuals in excess of  
54 Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand  
55 Dollars (\$10,000.00), or any part thereof \* \* \*.

56 \* \* \*

57 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
58 shall not be subject to the income tax imposed under this section.

59 (3) A like tax is hereby imposed to be assessed, collected  
60 and paid annually, except as hereinafter provided, at the rate  
61 specified in this section and as hereinafter provided, upon and  
62 with respect to the entire net income, from all property owned or  
63 sold, and from every business, trade or occupation carried on in  
64 this state by individuals, corporations, partnerships, trusts or  
65 estates, not residents of the State of Mississippi.

66 (4) In the case of taxpayers having a fiscal year beginning  
67 in a calendar year with a rate in effect that is different than  
68 the rate in effect for the next calendar year and ending in the  
69 next calendar year, the tax due for that taxable year shall be  
70 determined by:



71 (a) Computing for the full fiscal year the amount of  
72 tax that would be due under the rates in effect for the calendar  
73 year in which the fiscal year begins; and

74 (b) Computing for the full fiscal year the amount of  
75 tax that would be due under the rates in effect for the calendar  
76 year in which the fiscal year ends; and

77 (c) Applying to the tax computed under paragraph (a)  
78 the ratio which the number of months falling within the earlier  
79 calendar year bears to the total number of months in the fiscal  
80 year; and

81 (d) Applying to the tax computed under paragraph (b)  
82 the ratio which the number of months falling within the later  
83 calendar year bears to the total number of months within the  
84 fiscal year; and

85 (e) Adding to the tax determined under paragraph (c)  
86 the tax determined under paragraph (d) the sum of which shall be  
87 the amount of tax due for the fiscal year.

88 **SECTION 2.** Section 27-13-5, Mississippi Code of 1972, is  
89 amended as follows:

90 27-13-5. (1) (a) **Franchise tax levy.** Except as otherwise  
91 provided in subsections (3), (4), (5) and (7) of this section,  
92 there is hereby imposed, to be paid and collected as hereinafter  
93 provided, a franchise or excise tax upon every corporation,  
94 association or joint-stock company or partnership treated as a  
95 corporation under the income tax laws or regulations, organized or



96 created for pecuniary gain, having privileges not possessed by  
97 individuals, and having authorized capital stock now existing in  
98 this state, or hereafter organized, created or established, under  
99 and by virtue of the laws of the State of Mississippi, equal to:

100 (i) For tax years beginning before January 1,  
101 2018, Two Dollars and Fifty Cents (\$2.50) for each One Thousand  
102 Dollars (\$1,000.00), or fraction thereof, of the value of the  
103 capital used, invested or employed in the exercise of any power,  
104 privilege or right enjoyed by such organization within this state,  
105 except as hereinafter provided.

106 (ii) For tax years beginning on or after January  
107 1, 2018, but before January 1, 2019, Two Dollars and Fifty Cents  
108 (\$2.50) for each One Thousand Dollars (\$1,000.00), or fraction  
109 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),  
110 of the value of the capital used, invested or employed in the  
111 exercise of any power, privilege or right enjoyed by such  
112 organization within this state, except as hereinafter provided.

113 (iii) For tax years beginning on or after January  
114 1, 2019, but before January 1, 2020, Two Dollars and Twenty-five  
115 Cents (\$2.25) for each One Thousand Dollars (\$1,000.00), or  
116 fraction thereof, in excess of One Hundred Thousand Dollars  
117 (\$100,000.00), of the value of the capital used, invested or  
118 employed in the exercise of any power, privilege or right enjoyed  
119 by such organization within this state, except as hereinafter  
120 provided.



121 (iv) For tax years beginning on or after January  
122 1, 2020, but before January 1, 2021, Two Dollars (\$2.00) for each  
123 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess  
124 of One Hundred Thousand Dollars (\$100,000.00), of the value of the  
125 capital used, invested or employed in the exercise of any power,  
126 privilege or right enjoyed by such organization within this state,  
127 except as hereinafter provided.

