

By: Representative Eure

To: Ways and Means

HOUSE BILL NO. 1341

1 AN ACT TO REPEAL SECTION 57-117-11, MISSISSIPPI CODE OF 1972,
2 WHICH REPEALS SECTIONS 57-117-1 THROUGH 57-117-11, MISSISSIPPI
3 CODE OF 1972, THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; TO
4 REENACT SECTIONS 57-117-1 THROUGH 57-117-9, MISSISSIPPI CODE OF
5 1972, WHICH ARE THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; TO
6 AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972, TO DELETE THE
7 REVERTER TIED TO THE REPEAL OF THE MISSISSIPPI HEALTH CARE
8 INDUSTRY ZONE ACT ON THE STATUTE AUTHORIZING COUNTY BOARDS OF
9 SUPERVISORS AND MUNICIPAL GOVERNING AUTHORITIES TO GRANT AN AD
10 VALOREM TAX EXEMPTION TO HEALTH CARE INDUSTRY FACILITIES; TO AMEND
11 SECTION 27-31-104, MISSISSIPPI CODE OF 1972, TO DELETE THE
12 REVERTER TIED TO THE REPEAL OF THE MISSISSIPPI HEALTH CARE
13 INDUSTRY ZONE ACT ON THE STATUTE AUTHORIZING COUNTY BOARDS OF
14 SUPERVISORS AND MUNICIPAL GOVERNING AUTHORITIES TO GRANT A
15 FEE-IN-LIEU OF AD VALOREM TAXES TO QUALIFIED BUSINESSES THAT MEET
16 MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT
17 AUTHORITY; TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
18 TO DELETE THE CORRESPONDING REPEALER ON THE PROVISION OF LAW THAT
19 EXEMPTS FROM SALES TAXATION SALES OF MATERIALS USED IN THE
20 CONSTRUCTION OF, OR ADDITION OR IMPROVEMENTS TO, A HEALTH CARE
21 INDUSTRY FACILITY AND CERTAIN SALES OF MACHINERY AND EQUIPMENT TO
22 BE USED IN THE FACILITY; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** Section 57-117-11, Mississippi Code of 1972,
25 which repeals Sections 57-117-1 through 57-117-11, Mississippi
26 Code of 1972, the Mississippi Health Care Industry Zone Act, is
27 repealed.



SECTION 2. Section 57-117-1, Mississippi Code of 1972, is reenacted as follows:

57-117-1. This chapter shall be known and may be cited as the "Mississippi Health Care Industry Zone Act."

SECTION 3. Section 57-117-3, Mississippi Code of 1972, is reenacted as follows:

57-117-3. In this chapter:

(a) "Health care industry facility" means:

(i) A business engaged in the research and development of pharmaceuticals, biologics, biotechnology, diagnostic imaging, medical supplies, medical equipment or medicine and related manufacturing or processing, medical service providers, medical product distribution, or laboratory testing that creates a minimum of twenty-five (25) new full-time jobs and/or Ten Million Dollars (\$10,000,000.00) of capital investment after July 1, 2012; or

(ii) A business that 1. is located on land owned by or leased from an academic health science center with a medical school accredited by the Liaison Committee on Medical Education and a hospital accredited by the Joint Committee on Accreditation of Healthcare Organizations and 2. creates a minimum of twenty-five (25) new jobs and/or Twenty Million Dollars (\$20,000,000.00) of capital investment after July 1, 2012.



51 The term "health care industry facility" does not include any
52 medical cannabis establishment as defined in the Mississippi
53 Medical Cannabis Act.

54 (b) "MDA" means the Mississippi Development Authority.

55 (c) "Health care industry zone" means a geographical
56 area certified by the MDA as provided for in Section 57-117-5.

57 (d) "Local government unit" means any county or
58 incorporated city, town or village in the State of Mississippi.

59 (e) "Person" means a natural person, partnership,
60 limited liability company, association, corporation, business
61 trust or other business entity.

62 (f) "Qualified business" means a business or health
63 care industry facility that meets the requirements of Section
64 57-117-7 and any other requirements of this chapter. The term
65 "qualified business" does not include any medical cannabis
66 establishment as defined in the Mississippi Medical Cannabis Act.

67 **SECTION 4.** Section 57-117-5, Mississippi Code of 1972, is
68 reenacted as follows:

69 57-117-5. (1) The MDA may certify an area as a health care
70 industry zone if the following requirements are met:

71 (a) The area is located within:

72 (i) Three (3) contiguous counties which have
73 certificates of need of more than three hundred seventy-five (375)
74 acute care hospital beds; and/or



(ii) A county which has a hospital with a minimum capital investment of Two Hundred Fifty Million Dollars (\$250,000,000.00) and for which construction is completed before July 1, 2017;

(b) The health care industry facility is located within an eight-mile radius of:

(i) A facility with a certificate of need for hospital beds; and/or

(ii) A university or college that is:

1. Accredited by the Southern Association of Colleges and Schools and awards degrees and/or trains workers for jobs in health care or pharmaceutical fields of study and/or work, and

2. Located along or near Mississippi Highway 67 within a master planned community as defined in Section 19-5-10; and

(c) The zoning of the local government unit, if applicable, allows the construction or operation in the proposed health care industry zone of the health care industry facility.

(2) A health care industry facility that engages in an activity for which a certificate of need is required must comply with the provisions of Section 41-7-191 in order to be certified as a qualified business.

(3) The MDA may adopt and promulgate such rules and regulations, in compliance with the Mississippi Administrative



Procedures Law, as are necessary for the efficient and effective administration of this section in keeping with the purposes for which it is enacted.

SECTION 5. Section 57-117-7, Mississippi Code of 1972, is reenacted as follows:

57-117-7. (1) Businesses and health care industry facilities shall apply to the MDA for certification as a qualified business. If the health care industry facility or business is located in a health care industry zone and meets the requirements of this chapter, the MDA shall certify it as a qualified business.

