

By: Representative Eure

To: Ways and Means

HOUSE BILL NO. 1341
(As Sent to Governor)

1 AN ACT TO REENACT SECTIONS 57-117-1 THROUGH 57-117-9,
2 MISSISSIPPI CODE OF 1972, WHICH ARE THE MISSISSIPPI HEALTH CARE
3 INDUSTRY ZONE ACT; TO AMEND SECTION 57-117-11, MISSISSIPPI CODE OF
4 1972, TO EXTEND THE DATE OF THE REPEALER ON THE MISSISSIPPI HEALTH
5 CARE INDUSTRY ZONE ACT; TO AMEND SECTION 27-31-101, MISSISSIPPI
6 CODE OF 1972, TO EXTEND THE DATE OF THE REVERTER ON THE STATUTE
7 AUTHORIZING COUNTIES AND MUNICIPALITIES TO GRANT AN AD VALOREM TAX
8 EXEMPTION TO HEALTH CARE INDUSTRY FACILITIES; TO AMEND SECTION
9 27-31-104, MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE
10 REVERTER ON THE STATUTE AUTHORIZING COUNTIES AND MUNICIPALITIES TO
11 GRANT A FEE-IN-LIEU OF AD VALOREM TAXES TO QUALIFIED BUSINESSES
12 UNDER THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT WHICH MEET
13 MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT
14 AUTHORITY; TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
15 AS AMENDED BY HOUSE BILL NO. 1644, 2025 REGULAR SESSION, TO EXTEND
16 THE DATE OF THE REPEALER ON THE PROVISION OF LAW THAT EXEMPTS FROM
17 SALES TAXATION SALES OF MATERIALS USED IN THE CONSTRUCTION OF, OR
18 ADDITION OR IMPROVEMENTS TO, A HEALTH CARE INDUSTRY FACILITY; AND
19 FOR RELATED PURPOSES.

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

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

23 57-117-1. This chapter shall be known and may be cited as
24 the "Mississippi Health Care Industry Zone Act."

25 **SECTION 2.** Section 57-117-3, Mississippi Code of 1972, is
26 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.

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

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

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

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



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

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

SECTION 3. Section 57-117-5, Mississippi Code of 1972, is reenacted as follows:

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

(a) The area is located within:

(i) Three (3) contiguous counties which have certificates of need of more than three hundred seventy-five (375) 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:



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

81 2. Located along or near Mississippi Highway
82 67 within a master planned community as defined in Section
83 19-5-10; and

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

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

91 (3) The MDA may adopt and promulgate such rules and
92 regulations, in compliance with the Mississippi Administrative
93 Procedures Law, as are necessary for the efficient and effective
94 administration of this section in keeping with the purposes for
95 which it is enacted.

96 **SECTION 4.** Section 57-117-7, Mississippi Code of 1972, is
97 reenacted as follows:

98 57-117-7. (1) Businesses and health care industry
99 facilities shall apply to the MDA for certification as a qualified
100 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 5. 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



125 revocation under this section shall not act retroactively to
126 remove any incentives granted by this chapter.

127 **SECTION 6.** Section 57-117-11, Mississippi Code of 1972, is
128 amended as follows:

129 57-117-11. Sections 57-117-1 through 57-117-11 shall be
130 repealed from and after July 1, * * * 2026.

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

133 **[Through June 30, * * * 2026, this section shall read as**
134 **follows:]**

135 27-31-101. (1) County boards of supervisors and municipal
136 authorities are hereby authorized and empowered, in their
137 discretion, to grant exemptions from ad valorem taxation, except
138 state ad valorem taxation; however, such governing authorities
139 shall not exempt ad valorem taxes for school district purposes on
140 tangible property used in, or necessary to, the operation of the
141 manufacturers and other new enterprises enumerated by classes in
142 this section, except to the extent authorized in Sections
143 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
144 taxes the products of the manufacturers or other new enterprises
145 or automobiles and trucks belonging to the manufacturers or other
146 new enterprises operating on and over the highways of the State of
147 Mississippi. The time of such exemption shall be for a period not
148 to exceed a total of ten (10) years, which shall begin on the date
149 of completion of the new enterprise for which the exemption is



150 granted; however, boards of supervisors and municipal authorities,
151 in lieu of granting the exemption for one (1) period of ten (10)
152 years, may grant the exemption in a period of less than ten (10)
153 years. When the initial exemption period granted is less than ten
154 (10) years, the boards of supervisors and municipal authorities
155 may grant a subsequent consecutive period or periods to follow the
156 initial period of exemption, provided that the total of all
157 periods of exemption shall not exceed ten (10) years. The date of
158 completion of the new enterprise, from which the initial period of
159 exemption shall begin, shall be the date on which operations of
160 the new enterprise begin. The initial request for an exemption
161 must be made in writing by June 1 of the year immediately
162 following the year in which the date of completion of a new
163 enterprise occurs. If the initial request for the exemption is
164 not timely made, the board of supervisors or municipal authorities
165 may grant a subsequent request for the exemption and, in such
166 case, the exemption shall begin on the anniversary date of
167 completion of the enterprise in the year in which the request is
168 made and may be for a period of time extending not more than ten
169 (10) years from the date of completion of the new enterprise. Any
170 subsequent request for the exemption must be made in writing by
171 June 1 of the year in which it is granted.

