

By: Representative Lamar

To: Technology; Ways and
Means

HOUSE BILL NO. 1239

1 AN ACT TO AMEND SECTION 57-113-21, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE DEFINITIONS OF CERTAIN TERMS FOR PURPOSES OF THE
3 SALES, USE AND FRANCHISE TAX EXEMPTIONS FOR DATA CENTER
4 ENTERPRISES; TO AMEND SECTION 57-113-23, MISSISSIPPI CODE OF 1972,
5 TO REVISE THE REQUIRED CONTENTS OF THE APPLICATION TO BE SUBMITTED
6 BY BUSINESS ENTERPRISES SEEKING THE EXEMPTIONS; TO AMEND SECTION
7 57-113-25, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A BUSINESS
8 ENTERPRISE HAS SIXTY DAYS FROM THE DATE OF NOTICE OF NONCOMPLIANCE
9 TO REMEDY THE NONCOMPLIANCE BEFORE FORFEITING ITS TAX-EXEMPT
10 STATUS, SUBJECT TO ANY PENALTIES PROVIDED IN MISSISSIPPI
11 DEVELOPMENT AUTHORITY RULES AND REGULATIONS; AND FOR RELATED
12 PURPOSES.

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

14 **SECTION 1.** Section 57-113-21, Mississippi Code of 1972, is
15 amended as follows:

16 57-113-21. As used in this article:

17 (a) "Blockchain" means data that is shared across a
18 network to create a ledger of verified transactions or information
19 among network participants linked using cryptography to maintain
20 the integrity of the ledger and to execute other functions and
21 distributed among network participants in an automated fashion to
22 concurrently update network participants on the state of the
23 ledger and any other functions.



24 (* * *b) "Business enterprise" means any for profit
25 business * * * establishment registered to do business in the
26 state and which is the owner, operator, tenant or affiliate of a
27 data center in this state with a minimum investment of Five
28 Hundred Million Dollars (\$500,000,000.00) and which creates at
29 least fifty (50) new, fulltime jobs with a minimum average annual
30 salary of one hundred twenty-five percent (125%) of the average
31 annual state wage. The term "business enterprise" does not
32 include any enterprise engaged in digital asset mining.

33 (* * *c) "Data center" means one or more buildings or
34 an array of interconnected buildings in one (1) physical location
35 or multiple physical locations that are owned, leased, occupied or
36 operated by a business enterprise that utilizes hardware,
37 software, technology, infrastructure and/or workforce, to store,
38 manage * * *, process or disseminate digital data.

39 (d) "Digital asset" means virtual currency,
40 cryptocurrencies, natively electronic assets, including
41 stablecoins and nonfungible tokens, and other digital-only assets
42 that confer economic, proprietary, or access rights or powers.

43 (e) "Digital asset mining" means the use of electricity
44 to power a computer for the purpose of securing a blockchain
45 network.

46 (* * *f) "MDA" means the Mississippi Development
47 Authority.

48 (* * *g) "State tax" means:



(i) Any sales and use tax imposed on the business enterprise pursuant to law related to the purchase or lease of component building materials and equipment for initial construction of facilities or expansion of facilities that are certified by the Mississippi Development Authority;

(ii) Any sales and use tax imposed by law on the business enterprise pursuant to law related to the purchase of replacement hardware, software or other necessary technology to operate a data center;

(iii) * * * Franchise tax imposed pursuant to law on the value of capital used, invested or employed by the business enterprise certified by the Mississippi Development Authority; and

(iv) Any tax imposed on a data center pursuant to law related to the purchase of electricity.

SECTION 2. Section 57-113-23, Mississippi Code of 1972, is amended as follows:

57-113-23. Business enterprises wishing to apply for the tax exemptions authorized by this article shall make application to the MDA prior to construction or acquisition of the buildings for the location or expansion of the business enterprise in this state. The application, at a minimum, shall contain:

(a) An overview of the project that includes the selected site, the number of jobs proposed, the length of time necessary for the company to meet its investment and employment requirements;



74 (b) A two-year business plan * * *;
75 (c) * * * An acknowledgment that the business entity
76 will be required to provide annual documentation to demonstrate
77 that the minimum investment and job requirements * * * are being
78 maintained; and
79 (* * * d) Such information as may be reasonably
80 requested by the MDA to determine eligibility for the exemption.

81 **SECTION 3.** Section 57-113-25, Mississippi Code of 1972, is
82 amended as follows:

83 57-113-25. (1) Upon approval of the application, the MDA
84 shall issue a certification designating the business enterprise as
85 eligible for the tax exemptions authorized by this article. This
86 certification shall document the date by which all commitments
87 must be met.

88 (2) Upon the issuance of the certification, the business
89 enterprise shall be exempt from state taxes for a period of ten
90 (10) years, subject to the performance requirements set out in
91 the agreement required by subsection (3)(c) of this section.

92 (3) The following conditions, along with any other
93 conditions the MDA shall promulgate from time to time by rule or
94 regulation, shall apply to such exemptions:

95 (a) * * * A business enterprise using any exemption
96 provided under this article * * * cannot * * * transfer its
97 exemption to any other person or business * * * without prior
98 approval by the MDA;



99 (b) No approved business enterprise may claim or use
100 the exemption granted under this article unless that business
101 enterprise is in full compliance with all state and local tax
102 laws, and related ordinances and resolutions. However, if an
103 audit conducted by any federal or state agency in the ordinary
104 course of business reveals any noncompliance by a business
105 enterprise exempt from state taxes under this article, the
106 business enterprise shall have sixty (60) days from the date of
107 notice in which to remedy its noncompliance before forfeiting its
108 tax-exempt status, subject to any penalties provided in MDA rules
109 and regulations; and

110 (c) The business enterprise must enter into an
111 agreement with the MDA which sets out, at a minimum, the
112 performance requirements of the approved business enterprise
113 during the term of the exemption and provisions for the recapture
114 of all or a portion of the taxes exempted if the performance
115 requirements of the business enterprise are not met.

116 (4) Upon certifying a business enterprise as eligible for
117 the exemptions under this article, the MDA shall forward the
118 certification along with any other necessary information to the
119 Department of Revenue so that the exemptions can be implemented.
120 The Department of Revenue shall promulgate rules and regulations,
121 in accordance with the Mississippi Administrative Procedures Law,
122 for the implementation of the state tax exemptions granted under
123 this article.



124 **SECTION 4.** This act shall take effect and be in force from
125 and after July 1, 2025, and shall stand repealed on June 30, 2025.

