

By: Representative Tullos

To: Ways and Means

HOUSE BILL NO. 1075

1 AN ACT TO AMEND SECTION 57-87-7, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF
3 BROADBAND TECHNOLOGIES" FOR PURPOSES OF AN AD VALOREM TAX
4 EXEMPTION AUTHORIZED FOR SUCH EQUIPMENT; TO BRING FORWARD SECTION
5 57-73-21, MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE
6 AMENDMENT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-87-7, Mississippi Code of 1972, is
9 amended as follows:

10 57-87-7. Equipment used in the deployment of broadband
11 technologies by a telecommunications enterprise (as defined in
12 Section 57-73-21(14)), that is placed in service after June 30,
13 2003, and before July 1, 2025, shall be exempt from ad valorem
14 taxation for a period of ten (10) years after the date such
15 equipment is placed in service. For purposes of this section,
16 "equipment used in the deployment of broadband technologies" means
17 any equipment * * * that is capable of providing broadband
18 Internet access service with at least twenty-five (25) megabits
19 per second downlink and three (3) megabits per second uplink.



20 Qualifying companies shall provide one or more of the
21 following services to qualifying counties: fiber, cable, DSL or
22 fixed wireless access (FWA). Only the equipment used specifically
23 for FWA qualifies. Upon request of the county tax assessor, the
24 company must produce a notarized, sworn list of the total number
25 of paying subscribers in such county as of the final lien date for
26 personal property filed for the latest tax year. The exemption
27 shall be filed for qualifying sites operational by December 31 on
28 the business personal property form as required. Broadband
29 providers shall confirm all exempted equipment is used by the
30 provider to serve qualifying locations, as reported in the
31 providers most recent filing in the Federal Communications
32 Commission's Broadband Data Collection. The maximum allowable FWA
33 exemption shall be capped at thirty percent (30%) of the total
34 asset cost for each FWA site.

35 **SECTION 2.** Section 57-73-21, Mississippi Code of 1972, is
36 brought forward as follows:

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

40 57-73-21. (1) Annually by December 31, using the most
41 current data available from the University Research Center,
42 Mississippi Department of Employment Security and the United
43 States Department of Commerce, the State Tax Commission shall rank
44 and designate the state's counties as provided in this section.



45 The twenty-eight (28) counties in this state having a combination
46 of the highest unemployment rate and lowest per capita income for
47 the most recent thirty-six-month period, with equal weight being
48 given to each category, are designated Tier Three areas. The
49 twenty-seven (27) counties in the state with a combination of the
50 next highest unemployment rate and next lowest per capita income
51 for the most recent thirty-six-month period, with equal weight
52 being given to each category, are designated Tier Two areas. The
53 twenty-seven (27) counties in the state with a combination of the
54 lowest unemployment rate and the highest per capita income for the
55 most recent thirty-six-month period, with equal weight being given
56 to each category, are designated Tier One areas. Counties
57 designated by the Tax Commission qualify for the appropriate tax
58 credit for jobs as provided in subsections (2), (3) and (4) of
59 this section. The designation by the Tax Commission is effective
60 for the tax years of permanent business enterprises which begin
61 after the date of designation. For companies which plan an
62 expansion in their labor forces, the Tax Commission shall
63 prescribe certification procedures to ensure that the companies
64 can claim credits in future years without regard to whether or not
65 a particular county is removed from the list of Tier Three or Tier
66 Two areas.

67 (2) Permanent business enterprises primarily engaged in
68 manufacturing, processing, warehousing, distribution, wholesaling
69 and research and development, or permanent business enterprises



70 designated by rule and regulation of the Mississippi Development
71 Authority as air transportation and maintenance facilities, final
72 destination or resort hotels having a minimum of one hundred fifty
73 (150) guest rooms, recreational facilities that impact tourism,
74 movie industry studios, telecommunications enterprises, data or
75 information processing enterprises or computer software
76 development enterprises or any technology intensive facility or
77 enterprise, in counties designated by the Tax Commission as Tier
78 Three areas are allowed a job tax credit for taxes imposed by
79 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
80 for each net new full-time employee job for five (5) years
81 beginning with years two (2) through six (6) after the creation of
82 the job; however, if the permanent business enterprise is located
83 in an area that has been declared by the Governor to be a disaster
84 area and as a direct result of the disaster the permanent business
85 enterprise is unable to maintain the required number of jobs, the
86 Chairman of the State Tax Commission may extend this time period
87 for not more two (2) years. The number of new full-time jobs must
88 be determined by comparing the monthly average number of full-time
89 employees subject to the Mississippi income tax withholding for
90 the taxable year with the corresponding period of the prior
91 taxable year. Only those permanent businesses that increase
92 employment by ten (10) or more in a Tier Three area are eligible
93 for the credit. Credit is not allowed during any of the five (5)
94 years if the net employment increase falls below ten (10). The



