

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1903

1 AN ACT TO AMEND SECTION 27-7-22.41, MISSISSIPPI CODE OF 1972,
2 WHICH PROVIDES AN INCOME TAX CREDIT, INSURANCE PREMIUM TAX CREDIT
3 AND AD VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE BY CERTAIN
4 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS, TO
5 INCREASE THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE
6 ALLOCATED BY THE DEPARTMENT OF REVENUE UNDER THIS SECTION DURING A
7 CALENDAR YEAR; TO REVISE CERTAIN PROVISIONS RELATING TO THE AD
8 VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE TO SUCH ORGANIZATIONS;
9 TO AMEND SECTION 57-105-1, MISSISSIPPI CODE OF 1972, TO EXTEND
10 UNTIL JULY 1, 2029, THE DATE AFTER WHICH THE MISSISSIPPI
11 DEVELOPMENT AUTHORITY SHALL NOT ALLOCATE INCOME TAX AND INSURANCE
12 PREMIUM TAX CREDITS FOR TAXPAYERS HOLDING CERTAIN QUALIFIED
13 INVESTMENTS; TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972,
14 TO AMEND THE DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF
15 BROADBAND TECHNOLOGIES" FOR PURPOSES OF THE CREDIT AGAINST INCOME
16 TAX AND CORPORATION FRANCHISE TAX LIABILITY OF TELECOMMUNICATIONS
17 ENTERPRISES FOR CERTAIN INVESTMENTS MADE IN SUCH EQUIPMENT, AND
18 FOR PURPOSES OF THE AD VALOREM TAX EXEMPTION FOR SUCH EQUIPMENT
19 PLACED IN SERVICE IN A CERTAIN TIME PERIOD; TO LIMIT THE AGGREGATE
20 AMOUNT OF INCOME TAX AND CORPORATION FRANCHISE TAX CREDITS THAT
21 MAY BE CLAIMED DURING A CALENDAR YEAR; TO AMEND SECTION 57-87-7,
22 MISSISSIPPI CODE OF 1972, TO SPECIFY THE EQUIPMENT PLACED IN
23 SERVICE AFTER JUNE 30, 2025, AND BEFORE JULY 1, 2030, THAT IS
24 ELIGIBLE FOR THE AD VALOREM TAX EXEMPTION; TO REQUIRE A TAXPAYER
25 TO SUBMIT A CERTIFIED, SWORN DESCRIPTION OF THE EQUIPMENT TO THE
26 TAX ASSESSOR OF THE COUNTY IN WHICH SUCH EQUIPMENT IS LOCATED, ON
27 OR BEFORE APRIL 1 OF THE FIRST ASSESSMENT YEAR IN WHICH THE
28 EXEMPTION IS BEING CLAIMED; TO AMEND SECTION 27-65-101,
29 MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF "EQUIPMENT
30 USED IN THE DEPLOYMENT OF BROADBAND TECHNOLOGIES" FOR PURPOSES OF
31 THE INDUSTRIAL SALES TAX EXEMPTION FOR SALES OF SUCH EQUIPMENT;
32 AND FOR RELATED PURPOSES.

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



34 **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is
35 amended as follows:

36 27-7-22.41. (1) For the purposes of this section, the
37 following words and phrases shall have the meanings ascribed in
38 this section unless the context clearly indicates otherwise:

39 (a) "Department" means the Department of Revenue.

40 (b) "Eligible charitable organization" means an
41 organization that is exempt from federal income taxation under
42 Section 501(c)(3) of the Internal Revenue Code and is:

43 (i) Licensed by or under contract with the
44 Mississippi Department of Child Protection Services and provides
45 services for:

46 1. The prevention and diversion of children
47 from custody with the Department of Child Protection Services,

48 2. The safety, care and well-being of
49 children in custody with the Department of Child Protection
50 Services, or

51 3. The express purpose of creating permanency
52 for children through adoption; or

53 (ii) Certified by the department as an educational
54 services charitable organization that is accredited by a regional
55 accrediting organization and provides services to:

56 1. Children in a foster care placement
57 program established by the Department of Child Protection
58 Services, children placed under the Safe Families for Children



model, or children at significant risk of entering a foster care placement program established by the Department of Child Protection Services,

2. Children who have a chronic illness or physical, intellectual, developmental or emotional disability, or

3. Children eligible for free or reduced price meals programs under Section 37-11-7, or selected for participation in the Promise Neighborhoods Program sponsored by the U.S. Department of Education.

(2) (a) The tax credit authorized in this section shall be available only to a taxpayer who is a business enterprise engaged in commercial, industrial or professional activities and operating as a corporation, limited liability company, partnership or sole proprietorship. Except as otherwise provided in this section, a credit is allowed against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary cash contributions made by a taxpayer during the taxable year to an eligible charitable organization. From and after January 1, 2022, through calendar year 2024, for a taxpayer that is not operating as a corporation, a credit is also allowed against ad valorem taxes assessed and levied on real property for voluntary cash contributions made by the taxpayer during the taxable year to an eligible charitable organization. From and after January 1, 2025, a credit is also allowed against ad valorem taxes assessed and levied on real property for voluntary cash contributions made by a



84 taxpayer during the taxable year to an eligible charitable
85 organization. The amount of credit that may be utilized by a
86 taxpayer in a taxable year shall be limited to (i) an amount not
87 to exceed fifty percent (50%) of the total tax liability of the
88 taxpayer for the taxes imposed by such sections of law and (ii) an
89 amount not to exceed fifty percent (50%) of the total tax
90 liability of the taxpayer for ad valorem taxes assessed and levied
91 on real property. Any tax credit claimed under this section but
92 not used in any taxable year may be carried forward for five (5)
93 consecutive years from the close of the tax year in which the
94 credits were earned.