128 (v) For tax years beginning on or after January 1,  
129 2021, but before January 1, 2022, One Dollar and Seventy-five  
130 Cents (\$1.75) for each One Thousand Dollars (\$1,000.00), or  
131 fraction thereof, in excess of One Hundred Thousand Dollars  
132 (\$100,000.00), of the value of the capital used, invested or  
133 employed in the exercise of any power, privilege or right enjoyed  
134 by such organization within this state, except as hereinafter  
135 provided.

136 (vi) For tax years beginning on or after January  
137 1, 2022, but before January 1, 2023, One Dollar and Fifty Cents  
138 (\$1.50) for each One Thousand Dollars (\$1,000.00), or fraction  
139 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),  
140 of the value of the capital used, invested or employed in the  
141 exercise of any power, privilege or right enjoyed by such  
142 organization within this state, except as hereinafter provided.

143 (vii) For tax years beginning on or after January  
144 1, 2023, but before January 1, 2024, One Dollar and Twenty-five  
145 Cents (\$1.25) for each One Thousand Dollars (\$1,000.00), or



146 fraction thereof, in excess of One Hundred Thousand Dollars  
147 (\$100,000.00), of the value of the capital used, invested or  
148 employed in the exercise of any power, privilege or right enjoyed  
149 by such organization within this state, except as hereinafter  
150 provided.

151 (viii) For tax years beginning on or after January  
152 1, 2024, \* \* \* One Dollar (\$1.00) for each One Thousand Dollars  
153 (\$1,000.00), or fraction thereof, in excess of One Hundred  
154 Thousand Dollars (\$100,000.00), of the value of the capital used,  
155 invested or employed in the exercise of any power, privilege or  
156 right enjoyed by such organization within this state, except as  
157 hereinafter provided.

158 \* \* \*

159 (b) In no case shall the franchise tax due for the  
160 accounting period be less than Twenty-five Dollars (\$25.00).

161 (c) It is the purpose of this section to require the  
162 payment to the State of Mississippi of this tax for the right  
163 granted by the laws of this state to exist as such organization,  
164 and to enjoy, under the protection of the laws of this state, the  
165 powers, rights, privileges and immunities derived from the state  
166 by the form of such existence.

167 (2) **Annual report of domestic corporations.** Each domestic  
168 corporation shall file an annual report as required by the  
169 provisions of Section 79-4-16.22.



170 (3) (a) A corporation that has negotiated a fee-in-lieu as  
171 defined in Section 57-75-5 shall not be subject to the tax levied  
172 by this section on such project; however, the fee-in-lieu payment  
173 shall be otherwise treated in the same manner as the payment of  
174 franchise taxes.

175 (b) (i) As used in this paragraph:

176 1. "Authority" shall have the meaning  
177 ascribed to such term in Section 57-75-5(b) \* \* \* .

178 2. "Project" shall have the meaning ascribed  
179 to such term in Section 57-75-5(f) (xxix) \* \* \* .

180 3. "Enterprise" shall mean the corporation  
181 authorized for the project pursuant to Section 57-75-5(f) (xxix).

182 (ii) The term of the franchise tax fee-in-lieu  
183 agreement negotiated under this subsection and authorized by  
184 Section 57-75-5(j), between the authority and the enterprise for  
185 the project shall not exceed twenty-five (25) years. The  
186 franchise tax fee-in-lieu agreement shall apply only to new  
187 franchise tax liability attributable to the project, and shall not  
188 apply to any existing franchise tax liability of the enterprise in  
189 connection with any current operations in this state.

190 (iii) In the event that the annual number of  
191 full-time jobs maintained by the enterprise falls below the  
192 minimum annual number of full-time jobs required by the authority  
193 pursuant to a written agreement between the authority and the  
194 enterprise for two (2) consecutive years, the franchise tax





195 fee-in-lieu for the project shall be suspended until the first tax  
196 year during which the annual number of full-time jobs maintained  
197 by the enterprise reaches the minimum annual number of full-time  
198 jobs required by the authority pursuant to a written agreement  
199 between the authority and the enterprise.