95 Tax Commission shall adjust the credit allowed each year for the
96 net new employment fluctuations above the minimum level of ten
97 (10).

98 (3) Permanent business enterprises primarily engaged in
99 manufacturing, processing, warehousing, distribution, wholesaling
100 and research and development, or permanent business enterprises
101 designated by rule and regulation of the Mississippi Development
102 Authority as air transportation and maintenance facilities, final
103 destination or resort hotels having a minimum of one hundred fifty
104 (150) guest rooms, recreational facilities that impact tourism,
105 movie industry studios, telecommunications enterprises, data or
106 information processing enterprises or computer software
107 development enterprises or any technology intensive facility or
108 enterprise, in counties that have been designated by the Tax
109 Commission as Tier Two areas are allowed a job tax credit for
110 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
111 (\$1,000.00) annually for each net new full-time employee job for
112 five (5) years beginning with years two (2) through six (6) after
113 the creation of the job; however, if the permanent business
114 enterprise is located in an area that has been declared by the
115 Governor to be a disaster area and as a direct result of the
116 disaster the permanent business enterprise is unable to maintain
117 the required number of jobs, the Chairman of the State Tax
118 Commission may extend this time period for not more two (2) years.
119 The number of new full-time jobs must be determined by comparing



the monthly average number of full-time employees subject to Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. Only those permanent businesses that increase employment by fifteen (15) or more in Tier Two areas are eligible for the credit. The credit is not allowed during any of the five (5) years if the net employment increase falls below fifteen (15). The Tax Commission shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of fifteen (15).

(4) Permanent business enterprises primarily engaged in manufacturing, processing, warehousing, distribution, wholesaling and research and development, or permanent business enterprises designated by rule and regulation of the Mississippi Development Authority as air transportation and maintenance facilities, final destination or resort hotels having a minimum of one hundred fifty (150) guest rooms, recreational facilities that impact tourism, movie industry studios, telecommunications enterprises, data or information processing enterprises or computer software development enterprises or any technology intensive facility or enterprise, in counties designated by the Tax Commission as Tier One areas are allowed a job tax credit for taxes imposed by Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually for each net new full-time employee job for five (5) years beginning with years two (2) through six (6) after the creation of the job; however, if the permanent business enterprise is located



145 in an area that has been declared by the Governor to be a disaster
146 area and as a direct result of the disaster the permanent business
147 enterprise is unable to maintain the required number of jobs, the
148 Chairman of the State Tax Commission may extend this time period
149 for not more than two (2) years. The number of new full-time jobs
150 must be determined by comparing the monthly average number of
151 full-time employees subject to Mississippi income tax withholding
152 for the taxable year with the corresponding period of the prior
153 taxable year. Only those permanent businesses that increase
154 employment by twenty (20) or more in Tier One areas are eligible
155 for the credit. The credit is not allowed during any of the five
156 (5) years if the net employment increase falls below twenty (20).
157 The Tax Commission shall adjust the credit allowed each year for
158 the net new employment fluctuations above the minimum level of
159 twenty (20).

160 (5) In addition to the credits authorized in subsections
161 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
162 credit for each net new full-time employee or an additional One
163 Thousand Dollars (\$1,000.00) credit for each net new full-time
164 employee who is paid a salary, excluding benefits which are not
165 subject to Mississippi income taxation, of at least one hundred
166 twenty-five percent (125%) of the average annual wage of the state
167 or an additional Two Thousand Dollars (\$2,000.00) credit for each
168 net new full-time employee who is paid a salary, excluding
169 benefits which are not subject to Mississippi income taxation, of



at least two hundred percent (200%) of the average annual wage of the state, shall be allowed for any company establishing or transferring its national or regional headquarters from within or outside the State of Mississippi. A minimum of thirty-five (35) jobs must be created to qualify for the additional credit. The State Tax Commission shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for purposes of receiving the credit awarded in this subsection. As used in this subsection, the average annual wage of the state is the most recently published average annual wage as determined by the Mississippi Department of Employment Security.