95 (b) A contribution to an eligible charitable
96 organization for which a credit is claimed under this section does
97 not qualify for and shall not be included in any credit that may
98 be claimed under Section 27-7-22.39.

99 (c) A contribution for which a credit is claimed under
100 this section may not be used as a deduction by the taxpayer for
101 state income tax purposes.

102 (3) Taxpayers taking a credit authorized by this section
103 shall provide the name of the eligible charitable organization and
104 the amount of the contribution to the department on forms provided
105 by the department.

106 (4) An eligible charitable organization shall provide the
107 department with a written certification that it meets all criteria
108 to be considered an eligible charitable organization. An eligible



charitable organization must also provide the department with written documented proof of its license and/or written contract with the Mississippi Department of Child Protection Services. The organization shall also notify the department of any changes that may affect eligibility under this section.

(5) The eligible charitable organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification shall include the following:

(a) Verification of the organization's status under Section 501(c)(3) of the Internal Revenue Code;

(b) A statement that the organization does not provide, pay for or provide coverage of abortions and does not financially support any other entity that provides, pays for or provides coverage of abortions;

(c) A statement that the funds generated from the tax credit shall be used for educational resources, staff and expenditures and/or other purposes described in this section.

(d) Any other information that the department requires to administer this section.

(6) The department shall review each written certification and determine whether the organization meets all the criteria to be considered an eligible charitable organization and notify the organization of its determination. The department may also periodically request recertification from the organization. The



department shall compile and make available to the public a list of eligible charitable organizations.

(7) Tax credits authorized by this section that are earned by a partnership, limited liability company, S corporation or other similar pass-through entity, shall be allocated among all partners, members or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners, members or shareholders mutually agree as provided in an executed document.

(8) (a) A taxpayer shall apply for credits with the department on forms prescribed by the department. In the application the taxpayer shall certify to the department the dollar amount of the contributions made or to be made during the calendar year. Within thirty (30) days after the receipt of an application, the department shall allocate credits based on the dollar amount of contributions as certified in the application. However, if the department cannot allocate the full amount of credits certified in the application due to the limit on the aggregate amount of credits that may be awarded under this section in a calendar year, the department shall so notify the applicant within thirty (30) days with the amount of credits, if any, that may be allocated to the applicant in the calendar year. Once the department has allocated credits to a taxpayer, if the contribution for which a credit is allocated has not been made as of the date of the allocation, then the contribution must be made



not later than sixty (60) days from the date of the allocation. If the contribution is not made within such time period, the allocation shall be cancelled and returned to the department for reallocation. Upon final documentation of the contributions, if the actual dollar amount of the contributions is lower than the amount estimated, the department shall adjust the tax credit allowed under this section.

(b) A taxpayer who applied for a tax credit under this section during calendar year 2020, but who was unable to be awarded the credit due to the limit on the aggregate amount of credits authorized for calendar year 2020, shall be given priority for tax credits authorized to be allocated to taxpayers under this section by Section 27-7-22.39.

(c) For the purposes of using a tax credit against ad valorem taxes assessed and levied on real property, a taxpayer shall present to the appropriate tax collector the tax credit documentation provided to the taxpayer by the Department of Revenue, and the tax collector shall apply the tax credit against such ad valorem taxes. The tax collector shall forward the tax credit documentation to the Department of Revenue along with the amount of the tax credit applied against ad valorem taxes, and the department shall disburse funds to the tax collector for the amount of the tax credit applied against ad valorem taxes. Such payments by the Department of Revenue shall be made from current tax collections.



(9) The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Five Million Dollars (\$5,000,000.00), and not more than fifty percent (50%) of tax credits allocated during a calendar year may be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section. However, for calendar year 2021, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Ten Million Dollars (\$10,000,000.00), for calendar year 2022, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Sixteen Million Dollars (\$16,000,000.00), * * * for calendar year 2023, and for each calendar year thereafter through calendar year 2024, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Eighteen Million Dollars (\$18,000,000.00), for calendar year 2025, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Thirty-two Million Dollars (\$32,000,000.00), for calendar year 2026, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Thirty-six Million Dollars (\$36,000,000.00), and for calendar year 2027, and for each calendar year thereafter, the aggregate amount



of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Forty Million Dollars (\$40,000,000.00). For calendar year 2021, and for each calendar year thereafter, fifty percent (50%) of the tax credits allocated during a calendar year shall be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(i) of this section and fifty percent (50%) of the tax credits allocated during a calendar year shall be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section. For calendar year 2021, and for each calendar year thereafter, for credits allocated during a calendar year for contributions to eligible charitable organizations described in subsection (1)(b)(i) of this section, no more than twenty-five percent (25%) of such credits may be allocated for contributions to a single eligible charitable organization. Except as otherwise provided in this section, for calendar year 2021, and for each calendar year thereafter through calendar year 2024, for credits allocated during a calendar year for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section, no more than four and one-half percent (4-1/2%) of such credits may be allocated for contributions to a single eligible charitable organization. For calendar year 2025, and for each calendar year thereafter, for credits allocated during a calendar year for contributions to eligible charitable organizations described in subsection



(1)(b)(ii) of this section, no more than three percent (3%) of such credits may be allocated for contributions to a single eligible charitable organization.

SECTION 2. Section 57-105-1, Mississippi Code of 1972, is amended as follows:

57-105-1. (1) As used in this section:

(a) "Adjusted purchase price" means the investment in the qualified community development entity for the qualified equity investment, substantially all of the proceeds of which are used to make qualified low-income community investments in Mississippi.

For the purposes of calculating the amount of qualified low-income community investments held by a qualified community development entity, an investment will be considered held by a qualified community development entity even if the investment has been sold or repaid; provided that the qualified community development entity reinvests an amount equal to the capital returned to or recovered by the qualified community development entity from the original investment, exclusive of any profits realized, in another qualified low-income community investment in Mississippi, including any federal Indian reservation located within the geographical boundary of Mississippi within twelve (12) months of the receipt of such capital. A qualified community development entity will not be required to reinvest capital returned from the qualified low-income community investments after



the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment will be considered held by the qualified community development entity through the seventh anniversary of the qualified equity investment's issuance.