(2) A health care industry facility or business certified by the MDA as a qualified business within a health care industry zone that constructs or renovates a health care industry facility within a health care industry zone shall qualify for the following:

(a) An accelerated state income tax depreciation deduction. The accelerated depreciation deduction shall be computed by accelerating depreciation period required by Mississippi Administrative Code, to a ten-year depreciation period.

(b) A sales tax exemption as authorized in Section 27-65-101(1)(pp).

(c) A fee-in-lieu of taxes as authorized in Section 27-31-104.



(d) An ad valorem tax exemption as authorized in
Section 27-31-101.

SECTION 6. Section 57-117-9, Mississippi Code of 1972, is
reenacted as follows:

57-117-9. If the qualified business has not created the
requisite number of jobs required by this chapter, the health care
industry zone certification may be revoked by MDA after five (5)
years have elapsed from the effective date of certification. A
revocation under this section shall not act retroactively to
remove any incentives granted by this chapter.

SECTION 7. Section 27-31-101, Mississippi Code of 1972, is
amended as follows:

* * *

27-31-101. (1) County boards of supervisors and municipal
authorities are hereby authorized and empowered, in their
discretion, to grant exemptions from ad valorem taxation, except
state ad valorem taxation; however, such governing authorities
shall not exempt ad valorem taxes for school district purposes on
tangible property used in, or necessary to, the operation of the
manufacturers and other new enterprises enumerated by classes in
this section, except to the extent authorized in Sections
27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
taxes the products of the manufacturers or other new enterprises
or automobiles and trucks belonging to the manufacturers or other
new enterprises operating on and over the highways of the State of



Mississippi. The time of such exemption shall be for a period not to exceed a total of ten (10) years, which shall begin on the date of completion of the new enterprise for which the exemption is granted; however, boards of supervisors and municipal authorities, in lieu of granting the exemption for one (1) period of ten (10) years, may grant the exemption in a period of less than ten (10) years. When the initial exemption period granted is less than ten (10) years, the boards of supervisors and municipal authorities may grant a subsequent consecutive period or periods to follow the initial period of exemption, provided that the total of all periods of exemption shall not exceed ten (10) years. The date of completion of the new enterprise, from which the initial period of exemption shall begin, shall be the date on which operations of the new enterprise begin. The initial request for an exemption must be made in writing by June 1 of the year immediately following the year in which the date of completion of a new enterprise occurs. If the initial request for the exemption is not timely made, the board of supervisors or municipal authorities may grant a subsequent request for the exemption and, in such case, the exemption shall begin on the anniversary date of completion of the enterprise in the year in which the request is made and may be for a period of time extending not more than ten (10) years from the date of completion of the new enterprise. Any subsequent request for the exemption must be made in writing by June 1 of the year in which it is granted.



174 (2) Any board of supervisors or municipal authority which
175 has granted an exemption for a period of less than ten (10) years
176 may grant subsequent periods of exemption to run consecutively
177 with the initial exemption period, or a subsequently granted
178 exemption period, but in no case shall the total of the exemption
179 periods granted for a new enterprise exceed ten (10) years. Any
180 consecutive period of exemption shall be granted by entry of an
181 order by the board or the authority granting the consecutive
182 exemption on its minutes, reflecting the granting of the
183 consecutive exemption period and the dates upon which such
184 consecutive exemption period begins and expires. The entry of
185 this order granting the consecutive period of exemption shall be
186 made before the expiration of the exemption period immediately
187 preceding the consecutive exemption period being granted.

188 (3) (a) The new enterprises for which any or all of the
189 tangible property described in paragraph (b) of this subsection
190 (3) may be exempt from ad valorem taxation, except state ad
191 valorem taxation, ad valorem taxes for school district purposes,
192 and ad valorem taxes on the products thereof or on automobiles and
193 trucks belonging thereto and operating on and over the highways of
194 the State of Mississippi, are enumerated as and limited to the
195 following, as determined by the Department of Revenue:

- 196 (i) Warehouse and/or distribution centers;
- 197 (ii) Manufacturing, processors and refineries;
- 198 (iii) Research facilities;



199 (iv) Corporate regional and national headquarters
200 meeting minimum criteria established by the Mississippi
201 Development Authority;

202 (v) Movie industry studios meeting minimum
203 criteria established by the Mississippi Development Authority;

204 (vi) Air transportation and maintenance facilities
205 meeting minimum criteria established by the Mississippi
206 Development Authority;

207 (vii) Recreational facilities that impact tourism
208 meeting minimum criteria established by the Mississippi
209 Development Authority;

210 (viii) Data/information processing enterprises
211 meeting minimum criteria established by the Mississippi
212 Development Authority;

213 (ix) Technology intensive enterprises or
214 facilities meeting criteria established by the Mississippi
215 Development Authority;

216 (x) Health care industry facilities as defined in
217 Section 57-117-3;

218 (xi) Data centers as defined in Section 57-113-21;

219 (xii) Telecommunications enterprises meeting
220 minimum criteria established by the Mississippi Development
221 Authority. The term "telecommunications enterprises" means
222 entities engaged in the creation, display, management, storage,
223 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"; and

(xiii) Controlled environment agriculture
enterprises meeting minimum criteria established by the
Mississippi Development Authority.

The new enterprises enumerated in this paragraph (a) do not
include medical cannabis establishments as defined in Section
41-137-3 of the Mississippi Medical Cannabis Act.

(b) An exemption from ad valorem taxes granted under
this section may include any or all tangible property, real or
personal, including any leasehold interests therein but excluding
automobiles and trucks operating on and over the highways of the
State of Mississippi, used in connection with, or necessary to,
the operation of an enterprise enumerated in paragraph (a) of this
subsection (3), whether or not such property is owned, leased,
subleased, licensed or otherwise obtained by such enterprise,
irrespective of the taxpayer to which any such leased property is
assessed for ad valorem tax purposes. If an exemption is granted



pursuant to this section with respect to any leasehold interest under a lease, sublease or license of tangible property used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this subsection (3), the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt without any action being required to be taken by such owner, lessor or sublessor.

(4) Any exemption from ad valorem taxes granted under this section before March 28, 2019, and consistent herewith, is hereby ratified, approved and confirmed.

