

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1903
(As Passed the House)

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; TO
32 AUTHORIZE A CREDIT AGAINST INCOME AND INSURANCE PREMIUM TAXES FOR
33 VOLUNTARY CASH CONTRIBUTIONS BY CERTAIN BUSINESS ENTERPRISES TO
34 CERTAIN TAX-EXEMPT ORGANIZATIONS OPERATING AS MEMBERS OF A



STATEWIDE ALLIANCE, OFFERING PROGRAMS TO ADVANCE MISSISSIPPI YOUTH
IN EDUCATION ACHIEVEMENT, PHYSICAL DEVELOPMENT AND
SOCIAL/EMOTIONAL DEVELOPMENT WHILE ALSO SUPPORTING WORKFORCE
DEVELOPMENT; TO AUTHORIZE A CREDIT AGAINST AD VALOREM TAXES ON
REAL PROPERTY FOR SUCH CONTRIBUTIONS BY CERTAIN BUSINESS
ORGANIZATIONS NOT OPERATING AS CORPORATIONS; TO LIMIT THE AMOUNT
OF THE CREDITS; TO ALLOW EXCESS AMOUNTS OF THE CREDIT TO BE
CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS; AND FOR RELATED
PURPOSES.

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

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

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

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

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

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

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

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

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



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

1. Children in a foster care placement program established by the Department of Child Protection 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



89 as a corporation, a credit is also allowed against ad valorem
90 taxes assessed and levied on real property for voluntary cash
91 contributions made by the taxpayer during the taxable year to an
92 eligible charitable organization. From and after January 1, 2025,
93 a credit is also allowed against ad valorem taxes assessed and
94 levied on real property for voluntary cash contributions made by a
95 taxpayer during the taxable year to an eligible charitable
96 organization. The amount of credit that may be utilized by a
97 taxpayer in a taxable year shall be limited to (i) an amount not
98 to exceed fifty percent (50%) of the total tax liability of the
99 taxpayer for the taxes imposed by such sections of law and (ii) an
100 amount not to exceed fifty percent (50%) of the total tax
101 liability of the taxpayer for ad valorem taxes assessed and levied
102 on real property. Any tax credit claimed under this section but
103 not used in any taxable year may be carried forward for five (5)
104 consecutive years from the close of the tax year in which the
105 credits were earned.

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

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



113 (3) Taxpayers taking a credit authorized by this section
114 shall provide the name of the eligible charitable organization and
115 the amount of the contribution to the department on forms provided
116 by the department.

117 (4) An eligible charitable organization shall provide the
118 department with a written certification that it meets all criteria
119 to be considered an eligible charitable organization. An eligible
120 charitable organization must also provide the department with
121 written documented proof of its license and/or written contract
122 with the Mississippi Department of Child Protection Services. The
123 organization shall also notify the department of any changes that
124 may affect eligibility under this section.

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

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

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

135 (c) A statement that the funds generated from the tax
136 credit shall be used for educational resources, staff and
137 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



163 aggregate amount of credits that may be awarded under this section
164 in a calendar year, the department shall so notify the applicant
165 within thirty (30) days with the amount of credits, if any, that
166 may be allocated to the applicant in the calendar year. Once the
167 department has allocated credits to a taxpayer, if the
168 contribution for which a credit is allocated has not been made as
169 of the date of the allocation, then the contribution must be made
170 not later than sixty (60) days from the date of the allocation.
171 If the contribution is not made within such time period, the
172 allocation shall be cancelled and returned to the department for
173 reallocation. Upon final documentation of the contributions, if
174 the actual dollar amount of the contributions is lower than the
175 amount estimated, the department shall adjust the tax credit
176 allowed under this section.

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

183 (c) For the purposes of using a tax credit against ad
184 valorem taxes assessed and levied on real property, a taxpayer
185 shall present to the appropriate tax collector the tax credit
186 documentation provided to the taxpayer by the Department of
187 Revenue, and the tax collector shall apply the tax credit against



188 such ad valorem taxes. The tax collector shall forward the tax
189 credit documentation to the Department of Revenue along with the
190 amount of the tax credit applied against ad valorem taxes, and the
191 department shall disburse funds to the tax collector for the
192 amount of the tax credit applied against ad valorem taxes. Such
193 payments by the Department of Revenue shall be made from current
194 tax collections.