172 (2) Any board of supervisors or municipal authority which
173 has granted an exemption for a period of less than ten (10) years
174 may grant subsequent periods of exemption to run consecutively



with the initial exemption period, or a subsequently granted exemption period, but in no case shall the total of the exemption periods granted for a new enterprise exceed ten (10) years. Any consecutive period of exemption shall be granted by entry of an order by the board or the authority granting the consecutive exemption on its minutes, reflecting the granting of the consecutive exemption period and the dates upon which such consecutive exemption period begins and expires. The entry of this order granting the consecutive period of exemption shall be made before the expiration of the exemption period immediately preceding the consecutive exemption period being granted.

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

- (i) Warehouse and/or distribution centers;
- (ii) Manufacturing, processors and refineries;
- (iii) Research facilities;
- (iv) Corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority;



200 (v) Movie industry studios meeting minimum
201 criteria established by the Mississippi Development Authority;
202 (vi) Air transportation and maintenance facilities
203 meeting minimum criteria established by the Mississippi
204 Development Authority;
205 (vii) Recreational facilities that impact tourism
206 meeting minimum criteria established by the Mississippi
207 Development Authority;
208 (viii) Data/information processing enterprises
209 meeting minimum criteria established by the Mississippi
210 Development Authority;
211 (ix) Technology intensive enterprises or
212 facilities meeting criteria established by the Mississippi
213 Development Authority;
214 (x) Health care industry facilities as defined in
215 Section 57-117-3;
216 (xi) Data centers as defined in Section 57-113-21;
217 (xii) Telecommunications enterprises meeting
218 minimum criteria established by the Mississippi Development
219 Authority. The term "telecommunications enterprises" means
220 entities engaged in the creation, display, management, storage,
221 processing, transmission or distribution for compensation of
222 images, text, voice, video or data by wire or by wireless means,
223 or entities engaged in the construction, design, development,
224 manufacture, maintenance or distribution for compensation of



225 devices, products, software or structures used in the above
226 activities. Companies organized to do business as commercial
227 broadcast radio stations, television stations or news
228 organizations primarily serving in-state markets shall not be
229 included within the definition of the term "telecommunications
230 enterprises"; and

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

234 The new enterprises enumerated in this paragraph (a) do not
235 include medical cannabis establishments as defined in Section
236 41-137-3 of the Mississippi Medical Cannabis Act.

237 (b) An exemption from ad valorem taxes granted under
238 this section may include any or all tangible property, real or
239 personal, including any leasehold interests therein but excluding
240 automobiles and trucks operating on and over the highways of the
241 State of Mississippi, used in connection with, or necessary to,
242 the operation of an enterprise enumerated in paragraph (a) of this
243 subsection (3), whether or not such property is owned, leased,
244 subleased, licensed or otherwise obtained by such enterprise,
245 irrespective of the taxpayer to which any such leased property is
246 assessed for ad valorem tax purposes. If an exemption is granted
247 pursuant to this section with respect to any leasehold interest
248 under a lease, sublease or license of tangible property used in
249 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.

[From and after July 1, * * * 2026, this section shall read 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



275 granted; however, boards of supervisors and municipal authorities,
276 in lieu of granting the exemption for one (1) period of ten (10)
277 years, may grant the exemption in a period of less than ten (10)
278 years. When the initial exemption period granted is less than ten
279 (10) years, the boards of supervisors and municipal authorities
280 may grant a subsequent consecutive period or periods to follow the
281 initial period of exemption, provided that the total of all
282 periods of exemption shall not exceed ten (10) years. The date of
283 completion of the new enterprise, from which the initial period of
284 exemption shall begin, shall be the date on which operations of
285 the new enterprise begin. The initial request for an exemption
286 must be made in writing by June 1 of the year immediately
287 following the year in which the date of completion of a new
288 enterprise occurs. If the initial request for the exemption is
289 not timely made, the board of supervisors or municipal authorities
290 may grant a subsequent request for the exemption and, in such
291 case, the exemption shall begin on the anniversary date of
292 completion of the enterprise in the year in which the request is
293 made and may be for a period of time extending not more than ten
294 (10) years from the date of completion of the new enterprise. Any
295 subsequent request for the exemption must be made in writing by
296 June 1 of the year in which it is granted.

297 (2) Any board of supervisors or municipal authority which
298 has granted an exemption for a period of less than ten (10) years
299 may grant subsequent periods of exemption to run consecutively



with the initial exemption period, or a subsequently granted exemption period, but in no case shall the total of the exemption periods granted for a new enterprise exceed ten (10) years. Any consecutive period of exemption shall be granted by entry of an order by the board or the authority granting the consecutive exemption on its minutes, reflecting the granting of the consecutive exemption period and the dates upon which such consecutive exemption period begins and expires. The entry of this order granting the consecutive period of exemption shall be made before the expiration of the exemption period immediately preceding the consecutive exemption period being granted.

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

- (i) Warehouse and/or distribution centers;
- (ii) Manufacturing, processors and refineries;
- (iii) Research facilities;
- (iv) Corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority;



325 (v) Movie industry studios meeting minimum
326 criteria established by the Mississippi Development Authority;
327 (vi) Air transportation and maintenance facilities
328 meeting minimum criteria established by the Mississippi
329 Development Authority;
330 (vii) Recreational facilities that impact tourism
331 meeting minimum criteria established by the Mississippi
332 Development Authority;
333 (viii) Data/information processing enterprises
334 meeting minimum criteria established by the Mississippi
335 Development Authority;
336 (ix) Technology intensive enterprises or
337 facilities meeting criteria established by the Mississippi
338 Development Authority;
339 (x) Data centers as defined in Section 57-113-21;
340 (xi) Telecommunications enterprises meeting
341 minimum criteria established by the Mississippi Development
342 Authority. The term "telecommunications enterprises" means
343 entities engaged in the creation, display, management, storage,
344 processing, transmission or distribution for compensation of
345 images, text, voice, video or data by wire or by wireless means,
346 or entities engaged in the construction, design, development,
347 manufacture, maintenance or distribution for compensation of
348 devices, products, software or structures used in the above
349 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

(xii) 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:

[Through June 30, * * * 2026, this section shall read 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.