* * *

SECTION 8. Section 27-31-104, Mississippi Code of 1972, is amended as follows:

* * *

27-31-104. (1) (a) County boards of supervisors and municipal authorities are each hereby authorized and empowered to enter into an agreement with an enterprise granting, and pursuant to such agreement grant a fee-in-lieu of ad valorem taxes, including ad valorem taxes levied for school purposes, for the following:

(i) Projects totaling over Sixty Million Dollars (\$60,000,000.00) by any new enterprises enumerated in Section 27-31-101;



(ii) Projects by a private company (as such term is defined in Section 57-61-5) having a minimum capital investment of Sixty Million Dollars (\$60,000,000.00);

(iii) Projects by a qualified business (as such term is defined in Section 57-117-3) meeting minimum criteria established by the Mississippi Development Authority;

(iv) Projects, in addition to those projects referenced in Section 27-31-105, totaling over Sixty Million Dollars (\$60,000,000.00) by an existing enterprise that has been doing business in the county or municipality for twenty-four (24) months. For purposes of this subparagraph (iv), the term "existing enterprise" includes those enterprises enumerated in Section 27-31-101; or

(v) A private company (as such term is defined in Section 57-61-5) or entity defined in Section 77-3-3(d)(i) having a minimum capital investment of One Hundred Million Dollars (\$100,000,000.00) from any source or combination of sources, provided that a majority of the capital investment is from private sources, when such project is located within a geographic area for which a Presidential Disaster Declaration was issued on or after January 1, 2014.

County boards of supervisors and municipal authorities may not enter into an agreement with an enterprise that is a medical cannabis establishment, as defined in Section 41-137-3 of the



Mississippi Medical Cannabis Act, granting, and pursuant to such agreement grant a fee-in-lieu of ad valorem taxes.

(b) A fee-in-lieu of ad valorem taxes granted in accordance with this section may include any or all tangible property, real or personal, including any leasehold interests therein but excluding automobiles and trucks operating on and over the highways of the State of Mississippi, used in connection with, or necessary to, the operation of any enterprise, private company or business described in paragraph (a) of this subsection (1), as applicable, whether or not such property is owned, leased, subleased, licensed or otherwise obtained by such enterprise, private company or business, as applicable, irrespective of the taxpayer to which any such leased property is assessed for ad valorem tax purposes. If a fee-in-lieu of ad valorem taxes is granted pursuant to this section with respect to any leasehold interest under a lease, sublease or license of tangible property used in connection with, or necessary to, the operation of an enterprise, private company or business described in paragraph (a) of this subsection (1), as applicable, the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt and subject to the fee-in-lieu granted in accordance herewith without any action being required to be taken by such owner, lessor or sublessor.



321 (2) A county board of supervisors may enter into a
322 fee-in-lieu agreement on behalf of the county and any county
323 school district, and a municipality may enter into such a
324 fee-in-lieu agreement on behalf of the municipality and any
325 municipal school district located in the municipality; however, if
326 the project is located outside the limits of a municipality but
327 within the boundaries of the municipal school district, then the
328 county board of supervisors may enter into such a fee-in-lieu
329 agreement on behalf of the school district granting a fee-in-lieu
330 of ad valorem taxes for school district purposes.

331 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
332 evidenced by a written agreement negotiated by the enterprise and
333 the county board of supervisors and/or municipal authority, as the
334 case may be, and given final approval by the Mississippi
335 Development Authority as satisfying the requirements of this
336 section.

337 (4) The minimum sum allowable as a fee-in-lieu shall not be
338 less than one-third (1/3), or one-tenth (1/10) if the project is
339 also a project eligible for an ad valorem tax exemption under
340 Section 27-31-46 and a fee-in-lieu agreement is entered into
341 before July 1, 2026, of the ad valorem levy, including ad valorem
342 taxes for school district purposes, and except as otherwise
343 provided, the sum allowed shall be apportioned between the county
344 or municipality, as appropriate, and the school districts in such
345 amounts as may be determined by the county board of supervisors or



municipal governing authority, as the case may be, however, except as otherwise provided in this section, from the sum allowed the apportionment to school districts shall not be less than the school districts' pro rata share based upon the proportion that the millage imposed for the school districts by the appropriate levying authority bears to the millage imposed by such levying authority for all other county or municipal purposes. Any fee-in-lieu agreement entered into under this section shall become a binding obligation of the parties to the agreement, be effective upon its execution by the parties and approval by the Mississippi Development Authority and, except as otherwise provided in Section 17-25-23 or Section 57-75-33, or any other provision of law, continue in effect for a period not to exceed thirty (30) years commencing on the date that the fee-in-lieu granted thereunder begins in accordance with the agreement; however, no particular parcel of land, real property improvement or item of personal property shall be subject to a fee-in-lieu for a duration of more than ten (10) years. Any such agreement shall be binding, according to its terms, on future boards of supervisors of the county and/or governing authorities of a municipality, as the case may be, for the duration of the agreement.

(5) The fee-in-lieu may be a stated fraction or percentage of the ad valorem taxes otherwise payable or a stated dollar amount. If the fee is a fraction or percentage of the ad valorem tax levy, it shall be annually computed on all ad valorem taxes



otherwise payable, including school taxes, as the same may vary from year to year based upon changes in the millage rate or assessed value and shall not be less than one-third (1/3) of that amount or one-tenth (1/10) of that amount if the project is also a project eligible for an ad valorem tax exemption under Section 27-31-46 and a fee-in-lieu agreement is entered into before July 1, 2026. If the fee is a stated dollar amount, said amount shall be the higher of the sum provided for fixed payment or (a) one-third (1/3) of the total of all ad valorem taxes otherwise payable as annually determined during each year of the fee-in-lieu or (b) if the project is also a project eligible for an ad valorem tax exemption under Section 27-31-46 and a fee-in-lieu agreement is entered into before July 1, 2026, one-tenth (1/10) of the total of all ad valorem taxes otherwise payable as annually determined during each year of the fee-in-lieu.