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

(7) In lieu of the tax credits provided in subsections (2) through (6), any commercial or industrial property owner which remediates contaminated property in accordance with Sections 49-35-1 through 49-35-25, is allowed a job tax credit for taxes imposed by Section 27-7-5 equal to the amounts provided in subsection (2), (3) or (4) for each net new full-time employee job for five (5) years beginning with years two (2) through six (6) after the creation of the job. The number of new full-time jobs



195 must be determined by comparing the monthly average number of
196 full-time employees subject to Mississippi income tax withholding
197 for the taxable year with the corresponding period of the prior
198 taxable year. This subsection shall be administered in the same
199 manner as subsections (2), (3) and (4), except the landowner shall
200 not be required to increase employment by the levels provided in
201 subsections (2), (3) and (4) to be eligible for the tax credit.

202 (8) Tax credits for five (5) years for the taxes imposed by
203 Section 27-7-5 shall be awarded for additional net new full-time
204 jobs created by business enterprises qualified under subsections
205 (2), (3), (4), (5), (6) and (7) of this section. Except as
206 otherwise provided, the Tax Commission shall adjust the credit
207 allowed in the event of employment fluctuations during the
208 additional five (5) years of credit.

209 (9) (a) The sale, merger, acquisition, reorganization,
210 bankruptcy or relocation from one (1) county to another county
211 within the state of any business enterprise may not create new
212 eligibility in any succeeding business entity, but any unused job
213 tax credit may be transferred and continued by any transferee of
214 the business enterprise. The Tax Commission shall determine
215 whether or not qualifying net increases or decreases have occurred
216 or proper transfers of credit have been made and may require
217 reports, promulgate regulations, and hold hearings as needed for
218 substantiation and qualification.



219 (b) This subsection shall not apply in cases in which a
220 business enterprise has ceased operation, laid off all its
221 employees and is subsequently acquired by another unrelated
222 business entity that continues operation of the enterprise in the
223 same or a similar type of business. In such a case the succeeding
224 business entity shall be eligible for the credit authorized by
225 this section unless the cessation of operation of the business
226 enterprise was for the purpose of obtaining new eligibility for
227 the credit.

228 (10) Any tax credit claimed under this section but not used
229 in any taxable year may be carried forward for five (5) years from
230 the close of the tax year in which the qualified jobs were
231 established but the credit established by this section taken in
232 any one (1) tax year must be limited to an amount not greater than
233 fifty percent (50%) of the taxpayer's state income tax liability
234 which is attributable to income derived from operations in the
235 state for that year. If the permanent business enterprise is
236 located in an area that has been declared by the Governor to be a
237 disaster area and as a direct result of the disaster the business
238 enterprise is unable to use the existing carryforward, the
239 Chairman of the State Tax Commission may extend the period that
240 the credit may be carried forward for a period of time not to
241 exceed two (2) years.



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

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

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

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



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

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

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



292 areas. Counties designated by the Department of Revenue qualify
293 for the appropriate tax credit for jobs as provided in this
294 section. The designation by the Department of Revenue is
295 effective for the tax years of permanent business enterprises
296 which begin after the date of designation. For companies which
297 plan an expansion in their labor forces, the Department of Revenue
298 shall prescribe certification procedures to ensure that the
299 companies can claim credits in future years without regard to
300 whether or not a particular county is removed from the list of
301 Tier Three or Tier Two areas.