200 (iv) The enterprise shall be entitled to utilize a  
201 single sales apportionment factor in the calculation of its  
202 liability for franchise tax imposed by this chapter which is  
203 attributable to the project for any year for which it files a  
204 Mississippi franchise tax return. The enterprise shall be  
205 entitled to continue to utilize such single sales apportionment  
206 factor notwithstanding a suspension of the franchise tax  
207 fee-in-lieu pursuant to subparagraph (iii) of this paragraph.

208 (c) As used in this paragraph (c):

209 (i) "Affiliated enterprise" or an "affiliate"  
210 shall have the meaning ascribed to such term in Section  
211 57-75-5(k) (ii) \* \* \* .

212 (ii) "Authority" shall have the meaning ascribed  
213 to such term in Section 57-75-5(b) \* \* \* .

214 (iii) "Project" shall have the meaning ascribed to  
215 such term in Section 57-75-5(f) (xxxi) \* \* \* .

216 (iv) "Enterprise" shall mean the corporation  
217 authorized for a particular project pursuant to Section  
218 57-75-5(f) (xxxi), or any corporation which becomes subject to the  
219 tax levied by this section because it is an affiliate of the



220 corporation or other enterprise authorized for a particular  
221 project pursuant to Section 57-75-5(f) (xxxi).

222 (v) \* \* \* The franchise tax fee-in-lieu agreement  
223 shall apply only to new franchise tax liability attributable to  
224 the project, and shall not apply to any existing franchise tax  
225 liability of the enterprise in connection with any current  
226 operations in this state.

227 (vi) In the event that the annual number of  
228 full-time jobs maintained or caused to be maintained by the  
229 enterprise and/or any affiliate thereof falls below the minimum  
230 annual number of full-time jobs required by the authority pursuant  
231 to a written agreement between the authority and the enterprise  
232 for one or more years, the franchise tax fee-in-lieu for the  
233 project may be reduced or suspended by the authority until the  
234 first tax year during which the annual number of full-time jobs  
235 maintained or caused to be maintained by the enterprise and/or its  
236 affiliates reaches the minimum annual number of full-time jobs  
237 required by the authority pursuant to a written agreement between  
238 the authority and the enterprise.

239 (vii) The enterprise shall be entitled to utilize  
240 a single sales apportionment factor in the calculation of its  
241 liability for franchise tax imposed by this chapter which is  
242 attributable to the project for any year for which it files a  
243 Mississippi franchise tax return. The enterprise shall be  
244 entitled to continue to utilize such single sales apportionment



245 factor notwithstanding a suspension of the franchise tax  
246 fee-in-lieu pursuant to subparagraph (vi) of this paragraph. In  
247 no event shall an enterprise be entitled to utilize a single sales  
248 apportionment factor for purposes of calculating its liability for  
249 franchise tax imposed by this chapter attributable to any  
250 operations or activities thereof subject to tax liability imposed  
251 by this chapter prior to January 1, 2023, except to the extent  
252 that the enterprise is entitled to utilize a single sales  
253 apportionment factor in the calculation of its liability for  
254 franchise tax attributable to any operations or activities thereof  
255 subject to tax liability imposed by this chapter prior to January  
256 1, 2023, pursuant to any other section of law or regulation duly  
257 adopted by the department.

258 (d) As used in this paragraph (d):

259 (i) "Affiliated enterprise" or an "affiliate"  
260 shall have the meaning ascribed to such term in Section  
261 57-75-5(k) (iii) \* \* \* .

262 (ii) "Authority" shall have the meaning ascribed  
263 to such term in Section 57-75-5(b) \* \* \* .

264 (iii) "Project" shall have the meaning ascribed to  
265 such term in Section 57-75-5(f) (xxxii) \* \* \* .