(6) Notwithstanding Section 27-31-111, the parties to a fee-in-lieu may agree on terms and conditions providing for the reduction, suspension, termination or reinstatement of a fee-in-lieu agreement or any fee-in-lieu period granted thereunder upon the cessation of operations by project for twelve (12) or more consecutive months or due to other conditions set forth in the agreement.

(7) For a project as defined in Section 57-75-5(f)(xxi) and located in a county that is a member of a regional economic development alliance created under Section 57-64-1 et seq., the



members of the regional economic development alliance may divide the sum allowed as a fee-in-lieu in a manner as determined by the alliance agreement, and the boards of supervisors of the member counties may then apportion the sum allowed between school district purposes and all other county purposes.

(8) For a project as defined in Section 57-75-5(f)(xxvi), the board of supervisors of the county in which the project is located may negotiate with the school district in which the project is located and apportion to the school district an amount of the fee-in-lieu that is agreed upon in the negotiations different than the amount provided for in subsection (3) of this section.

(9) For a project as defined in Section 57-75-5(f)(xxviii), the annual amount of the fee-in-lieu apportioned to the county shall not be less than the amount necessary to pay the debt service on bonds issued by the county pursuant to Section 57-75-37(3)(c).

(10) For any county and/or municipality that enters into a fee-in-lieu agreement for a project as defined in Section 57-75-5(f)(xxxiii), the minimum sum allowable as a fee-in-lieu for the project shall not be less than one-third (1/3); provided that such allowed sum of each annual fee-in-lieu payment may be first apportioned between the county or municipality, as appropriate, and the school districts in any such amounts as may be determined by the county board of supervisors or municipal governing



421 authority, as the case may be, to either: (a) first allocate and
422 remit to the Mississippi Major Economic Impact Authority or the
423 Mississippi Development Authority, as applicable, such portion of
424 each annual fee-in-lieu payment to repay to the Mississippi Major
425 Economic Impact Authority or the Mississippi Development
426 Authority, as applicable, funds advanced thereby to such county
427 and/or municipality or to other public agency, as defined in
428 Section 57-75-37(7)(a)(ii), to fund public improvements and
429 related costs for the project pursuant to an agreement entered
430 into in accordance with Section 57-75-37(7)(c)(iii); or (b) first
431 allocate and remit to the enterprise owning and/or operating the
432 project such portion of each annual fee-in-lieu payment payable
433 thereto pursuant to an agreement entered into in accordance with
434 Section 57-75-37(7)(d)(iv). The balance of any annual fee-in-lieu
435 amount remaining after such initial allocation and remittance to
436 the Mississippi Major Economic Impact Authority, Mississippi
437 Development Authority or enterprise owning and/or operating the
438 project, as applicable, shall then be apportioned in accordance
439 with subsection (4) of this section or as otherwise authorized by
440 state law.

441 (11) Any fee-in-lieu of ad valorem taxes granted under this
442 section before March 28, 2019, and consistent herewith, is hereby
443 ratified, approved and confirmed.

444 * * *



SECTION 9. Section 27-65-101, Mississippi Code of 1972, is amended as follows:

27-65-101. (1) The exemptions from the provisions of this chapter which are of an industrial nature or which are more properly classified as industrial exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by the provisions of the Constitution of the United States or the State of Mississippi. No industrial exemption as now provided by any other section except Section 57-3-33 shall be valid as against the tax herein levied. Any subsequent industrial exemption from the tax levied hereunder shall be provided by amendment to this section. No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21.

The tax levied by this chapter shall not apply to the following:

(a) Sales of boxes, crates, cartons, cans, bottles and other packaging materials to manufacturers and wholesalers for use as containers or shipping materials to accompany goods sold by said manufacturers or wholesalers where possession thereof will pass to the customer at the time of sale of the goods contained therein and sales to anyone of containers or shipping materials for use in ships engaged in international commerce.

(b) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases



470 (except natural gas) to a manufacturer for use directly in
471 manufacturing or processing a product for sale or rental or
472 repairing or reconditioning vessels or barges of fifty (50) tons
473 load displacement and over. For the purposes of this exemption,
474 electricity used directly in the electrolysis process in the
475 production of sodium chlorate shall be considered a raw material.
476 This exemption shall not apply to any property used as fuel except
477 to the extent that such fuel comprises by-products which have no
478 market value.

479 (c) The gross proceeds of sales of dry docks, offshore
480 drilling equipment for use in oil or natural gas exploration or
481 production, vessels or barges of fifty (50) tons load displacement
482 and over, when the vessels or barges are sold by the manufacturer
483 or builder thereof. In addition to other types of equipment,
484 offshore drilling equipment for use in oil or natural gas
485 exploration or production shall include aircraft used
486 predominately to transport passengers or property to or from
487 offshore oil or natural gas exploration or production platforms or
488 vessels, and engines, accessories and spare parts for such
489 aircraft.

490 (d) Sales to commercial fishermen of commercial fishing
491 boats of over five (5) tons load displacement and not more than
492 fifty (50) tons load displacement as registered with the United
493 States Coast Guard and licensed by the Mississippi Commission on
494 Marine Resources.



495 (e) The gross income from repairs to vessels and barges
496 engaged in foreign trade or interstate transportation.

497 (f) Sales of petroleum products to vessels or barges
498 for consumption in marine international commerce or interstate
499 transportation businesses.

500 (g) Sales and rentals of rail rolling stock (and
501 component parts thereof) for ultimate use in interstate commerce
502 and gross income from services with respect to manufacturing,
503 repairing, cleaning, altering, reconditioning or improving such
504 rail rolling stock (and component parts thereof).

505 (h) Sales of raw materials, catalysts, processing
506 chemicals, welding gases or other industrial processing gases
507 (except natural gas) used or consumed directly in manufacturing,
508 repairing, cleaning, altering, reconditioning or improving such
509 rail rolling stock (and component parts thereof). This exemption
510 shall not apply to any property used as fuel.