195 (9) The aggregate amount of tax credits that may be
196 allocated by the department under this section during a calendar
197 year shall not exceed Five Million Dollars (\$5,000,000.00), and
198 not more than fifty percent (50%) of tax credits allocated during
199 a calendar year may be allocated for contributions to eligible
200 charitable organizations described in subsection (1)(b)(ii) of
201 this section. However, for calendar year 2021, the aggregate
202 amount of tax credits that may be allocated by the department
203 under this section during a calendar year shall not exceed Ten
204 Million Dollars (\$10,000,000.00), for calendar year 2022, the
205 aggregate amount of tax credits that may be allocated by the
206 department under this section during a calendar year shall not
207 exceed Sixteen Million Dollars (\$16,000,000.00), * * * for
208 calendar year 2023, and for each calendar year thereafter through
209 calendar year 2024, the aggregate amount of tax credits that may
210 be allocated by the department under this section during a
211 calendar year shall not exceed Eighteen Million Dollars
212 (\$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

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

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

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

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

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



(f) "Qualified equity investment" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended. The investment does not have to be designated as a qualified equity investment by the Community 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



388 state, including in any federal Indian reservation located within
389 the state's geographical boundary, during the first twelve-month
390 period following the initial credit allowance date. The
391 Mississippi Development Authority shall allocate credits based on
392 the dollar amount of qualified equity investments as certified in
393 the application. Once the Mississippi Development Authority has
394 allocated credits to a qualified community development entity, if
395 the corresponding qualified equity investment has not been issued
396 as of the date of such allocation, then the corresponding
397 qualified equity investment must be issued not later than one
398 hundred twenty (120) days from the date of such allocation. If
399 the qualified equity investment is not issued within such time
400 period, the allocation shall be cancelled and returned to the
401 Mississippi Development Authority for reallocation. Upon final
402 documentation of the qualified low-income community investments,
403 if the actual dollar amount of the investments is lower than the
404 amount estimated, the Mississippi Development Authority shall
405 adjust the tax credit allowed under this section. The Department
406 of Revenue may recapture all of the credit allowed under this
407 section if:

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



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

416 (c) The qualified community development entity fails to
417 maintain at least eighty-five percent (85%) of the proceeds of the
418 qualified equity investment in qualified low-income community
419 investments in Mississippi at any time prior to the seventh
420 anniversary of the issuance of the qualified equity investment.

421 Any credits that are subject to recapture under this
422 subsection shall be recaptured from the taxpayer that actually
423 claimed the credit.

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

426 (5) Each qualified community development entity that
427 receives qualified equity investments to make qualified low-income
428 community investments in Mississippi must annually report to the
429 Mississippi Development Authority the North American Industry
430 Classification System Code, the county, the dollars invested, the
431 number of jobs assisted and the number of jobs assisted with wages
432 over one hundred percent (100%) of the federal poverty level for a
433 family of four (4) of each qualified low-income community
434 investment.

435 (6) The Mississippi Development Authority shall file an
436 annual report on all qualified low-income community investments



with the Governor, the Clerk of the House of Representatives, the Secretary of the Senate and the Secretary of State describing the North American Industry Classification System Code, the county, 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.

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

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

(d) Notwithstanding any other provision of law to the contrary and in order to facilitate the acquisition, renovation, construction, leasing, subleasing, management, operating and/or improvement of new or existing public property or facilities to further any purpose of a public entity, public entities are



487 authorized to enter into financing arrangements in order to
488 transfer public property or facilities to and/or from public
489 benefit corporations, including, without limitation, sales,
490 sale-leasebacks, leases and lease-leasebacks, provided such
491 transfer is related to any New Markets Tax Credit transaction
492 furthering any purpose of the public entity. Any such transfer
493 under this paragraph (d) and the public property or facilities
494 transferred in connection therewith shall be exempted from any
495 limitation or requirements with respect to leasing, acquiring,
496 and/or constructing public property or facilities.

497 (e) With respect to a New Markets Tax Credit
498 transaction, public entities and public benefit corporations are
499 authorized to enter into financing arrangements with any
500 governmental, nonprofit or for-profit entity in order to leverage
501 funds not otherwise available to public entities for the
502 acquisition, construction and/or renovation of properties
503 transferred to such public benefit corporations. The use of any
504 funds loaned by or contributed by a public benefit corporation or
505 borrowed by or otherwise made available to a public benefit
506 corporation in such financing arrangement shall be dedicated
507 solely to (i) the development of new properties or facilities
508 and/or the renovation of existing properties or facilities or
509 operation of properties or facilities, and/or (ii) the payment of
510 costs and expenditures related to any such financing arrangements,
511 including, but not limited to, funding any reserves required in



512 connection therewith, the repayment of any indebtedness incurred
513 in connection therewith, and the payment of fees and expenses
514 incurred in connection with the closing, administration,
515 accounting and/or compliance with respect to the New Markets Tax
516 Credit transaction.