(b) "Applicable percentage" means:

(i) For any equity investment issued prior to July 1, 2008, four percent (4%) for each of the second through seventh credit allowance dates for purposes of the taxes imposed by Section 27-7-5 and one and one-third percent (1-1/3%) for each of the second through seventh credit allowance dates for purposes of the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

(ii) For any equity investment issued from and after July 1, 2008, eight percent (8%) for each of the first through third credit allowance dates for purposes of the taxes imposed by Section 27-7-5 or the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

(c) "Credit allowance date" means, with respect to any qualified equity investment:

(i) The later of:

1. The date upon which the qualified equity investment is initially made; or



282 2. The date upon which the Mississippi
283 Development Authority issues a certificate under subsection (4) of
284 this section; and

285 (ii) 1. For equity investments issued prior to
286 July 1, 2008, each of the subsequent six (6) anniversary dates of
287 the date upon which the investment is initially made; or

288 2. For equity investments issued from and
289 after July 1, 2008, each of the subsequent two (2) anniversary
290 dates of the date determined as provided for in subparagraph (i)
291 of this paragraph.

292 (d) "Qualified community development entity" shall have
293 the meaning ascribed to such term in Section 45D of the Internal
294 Revenue Code of 1986, as amended, if the entity has entered into
295 an Allocation Agreement with the Community Development Financial
296 Institutions Fund of the United States Department of the Treasury
297 with respect to credits authorized by Section 45D of the Internal
298 Revenue Code of 1986, as amended.

299 (e) "Qualified active low-income community business"
300 shall have the meaning ascribed to such term in Section 45D of the
301 Internal Revenue Code of 1986, as amended.

302 (f) "Qualified equity investment" shall have the
303 meaning ascribed to such term in Section 45D of the Internal
304 Revenue Code of 1986, as amended. The investment does not have to
305 be designated as a qualified equity investment by the Community
306 Development Financial Institutions Fund of the United States



Treasury to be considered a qualified equity investment under this section but otherwise must meet the definition under the Internal Revenue Code. In addition to meeting the definition in Section 45D of the Internal Revenue Code such investment must also:

(i) Have been acquired after January 1, 2007, at its original issuance solely in exchange for cash; and

(ii) Have been allocated by the Mississippi Development Authority.

For the purposes of this section, such investment shall be deemed a qualified equity investment on the later of the date such qualified equity investment is made or the date on which the Mississippi Development Authority issues a certificate under subsection (4) of this section allocating credits based on such investment.

(g) "Qualified low-income community investment" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided, however, that the maximum amount of qualified low-income community investments issued for a single qualified active low-income community business, on an aggregate basis with all of its affiliates, that may be included for purposes of allocating any credits under this section shall not exceed Ten Million Dollars (\$10,000,000.00), in the aggregate, whether issued by one (1) or several qualified community development entities.



(2) A taxpayer that holds a qualified equity investment on the credit allowance date shall be entitled to a credit applicable against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 during the taxable year that includes the credit allowance date. The amount of the credit shall be equal to the applicable percentage of the adjusted purchase price paid to the qualified community development entity for the qualified equity investment. The amount of the credit that may be utilized in any one (1) tax year shall be limited to an amount not greater than the total tax liability of the taxpayer for the taxes imposed by the above-referenced sections. The credit shall not be refundable or transferable. Any unused portion of the credit may be carried forward for seven (7) taxable years beyond the credit allowance date on which the credit was earned. The maximum aggregate amount of qualified equity investments that may be allocated by the Mississippi Development Authority may not exceed an amount that would result in taxpayers claiming in any one (1) state fiscal year credits in excess of Fifteen Million Dollars (\$15,000,000.00), exclusive of credits that might be carried forward from previous taxable years; however, a maximum of one-third (1/3) of this amount may be allocated as credits for taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any taxpayer claiming a credit under this section against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 shall not be required to pay any additional tax under Section



27-15-123 as a result of claiming such credit. The Mississippi Development Authority shall allocate credits within this limit as provided for in subsection (4) of this section.

(3) Tax credits authorized by this section that are earned by a partnership, limited liability company, S corporation or other similar pass-through entity, shall be allocated among all partners, members or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners, members or shareholders mutually agree as provided in an executed document. Such allocation shall be made each taxable year of such pass-through entity which contains a credit allowance date.

(4) The qualified community development entity shall apply for credits with the Mississippi Development Authority on forms prescribed by the Mississippi Development Authority. The qualified community development entity must pay an application fee of One Thousand Dollars (\$1,000.00) to the Mississippi Development Authority at the time the application is submitted. In the application the qualified community development entity shall certify to the Mississippi Development Authority the dollar amount of the qualified equity investments made or to be made in this state, including in any federal Indian reservation located within the state's geographical boundary, during the first twelve-month period following the initial credit allowance date. The Mississippi Development Authority shall allocate credits based on



the dollar amount of qualified equity investments as certified in the application. Once the Mississippi Development Authority has allocated credits to a qualified community development entity, if the corresponding qualified equity investment has not been issued as of the date of such allocation, then the corresponding qualified equity investment must be issued not later than one hundred twenty (120) days from the date of such allocation. If the qualified equity investment is not issued within such time period, the allocation shall be cancelled and returned to the Mississippi Development Authority for reallocation. Upon final documentation of the qualified low-income community investments, if the actual dollar amount of the investments is lower than the amount estimated, the Mississippi Development Authority shall adjust the tax credit allowed under this section. The Department of Revenue may recapture all of the credit allowed under this section if:

(a) Any amount of federal tax credits available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under Section 45D of the Internal Revenue Code of 1986, as amended; or

(b) The qualified community development entity redeems or makes any principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of the qualified equity investment; or



405 (c) The qualified community development entity fails to
406 maintain at least eighty-five percent (85%) of the proceeds of the
407 qualified equity investment in qualified low-income community
408 investments in Mississippi at any time prior to the seventh
409 anniversary of the issuance of the qualified equity investment.