511 (i) Sales of machinery or tools or repair parts
512 therefor or replacements thereof, fuel or supplies used directly
513 in manufacturing, converting or repairing ships, vessels or barges
514 of three thousand (3,000) tons load displacement and over, but not
515 to include office and plant supplies or other equipment not
516 directly used on the ship, vessel or barge being built, converted
517 or repaired. For purposes of this exemption, "ships, vessels or
518 barges" shall not include floating structures described in Section
519 27-65-18.



520 (j) Sales of tangible personal property to persons
521 operating ships in international commerce for use or consumption
522 on board such ships. This exemption shall be limited to cases in
523 which procedures satisfactory to the commissioner, ensuring
524 against use in this state other than on such ships, are
525 established.

526 (k) Sales of materials used in the construction of a
527 building, or any addition or improvement thereon, and sales of any
528 machinery and equipment not later than three (3) months after the
529 completion of construction of the building, or any addition
530 thereon, to be used therein, to qualified businesses, as defined
531 in Section 57-51-5, which are located in a county or portion
532 thereof designated as an enterprise zone pursuant to Sections
533 57-51-1 through 57-51-15.

534 (l) Sales of materials used in the construction of a
535 building, or any addition or improvement thereon, and sales of any
536 machinery and equipment not later than three (3) months after the
537 completion of construction of the building, or any addition
538 thereon, to be used therein, to qualified businesses, as defined
539 in Section 57-54-5.

540 (m) Income from storage and handling of perishable
541 goods by a public storage warehouse.

542 (n) The value of natural gas lawfully injected into the
543 earth for cycling, repressuring or lifting of oil, or lawfully
544 vented or flared in connection with the production of oil;



545 however, if any gas so injected into the earth is sold for such
546 purposes, then the gas so sold shall not be exempt.

547 (o) The gross collections from self-service commercial
548 laundering, drying, cleaning and pressing equipment.

549 (p) Sales of materials used in the construction of a
550 building, or any addition or improvement thereon, and sales of any
551 machinery and equipment not later than three (3) months after the
552 completion of construction of the building, or any addition
553 thereon, to be used therein, to qualified companies, certified as
554 such by the Mississippi Development Authority under Section
555 57-53-1.

556 (q) Sales of component materials used in the
557 construction of a building, or any addition or improvement
558 thereon, sales of machinery and equipment to be used therein, and
559 sales of manufacturing or processing machinery and equipment which
560 is permanently attached to the ground or to a permanent foundation
561 and which is not by its nature intended to be housed within a
562 building structure, not later than three (3) months after the
563 initial start-up date, to permanent business enterprises engaging
564 in manufacturing or processing in Tier Three areas (as such term
565 is defined in Section 57-73-21), which businesses are certified by
566 the Department of Revenue as being eligible for the exemption
567 granted in this paragraph (q). The exemption provided in this
568 paragraph (q) shall not apply to sales to any business enterprise



that is a medical cannabis establishment as defined in Section 41-137-3 of the Mississippi Medical Cannabis Act.

(r) (i) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of the building, addition or improvement thereon, to be used therein, for any company establishing or transferring its national or regional headquarters from within or outside the State of Mississippi and creating a minimum of twenty (20) jobs at the new headquarters in this state. The exemption provided in this subparagraph (i) shall not apply to sales for any company that is a medical cannabis establishment as defined in Section 41-137-3 of the Mississippi Medical Cannabis Act. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (i).

(ii) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of the building, addition or improvement thereon, to be used therein, for any company expanding or making additions after January 1, 2013, to its national or regional headquarters within the State of Mississippi and creating a minimum of twenty (20) new jobs at the headquarters as a result



of the expansion or additions. The exemption provided in this subparagraph (ii) shall not apply to sales for any company that is a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (ii).

(s) The gross proceeds from the sale of semitrailers, trailers, boats, travel trailers, motorcycles, all-terrain cycles and rotary-wing aircraft if exported from this state within forty-eight (48) hours and registered and first used in another state.

(t) Gross income from the storage and handling of natural gas in underground salt domes and in other underground reservoirs, caverns, structures and formations suitable for such storage.

(u) Sales of machinery and equipment to nonprofit organizations if the organization:

(i) Is tax exempt pursuant to Section 501(c)(4) of the Internal Revenue Code of 1986, as amended;

(ii) Assists in the implementation of the contingency plan or area contingency plan, and which is created in response to the requirements of Title IV, Subtitle B of the Oil Pollution Act of 1990, Public Law 101-380; and



618 (iii) Engages primarily in programs to contain,
619 clean up and otherwise mitigate spills of oil or other substances
620 occurring in the United States coastal and tidal waters.

621 For purposes of this exemption, "machinery and equipment"
622 means any ocean-going vessels, barges, booms, skimmers and other
623 capital equipment used primarily in the operations of nonprofit
624 organizations referred to herein.

625 (v) Sales or leases of materials and equipment to
626 approved business enterprises as provided under the Growth and
627 Prosperity Act.

628 (w) From and after July 1, 2001, sales of pollution
629 control equipment to manufacturers or custom processors for
630 industrial use. For the purposes of this exemption, "pollution
631 control equipment" means equipment, devices, machinery or systems
632 used or acquired to prevent, control, monitor or reduce air, water
633 or groundwater pollution, or solid or hazardous waste as required
634 by federal or state law or regulation.

635 (x) Sales or leases to a manufacturer of motor vehicles
636 or powertrain components operating a project that has been
637 certified by the Mississippi Major Economic Impact Authority as a
638 project as defined in Section 57-75-5(f)(iv)1, Section
639 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
640 equipment; special tooling such as dies, molds, jigs and similar
641 items treated as special tooling for federal income tax purposes;
642 or repair parts therefor or replacements thereof; repair services



thereon; fuel, supplies, electricity, coal and natural gas used directly in the manufacture of motor vehicles or motor vehicle parts or used to provide climate control for manufacturing areas.

(y) Sales or leases of component materials, machinery and equipment used in the construction of a building, or any addition or improvement thereon to an enterprise operating a project that has been certified by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii) or Section 57-75-5(f)(xxviii) and any other sales or leases required to establish or operate such project.