(2) A county board of supervisors may enter into a fee-in-lieu agreement on behalf of the county and any county school district, and a municipality may enter into such a fee-in-lieu agreement on behalf of the municipality and any municipal school district located in the municipality; however, if the project is located outside the limits of a municipality but within the boundaries of the municipal school district, then the county board of supervisors may enter into such a fee-in-lieu



450 agreement on behalf of the school district granting a fee-in-lieu
451 of ad valorem taxes for school district purposes.

452 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
453 evidenced by a written agreement negotiated by the enterprise and
454 the county board of supervisors and/or municipal authority, as the
455 case may be, and given final approval by the Mississippi
456 Development Authority as satisfying the requirements of this
457 section.

458 (4) The minimum sum allowable as a fee-in-lieu shall not be
459 less than one-third (1/3), or one-tenth (1/10) if the project is
460 also a project eligible for an ad valorem tax exemption under
461 Section 27-31-46 and a fee-in-lieu agreement is entered into
462 before July 1, 2026, of the ad valorem levy, including ad valorem
463 taxes for school district purposes, and except as otherwise
464 provided, the sum allowed shall be apportioned between the county
465 or municipality, as appropriate, and the school districts in such
466 amounts as may be determined by the county board of supervisors or
467 municipal governing authority, as the case may be, however, except
468 as otherwise provided in this section, from the sum allowed the
469 apportionment to school districts shall not be less than the
470 school districts' pro rata share based upon the proportion that
471 the millage imposed for the school districts by the appropriate
472 levying authority bears to the millage imposed by such levying
473 authority for all other county or municipal purposes. Any
474 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



525 project is located and apportion to the school district an amount
526 of the fee-in-lieu that is agreed upon in the negotiations
527 different than the amount provided for in subsection (3) of this
528 section.

529 (9) For a project as defined in Section 57-75-5(f)(xxviii),
530 the annual amount of the fee-in-lieu apportioned to the county
531 shall not be less than the amount necessary to pay the debt
532 service on bonds issued by the county pursuant to Section
533 57-75-37(3)(c).

534 (10) For any county and/or municipality that enters into a
535 fee-in-lieu agreement for a project as defined in Section
536 57-75-5(f)(xxxiii), the minimum sum allowable as a fee-in-lieu for
537 the project shall not be less than one-third (1/3); provided that
538 such allowed sum of each annual fee-in-lieu payment may be first
539 apportioned between the county or municipality, as appropriate,
540 and the school districts in any such amounts as may be determined
541 by the county board of supervisors or municipal governing
542 authority, as the case may be, to either: (a) first allocate and
543 remit to the Mississippi Major Economic Impact Authority or the
544 Mississippi Development Authority, as applicable, such portion of
545 each annual fee-in-lieu payment to repay to the Mississippi Major
546 Economic Impact Authority or the Mississippi Development
547 Authority, as applicable, funds advanced thereby to such county
548 and/or municipality or to other public agency, as defined in
549 Section 57-75-37(7)(a)(ii), to fund public improvements and



related costs for the project pursuant to an agreement entered into in accordance with Section 57-75-37(7)(c)(iii); or (b) first allocate and remit to the enterprise owning and/or operating the project such portion of each annual fee-in-lieu payment payable thereto pursuant to an agreement entered into in accordance with Section 57-75-37(7)(d)(iv). The balance of any annual fee-in-lieu amount remaining after such initial allocation and remittance to the Mississippi Major Economic Impact Authority, Mississippi Development Authority or enterprise owning and/or operating the project, as applicable, shall then be apportioned in accordance with subsection (4) of this section or as otherwise authorized by state law.

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

[From and after July 1, * * * 2026, this section shall read 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:



573 (i) Projects totaling over Sixty Million Dollars
574 (\$60,000,000.00) by any new enterprises enumerated in Section
575 27-31-101;

576 (ii) Projects by a private company (as such term
577 is defined in Section 57-61-5, Mississippi Code of 1972) having a
578 minimum capital investment of Sixty Million Dollars
579 (\$60,000,000.00);

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

587 (iv) A private company (as such term is defined in
588 Section 57-61-5) or entity defined in Section 77-3-3(d)(i) having
589 a minimum capital investment of One Hundred Million Dollars
590 (\$100,000,000.00) from any source or combination of sources,
591 provided that a majority of the capital investment is from private
592 sources, when such project is located within a geographic area for
593 which a Presidential Disaster Declaration was issued on or after
594 January 1, 2014.

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



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

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



622 (2) A county board of supervisors may enter into a
623 fee-in-lieu agreement on behalf of the county and any county
624 school district, and a municipality may enter into such a
625 fee-in-lieu agreement on behalf of the municipality and any
626 municipal school district located in the municipality; however, if
627 the project is located outside the limits of a municipality but
628 within the boundaries of the municipal school district, then the
629 county board of supervisors may enter into such a fee-in-lieu
630 agreement on behalf of the school district granting a fee-in-lieu
631 of ad valorem taxes for school district purposes.

632 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
633 evidenced by a written agreement negotiated by the enterprise and
634 the county board of supervisors and/or municipal authority, as the
635 case may be, and given final approval by the Mississippi
636 Development Authority as satisfying the requirements of this
637 section.