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

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

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

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



537 57-87-5. (1) For purposes of this * * * chapter:

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

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

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

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

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

554 (2) With respect to the investment in each year by a
555 telecommunications enterprise after June 30, 2003, and before July
556 1, * * * 2030, there shall be allowed annually as a credit against
557 the aggregate tax imposed by Chapters 7 and 13 of Title 27,
558 Mississippi Code of 1972, an amount equal to:

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



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

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

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

575 (4) The maximum aggregate amount of credits that may be
576 claimed under this section shall not exceed the original
577 investment made by a telecommunications enterprise in the
578 qualifying equipment used in the deployment of broadband
579 technologies. For calendar year 2025, and for each calendar year
580 thereafter, the aggregate amount of tax credits that may be
581 claimed under this section during a calendar year shall not exceed
582 Fifteen Million Dollars (\$15,000,000.00), and for credits claimed
583 during a calendar year, no more than One Million Five Hundred
584 Thousand Dollars (\$1,500,000.00), of such credits may be claimed
585 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 may file the cost of equipment used in the deployment of broadband technologies with the Department of Revenue between March 1 and March 20 for the expenditures incurred in the preceding calendar year. If the total credits requested exceed the annual aggregate cap of Fifteen Million Dollars (\$15,000,000.00), each telecommunications enterprise shall be allocated credits on a prorated basis. The Department of Revenue shall adopt rules to administer this section, including, but not limited to, rules prescribing forms, application procedures and dates to claim the credit under this section.

(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 or the Broadband Equity, Access, and Deployment (BEAD) Program.

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

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

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



661 therein and sales to anyone of containers or shipping materials
662 for use in ships engaged in international commerce.

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

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



685 (d) Sales to commercial fishermen of commercial fishing
686 boats of over five (5) tons load displacement and not more than
687 fifty (50) tons load displacement as registered with the United
688 States Coast Guard and licensed by the Mississippi Commission on
689 Marine Resources.

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

692 (f) Sales of petroleum products to vessels or barges
693 for consumption in marine international commerce or interstate
694 transportation businesses.

695 (g) Sales and rentals of rail rolling stock (and
696 component parts thereof) for ultimate use in interstate commerce
697 and gross income from services with respect to manufacturing,
698 repairing, cleaning, altering, reconditioning or improving such
699 rail rolling stock (and component parts thereof).

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

706 (i) Sales of machinery or tools or repair parts
707 therefor or replacements thereof, fuel or supplies used directly
708 in manufacturing, converting or repairing ships, vessels or barges
709 of three thousand (3,000) tons load displacement and over, but not



710 to include office and plant supplies or other equipment not
711 directly used on the ship, vessel or barge being built, converted
712 or repaired. For purposes of this exemption, "ships, vessels or
713 barges" shall not include floating structures described in Section
714 27-65-18.

715 (j) Sales of tangible personal property to persons
716 operating ships in international commerce for use or consumption
717 on board such ships. This exemption shall be limited to cases in
718 which procedures satisfactory to the commissioner, ensuring
719 against use in this state other than on such ships, are
720 established.

721 (k) Sales of materials used in the construction of a
722 building, or any addition or improvement thereon, and sales of any
723 machinery and equipment not later than three (3) months after the
724 completion of construction of the building, or any addition
725 thereon, to be used therein, to qualified businesses, as defined
726 in Section 57-51-5, which are located in a county or portion
727 thereof designated as an enterprise zone pursuant to Sections
728 57-51-1 through 57-51-15.

729 (l) Sales of materials used in the construction of a
730 building, or any addition or improvement thereon, and sales of any
731 machinery and equipment not later than three (3) months after the
732 completion of construction of the building, or any addition
733 thereon, to be used therein, to qualified businesses, as defined
734 in Section 57-54-5.



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

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

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

(p) Sales of 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 construction of the building, or any addition thereon, to be used therein, to qualified companies, certified as such by the Mississippi Development Authority under Section 57-53-1.

(q) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of 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, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Three areas (as such term



is defined in Section 57-73-21), which businesses are certified by the Department of Revenue as being eligible for the exemption granted in this paragraph (q). The exemption provided in this paragraph (q) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act.

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

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



improvement thereon, to be used therein, for any company expanding or making additions after January 1, 2013, to its national or regional headquarters within the State of Mississippi and creating a minimum of twenty (20) new jobs at the headquarters as a result of the expansion or additions. The exemption provided in this subparagraph (ii) shall not apply to sales for any company that is a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (ii).