410 Any credits that are subject to recapture under this
411 subsection shall be recaptured from the taxpayer that actually
412 claimed the credit.

413 The Mississippi Development Authority shall not allocate any
414 credits under this section after July 1, * * * 2029.

415 (5) Each qualified community development entity that
416 receives qualified equity investments to make qualified low-income
417 community investments in Mississippi must annually report to the
418 Mississippi Development Authority the North American Industry
419 Classification System Code, the county, the dollars invested, the
420 number of jobs assisted and the number of jobs assisted with wages
421 over one hundred percent (100%) of the federal poverty level for a
422 family of four (4) of each qualified low-income community
423 investment.

424 (6) The Mississippi Development Authority shall file an
425 annual report on all qualified low-income community investments
426 with the Governor, the Clerk of the House of Representatives, the
427 Secretary of the Senate and the Secretary of State describing the
428 North American Industry Classification System Code, the county,
429 the dollars invested, the number of jobs assisted and the number



of jobs assisted with wages over one hundred percent (100%) of the federal poverty level for a family of four (4) of each qualified low-income community investment. The annual report will be posted on the Mississippi Development Authority's Internet website.

(7) (a) The purpose of this subsection is to authorize the creation and establishment of public benefit corporations for financing arrangements regarding public property and facilities.

(b) As used in this subsection:

(i) "New Markets Tax Credit transaction" means any financing transaction which utilizes either this section or Section 45D of the Internal Revenue Code of 1986, as amended.

(ii) "Public benefit corporation" means a nonprofit corporation formed or designated by a public entity to carry out the purposes of this subsection.

(iii) "Public entity or public entities" includes utility districts, regional solid waste authorities, regional utility authorities, community hospitals, regional airport authorities, municipal airport authorities, community and junior colleges, educational building corporations established by or on behalf of the state institutions of higher learning, school districts, planning and development districts, county economic development districts, urban renewal agencies, any other regional or local economic development authority, agency or governmental entity, and any other regional or local industrial development authority, agency or governmental entity.



455 (iv) "Public property or facilities" means any
456 property or facilities owned or leased by a public entity or
457 public benefit corporation.

458 (c) Notwithstanding any other provision of law to the
459 contrary, public entities are authorized pursuant to this
460 subsection to create one or more public benefit corporations or
461 designate an existing corporation as a public benefit corporation
462 for the purpose of entering into financing agreements and engaging
463 in New Markets Tax Credit transactions, which shall include,
464 without limitation, arrangements to plan, acquire, renovate,
465 construct, lease, sublease, manage, operate and/or improve new or
466 existing public property or facilities located within the
467 boundaries or service area of the public entity. Any financing
468 arrangement authorized under this subsection shall further any
469 purpose of the public entity and may include a term of up to fifty
470 (50) years.

471 (d) Notwithstanding any other provision of law to the
472 contrary and in order to facilitate the acquisition, renovation,
473 construction, leasing, subleasing, management, operating and/or
474 improvement of new or existing public property or facilities to
475 further any purpose of a public entity, public entities are
476 authorized to enter into financing arrangements in order to
477 transfer public property or facilities to and/or from public
478 benefit corporations, including, without limitation, sales,
479 sale-leasebacks, leases and lease-leasebacks, provided such



transfer is related to any New Markets Tax Credit transaction furthering any purpose of the public entity. Any such transfer under this paragraph (d) and the public property or facilities transferred in connection therewith shall be exempted from any limitation or requirements with respect to leasing, acquiring, and/or constructing public property or facilities.

(e) With respect to a New Markets Tax Credit transaction, public entities and public benefit corporations are authorized to enter into financing arrangements with any governmental, nonprofit or for-profit entity in order to leverage funds not otherwise available to public entities for the acquisition, construction and/or renovation of properties transferred to such public benefit corporations. The use of any funds loaned by or contributed by a public benefit corporation or borrowed by or otherwise made available to a public benefit corporation in such financing arrangement shall be dedicated solely to (i) the development of new properties or facilities and/or the renovation of existing properties or facilities or operation of properties or facilities, and/or (ii) the payment of costs and expenditures related to any such financing arrangements, including, but not limited to, funding any reserves required in connection therewith, the repayment of any indebtedness incurred in connection therewith, and the payment of fees and expenses incurred in connection with the closing, administration,



accounting and/or compliance with respect to the New Markets Tax
Credit transaction.

(f) A public benefit corporation created pursuant to
this subsection shall not be a political subdivision of the state
but shall be a nonprofit corporation organized and governed under
the provisions of the laws of this state and shall be a special
purpose corporation established to facilitate New Markets Tax
Credit transactions consistent with the requirements of this
section.

(g) Neither this subsection nor anything herein
contained is or shall be construed as a restriction or limitation
upon any powers which the public entity or public benefit
corporation might otherwise have under any laws of this state, and
this subsection is cumulative to any such powers. This subsection
does and shall be construed to provide a complete additional and
alternative method for the doing of the things authorized thereby
and shall be regarded as supplemental and additional to powers
conferred by other laws.

(8) The Mississippi Development Authority shall promulgate
rules and regulations to implement the provisions of this section.