302 (2) Permanent business enterprises in counties designated by
303 the Department of Revenue as Tier Three areas are allowed a job
304 tax credit for taxes imposed by Section 27-7-5 equal to ten
305 percent (10%) of the payroll of the enterprise for net new
306 full-time employee jobs for five (5) years beginning with years
307 two (2) through six (6) after the creation of the minimum number
308 of jobs required by this subsection; however, if the permanent
309 business enterprise is located in an area that has been declared
310 by the Governor to be a disaster area and as a direct result of
311 the disaster the permanent business enterprise is unable to
312 maintain the required number of jobs, the Commissioner of Revenue
313 may extend this time period for not more than two (2) years. The
314 number of new full-time jobs must be determined by comparing the
315 monthly average number of full-time employees subject to the
316 Mississippi income tax withholding for the taxable year with the



317 corresponding period of the prior taxable year. Only those
318 permanent business enterprises that increase employment by ten
319 (10) or more in a Tier Three area are eligible for the credit.
320 Credit is not allowed during any of the five (5) years if the net
321 employment increase falls below ten (10). The Department of
322 Revenue shall adjust the credit allowed each year for the net new
323 employment fluctuations above the minimum level of ten (10).
324 Medical cannabis establishments as defined in the Mississippi
325 Medical Cannabis Act shall not be eligible for the tax credit
326 authorized in this subsection (2).

327 (3) Permanent business enterprises in counties that have
328 been designated by the Department of Revenue as Tier Two areas are
329 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
330 to five percent (5%) of the payroll of the enterprise for net new
331 full-time employee jobs for five (5) years beginning with years
332 two (2) through six (6) after the creation of the minimum number
333 of jobs required by this subsection; however, if the permanent
334 business enterprise is located in an area that has been declared
335 by the Governor to be a disaster area and as a direct result of
336 the disaster the permanent business enterprise is unable to
337 maintain the required number of jobs, the Commissioner of Revenue
338 may extend this time period for not more than two (2) years. The
339 number of new full-time jobs must be determined by comparing the
340 monthly average number of full-time employees subject to
341 Mississippi income tax withholding for the taxable year with the



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

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



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

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



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

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



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

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

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



442 expenses that are necessary to relocate headquarters employees to
443 the national or regional headquarters, including, but not limited
444 to, costs such as travel expenses for employees and members of
445 their households to and from Mississippi in search of homes and
446 moving expenses to relocate furnishings, household goods and
447 personal property of the employees and members of their
448 households. Medical cannabis establishments as defined in the
449 Mississippi Medical Cannabis Act shall not be eligible for the tax
450 credit authorized in this subsection (7).

451 (b) The tax credit authorized under this subsection
452 shall be applied for the taxable year in which the relocation
453 costs are paid. The maximum cumulative amount of tax credits that
454 may be claimed by all taxpayers claiming a credit under this
455 subsection in any one (1) state fiscal year shall not exceed One
456 Million Dollars (\$1,000,000.00), exclusive of credits that might
457 be carried forward from previous taxable years. A company may not
458 receive a credit for the relocation of an employee more than one
459 (1) time in a twelve-month period for that employee.

460 (c) The Department of Revenue shall establish criteria
461 and prescribe procedures to determine if a company creates the
462 required number of jobs and qualifies as a national or regional
463 headquarters for purposes of receiving the credit awarded in this
464 subsection. A company desiring to claim a credit under this
465 subsection must submit an application for such credit with the
466 Department of Revenue in a manner prescribed by the department.



467 (d) In order to participate in the provisions of this
468 section, a company must certify to the Mississippi Department of
469 Revenue that it complies with the equal pay provisions of the
470 federal Equal Pay Act of 1963, the Americans with Disabilities Act
471 of 1990 and the fair pay provisions of the Civil Rights Act of
472 1964.

473 (e) This subsection shall stand repealed on July 1,
474 2025.

475 (8) In lieu of the other tax credits provided in this
476 section, any commercial or industrial property owner which
477 remediates contaminated property in accordance with Sections
478 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
479 imposed by Section 27-7-5 equal to the percentage of payroll
480 provided in subsection (2), (3) or (4) of this section for net new
481 full-time employee jobs for five (5) years beginning with years
482 two (2) through six (6) after the creation of the jobs. The
483 number of new full-time jobs must be determined by comparing the
484 monthly average number of full-time employees subject to
485 Mississippi income tax withholding for the taxable year with the
486 corresponding period of the prior taxable year. This subsection
487 shall be administered in the same manner as subsections (2), (3)
488 and (4), except the landowner shall not be required to increase
489 employment by the levels provided in subsections (2), (3) and (4)
490 to be eligible for the tax credit.