638 (4) The minimum sum allowable as a fee-in-lieu shall not be
639 less than one-third (1/3), or one-tenth (1/10) if the project is
640 also a project eligible for an ad valorem tax exemption under
641 Section 27-31-46 and a fee-in-lieu agreement is entered into
642 before July 1, 2026, of the ad valorem levy, including ad valorem
643 taxes for school district purposes, and except as otherwise
644 provided, the sum allowed shall be apportioned between the county
645 or municipality, as appropriate, and the school districts in such
646 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



672 otherwise payable, including school taxes, as the same may vary
673 from year to year based upon changes in the millage rate or
674 assessed value and shall not be less than one-third (1/3) of that
675 amount or one-tenth (1/10) of that amount if the project is also a
676 project eligible for an ad valorem tax exemption under Section
677 27-31-46 and a fee-in-lieu agreement is entered into before July
678 1, 2026. If the fee is a stated dollar amount, said amount shall
679 be the higher of the sum provided for fixed payment or (a)
680 one-third (1/3) of the total of all ad valorem taxes otherwise
681 payable as annually determined during each year of the fee-in-lieu
682 or (b) if the project is also a project eligible for an ad valorem
683 tax exemption under Section 27-31-46 and a fee-in-lieu agreement
684 is entered into before July 1, 2026, one-tenth (1/10) of the total
685 of all ad valorem taxes otherwise payable as annually determined
686 during each year of the fee-in-lieu.

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

694 (7) For a project as defined in Section 57-75-5(f)(xxi) and
695 located in a county that is a member of a regional economic
696 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 annual 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



722 authority, as the case may be, to either: (a) first allocate and
723 remit to the Mississippi Major Economic Impact Authority or the
724 Mississippi Development Authority, as applicable, such portion of
725 each annual fee-in-lieu payment to repay to the Mississippi Major
726 Economic Impact Authority or the Mississippi Development
727 Authority, as applicable, funds advanced thereby to such county
728 and/or municipality or to other public agency, as defined in
729 Section 57-75-37(7)(a)(ii), to fund public improvements and
730 related costs for the project pursuant to an agreement entered
731 into in accordance with Section 57-75-37(7)(c)(iii); or (b) first
732 allocate and remit to the enterprise owning and/or operating the
733 project such portion of each annual fee-in-lieu payment payable
734 thereto pursuant to an agreement entered into in accordance with
735 Section 57-75-37(7)(d)(iv). The balance of any annual fee-in-lieu
736 amount remaining after such initial allocation and remittance to
737 the Mississippi Major Economic Impact Authority, Mississippi
738 Development Authority or enterprise owning and/or operating the
739 project, as applicable, shall then be apportioned in accordance
740 with subsection (4) of this section or as otherwise authorized by
741 state law.

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



745 **SECTION 9.** Section 27-65-101, Mississippi Code of 1972, as
746 amended by House Bill No. 1644, 2025 Regular Session, is amended
747 as follows:

748 27-65-101. (1) The exemptions from the provisions of this
749 chapter which are of an industrial nature or which are more
750 properly classified as industrial exemptions than any other
751 exemption classification of this chapter shall be confined to
752 those persons or property exempted by this section or by the
753 provisions of the Constitution of the United States or the State
754 of Mississippi. No industrial exemption as now provided by any
755 other section except Section 57-3-33 shall be valid as against the
756 tax herein levied. Any subsequent industrial exemption from the
757 tax levied hereunder shall be provided by amendment to this
758 section. No exemption provided in this section shall apply to
759 taxes levied by Section 27-65-15 or 27-65-21.

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

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



(b) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases (except natural gas) to a manufacturer for use directly in manufacturing or processing a product for sale or rental or repairing or reconditioning vessels or barges of fifty (50) tons load displacement and over. For the purposes of this exemption, electricity used directly in the electrolysis process in the production of sodium chlorate shall be considered a raw material. This exemption shall not apply to any property used as fuel except to the extent that such fuel comprises by-products which have no market value.

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

(d) Sales to commercial fishermen of commercial fishing boats of over five (5) tons load displacement and not more than fifty (50) tons load displacement as registered with the United



794 States Coast Guard and licensed by the Mississippi Commission on
795 Marine Resources.

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

798 (f) Sales of petroleum products to vessels or barges
799 for consumption in marine international commerce or interstate
800 transportation businesses.

801 (g) Sales and rentals of rail rolling stock (and
802 component parts thereof) for ultimate use in interstate commerce
803 and gross income from services with respect to manufacturing,
804 repairing, cleaning, altering, reconditioning or improving such
805 rail rolling stock (and component parts thereof).

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

812 (i) Sales of machinery or tools or repair parts
813 therefor or replacements thereof, fuel or supplies used directly
814 in manufacturing, converting or repairing ships, vessels or barges
815 of three thousand (3,000) tons load displacement and over, but not
816 to include office and plant supplies or other equipment not
817 directly used on the ship, vessel or barge being built, converted
818 or repaired. For purposes of this exemption, "ships, vessels or



819 barges" shall not include floating structures described in Section
820 27-65-18.

821 (j) Sales of tangible personal property to persons
822 operating ships in international commerce for use or consumption
823 on board such ships. This exemption shall be limited to cases in
824 which procedures satisfactory to the commissioner, ensuring
825 against use in this state other than on such ships, are
826 established.