SECTION 3. Section 57-87-5, Mississippi Code of 1972, is
amended as follows:

57-87-5. (1) For purposes of this * * * chapter:

(a) "Telecommunications enterprises" shall have the
meaning ascribed to such term in Section 57-73-21(14);



(b) "Tier One areas" mean counties designated as Tier One areas pursuant to Section 57-73-21(1);

(c) "Tier Two areas" mean counties designated as Tier Two areas pursuant to Section 57-73-21(1);

(d) "Tier Three areas" mean counties designated as Tier Three areas pursuant to Section 57-73-21(1); and

(e) "Equipment used in the deployment of broadband technologies" means any equipment capable of being used for or in connection with the transmission of information at a rate, prior to taking into account the effects of any signal degradation, that is not less than * * * thirty-five (35) megabits per second downlink and three (3) megabits per second uplink for mobile broadband or that is capable of providing fixed broadband service as defined by Section 77-19-3.

(2) With respect to the investment in each year by a telecommunications enterprise after June 30, 2003, and before July 1, * * * 2030, there shall be allowed annually as a credit against the aggregate tax imposed by Chapters 7 and 13 of Title 27, Mississippi Code of 1972, an amount equal to:

(a) Five percent (5%) of the cost of equipment used in the deployment of broadband technologies in Tier One areas;

(b) Ten percent (10%) of the cost of equipment used in the deployment of broadband technologies in Tier Two areas; and

(c) Fifteen percent (15%) of the cost of equipment used in the deployment of broadband technologies in Tier Three areas.



(3) Such annual credits shall be allowed commencing with the taxable year in which such property is placed in service and continue for nine (9) consecutive years thereafter. The aggregate credit established by this section taken in any one (1) tax year shall be limited to an amount not greater than fifty percent (50%) of the taxpayer's tax liabilities under Chapters 7 and 13 of Title 27, Mississippi Code of 1972; however, any tax credit claimed under this section, but not used in any taxable year, may be carried forward for ten (10) consecutive years from the close of the tax year in which the credits were earned.

(4) The maximum aggregate amount of credits that may be claimed under this section shall not exceed the original investment made by a telecommunications enterprise in the qualifying equipment used in the deployment of broadband technologies. For calendar year 2025, and for each calendar year thereafter, the aggregate amount of tax credits that may be claimed under this section during a calendar year shall not exceed Fifteen Million Dollars (\$15,000,000.00), and for credits claimed during a calendar year, no more than One Million Five Hundred Thousand Dollars (\$1,500,000.00), of such credits may be claimed by a single telecommunications enterprise, exclusive of credits that might be carried forward from previous taxable years. For calendar year 2025, and for each calendar year thereafter, a telecommunications enterprise that was unable to claim a credit under this section due to the limit on the aggregate amount of



credits authorized to be claimed for an applicable calendar year
shall be given priority for tax credits that may be claimed during
the next immediately succeeding calendar year.

(5) For purposes of this section, the tier in which
broadband technology is deployed shall be determined in the year
in which such technology is deployed in a county and such tier
shall not change if the county is later designated in another
tier.

(6) There will be no credit allowed under this section if
the equipment used in the deployment of broadband technologies was
paid for, or its cost was reimbursed by, funds made available
under the Coronavirus Aid, Relief, and Economic Security (CARES)
Act.

SECTION 4. Section 57-87-7, Mississippi Code of 1972, is
amended as follows:

57-87-7. (1) Equipment used in the deployment of broadband
technologies by a telecommunications enterprise * * * that is
placed in service after June 30, 2003, and before July 1, 2025,
shall be exempt from ad valorem taxation for a period of ten (10)
years after the date such equipment is placed in service. * * *

(2) Equipment used in the deployment of fixed broadband
technologies by a telecommunications enterprise that is placed in
service after June 30, 2025, and before July 1, 2030, and capable
of transmission at average speeds per customer at least equal to
the Federal Communications Commission's (FCC's) fixed broadband



speed benchmarks in both directions, shall be exempt from ad valorem taxation for a period of ten (10) years after the date such equipment is placed in service, or for such period the equipment remains capable of speeds at least equal to the FCC's then-current fixed broadband speed benchmarks in both directions, whichever period is less.

(3) Equipment used in the deployment of mobile broadband technologies by a telecommunications enterprise that is placed in service after June 30, 2025, and before July 1, 2030, and capable of transmission at average speeds not less than thirty-five (35) megabits per second downlink and three (3) megabits per second uplink, shall be exempt from ad valorem taxation for a period of five (5) years after the date such equipment is placed in service.

(4) A taxpayer seeking an exemption for equipment under this section shall submit a certified, sworn description of such equipment, including transmission speeds, to the tax assessor of the county in which such equipment is located, on or before April 1 of the first assessment year in which the exemption is being claimed.

SECTION 5. 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



629 those persons or property exempted by this section or by the
630 provisions of the Constitution of the United States or the State
631 of Mississippi. No industrial exemption as now provided by any
632 other section except Section 57-3-33 shall be valid as against the
633 tax herein levied. Any subsequent industrial exemption from the
634 tax levied hereunder shall be provided by amendment to this
635 section. No exemption provided in this section shall apply to
636 taxes levied by Section 27-65-15 or 27-65-21.

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

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

646 (b) Sales of raw materials, catalysts, processing
647 chemicals, welding gases or other industrial processing gases
648 (except natural gas) to a manufacturer for use directly in
649 manufacturing or processing a product for sale or rental or
650 repairing or reconditioning vessels or barges of fifty (50) tons
651 load displacement and over. For the purposes of this exemption,
652 electricity used directly in the electrolysis process in the
653 production of sodium chlorate shall be considered a raw material.



654 This exemption shall not apply to any property used as fuel except
655 to the extent that such fuel comprises by-products which have no
656 market value.

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

668 (d) Sales to commercial fishermen of commercial fishing
669 boats of over five (5) tons load displacement and not more than
670 fifty (50) tons load displacement as registered with the United
671 States Coast Guard and licensed by the Mississippi Commission on
672 Marine Resources.

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

675 (f) Sales of petroleum products to vessels or barges
676 for consumption in marine international commerce or interstate
677 transportation businesses.