(z) Sales of component materials and equipment to a business enterprise as provided under Section 57-64-33.

(aa) The gross income from the stripping and painting of commercial aircraft engaged in foreign or interstate transportation business.

(bb) [Repealed]

(cc) Sales or leases to an enterprise owning or operating a project that has been designated by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(xviii) of machinery and equipment; special tooling such as dies, molds, jigs and similar items treated as special tooling for federal income tax purposes; or repair parts therefor or replacements thereof; repair services thereon; fuel, supplies, electricity, coal and natural gas used directly in the



668 manufacturing/production operations of the project or used to
669 provide climate control for manufacturing/production areas.

670 (dd) Sales or leases of component materials, machinery
671 and equipment used in the construction of a building, or any
672 addition or improvement thereon to an enterprise owning or
673 operating a project that has been designated by the Mississippi
674 Major Economic Impact Authority as a project as defined in Section
675 57-75-5(f)(xviii) and any other sales or leases required to
676 establish or operate such project.

677 (ee) Sales of parts used in the repair and servicing of
678 aircraft not registered in Mississippi engaged exclusively in the
679 business of foreign or interstate transportation to businesses
680 engaged in aircraft repair and maintenance.

681 (ff) Sales of component materials used in the
682 construction of a facility, or any addition or improvement
683 thereon, and sales or leases of machinery and equipment not later
684 than three (3) months after the completion of construction of the
685 facility, or any addition or improvement thereto, to be used in
686 the building or any addition or improvement thereto, to a
687 permanent business enterprise operating a data/information
688 enterprise in Tier Three areas (as such areas are designated in
689 accordance with Section 57-73-21), meeting minimum criteria
690 established by the Mississippi Development Authority. The
691 exemption provided in this paragraph (ff) shall not apply to sales
692 to any business enterprise that is a medical cannabis



establishment as defined in Section 41-137-3 of the Mississippi Medical Cannabis Act.

(gg) Sales of component materials used in the construction of a facility, or any addition or improvement thereto, and sales of machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition or improvement thereto, to be used in the facility or any addition or improvement thereto, to technology intensive enterprises for industrial purposes in Tier Three areas (as such areas are designated in accordance with Section 57-73-21), as certified by the Department of Revenue. For purposes of this paragraph, an enterprise must meet the criteria provided for in Section 27-65-17(1)(f) in order to be considered a technology intensive enterprise.

(hh) Sales of component materials used in the replacement, reconstruction or repair of a building or facility that has been destroyed or sustained extensive damage as a result of a disaster declared by the Governor, sales of machinery and equipment to be used therein to replace machinery or equipment damaged or destroyed as a result of such disaster, including, but not limited to, manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, to enterprises or companies that were eligible for the exemptions authorized in paragraph (q),



(r), (ff) or (gg) of this subsection during initial construction of the building that was destroyed or damaged, which enterprises or companies are certified by the Department of Revenue as being eligible for the exemption granted in this paragraph.

(ii) Sales of software or software services transmitted by the Internet to a destination outside the State of Mississippi where the first use of such software or software services by the purchaser occurs outside the State of Mississippi.

(jj) Gross income of public storage warehouses derived from the temporary storage of raw materials that are to be used in an eligible facility as defined in Section 27-7-22.35.

(kk) Sales of component building materials and equipment for initial construction of facilities or expansion of facilities as authorized under Sections 57-113-1 through 57-113-7 and Sections 57-113-21 through 57-113-27.

(ll) Sales and leases of machinery and equipment acquired in the initial construction to establish facilities as authorized in Sections 57-113-1 through 57-113-7.

(mm) Sales and leases of replacement hardware, software or other necessary technology to operate a data center as authorized under Sections 57-113-21 through 57-113-27.

(nn) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of the construction of



the facility, to be used in the facility, to permanent business enterprises operating a facility producing renewable crude oil from biomass harvested or produced, in whole or in part, in Mississippi, which businesses meet minimum criteria established by the Mississippi Development Authority. As used in this paragraph, the term "biomass" shall have the meaning ascribed to such term in Section 57-113-1.

(oo) Sales of supplies, equipment and other personal property to an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is the host organization coordinating a professional golf tournament played or to be played in this state and the supplies, equipment or other personal property will be used for purposes related to the golf tournament and related activities.

(pp) Sales of materials used in the construction of a health care industry facility, as defined in Section 57-117-3, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition thereon, to be used therein, to qualified businesses, as defined in Section 57-117-3. * * *

(qq) Sales or leases to a manufacturer of automotive parts operating a project that has been certified by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(xxviii) of machinery and equipment;



768 or repair parts therefor or replacements thereof; repair services
769 thereon; fuel, supplies, electricity, coal, nitrogen and natural
770 gas used directly in the manufacture of automotive parts or used
771 to provide climate control for manufacturing areas.

772 (rr) Gross collections derived from guided tours on any
773 navigable waters of this state, which include providing
774 accommodations, guide services and/or related equipment operated
775 by or under the direction of the person providing the tour, for
776 the purposes of outdoor tourism. The exemption provided in this
777 paragraph (rr) does not apply to the sale of tangible personal
778 property by a person providing such tours.

779 (ss) Retail sales of truck-tractors and semitrailers
780 used in interstate commerce and registered under the International
781 Registration Plan (IRP) or any similar reciprocity agreement or
782 compact relating to the proportional registration of commercial
783 vehicles entered into as provided for in Section 27-19-143.

784 (tt) Sales exempt under the Facilitating Business Rapid
785 Response to State Declared Disasters Act of 2015 (Sections
786 27-113-1 through 27-113-9).