266 (iv) "Enterprise" shall mean a corporation  
267 authorized for a particular project pursuant to Section  
268 57-75-5(f) (xxxii), or any corporation which becomes subject to the  
269 tax levied by this section because it is an affiliate of the



270 corporation or other enterprise authorized for a particular  
271 project pursuant to Section 57-75-5(f) (xxxii).

272 (v) \* \* \* The franchise tax fee-in-lieu agreement  
273 shall apply only to new franchise tax liability attributable to  
274 the project, and shall not apply to any existing franchise tax  
275 liability of the enterprise in connection with any current  
276 operations in this state.

277 (vi) In the event that the annual number of  
278 full-time jobs maintained or caused to be maintained by the  
279 enterprise and/or any affiliate thereof falls below the minimum  
280 annual number of full-time jobs required by the authority pursuant  
281 to a written agreement between the authority and the enterprise  
282 for one or more years, the franchise tax fee-in-lieu for the  
283 project may be reduced or suspended by the authority until the  
284 first tax year during which the annual number of full-time jobs  
285 maintained or caused to be maintained by the enterprise and/or its  
286 affiliates reaches the minimum annual number of full-time jobs  
287 required by the authority pursuant to a written agreement between  
288 the authority and the enterprise.

289 (e) As used in this paragraph (e):

290 (i) "Affiliated enterprise" or an "affiliate"  
291 shall have the meaning ascribed to such term in Section  
292 57-75-5(k) (iv).

293 (ii) "Authority" shall have the meaning ascribed  
294 to such term in Section 57-75-5(b).



295 (iii) "Project" shall have the meaning ascribed to  
296 such term in Section 57-75-5(f) (xxxiii).

297 (iv) "Enterprise" shall mean a corporation  
298 authorized for a particular project pursuant to Section  
299 57-75-5(f) (xxxiii), or any corporation which becomes subject to  
300 the tax levied by this section because it is an affiliate of the  
301 corporation or other enterprise authorized for a particular  
302 project pursuant to Section 57-75-5(f) (xxxiii).

303 (v) \* \* \* The franchise tax fee-in-lieu agreement  
304 shall apply only to new franchise tax liability attributable to  
305 the project, and shall not apply to any existing franchise tax  
306 liability of the enterprise in connection with any current  
307 operations in this state.

308 (vi) In the event that the annual number of  
309 full-time jobs maintained or caused to be maintained by the  
310 enterprise and/or any affiliate thereof falls below the minimum  
311 annual number of full-time jobs required by the authority pursuant  
312 to a written agreement between the authority and the enterprise  
313 for one or more years, the franchise tax fee-in-lieu for the  
314 project may be reduced or suspended by the authority until the  
315 first tax year during which the annual number of full-time jobs  
316 maintained or caused to be maintained by the enterprise and/or its  
317 affiliates reaches the minimum annual number of full-time jobs  
318 required by the authority pursuant to a written agreement between  
319 the authority and the enterprise.



320 (4) An approved business enterprise as defined in the Growth  
321 and Prosperity Act shall not be subject to the tax levied by this  
322 section on the value of capital used, invested or employed by the  
323 approved business enterprise in a growth and prosperity county or  
324 supervisors district as provided in the Growth and Prosperity Act.

325 (5) A business enterprise operating a project as defined in  
326 Section 57-64-33, in a county that is a member of a regional  
327 economic development alliance created under the Regional Economic  
328 Development Act shall not be subject to the tax levied by this  
329 section on the value of capital used, invested or employed by the  
330 business enterprise in such a county as provided in Section  
331 57-64-33.

332 (6) The tax levied by this chapter and paid by a business  
333 enterprise located in a redevelopment project area under Sections  
334 57-91-1 through 57-91-11 shall be deposited into the Redevelopment  
335 Project Incentive Fund created in Section 57-91-9.

336 (7) A business enterprise as defined in Section 57-113-1 or  
337 57-113-21 that is exempt from certain state taxes under Section  
338 57-113-5 or 57-113-25 shall not be subject to the tax levied by  
339 this section on the value of capital used, invested or employed by  
340 the business enterprise.