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

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

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

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



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

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

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

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

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

(x) Sales or leases to a manufacturer of motor vehicles or powertrain components 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) or Section 57-75-5(f)(xxii) 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 manufacture of motor vehicles or motor vehicle parts or used to provide climate control for manufacturing areas.

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

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

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

(bb) [Repealed]

(cc) Sales or leases to an enterprise owning or operating a project that has been designated by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(xviii) of machinery and equipment; special tooling such



as dies, molds, jigs and similar items treated as special tooling for federal income tax purposes; or repair parts therefor or replacements thereof; repair services thereon; fuel, supplies, electricity, coal and natural gas used directly in the 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



884 accordance with Section 57-73-21), meeting minimum criteria
885 established by the Mississippi Development Authority. The
886 exemption provided in this paragraph (ff) shall not apply to sales
887 to any business enterprise that is a medical cannabis
888 establishment as defined in the Mississippi Medical Cannabis Act.

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

901 (hh) Sales of component materials used in the
902 replacement, reconstruction or repair of a building or facility
903 that has been destroyed or sustained extensive damage as a result
904 of a disaster declared by the Governor, sales of machinery and
905 equipment to be used therein to replace machinery or equipment
906 damaged or destroyed as a result of such disaster, including, but
907 not limited to, manufacturing or processing machinery and
908 equipment which is permanently attached to the ground or to a



909 permanent foundation and which is not by its nature intended to be
910 housed within a building structure, to enterprises or companies
911 that were eligible for the exemptions authorized in paragraph (q),
912 (r), (ff) or (gg) of this subsection during initial construction
913 of the building that was destroyed or damaged, which enterprises
914 or companies are certified by the Department of Revenue as being
915 eligible for the exemption granted in this paragraph.

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

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

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

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

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



933 (nn) Sales of component materials used in the
934 construction of a building, or any addition or improvement
935 thereon, and sales or leases of machinery and equipment not later
936 than three (3) months after the completion of the construction of
937 the facility, to be used in the facility, to permanent business
938 enterprises operating a facility producing renewable crude oil
939 from biomass harvested or produced, in whole or in part, in
940 Mississippi, which businesses meet minimum criteria established by
941 the Mississippi Development Authority. As used in this paragraph,
942 the term "biomass" shall have the meaning ascribed to such term in
943 Section 57-113-1.

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

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



957 57-117-3. This paragraph shall be repealed from and after July 1,
958 2025.

959 (qq) Sales or leases to a manufacturer of automotive
960 parts operating a project that has been certified by the
961 Mississippi Major Economic Impact Authority as a project as
962 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
963 or repair parts therefor or replacements thereof; repair services
964 thereon; fuel, supplies, electricity, coal, nitrogen and natural
965 gas used directly in the manufacture of automotive parts or used
966 to provide climate control for manufacturing areas.

967 (rr) Gross collections derived from guided tours on any
968 navigable waters of this state, which include providing
969 accommodations, guide services and/or related equipment operated
970 by or under the direction of the person providing the tour, for
971 the purposes of outdoor tourism. The exemption provided in this
972 paragraph (rr) does not apply to the sale of tangible personal
973 property by a person providing such tours.

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

979 (tt) Sales exempt under the Facilitating Business Rapid
980 Response to State Declared Disasters Act of 2015 (Sections
981 27-113-1 through 27-113-9).



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

986 (i) All personal property and fixtures, including
987 without limitation, sales or leases to the enterprise and its
988 affiliates of:

989 1. Manufacturing machinery and equipment;
990 2. Special tooling such as dies, molds, jigs
991 and similar items treated as special tooling for federal income
992 tax purposes;

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

996 4. Nonmanufacturing furniture, fixtures and
997 equipment (inclusive of all communications, computer, server,
998 software and other hardware equipment); and

999 5. Fuel, supplies (other than
1000 nonmanufacturing consumable supplies and water), electricity,
1001 nitrogen gas and natural gas used directly in the
1002 manufacturing/production operations of such project or used to
1003 provide climate control for manufacturing/production areas of such
1004 project;



1005 (ii) All replacements of, repair parts for or
1006 services to repair items described in subparagraph (i)1, 2 and 3
1007 of this paragraph; and

1008 (iii) All services taxable pursuant to Section
1009 27-65-23 required to establish, support, operate, repair and/or
1010 maintain such project.