787 (uu) Sales or leases to an enterprise and its
788 affiliates operating a project that has been certified by the
789 Mississippi Major Economic Impact Authority as a project as
790 defined in Section 57-75-5(f) (xxix) of:



791 (i) All personal property and fixtures, including
792 without limitation, sales or leases to the enterprise and its
793 affiliates of:

794 1. Manufacturing machinery and equipment;
795 2. Special tooling such as dies, molds, jigs
796 and similar items treated as special tooling for federal income
797 tax purposes;

798 3. Component building materials, machinery
799 and equipment used in the construction of buildings, and any other
800 additions or improvements to the project site for the project;

801 4. Nonmanufacturing furniture, fixtures and
802 equipment (inclusive of all communications, computer, server,
803 software and other hardware equipment); and

804 5. Fuel, supplies (other than
805 nonmanufacturing consumable supplies and water), electricity,
806 nitrogen gas and natural gas used directly in the
807 manufacturing/production operations of such project or used to
808 provide climate control for manufacturing/production areas of such
809 project;

810 (ii) All replacements of, repair parts for or
811 services to repair items described in subparagraph (i)1, 2 and 3
812 of this paragraph; and

813 (iii) All services taxable pursuant to Section
814 27-65-23 required to establish, support, operate, repair and/or
815 maintain such project.



816 (vv) Sales or leases to an enterprise operating a
817 project that has been certified by the Mississippi Major Economic
818 Impact Authority as a project as defined in Section
819 57-75-5(f) (xxx) of:

820 (i) Purchases required to establish and operate
821 the project, including, but not limited to, sales of component
822 building materials, machinery and equipment required to establish
823 the project facility and any additions or improvements thereon;
824 and

825 (ii) Machinery, special tools (such as dies,
826 molds, and jigs) or repair parts thereof, or replacements and
827 lease thereof, repair services thereon, fuel, supplies and
828 electricity, coal and natural gas used in the manufacturing
829 process and purchased by the enterprise owning or operating the
830 project for the benefit of the project.

831 (ww) Sales of component materials used in the
832 construction of a building, or any expansion or improvement
833 thereon, sales of machinery and/or equipment to be used therein,
834 and sales of processing machinery and equipment which is
835 permanently attached to the ground or to a permanent foundation
836 which is not by its nature intended to be housed in a building
837 structure, no later than three (3) months after initial startup,
838 expansion or improvement of a permanent enterprise solely engaged
839 in the conversion of natural sand into proppants used in oil and
840 gas exploration and development with at least ninety-five percent



841 (95%) of such proppants used in the production of oil and/or gas
842 from horizontally drilled wells and/or horizontally drilled
843 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

844 (xx) (i) Sales or leases to an enterprise operating a
845 project that has been certified by the Mississippi Major Economic
846 Impact Authority as a project as defined in Section
847 57-75-5(f)(xxxi), for a period ending no later than one (1) year
848 following completion of the construction of the facility or
849 facilities comprising such project of all personal property and
850 fixtures, including without limitation, sales or leases to the
851 enterprise and its affiliates of:

852 1. Manufacturing machinery and equipment;

853 2. Special tooling such as dies, molds, jigs
854 and similar items treated as special tooling for federal income
855 tax purposes;

856 3. Component building materials, machinery
857 and equipment used in the construction of buildings, and any other
858 additions or improvements to the project site for the project;

859 4. Nonmanufacturing furniture, fixtures and
860 equipment (inclusive of all communications, computer, server,
861 software and other hardware equipment);

862 5. Replacements of, repair parts for or
863 services to repair items described in this subparagraph (i)1, 2
864 and 3; and



865 6. All services taxable pursuant to Section
866 27-65-23 required to establish, support, operate, repair and/or
867 maintain such project; and

868 (ii) Sales or leases to an enterprise operating a
869 project that has been certified by the Mississippi Major Economic
870 Impact Authority as a project as defined in Section
871 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
872 natural gas, liquefied petroleum gas or other fuel, biomass,
873 nitrogen or other atmospheric or other industrial gases used
874 directly by the enterprise in the manufacturing/production
875 operations of its project or used to provide climate control for
876 manufacturing/production areas (which manufacturing/production
877 areas shall be apportioned based on square footage). As used in
878 this paragraph, the term "biomass" shall have the meaning ascribed
879 to such term in Section 57-113-1.

880 (yy) The gross proceeds from the sale of any item of
881 tangible personal property by the manufacturer or custom processor
882 thereof if such item is shipped, transported or exported from this
883 state and first used in another state, whether such shipment,
884 transportation or exportation is made by the seller, purchaser, or
885 any third party acting on behalf of such party. For the purposes
886 of this paragraph (yy), any instruction to, training of or
887 inspection by the purchaser with respect to the item prior to
888 shipment, transportation or exportation of the item shall not
889 constitute a first use of such item within this state.



890 (zz) (i) Sales or leases to an enterprise operating a
891 project that has been certified by the Mississippi Major Economic
892 Impact Authority as a project as defined in Section
893 57-75-5(f) (xxxii), for a period ending no later than one (1) year
894 following completion of the construction of the facility or
895 facilities comprising such project of all personal property and
896 fixtures, including, without limitation, sales or leases to the
897 enterprise and its affiliates of:

898 1. Manufacturing machinery and equipment;

899 2. Special tooling such as dies, molds, jigs
900 and similar items treated as special tooling for federal income
901 tax purposes;

902 3. Component building materials, machinery
903 and equipment used in the construction of buildings, and any other
904 additions or improvements to the project site for the project;

905 4. Nonmanufacturing furniture, fixtures and
906 equipment (inclusive of all communications, computer, server,
907 software and other hardware equipment);

908 5. Replacements of, repair parts for or
909 services to repair items described in this subparagraph (i)1, 2
910 and 3; and

911 6. All services taxable pursuant to Section
912 27-65-23 required to establish, support, operate, repair and/or
913 maintain such project; and



914 (ii) Sales or leases to an enterprise operating a
915 project that has been certified by the Mississippi Major Economic
916 Impact Authority as a project as defined in Section
917 57-75-5(f)(xxxii) of electricity, current, power, steam, coal,
918 natural gas, liquefied petroleum gas or other fuel, biomass,
919 nitrogen or other atmospheric or other industrial gases used
920 directly by the enterprise in the manufacturing/production
921 operations of its project or used to provide climate control for
922 manufacturing/production areas (which manufacturing/production
923 areas shall be apportioned based on square footage). As used in
924 this paragraph, the term "biomass" shall have the meaning ascribed
925 to such term in Section 57-113-1.