827 (k) Sales of materials used in the construction of a
828 building, or any addition or improvement thereon, and sales of any
829 machinery and equipment not later than three (3) months after the
830 completion of construction of the building, or any addition
831 thereon, to be used therein, to qualified businesses, as defined
832 in Section 57-51-5, which are located in a county or portion
833 thereof designated as an enterprise zone pursuant to Sections
834 57-51-1 through 57-51-15.

835 (l) Sales of materials used in the construction of a
836 building, or any addition or improvement thereon, and sales of any
837 machinery and equipment not later than three (3) months after the
838 completion of construction of the building, or any addition
839 thereon, to be used therein, to qualified businesses, as defined
840 in Section 57-54-5.

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



843 (n) The value of natural gas lawfully injected into the
844 earth for cycling, repressuring or lifting of oil, or lawfully
845 vented or flared in connection with the production of oil;
846 however, if any gas so injected into the earth is sold for such
847 purposes, then the gas so sold shall not be exempt.

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

850 (p) Sales of materials used in the construction of a
851 building, or any addition or improvement thereon, and sales of any
852 machinery and equipment not later than three (3) months after the
853 completion of construction of the building, or any addition
854 thereon, to be used therein, to qualified companies, certified as
855 such by the Mississippi Development Authority under Section
856 57-53-1.

857 (q) Sales of component materials used in the
858 construction of a building, or any addition or improvement
859 thereon, sales of machinery and equipment to be used therein, and
860 sales of manufacturing or processing machinery and equipment which
861 is permanently attached to the ground or to a permanent foundation
862 and which is not by its nature intended to be housed within a
863 building structure, not later than three (3) months after the
864 initial start-up date, to permanent business enterprises engaging
865 in manufacturing or processing in Tier Three areas (as such term
866 is defined in Section 57-73-21), which businesses are certified by
867 the Department of Revenue as being eligible for the exemption



868 granted in this paragraph (q). The exemption provided in this
869 paragraph (q) shall not apply to sales to any business enterprise
870 that is a medical cannabis establishment as defined in the
871 Mississippi Medical Cannabis Act.

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

887 (ii) Sales of component materials used in the
888 construction of a building, or any addition or improvement
889 thereon, and sales of any machinery and equipment not later than
890 three (3) months after the completion of the building, addition or
891 improvement thereon, to be used therein, for any company expanding
892 or making additions after January 1, 2013, to its national or



893 regional headquarters within the State of Mississippi and creating
894 a minimum of twenty (20) new jobs at the headquarters as a result
895 of the expansion or additions. The exemption provided in this
896 subparagraph (ii) shall not apply to sales for any company that is
897 a medical cannabis establishment as defined in the Mississippi
898 Medical Cannabis Act. The Department of Revenue shall establish
899 criteria and prescribe procedures to determine if a company
900 qualifies as a national or regional headquarters for the purpose
901 of receiving the exemption provided in this subparagraph (ii).

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

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

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

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

915 (ii) Assists in the implementation of the
916 contingency plan or area contingency plan, and which is created in



917 response to the requirements of Title IV, Subtitle B of the Oil
918 Pollution Act of 1990, Public Law 101-380; and

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

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

926 (v) Sales or leases of materials and equipment to
927 approved business enterprises as provided under the Growth and
928 Prosperity Act.

929 (w) From and after July 1, 2001, sales of pollution
930 control equipment to manufacturers or custom processors for
931 industrial use. For the purposes of this exemption, "pollution
932 control equipment" means equipment, devices, machinery or systems
933 used or acquired to prevent, control, monitor or reduce air, water
934 or groundwater pollution, or solid or hazardous waste as required
935 by federal or state law or regulation.

936 (x) Sales or leases to a manufacturer of motor vehicles
937 or powertrain components operating a project that has been
938 certified by the Mississippi Major Economic Impact Authority as a
939 project as defined in Section 57-75-5(f)(iv)1, Section
940 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
941 equipment; special tooling such as dies, molds, jigs and similar



942 items treated as special tooling for federal income tax purposes;
943 or repair parts therefor or replacements thereof; repair services
944 thereon; fuel, supplies, electricity, coal and natural gas used
945 directly in the manufacture of motor vehicles or motor vehicle
946 parts or used to provide climate control for manufacturing areas.

947 (y) Sales or leases of component materials, machinery
948 and equipment used in the construction of a building, or any
949 addition or improvement thereon to an enterprise operating a
950 project that has been certified by the Mississippi Major Economic
951 Impact Authority as a project as defined in Section
952 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
953 or Section 57-75-5(f)(xxviii) and any other sales or leases
954 required to establish or operate such project.

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

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

960 (bb) [Repealed]

961 (cc) Sales or leases to an enterprise owning or
962 operating a project that has been designated by the Mississippi
963 Major Economic Impact Authority as a project as defined in Section
964 57-75-5(f)(xviii) of machinery and equipment; special tooling such
965 as dies, molds, jigs and similar items treated as special tooling
966 for federal income tax purposes; or repair parts therefor or



967 replacements thereof; repair services thereon; fuel, supplies,
968 electricity, coal and natural gas used directly in the
969 manufacturing/production operations of the project or used to
970 provide climate control for manufacturing/production areas.

971 (dd) Sales or leases of component materials, machinery
972 and equipment used in the construction of a building, or any
973 addition or improvement thereon to an enterprise owning or
974 operating a project that has been designated by the Mississippi
975 Major Economic Impact Authority as a project as defined in Section
976 57-75-5(f)(xviii) and any other sales or leases required to
977 establish or operate such project.