678 (g) Sales and rentals of rail rolling stock (and
679 component parts thereof) for ultimate use in interstate commerce
680 and gross income from services with respect to manufacturing,
681 repairing, cleaning, altering, reconditioning or improving such
682 rail rolling stock (and component parts thereof).

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

689 (i) Sales of machinery or tools or repair parts
690 therefor or replacements thereof, fuel or supplies used directly
691 in manufacturing, converting or repairing ships, vessels or barges
692 of three thousand (3,000) tons load displacement and over, but not
693 to include office and plant supplies or other equipment not
694 directly used on the ship, vessel or barge being built, converted
695 or repaired. For purposes of this exemption, "ships, vessels or
696 barges" shall not include floating structures described in Section
697 27-65-18.

698 (j) Sales of tangible personal property to persons
699 operating ships in international commerce for use or consumption
700 on board such ships. This exemption shall be limited to cases in
701 which procedures satisfactory to the commissioner, ensuring



702 against use in this state other than on such ships, are
703 established.

704 (k) Sales of materials used in the construction of a
705 building, or any addition or improvement thereon, and sales of any
706 machinery and equipment not later than three (3) months after the
707 completion of construction of the building, or any addition
708 thereon, to be used therein, to qualified businesses, as defined
709 in Section 57-51-5, which are located in a county or portion
710 thereof designated as an enterprise zone pursuant to Sections
711 57-51-1 through 57-51-15.

712 (l) Sales of materials used in the construction of a
713 building, or any addition or improvement thereon, and sales of any
714 machinery and equipment not later than three (3) months after the
715 completion of construction of the building, or any addition
716 thereon, to be used therein, to qualified businesses, as defined
717 in Section 57-54-5.

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

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

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



727 (p) Sales of materials used in the construction of a
728 building, or any addition or improvement thereon, and sales of any
729 machinery and equipment not later than three (3) months after the
730 completion of construction of the building, or any addition
731 thereon, to be used therein, to qualified companies, certified as
732 such by the Mississippi Development Authority under Section
733 57-53-1.

734 (q) Sales of component materials used in the
735 construction of a building, or any addition or improvement
736 thereon, sales of machinery and equipment to be used therein, and
737 sales of manufacturing or processing machinery and equipment which
738 is permanently attached to the ground or to a permanent foundation
739 and which is not by its nature intended to be housed within a
740 building structure, not later than three (3) months after the
741 initial start-up date, to permanent business enterprises engaging
742 in manufacturing or processing in Tier Three areas (as such term
743 is defined in Section 57-73-21), which businesses are certified by
744 the Department of Revenue as being eligible for the exemption
745 granted in this paragraph (q). The exemption provided in this
746 paragraph (q) shall not apply to sales to any business enterprise
747 that is a medical cannabis establishment as defined in the
748 Mississippi Medical Cannabis Act.

749 (r) (i) Sales of component materials used in the
750 construction of a building, or any addition or improvement
751 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 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



777 qualifies as a national or regional headquarters for the purpose
778 of receiving the exemption provided in this subparagraph (ii).

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

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

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

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

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

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

799 For purposes of this exemption, "machinery and equipment"
800 means any ocean-going vessels, barges, booms, skimmers and other



801 capital equipment used primarily in the operations of nonprofit
802 organizations referred to herein.

803 (v) Sales or leases of materials and equipment to
804 approved business enterprises as provided under the Growth and
805 Prosperity Act.

806 (w) From and after July 1, 2001, sales of pollution
807 control equipment to manufacturers or custom processors for
808 industrial use. For the purposes of this exemption, "pollution
809 control equipment" means equipment, devices, machinery or systems
810 used or acquired to prevent, control, monitor or reduce air, water
811 or groundwater pollution, or solid or hazardous waste as required
812 by federal or state law or regulation.

813 (x) Sales or leases to a manufacturer of motor vehicles
814 or powertrain components operating a project that has been
815 certified by the Mississippi Major Economic Impact Authority as a
816 project as defined in Section 57-75-5(f)(iv)1, Section
817 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
818 equipment; special tooling such as dies, molds, jigs and similar
819 items treated as special tooling for federal income tax purposes;
820 or repair parts therefor or replacements thereof; repair services
821 thereon; fuel, supplies, electricity, coal and natural gas used
822 directly in the manufacture of motor vehicles or motor vehicle
823 parts or used to provide climate control for manufacturing areas.

824 (y) Sales or leases of component materials, machinery
825 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 manufacturing/production operations of the project or used to provide climate control for manufacturing/production areas.

(dd) 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 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) and any other sales or leases required to establish or operate such project.

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

(ff) 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 Three areas (as such areas are designated in accordance with Section 57-73-21), meeting minimum criteria 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 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



901 where the first use of such software or software services by the
902 purchaser occurs outside the State of Mississippi.

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

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

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

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

916 (nn) Sales of component materials used in the
917 construction of a building, or any addition or improvement
918 thereon, and sales or leases of machinery and equipment not later
919 than three (3) months after the completion of the construction of
920 the facility, to be used in the facility, to permanent business
921 enterprises operating a facility producing renewable crude oil
922 from biomass harvested or produced, in whole or in part, in
923 Mississippi, which businesses meet minimum criteria established by
924 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. This paragraph shall be repealed from and after July 1, 2025.

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



950 (rr) Gross collections derived from guided tours on any
951 navigable waters of this state, which include providing
952 accommodations, guide services and/or related equipment operated
953 by or under the direction of the person providing the tour, for
954 the purposes of outdoor tourism. The exemption provided in this
955 paragraph (rr) does not apply to the sale of tangible personal
956 property by a person providing such tours.

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

962 (tt) Sales exempt under the Facilitating Business Rapid
963 Response to State Declared Disasters Act of 2015 (Sections
964 27-113-1 through 27-113-9).