926 (aaa) Sales or leases to an enterprise and/or any
927 affiliates thereof operating a project that has been certified by
928 the Mississippi Major Economic Impact Authority as a project as
929 defined in Section 57-75-5(f)(xxxiii) of:

930 (i) Component building materials, fixtures,
931 machinery and equipment used in the construction of a data
932 processing facility or other buildings comprising all or part of a
933 project, for a period ending no later than one (1) year following
934 completion of the construction of the data processing facility or
935 such other building; and

936 (ii) All equipment and other personal property
937 needed to establish and operate the project and any expansions
938 thereof or additions thereto, including, but not limited to:



939 1. Communications, computer, server,
940 software, connectivity materials and equipment, emergency power
941 generation equipment, other hardware equipment and any other
942 technology;

943 2. All replacements of, and repair parts for,
944 such equipment or other personal property; and

945 3. All services taxable pursuant to Section
946 27-65-23 required to install, support, operate, repair and/or
947 maintain the foregoing equipment and other personal property
948 described in this subparagraph (ii).

949 (bbb) Sales, leases or other retail transfers of
950 fixed-wing aircraft to, or to be used by, certified common
951 carriers in the transport of persons or property in interstate,
952 intrastate or foreign commerce, and engines, accessories and spare
953 parts for such fixed-wing aircraft.

954 (2) Sales of component materials used in the construction of
955 a building, or any addition or improvement thereon, sales of
956 machinery and equipment to be used therein, and sales of
957 manufacturing or processing machinery and equipment which is
958 permanently attached to the ground or to a permanent foundation
959 and which is not by its nature intended to be housed within a
960 building structure, not later than three (3) months after the
961 initial start-up date, to permanent business enterprises engaging
962 in manufacturing or processing in Tier Two areas and Tier One
963 areas (as such areas are designated in accordance with Section



57-73-21), which businesses are certified by the Department of Revenue as being eligible for the exemption granted in this subsection, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter. The exemption provided in this subsection (2) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in Section 41-137-3 of the Mississippi Medical Cannabis Act.

(3) Sales of component materials used in the construction of a facility, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition or improvement thereto, to be used in the building or any addition or improvement thereto, to a permanent business enterprise operating a data/information enterprise in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses meet minimum criteria established by the Mississippi Development Authority, shall be exempt from one-half (1/2) of the taxes imposed on such transaction under this chapter. The exemption provided in this subsection (3) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in Section 41-137-3 of the Mississippi Medical Cannabis Act.

(4) Sales of component materials used in the construction of a facility, or any addition or improvement thereto, and sales of



989 machinery and equipment not later than three (3) months after the
990 completion of construction of the facility, or any addition or
991 improvement thereto, to be used in the building or any addition or
992 improvement thereto, to technology intensive enterprises for
993 industrial purposes in Tier Two areas and Tier One areas (as such
994 areas are designated in accordance with Section 57-73-21), which
995 businesses are certified by the Department of Revenue as being
996 eligible for the exemption granted in this subsection, shall be
997 exempt from one-half (1/2) of the taxes imposed on such
998 transactions under this chapter. For purposes of this subsection,
999 an enterprise must meet the criteria provided for in Section
1000 27-65-17(1)(f) in order to be considered a technology intensive
1001 enterprise.

1002 (5) (a) For purposes of this subsection:

1003 (i) "Telecommunications enterprises" shall have
1004 the meaning ascribed to such term in Section 57-73-21;

1005 (ii) "Tier One areas" mean counties designated as
1006 Tier One areas pursuant to Section 57-73-21;

1007 (iii) "Tier Two areas" mean counties designated as
1008 Tier Two areas pursuant to Section 57-73-21;

1009 (iv) "Tier Three areas" mean counties designated
1010 as Tier Three areas pursuant to Section 57-73-21; and

1011 (v) "Equipment used in the deployment of broadband
1012 technologies" means any equipment capable of being used for or in
1013 connection with the transmission of information at a rate, prior



1014 to taking into account the effects of any signal degradation, that
1015 is not less than three hundred eighty-four (384) kilobits per
1016 second in at least one (1) direction, including, but not limited
1017 to, asynchronous transfer mode switches, digital subscriber line
1018 access multiplexers, routers, servers, multiplexers, fiber optics
1019 and related equipment.

1020 (b) Sales of equipment to telecommunications
1021 enterprises after June 30, 2003, and before July 1, 2025, that is
1022 installed in Tier One areas and used in the deployment of
1023 broadband technologies shall be exempt from one-half (1/2) of the
1024 taxes imposed on such transactions under this chapter.

1025 (c) Sales of equipment to telecommunications
1026 enterprises after June 30, 2003, and before July 1, 2025, that is
1027 installed in Tier Two and Tier Three areas and used in the
1028 deployment of broadband technologies shall be exempt from the
1029 taxes imposed on such transactions under this chapter.

1030 (6) Sales of component materials used in the replacement,
1031 reconstruction or repair of a building that has been destroyed or
1032 sustained extensive damage as a result of a disaster declared by
1033 the Governor, sales of machinery and equipment to be used therein
1034 to replace machinery or equipment damaged or destroyed as a result
1035 of such disaster, including, but not limited to, manufacturing or
1036 processing machinery and equipment which is permanently attached
1037 to the ground or to a permanent foundation and which is not by its
1038 nature intended to be housed within a building structure, to



1039 enterprises that were eligible for the partial exemptions provided
1040 for in subsections (2), (3) and (4) of this section during initial
1041 construction of the building that was destroyed or damaged, which
1042 enterprises are certified by the Department of Revenue as being
1043 eligible for the partial exemption granted in this subsection,
1044 shall be exempt from one-half (1/2) of the taxes imposed on such
1045 transactions under this chapter.

1046 **SECTION 10.** This act shall take effect and be in force from
1047 and after July 1, 2025.