978 (ee) Sales of parts used in the repair and servicing of
979 aircraft not registered in Mississippi engaged exclusively in the
980 business of foreign or interstate transportation to businesses
981 engaged in aircraft repair and maintenance.

982 (ff) Sales of component materials used in the
983 construction of a facility, or any addition or improvement
984 thereon, and sales or leases of machinery and equipment not later
985 than three (3) months after the completion of construction of the
986 facility, or any addition or improvement thereto, to be used in
987 the building or any addition or improvement thereto, to a
988 permanent business enterprise operating a data/information
989 enterprise in Tier Three areas (as such areas are designated in
990 accordance with Section 57-73-21), meeting minimum criteria
991 established by the Mississippi Development Authority. The



exemption provided in this paragraph (ff) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in 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



1017 that were eligible for the exemptions authorized in paragraph (q),
1018 (r), (ff) or (gg) of this subsection during initial construction
1019 of the building that was destroyed or damaged, which enterprises
1020 or companies are certified by the Department of Revenue as being
1021 eligible for the exemption granted in this paragraph.

1022 (ii) Sales of software or software services transmitted
1023 by the Internet to a destination outside the State of Mississippi
1024 where the first use of such software or software services by the
1025 purchaser occurs outside the State of Mississippi.

1026 (jj) Gross income of public storage warehouses derived
1027 from the temporary storage of raw materials that are to be used in
1028 an eligible facility as defined in Section 27-7-22.35.

1029 (kk) Sales of component building materials and
1030 equipment for initial construction of facilities or expansion of
1031 facilities as authorized under Sections 57-113-1 through 57-113-7
1032 and Sections 57-113-21 through 57-113-27.

1033 (ll) Sales and leases of machinery and equipment
1034 acquired in the initial construction to establish facilities as
1035 authorized in Sections 57-113-1 through 57-113-7.

1036 (mm) Sales and leases of replacement hardware, software
1037 or other necessary technology to operate a data center as
1038 authorized under Sections 57-113-21 through 57-113-27.

1039 (nn) Sales of component materials used in the
1040 construction of a building, or any addition or improvement
1041 thereon, and sales or leases of machinery and equipment not later



1042 than three (3) months after the completion of the construction of
1043 the facility, to be used in the facility, to permanent business
1044 enterprises operating a facility producing renewable crude oil
1045 from biomass harvested or produced, in whole or in part, in
1046 Mississippi, which businesses meet minimum criteria established by
1047 the Mississippi Development Authority. As used in this paragraph,
1048 the term "biomass" shall have the meaning ascribed to such term in
1049 Section 57-113-1.

1050 (oo) Sales of supplies, equipment and other personal
1051 property to an organization that is exempt from taxation under
1052 Section 501(c)(3) of the Internal Revenue Code and is the host
1053 organization coordinating a professional golf tournament played or
1054 to be played in this state and the supplies, equipment or other
1055 personal property will be used for purposes related to the golf
1056 tournament and related activities.

1057 (pp) Sales of materials used in the construction of a
1058 health care industry facility, as defined in Section 57-117-3, or
1059 any addition or improvement thereon, and sales of any machinery
1060 and equipment not later than three (3) months after the completion
1061 of construction of the facility, or any addition thereon, to be
1062 used therein, to qualified businesses, as defined in Section
1063 57-117-3. This paragraph shall be repealed from and after July
1064 1, * * * 2026.

1065 (qq) Sales or leases to a manufacturer of automotive
1066 parts operating a project that has been certified by the



1067 Mississippi Major Economic Impact Authority as a project as
1068 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
1069 or repair parts therefor or replacements thereof; repair services
1070 thereon; fuel, supplies, electricity, coal, nitrogen and natural
1071 gas used directly in the manufacture of automotive parts or used
1072 to provide climate control for manufacturing areas.

1073 (rr) Gross collections derived from guided tours on any
1074 navigable waters of this state, which include providing
1075 accommodations, guide services and/or related equipment operated
1076 by or under the direction of the person providing the tour, for
1077 the purposes of outdoor tourism. The exemption provided in this
1078 paragraph (rr) does not apply to the sale of tangible personal
1079 property by a person providing such tours.

1080 (ss) Retail sales of truck-tractors and semitrailers
1081 used in interstate commerce and registered under the International
1082 Registration Plan (IRP) or any similar reciprocity agreement or
1083 compact relating to the proportional registration of commercial
1084 vehicles entered into as provided for in Section 27-19-143.

1085 (tt) Sales exempt under the Facilitating Business Rapid
1086 Response to State Declared Disasters Act of 2015 (Sections
1087 27-113-1 through 27-113-9).

1088 (uu) Sales or leases to an enterprise and its
1089 affiliates operating a project that has been certified by the
1090 Mississippi Major Economic Impact Authority as a project as
1091 defined in Section 57-75-5(f)(xxix) of:



1092 (i) All personal property and fixtures, including
1093 without limitation, sales or leases to the enterprise and its
1094 affiliates of:

1095 1. Manufacturing machinery and equipment;

1096 2. Special tooling such as dies, molds, jigs
1097 and similar items treated as special tooling for federal income
1098 tax purposes;

1099 3. Component building materials, machinery
1100 and equipment used in the construction of buildings, and any other
1101 additions or improvements to the project site for the project;

1102 4. Nonmanufacturing furniture, fixtures and
1103 equipment (inclusive of all communications, computer, server,
1104 software and other hardware equipment); and

1105 5. Fuel, supplies (other than
1106 nonmanufacturing consumable supplies and water), electricity,
1107 nitrogen gas and natural gas used directly in the
1108 manufacturing/production operations of such project or used to
1109 provide climate control for manufacturing/production areas of such
1110 project;

1111 (ii) All replacements of, repair parts for or
1112 services to repair items described in subparagraph (i)1, 2 and 3
1113 of this paragraph; and

1114 (iii) All services taxable pursuant to Section
1115 27-65-23 required to establish, support, operate, repair and/or
1116 maintain such project.