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

969 (i) All personal property and fixtures, including
970 without limitation, sales or leases to the enterprise and its
971 affiliates of:

972 1. Manufacturing machinery and equipment;



973 2. Special tooling such as dies, molds, jigs
974 and similar items treated as special tooling for federal income
975 tax purposes;

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

979 4. Nonmanufacturing furniture, fixtures and
980 equipment (inclusive of all communications, computer, server,
981 software and other hardware equipment); and

982 5. Fuel, supplies (other than
983 nonmanufacturing consumable supplies and water), electricity,
984 nitrogen gas and natural gas used directly in the
985 manufacturing/production operations of such project or used to
986 provide climate control for manufacturing/production areas of such
987 project;

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

991 (iii) All services taxable pursuant to Section
992 27-65-23 required to establish, support, operate, repair and/or
993 maintain such project.

994 (vv) Sales or leases to an enterprise operating a
995 project that has been certified by the Mississippi Major Economic
996 Impact Authority as a project as defined in Section
997 57-75-5(f) (xxx) of:



998 (i) Purchases required to establish and operate
999 the project, including, but not limited to, sales of component
1000 building materials, machinery and equipment required to establish
1001 the project facility and any additions or improvements thereon;
1002 and

1003 (ii) Machinery, special tools (such as dies,
1004 molds, and jigs) or repair parts thereof, or replacements and
1005 lease thereof, repair services thereon, fuel, supplies and
1006 electricity, coal and natural gas used in the manufacturing
1007 process and purchased by the enterprise owning or operating the
1008 project for the benefit of the project.

1009 (wv) Sales of component materials used in the
1010 construction of a building, or any expansion or improvement
1011 thereon, sales of machinery and/or equipment to be used therein,
1012 and sales of processing machinery and equipment which is
1013 permanently attached to the ground or to a permanent foundation
1014 which is not by its nature intended to be housed in a building
1015 structure, no later than three (3) months after initial startup,
1016 expansion or improvement of a permanent enterprise solely engaged
1017 in the conversion of natural sand into proppants used in oil and
1018 gas exploration and development with at least ninety-five percent
1019 (95%) of such proppants used in the production of oil and/or gas
1020 from horizontally drilled wells and/or horizontally drilled
1021 recompletion wells as defined in Sections 27-25-501 and 27-25-701.



1022 (xx) (i) Sales or leases to an enterprise operating a
1023 project that has been certified by the Mississippi Major Economic
1024 Impact Authority as a project as defined in Section
1025 57-75-5(f)(xxxi), for a period ending no later than one (1) year
1026 following completion of the construction of the facility or
1027 facilities comprising such project of all personal property and
1028 fixtures, including without limitation, sales or leases to the
1029 enterprise and its affiliates of:

1030 1. Manufacturing machinery and equipment;
1031 2. Special tooling such as dies, molds, jigs
1032 and similar items treated as special tooling for federal income
1033 tax purposes;

1034 3. Component building materials, machinery
1035 and equipment used in the construction of buildings, and any other
1036 additions or improvements to the project site for the project;

1037 4. Nonmanufacturing furniture, fixtures and
1038 equipment (inclusive of all communications, computer, server,
1039 software and other hardware equipment);

1040 5. Replacements of, repair parts for or
1041 services to repair items described in this subparagraph (i)1, 2
1042 and 3; and

1043 6. All services taxable pursuant to Section
1044 27-65-23 required to establish, support, operate, repair and/or
1045 maintain such project; and



1046 (ii) Sales or leases to an enterprise operating a
1047 project that has been certified by the Mississippi Major Economic
1048 Impact Authority as a project as defined in Section
1049 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
1050 natural gas, liquefied petroleum gas or other fuel, biomass,
1051 nitrogen or other atmospheric or other industrial gases used
1052 directly by the enterprise in the manufacturing/production
1053 operations of its project or used to provide climate control for
1054 manufacturing/production areas (which manufacturing/production
1055 areas shall be apportioned based on square footage). As used in
1056 this paragraph, the term "biomass" shall have the meaning ascribed
1057 to such term in Section 57-113-1.

1058 (yy) The gross proceeds from the sale of any item of
1059 tangible personal property by the manufacturer or custom processor
1060 thereof if such item is shipped, transported or exported from this
1061 state and first used in another state, whether such shipment,
1062 transportation or exportation is made by the seller, purchaser, or
1063 any third party acting on behalf of such party. For the purposes
1064 of this paragraph (yy), any instruction to, training of or
1065 inspection by the purchaser with respect to the item prior to
1066 shipment, transportation or exportation of the item shall not
1067 constitute a first use of such item within this state.

1068 (zz) (i) Sales or leases to an enterprise operating a
1069 project that has been certified by the Mississippi Major Economic
1070 Impact Authority as a project as defined in Section



1071 57-75-5(f) (xxxii), for a period ending no later than one (1) year
1072 following completion of the construction of the facility or
1073 facilities comprising such project of all personal property and
1074 fixtures, including, without limitation, sales or leases to the
1075 enterprise and its affiliates of:

1076 1. Manufacturing machinery and equipment;

1077 2. Special tooling such as dies, molds, jigs
1078 and similar items treated as special tooling for federal income
1079 tax purposes;

1080 3. Component building materials, machinery
1081 and equipment used in the construction of buildings, and any other
1082 additions or improvements to the project site for the project;

1083 4. Nonmanufacturing furniture, fixtures and
1084 equipment (inclusive of all communications, computer, server,
1085 software and other hardware equipment);

1086 5. Replacements of, repair parts for or
1087 services to repair items described in this subparagraph (i)1, 2
1088 and 3; and

1089 6. All services taxable pursuant to Section
1090 27-65-23 required to establish, support, operate, repair and/or
1091 maintain such project; and

1092 (ii) Sales or leases to an enterprise operating a
1093 project that has been certified by the Mississippi Major Economic
1094 Impact Authority as a project as defined in Section

1095 57-75-5(f) (xxxii) of electricity, current, power, steam, coal,



1096 natural gas, liquefied petroleum gas or other fuel, biomass,
1097 nitrogen or other atmospheric or other industrial gases used
1098 directly by the enterprise in the manufacturing/production
1099 operations of its project or used to provide climate control for
1100 manufacturing/production areas (which manufacturing/production
1101 areas shall be apportioned based on square footage). As used in
1102 this paragraph, the term "biomass" shall have the meaning ascribed
1103 to such term in Section 57-113-1.