341 (8) A taxpayer who is eligible to apply, as a credit against  
342 the tax levied by this chapter, a tax credit awarded by the  
343 Mississippi Development Authority in accordance with the  
344 Mississippi Flexible Tax Incentive Act may apply the tax credit in



345 the amount available for such purpose, or such lesser amount  
346 determined by the taxpayer, pursuant to the Mississippi Flexible  
347 Tax Incentive Act. The credit applied for a tax-reporting period  
348 shall be reflected on the form of the return in the manner  
349 prescribed by the commissioner.

350 **SECTION 3.** Section 27-13-7, Mississippi Code of 1972, is  
351 amended as follows:

352 27-13-7. (1) (a) **Franchise tax levy.** Except as otherwise  
353 provided in subsections (3), (4), (5) and (7) of this section,  
354 there is hereby imposed, levied and assessed upon every  
355 corporation, association or joint-stock company, or partnership  
356 treated as a corporation under the income tax laws or regulations  
357 as hereinbefore defined, organized and existing under and by  
358 virtue of the laws of some other state, territory or country, or  
359 organized and existing without any specific statutory authority,  
360 now or hereafter doing business or exercising any power, privilege  
361 or right within this state, as hereinbefore defined, a franchise  
362 or excise tax equal to:

363 (i) For tax years beginning before January 1,  
364 2018, Two Dollars and Fifty Cents (\$2.50) of each One Thousand  
365 Dollars (\$1,000.00), or fraction thereof, of the value of capital  
366 used, invested or employed within this state, except as  
367 hereinafter provided.

368 (ii) For tax years beginning on or after January  
369 1, 2018, but before January 1, 2019, Two Dollars and Fifty Cents



370 (\$2.50) for each One Thousand Dollars (\$1,000.00), or fraction  
371 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),  
372 of the value of the capital used, invested or employed in the  
373 exercise of any power, privilege or right enjoyed by such  
374 organization within this state, except as hereinafter provided.

375 (iii) For tax years beginning on or after January  
376 1, 2019, but before January 1, 2020, Two Dollars and Twenty-five  
377 Cents (\$2.25) for each One Thousand Dollars (\$1,000.00), or  
378 fraction thereof, in excess of One Hundred Thousand Dollars  
379 (\$100,000.00), of the value of the capital used, invested or  
380 employed in the exercise of any power, privilege or right enjoyed  
381 by such organization within this state, except as hereinafter  
382 provided.

383 (iv) For tax years beginning on or after January  
384 1, 2020, but before January 1, 2021, Two Dollars (\$2.00) for each  
385 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess  
386 of One Hundred Thousand Dollars (\$100,000.00), of the value of the  
387 capital used, invested or employed in the exercise of any power,  
388 privilege or right enjoyed by such organization within this state,  
389 except as hereinafter provided.

390 (v) For tax years beginning on or after January 1,  
391 2021, but before January 1, 2022, One Dollar and Seventy-five  
392 Cents (\$1.75) for each One Thousand Dollars (\$1,000.00), or  
393 fraction thereof, in excess of One Hundred Thousand Dollars  
394 (\$100,000.00), of the value of the capital used, invested or





395 employed in the exercise of any power, privilege or right enjoyed  
396 by such organization within this state, except as hereinafter  
397 provided.

398 (vi) For tax years beginning on or after January  
399 1, 2022, but before January 1, 2023, One Dollar and Fifty Cents  
400 (\$1.50) for each One Thousand Dollars (\$1,000.00), or fraction  
401 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),  
402 of the value of the capital used, invested or employed in the  
403 exercise of any power, privilege or right enjoyed by such  
404 organization within this state, except as hereinafter provided.

405 (vii) For tax years beginning on or after January  
406 1, 2023, but before January 1, 2024, One Dollar and Twenty-five  
407 Cents (\$1.25) for each One Thousand Dollars (\$1,000.00), or  
408 fraction thereof, in excess of One Hundred Thousand Dollars  
409 (\$100,000.00), of the value of the capital used, invested or  
410 employed in the exercise of any power, privilege or right enjoyed  
411 by such organization within this state, except as hereinafter  
412 provided.