1117 (vv) Sales or leases to an enterprise operating a
1118 project that has been certified by the Mississippi Major Economic
1119 Impact Authority as a project as defined in Section
1120 57-75-5(f) (xxx) of:

1121 (i) Purchases required to establish and operate
1122 the project, including, but not limited to, sales of component
1123 building materials, machinery and equipment required to establish
1124 the project facility and any additions or improvements thereon;
1125 and

1126 (ii) Machinery, special tools (such as dies,
1127 molds, and jigs) or repair parts thereof, or replacements and
1128 lease thereof, repair services thereon, fuel, supplies and
1129 electricity, coal and natural gas used in the manufacturing
1130 process and purchased by the enterprise owning or operating the
1131 project for the benefit of the project.

1132 (wv) Sales of component materials used in the
1133 construction of a building, or any expansion or improvement
1134 thereon, sales of machinery and/or equipment to be used therein,
1135 and sales of processing machinery and equipment which is
1136 permanently attached to the ground or to a permanent foundation
1137 which is not by its nature intended to be housed in a building
1138 structure, no later than three (3) months after initial startup,
1139 expansion or improvement of a permanent enterprise solely engaged
1140 in the conversion of natural sand into proppants used in oil and
1141 gas exploration and development with at least ninety-five percent



1142 (95%) of such proppants used in the production of oil and/or gas
1143 from horizontally drilled wells and/or horizontally drilled
1144 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1145 (xx) (i) Sales or leases to an enterprise operating a
1146 project that has been certified by the Mississippi Major Economic
1147 Impact Authority as a project as defined in Section
1148 57-75-5(f)(xxxi), for a period ending no later than one (1) year
1149 following completion of the construction of the facility or
1150 facilities comprising such project of all personal property and
1151 fixtures, including without limitation, sales or leases to the
1152 enterprise and its affiliates of:

1153 1. Manufacturing machinery and equipment;

1154 2. Special tooling such as dies, molds, jigs
1155 and similar items treated as special tooling for federal income
1156 tax purposes;

1157 3. Component building materials, machinery
1158 and equipment used in the construction of buildings, and any other
1159 additions or improvements to the project site for the project;

1160 4. Nonmanufacturing furniture, fixtures and
1161 equipment (inclusive of all communications, computer, server,
1162 software and other hardware equipment);

1163 5. Replacements of, repair parts for or
1164 services to repair items described in this subparagraph (i)1, 2
1165 and 3; and



1166 6. All services taxable pursuant to Section
1167 27-65-23 required to establish, support, operate, repair and/or
1168 maintain such project; and

1169 (ii) Sales or leases to an enterprise operating a
1170 project that has been certified by the Mississippi Major Economic
1171 Impact Authority as a project as defined in Section
1172 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
1173 natural gas, liquefied petroleum gas or other fuel, biomass,
1174 nitrogen or other atmospheric or other industrial gases used
1175 directly by the enterprise in the manufacturing/production
1176 operations of its project or used to provide climate control for
1177 manufacturing/production areas (which manufacturing/production
1178 areas shall be apportioned based on square footage). As used in
1179 this paragraph, the term "biomass" shall have the meaning ascribed
1180 to such term in Section 57-113-1.

1181 (yy) The gross proceeds from the sale of any item of
1182 tangible personal property by the manufacturer or custom processor
1183 thereof if such item is shipped, transported or exported from this
1184 state and first used in another state, whether such shipment,
1185 transportation or exportation is made by the seller, purchaser, or
1186 any third party acting on behalf of such party. For the purposes
1187 of this paragraph (yy), any instruction to, training of or
1188 inspection by the purchaser with respect to the item prior to
1189 shipment, transportation or exportation of the item shall not
1190 constitute a first use of such item within this state.



1191 (zz) (i) Sales or leases to an enterprise operating a
1192 project that has been certified by the Mississippi Major Economic
1193 Impact Authority as a project as defined in Section
1194 57-75-5(f) (xxxii), for a period ending no later than one (1) year
1195 following completion of the construction of the facility or
1196 facilities comprising such project of all personal property and
1197 fixtures, including, without limitation, sales or leases to the
1198 enterprise and its affiliates of:

1199 1. Manufacturing machinery and equipment;

1200 2. Special tooling such as dies, molds, jigs
1201 and similar items treated as special tooling for federal income
1202 tax purposes;

1203 3. Component building materials, machinery
1204 and equipment used in the construction of buildings, and any other
1205 additions or improvements to the project site for the project;

1206 4. Nonmanufacturing furniture, fixtures and
1207 equipment (inclusive of all communications, computer, server,
1208 software and other hardware equipment);

1209 5. Replacements of, repair parts for or
1210 services to repair items described in this subparagraph (i)1, 2
1211 and 3; and

1212 6. All services taxable pursuant to Section
1213 27-65-23 required to establish, support, operate, repair and/or
1214 maintain such project; and



1215 (ii) Sales or leases to an enterprise operating a
1216 project that has been certified by the Mississippi Major Economic
1217 Impact Authority as a project as defined in Section
1218 57-75-5(f)(xxxii) of electricity, current, power, steam, coal,
1219 natural gas, liquefied petroleum gas or other fuel, biomass,
1220 nitrogen or other atmospheric or other industrial gases used
1221 directly by the enterprise in the manufacturing/production
1222 operations of its project or used to provide climate control for
1223 manufacturing/production areas (which manufacturing/production
1224 areas shall be apportioned based on square footage). As used in
1225 this paragraph, the term "biomass" shall have the meaning ascribed
1226 to such term in Section 57-113-1.