1104 (aaa) Sales or leases to an enterprise and/or any
1105 affiliates thereof operating a project that has been certified by
1106 the Mississippi Major Economic Impact Authority as a project as
1107 defined in Section 57-75-5(f)(xxxi) of:

1108 (i) Component building materials, fixtures,
1109 machinery and equipment used in the construction of a data
1110 processing facility or other buildings comprising all or part of a
1111 project, for a period ending no later than one (1) year following
1112 completion of the construction of the data processing facility or
1113 such other building; and

1114 (ii) All equipment and other personal property
1115 needed to establish and operate the project and any expansions
1116 thereof or additions thereto, including, but not limited to:

1117 1. Communications, computer, server,
1118 software, connectivity materials and equipment, emergency power
1119 generation equipment, other hardware equipment and any other
1120 technology;



1121 2. All replacements of, and repair parts for,
1122 such equipment or other personal property; and

1123 3. All services taxable pursuant to Section
1124 27-65-23 required to install, support, operate, repair and/or
1125 maintain the foregoing equipment and other personal property
1126 described in this subparagraph (ii).

1127 (bbb) Sales, leases or other retail transfers of
1128 fixed-wing aircraft to, or to be used by, certified common
1129 carriers in the transport of persons or property in interstate,
1130 intrastate or foreign commerce, and engines, accessories and spare
1131 parts for such fixed-wing aircraft.

1132 (2) Sales of component materials used in the construction of
1133 a building, or any addition or improvement thereon, sales of
1134 machinery and equipment to be used therein, and sales of
1135 manufacturing or processing machinery and equipment which is
1136 permanently attached to the ground or to a permanent foundation
1137 and which is not by its nature intended to be housed within a
1138 building structure, not later than three (3) months after the
1139 initial start-up date, to permanent business enterprises engaging
1140 in manufacturing or processing in Tier Two areas and Tier One
1141 areas (as such areas are designated in accordance with Section
1142 57-73-21), which businesses are certified by the Department of
1143 Revenue as being eligible for the exemption granted in this
1144 subsection, shall be exempt from one-half (1/2) of the taxes
1145 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 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 technology intensive enterprises for industrial purposes in Tier Two areas and Tier One areas (as such



1171 areas are designated in accordance with Section 57-73-21), which
1172 businesses are certified by the Department of Revenue as being
1173 eligible for the exemption granted in this subsection, shall be
1174 exempt from one-half (1/2) of the taxes imposed on such
1175 transactions under this chapter. For purposes of this subsection,
1176 an enterprise must meet the criteria provided for in Section
1177 27-65-17(1)(f) in order to be considered a technology intensive
1178 enterprise.

1179 (5) (a) For purposes of this subsection:

1180 (i) "Telecommunications enterprises" shall have
1181 the meaning ascribed to such term in Section 57-73-21;

1182 (ii) "Tier One areas" mean counties designated as
1183 Tier One areas pursuant to Section 57-73-21;

1184 (iii) "Tier Two areas" mean counties designated as
1185 Tier Two areas pursuant to Section 57-73-21;

1186 (iv) "Tier Three areas" mean counties designated
1187 as Tier Three areas pursuant to Section 57-73-21; and

1188 (v) "Equipment used in the deployment of broadband
1189 technologies" means any equipment capable of being used for or in
1190 connection with the transmission of information at a rate, prior
1191 to taking into account the effects of any signal degradation, that
1192 is not less than * * * thirty-five (35) megabits per second
1193 downlink and three (3) megabits per second uplink for mobile
1194 broadband or that is capable of providing fixed broadband service
1195 as defined by Section 77-19-3.



1196 (b) Sales of equipment to telecommunications
1197 enterprises after June 30, 2003, and before July 1, * * * 2030,
1198 that is installed in Tier One areas and used in the deployment of
1199 broadband technologies shall be exempt from one-half (1/2) of the
1200 taxes imposed on such transactions under this chapter.

1201 (c) Sales of equipment to telecommunications
1202 enterprises after June 30, 2003, and before July 1, * * * 2030,
1203 that is installed in Tier Two and Tier Three areas and used in the
1204 deployment of broadband technologies shall be exempt from the
1205 taxes imposed on such transactions under this chapter.

1206 (6) Sales of component materials used in the replacement,
1207 reconstruction or repair of a building that has been destroyed or
1208 sustained extensive damage as a result of a disaster declared by
1209 the Governor, sales of machinery and equipment to be used therein
1210 to replace machinery or equipment damaged or destroyed as a result
1211 of such disaster, including, but not limited to, manufacturing or
1212 processing machinery and equipment which is permanently attached
1213 to the ground or to a permanent foundation and which is not by its
1214 nature intended to be housed within a building structure, to
1215 enterprises that were eligible for the partial exemptions provided
1216 for in subsections (2), (3) and (4) of this section during initial
1217 construction of the building that was destroyed or damaged, which
1218 enterprises are certified by the Department of Revenue as being
1219 eligible for the partial exemption granted in this subsection,



1220 shall be exempt from one-half (1/2) of the taxes imposed on such
1221 transactions under this chapter.

1222 **SECTION 6.** Section 5 of this act shall take effect and be in
1223 force from and after July 1, 2025; and the remaining sections of
1224 this act shall take effect and be in force from and after January
1225 1, 2025.