413 (viii) For tax years beginning on or after January  
414 1, 2024, \* \* \* One Dollar (\$1.00) for each One Thousand Dollars  
415 (\$1,000.00), or fraction thereof, in excess of One Hundred  
416 Thousand Dollars (\$100,000.00), of the value of the capital used,  
417 invested or employed in the exercise of any power, privilege or  
418 right enjoyed by such organization within this state, except as  
419 hereinafter provided.



420 \* \* \*

421 (b) In no case shall the franchise tax due for the  
422 accounting period be less than Twenty-five Dollars (\$25.00).

423 (c) It is the purpose of this section to require the  
424 payment of a tax by all organizations not organized under the laws  
425 of this state, measured by the amount of capital or its  
426 equivalent, for which such organization receives the benefit and  
427 protection of the government and laws of the state.

428 (2) **Annual report of foreign corporations.** Each foreign  
429 corporation authorized to transact business in this state shall  
430 file an annual report as required by the provisions of Section  
431 79-4-16.22.

432 (3) (a) A corporation that has negotiated a fee-in-lieu as  
433 defined in Section 57-75-5 shall not be subject to the tax levied  
434 by this section on such project; however, the fee-in-lieu payment  
435 shall be otherwise treated in the same manner as the payment of  
436 franchise taxes.

437 (b) (i) As used in this paragraph:

438 1. "Authority" shall have the meaning  
439 ascribed to such term in Section 57-75-5(b) \* \* \*.

440 2. "Project" shall have the meaning ascribed  
441 to such term in Section 57-75-5(f)(xxix) \* \* \*.

442 3. "Enterprise" shall mean the corporation  
443 authorized for the project pursuant to Section 57-75-5(f)(xxix).



444                   (ii) The term of the franchise tax fee-in-lieu  
445 agreement negotiated under this subsection and authorized by  
446 Section 57-75-5(j), between the authority and the enterprise for  
447 the project shall not exceed twenty-five (25) years. The  
448 franchise tax fee-in-lieu agreement shall apply only to new  
449 franchise tax liability attributable to the project, and shall not  
450 apply to any existing franchise tax liability of the enterprise in  
451 connection with any current operations in this state.

452                   (iii) In the event that the annual number of  
453 full-time jobs maintained by the enterprise falls below the  
454 minimum annual number of full-time jobs required by the authority  
455 pursuant to a written agreement between the authority and the  
456 enterprise for two (2) consecutive years, the franchise tax  
457 fee-in-lieu for the project shall be suspended until the first tax  
458 year during which the annual number of full-time jobs maintained  
459 by the enterprise reaches the minimum annual number of full-time  
460 jobs required by the authority pursuant to a written agreement  
461 between the authority and the enterprise.

462                   (iv) The enterprise shall be entitled to utilize a  
463 single sales apportionment factor in the calculation of its  
464 liability for franchise tax imposed by this chapter which is  
465 attributable to the project for any year for which it files a  
466 Mississippi franchise tax return. The enterprise shall be  
467 entitled to continue to utilize such single sales apportionment



468 factor notwithstanding a suspension of the franchise tax  
469 fee-in-lieu pursuant to subparagraph (iii) of this paragraph.

470 (c) As used in this paragraph (c):

471 (i) "Affiliated enterprise" or an "affiliate"  
472 shall have the meaning ascribed to such term in Section  
473 57-75-5(k) (ii) \* \* \*.

474 (ii) "Authority" shall have the meaning ascribed  
475 to such term in Section 57-75-5(b) \* \* \*.

476 (iii) "Project" shall have the meaning ascribed to  
477 such term in Section 57-75-5(f) (xxxi) \* \* \*.

478 (iv) "Enterprise" shall mean the corporation  
479 authorized for a particular project pursuant to Section  
480 57-75-5(f) (xxxi), or any corporation which becomes subject to the  
481 tax levied by this section because it is an affiliate of the  
482 corporation or other enterprise authorized for a particular  
483 project pursuant to Section 57-75-5(f) (xxxi).