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

497 (b) Tax credits for five (5) years for the taxes
498 imposed by Section 27-7-5 shall be awarded for additional net new
499 full-time jobs created by business enterprises qualified under
500 subsections (5) and (6) of this section and for additional
501 relocation costs paid by companies qualified under subsection (7)
502 of this section. The Department of Revenue shall adjust the
503 credit allowed in the event of employment fluctuations during the
504 additional five (5) years of credit.

505 (10) (a) The sale, merger, acquisition, reorganization,
506 bankruptcy or relocation from one (1) county to another county
507 within the state of any business enterprise may not create new
508 eligibility in any succeeding business entity, but any unused job
509 tax credit may be transferred and continued by any transferee of
510 the business enterprise. The Department of Revenue shall
511 determine whether or not qualifying net increases or decreases
512 have occurred or proper transfers of credit have been made and may
513 require reports, promulgate regulations, and hold hearings as
514 needed for substantiation and qualification.



515 (b) This subsection shall not apply in cases in which a
516 business enterprise has ceased operation, laid off all its
517 employees and is subsequently acquired by another unrelated
518 business entity that continues operation of the enterprise in the
519 same or a similar type of business. In such a case the succeeding
520 business entity shall be eligible for the credit authorized by
521 this section unless the cessation of operation of the business
522 enterprise was for the purpose of obtaining new eligibility for
523 the credit.

524 (11) Any tax credit claimed under this section but not used
525 in any taxable year may be carried forward for five (5) years from
526 the close of the tax year in which the qualified jobs were
527 established and/or headquarters relocation costs paid, as
528 applicable, but the credit established by this section taken in
529 any one (1) tax year must be limited to an amount not greater than
530 fifty percent (50%) of the taxpayer's state income tax liability
531 which is attributable to income derived from operations in the
532 state for that year. If the permanent business enterprise is
533 located in an area that has been declared by the Governor to be a
534 disaster area and as a direct result of the disaster the business
535 enterprise is unable to use the existing carryforward, the
536 Commissioner of Revenue may extend the period that the credit may
537 be carried forward for a period of time not to exceed two (2)
538 years.



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

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

545 (14) As used in this section:

546 (a) "Business enterprises" means entities primarily
547 engaged in:

548 (i) Manufacturing, processing, warehousing,
549 warehousing activities, distribution, wholesaling and research and
550 development, or

551 (ii) Permanent business enterprises designated by
552 rule and regulation of the Mississippi Development Authority as
553 air transportation and maintenance facilities, final destination
554 or resort hotels having a minimum of one hundred fifty (150) guest
555 rooms, recreational facilities that impact tourism, movie industry
556 studios, telecommunications enterprises, data or information
557 processing enterprises or computer software development
558 enterprises or any technology intensive facility or enterprise.

559 (b) "Telecommunications enterprises" means entities
560 engaged in the creation, display, management, storage, processing,
561 transmission or distribution for compensation of images, text,
562 voice, video or data by wire or by wireless means, or entities
563 engaged in the construction, design, development, manufacture,



564 maintenance or distribution for compensation of devices, products,
565 software or structures used in the above activities. Companies
566 organized to do business as commercial broadcast radio stations,
567 television stations or news organizations primarily serving
568 in-state markets shall not be included within the definition of
569 the term "telecommunications enterprises."

570 (c) "Warehousing activities" means entities that
571 establish or expand facilities that service and support multiple
572 retail or wholesale locations within and outside the state.
573 Warehousing activities may be performed solely to support the
574 primary activities of the entity, and credits generated shall
575 offset the income of the entity based on an apportioned ratio of
576 payroll for warehouse employees of the entity to total Mississippi
577 payroll of the entity that includes the payroll of retail
578 employees of the entity.

579 (15) The tax credits provided for in this section shall be
580 in addition to any tax credits described in Sections 57-51-13(b),
581 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
582 action by the Mississippi Development Authority prior to July 1,
583 1989, to any business enterprise determined prior to July 1, 1989,
584 by the Mississippi Development Authority to be a qualified
585 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
586 a qualified company as described in Section 57-53-1, as the case
587 may be; however, from and after July 1, 1989, tax credits shall be
588 allowed only under either this section or Sections 57-51-13(b),



589 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
590 employee.

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

594 **SECTION 3.** This act shall take effect and be in force from
595 and after July 1, 2025.