1227 (aaa) Sales or leases to an enterprise and/or any
1228 affiliates thereof operating a project that has been certified by
1229 the Mississippi Major Economic Impact Authority as a project as
1230 defined in Section 57-75-5(f)(xxxiii) of:

1231 (i) Component building materials, fixtures,
1232 machinery and equipment used in the construction of a data
1233 processing facility or other buildings comprising all or part of a
1234 project, for a period ending no later than one (1) year following
1235 completion of the construction of the data processing facility or
1236 such other building; and

1237 (ii) All equipment and other personal property
1238 needed to establish and operate the project and any expansions
1239 thereof or additions thereto, including, but not limited to:



1240 1. Communications, computer, server,
1241 software, connectivity materials and equipment, emergency power
1242 generation equipment, other hardware equipment and any other
1243 technology;

1244 2. All replacements of, and repair parts for,
1245 such equipment or other personal property; and

1246 3. All services taxable pursuant to Section
1247 27-65-23 required to install, support, operate, repair and/or
1248 maintain the foregoing equipment and other personal property
1249 described in this subparagraph (ii).

1250 (bbb) Sales, leases or other retail transfers of
1251 fixed-wing aircraft to, or to be used by, certified common
1252 carriers in the transport of persons or property in interstate,
1253 intrastate or foreign commerce, and engines, accessories and spare
1254 parts for such fixed-wing aircraft.

1255 (2) Sales of component materials used in the construction of
1256 a building, or any addition or improvement thereon, sales of
1257 machinery and equipment to be used therein, and sales of
1258 manufacturing or processing machinery and equipment which is
1259 permanently attached to the ground or to a permanent foundation
1260 and which is not by its nature intended to be housed within a
1261 building structure, not later than three (3) months after the
1262 initial start-up date, to permanent business enterprises engaging
1263 in manufacturing or processing in Tier Two areas and Tier One
1264 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 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 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 machinery and equipment not later than three (3) months after the



1290 completion of construction of the facility, or any addition or
1291 improvement thereto, to be used in the building or any addition or
1292 improvement thereto, to technology intensive enterprises for
1293 industrial purposes in Tier Two areas and Tier One areas (as such
1294 areas are designated in accordance with Section 57-73-21), which
1295 businesses are certified by the Department of Revenue as being
1296 eligible for the exemption granted in this subsection, shall be
1297 exempt from one-half (1/2) of the taxes imposed on such
1298 transactions under this chapter. For purposes of this subsection,
1299 an enterprise must meet the criteria provided for in Section
1300 27-65-17(1)(f) in order to be considered a technology intensive
1301 enterprise.

1302 (5) (a) For purposes of this subsection:

1303 (i) "Telecommunications enterprises" shall have
1304 the meaning ascribed to such term in Section 57-73-21;

1305 (ii) "Tier One areas" mean counties designated as
1306 Tier One areas pursuant to Section 57-73-21;

1307 (iii) "Tier Two areas" mean counties designated as
1308 Tier Two areas pursuant to Section 57-73-21;

1309 (iv) "Tier Three areas" mean counties designated
1310 as Tier Three areas pursuant to Section 57-73-21; and

1311 (v) "Equipment used in the deployment of broadband
1312 technologies" means any equipment capable of being used for or in
1313 connection with the transmission of information at a rate, prior
1314 to taking into account the effects of any signal degradation, that



1315 is not less than * * * thirty-five (35) megabits per second
1316 downlink and three (3) megabits per second uplink for mobile
1317 broadband or that is capable of providing fixed broadband service
1318 as defined by Section 77-19-3.

1319 (b) Sales of equipment to telecommunications
1320 enterprises after June 30, 2003, and before July 1, * * * 2030,
1321 that is installed in Tier One areas and used in the deployment of
1322 broadband technologies shall be exempt from one-half (1/2) of the
1323 taxes imposed on such transactions under this chapter.

1324 (c) Sales of equipment to telecommunications
1325 enterprises after June 30, 2003, and before July 1, * * * 2030,
1326 that is installed in Tier Two and Tier Three areas and used in the
1327 deployment of broadband technologies shall be exempt from the
1328 taxes imposed on such transactions under this chapter.

1329 (6) Sales of component materials used in the replacement,
1330 reconstruction or repair of a building that has been destroyed or
1331 sustained extensive damage as a result of a disaster declared by
1332 the Governor, sales of machinery and equipment to be used therein
1333 to replace machinery or equipment damaged or destroyed as a result
1334 of such disaster, including, but not limited to, manufacturing or
1335 processing machinery and equipment which is permanently attached
1336 to the ground or to a permanent foundation and which is not by its
1337 nature intended to be housed within a building structure, to
1338 enterprises that were eligible for the partial exemptions provided
1339 for in subsections (2), (3) and (4) of this section during initial



1340 construction of the building that was destroyed or damaged, which
1341 enterprises are certified by the Department of Revenue as being
1342 eligible for the partial exemption granted in this subsection,
1343 shall be exempt from one-half (1/2) of the taxes imposed on such
1344 transactions under this chapter.

1345 **SECTION 10.** This act shall take effect and be in force from
1346 and after July 1, 2025.