484 (v) \* \* \* The franchise tax fee-in-lieu agreement  
485 shall apply only to new franchise tax liability attributable to  
486 the project, and shall not apply to any existing franchise tax  
487 liability of the enterprise in connection with any current  
488 operations in this state.

489 (vi) In the event that the annual number of  
490 full-time jobs maintained by the enterprise falls below the  
491 minimum annual number of full-time jobs required by the authority  
492 pursuant to a written agreement between the authority and the



493 enterprise for one or more years, the franchise tax fee-in-lieu  
494 for the project may be reduced or suspended by the authority until  
495 the first tax year during which the annual number of full-time  
496 jobs maintained by the enterprise and/or its affiliates reaches  
497 the minimum annual number of full-time jobs required by the  
498 authority pursuant to a written agreement between the authority  
499 and the enterprise.

500                   (vii) The enterprise shall be entitled to utilize  
501 a single sales apportionment factor in the calculation of its  
502 liability for franchise tax imposed by this chapter which is  
503 attributable to the project for any year for which it files a  
504 Mississippi franchise tax return. The enterprise shall be  
505 entitled to continue to utilize such single sales apportionment  
506 factor notwithstanding a suspension of the franchise tax  
507 fee-in-lieu pursuant to subparagraph (vi) of this paragraph. In  
508 no event shall an enterprise be entitled to utilize a single sales  
509 apportionment factor for purposes of calculating its liability for  
510 franchise tax imposed by this chapter attributable to any  
511 operations or activities thereof subject to tax liability imposed  
512 by this chapter prior to January 1, 2023, except to the extent  
513 that the enterprise is entitled to utilize a single sales  
514 apportionment factor in the calculation of its liability for  
515 franchise tax attributable to any operations or activities thereof  
516 subject to tax liability imposed by this chapter prior to January



517 1, 2023, pursuant to any other section of law or regulation duly  
518 adopted by the department.

519 (d) As used in this paragraph (d):

520 (i) "Affiliated enterprise" or an "affiliate"  
521 shall have the meaning ascribed to such term in Section  
522 57-75-5(k) (iii) \* \* \*.

523 (ii) "Authority" shall have the meaning ascribed  
524 to such term in Section 57-75-5(b) \* \* \*.

525 (iii) "Project" shall have the meaning ascribed to  
526 such term in Section 57-75-5(f) (xxxii) \* \* \*.

527 (iv) "Enterprise" shall mean the corporation  
528 authorized for a particular project pursuant to Section  
529 57-75-5(f) (xxxii), or any corporation which becomes subject to the  
530 tax levied by this section because it is an affiliate of the  
531 corporation or other enterprise authorized for a particular  
532 project pursuant to Section 57-75-5(f) (xxxii).

533 (v) \* \* \* The franchise tax fee-in-lieu agreement  
534 shall apply only to new franchise tax liability attributable to  
535 the project, and shall not apply to any existing franchise tax  
536 liability of the enterprise in connection with any current  
537 operations in this state.

538 (vi) In the event that the annual number of  
539 full-time jobs maintained by the enterprise falls below the  
540 minimum annual number of full-time jobs required by the authority  
541 pursuant to a written agreement between the authority and the



542 enterprise for one or more years, the franchise tax fee-in-lieu  
543 for the project may be reduced or suspended by the authority until  
544 the first tax year during which the annual number of full-time  
545 jobs maintained by the enterprise and/or its affiliates reaches  
546 the minimum annual number of full-time jobs required by the  
547 authority pursuant to a written agreement between the authority  
548 and the enterprise.

549 (e) As used in this paragraph (e):

550 (i) "Affiliated enterprise" or an "affiliate"  
551 shall have the meaning ascribed to such term in Section  
552 57-75-5(k) (iv).

553 (ii) "Authority" shall have the meaning ascribed  
554 to such term in Section 57-75-5(b).

555 (iii) "Project" shall have the meaning ascribed to  
556 such term in Section 57-75-5(f) (xxxiii).

557 (iv) "Enterprise" shall mean the corporation  
558 authorized for a particular project pursuant to Section  
559 57-75-5(f) (xxxiii), or any corporation which becomes subject to  
560 the tax levied by this section because it is an affiliate of the  
561 corporation or other enterprise authorized for a particular  
562 project pursuant to Section 57-75-5(f) (xxxiii).

563 (v) \* \* \* The franchise tax fee-in-lieu agreement  
564 shall apply only to new franchise tax liability attributable to  
565 the project, and shall not apply to any existing franchise tax



566 liability of the enterprise in connection with any current  
567 operations in this state.

568                   (vi) In the event that the annual number of  
569 full-time jobs maintained by the enterprise falls below the  
570 minimum annual number of full-time jobs required by the authority  
571 pursuant to a written agreement between the authority and the  
572 enterprise for one or more years, the franchise tax fee-in-lieu  
573 for the project may be reduced or suspended by the authority until  
574 the first tax year during which the annual number of full-time  
575 jobs maintained by the enterprise and/or its affiliates reaches  
576 the minimum annual number of full-time jobs required by the  
577 authority pursuant to a written agreement between the authority  
578 and the enterprise.

579           (4) An approved business enterprise as defined in the Growth  
580 and Prosperity Act shall not be subject to the tax levied by this  
581 section on the value of capital used, invested or employed by the  
582 approved business enterprise in a growth and prosperity county or  
583 supervisors district as provided in the Growth and Prosperity Act.

584           (5) A business enterprise operating a project as defined in  
585 Section 57-64-33, in a county that is a member of a regional  
586 economic development alliance created under the Regional Economic  
587 Development Act shall not be subject to the tax levied by this  
588 section on the value of capital used, invested or employed by the  
589 business enterprise in such a county as provided in Section  
590 57-64-33.





591 (6) The tax levied by this chapter and paid by a business  
592 enterprise located in a redevelopment project area under Sections  
593 57-91-1 through 57-91-11 shall be deposited into the Redevelopment  
594 Project Incentive Fund created in Section 57-91-9.

595 (7) A business enterprise as defined in Section 57-113-1 or  
596 57-113-21 that is exempt from certain state taxes under Section  
597 57-113-5 or 57-113-25 shall not be subject to the tax levied by  
598 this section on the value of capital used, invested or employed by  
599 the business enterprise.

600 (8) A taxpayer who is eligible to apply as a credit against  
601 the tax levied by this chapter a tax credit awarded by the  
602 Mississippi Development Authority in accordance with the  
603 Mississippi Flexible Tax Incentive Act may apply the tax credit in  
604 the amount available for such purpose, or such lesser amount  
605 determined by the taxpayer, pursuant to the Mississippi Flexible  
606 Tax Incentive Act. The credit applied for a tax-reporting period  
607 shall be reflected on the form of the return in the manner  
608 prescribed by the commissioner.

609 **SECTION 4.** Section 5, Chapter 499, Laws of 2016, which  
610 provides that Sections 27-13-1, 27-13-3, 27-13-5, 27-13-7,  
611 27-13-8, 27-13-9, 27-13-11, 27-13-13, 27-13-15, 27-13-17,  
612 27-13-19, 27-13-21, 27-13-23, 27-13-25, 27-13-27, 27-13-29,  
613 27-13-31, 27-13-33, 27-13-35, 27-13-37, 27-13-39, 27-13-41,  
614 27-13-47, 27-13-49, 27-13-51, 27-13-53, 27-13-55, 27-13-57,  
615 27-13-59, 27-13-61, 27-13-63, 27-13-65 and 27-13-67, Mississippi



616 Code of 1972, which are the corporation franchise tax law, are  
617 repealed from and after January 1, 2028, is repealed.

618           **SECTION 5.** This act shall take effect and be in force from  
619 and after January 1, 2024.