1011 (vv) Sales or leases to an enterprise operating a
1012 project that has been certified by the Mississippi Major Economic
1013 Impact Authority as a project as defined in Section
1014 57-75-5(f) (xxx) of:

1015 (i) Purchases required to establish and operate
1016 the project, including, but not limited to, sales of component
1017 building materials, machinery and equipment required to establish
1018 the project facility and any additions or improvements thereon;
1019 and

1020 (ii) Machinery, special tools (such as dies,
1021 molds, and jigs) or repair parts thereof, or replacements and
1022 lease thereof, repair services thereon, fuel, supplies and
1023 electricity, coal and natural gas used in the manufacturing
1024 process and purchased by the enterprise owning or operating the
1025 project for the benefit of the project.

1026 (wv) Sales of component materials used in the
1027 construction of a building, or any expansion or improvement
1028 thereon, sales of machinery and/or equipment to be used therein,
1029 and sales of processing machinery and equipment which is



1030 permanently attached to the ground or to a permanent foundation
1031 which is not by its nature intended to be housed in a building
1032 structure, no later than three (3) months after initial startup,
1033 expansion or improvement of a permanent enterprise solely engaged
1034 in the conversion of natural sand into proppants used in oil and
1035 gas exploration and development with at least ninety-five percent
1036 (95%) of such proppants used in the production of oil and/or gas
1037 from horizontally drilled wells and/or horizontally drilled
1038 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1039 (xx) (i) Sales or leases to an enterprise operating a
1040 project that has been certified by the Mississippi Major Economic
1041 Impact Authority as a project as defined in Section
1042 57-75-5(f)(xxxi), for a period ending no later than one (1) year
1043 following completion of the construction of the facility or
1044 facilities comprising such project of all personal property and
1045 fixtures, including without limitation, sales or leases to the
1046 enterprise and its affiliates of:

- 1047 1. Manufacturing machinery and equipment;
1048 2. Special tooling such as dies, molds, jigs
1049 and similar items treated as special tooling for federal income
1050 tax purposes;
1051 3. Component building materials, machinery
1052 and equipment used in the construction of buildings, and any other
1053 additions or improvements to the project site for the project;



1054 4. Nonmanufacturing furniture, fixtures and
1055 equipment (inclusive of all communications, computer, server,
1056 software and other hardware equipment);

1057 5. Replacements of, repair parts for or
1058 services to repair items described in this subparagraph (i)1, 2
1059 and 3; and

1060 6. All services taxable pursuant to Section
1061 27-65-23 required to establish, support, operate, repair and/or
1062 maintain such project; and

1063 (ii) Sales or leases to an enterprise operating a
1064 project that has been certified by the Mississippi Major Economic
1065 Impact Authority as a project as defined in Section
1066 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
1067 natural gas, liquefied petroleum gas or other fuel, biomass,
1068 nitrogen or other atmospheric or other industrial gases used
1069 directly by the enterprise in the manufacturing/production
1070 operations of its project or used to provide climate control for
1071 manufacturing/production areas (which manufacturing/production
1072 areas shall be apportioned based on square footage). As used in
1073 this paragraph, the term "biomass" shall have the meaning ascribed
1074 to such term in Section 57-113-1.

1075 (yy) The gross proceeds from the sale of any item of
1076 tangible personal property by the manufacturer or custom processor
1077 thereof if such item is shipped, transported or exported from this
1078 state and first used in another state, whether such shipment,



1079 transportation or exportation is made by the seller, purchaser, or
1080 any third party acting on behalf of such party. For the purposes
1081 of this paragraph (yy), any instruction to, training of or
1082 inspection by the purchaser with respect to the item prior to
1083 shipment, transportation or exportation of the item shall not
1084 constitute a first use of such item within this state.

1085 (zz) (i) Sales or leases to an enterprise operating a
1086 project that has been certified by the Mississippi Major Economic
1087 Impact Authority as a project as defined in Section
1088 57-75-5(f)(xxxii), for a period ending no later than one (1) year
1089 following completion of the construction of the facility or
1090 facilities comprising such project of all personal property and
1091 fixtures, including, without limitation, sales or leases to the
1092 enterprise and its affiliates of:

- 1093 1. Manufacturing machinery and equipment;
- 1094 2. Special tooling such as dies, molds, jigs
1095 and similar items treated as special tooling for federal income
1096 tax purposes;
- 1097 3. Component building materials, machinery
1098 and equipment used in the construction of buildings, and any other
1099 additions or improvements to the project site for the project;
- 1100 4. Nonmanufacturing furniture, fixtures and
1101 equipment (inclusive of all communications, computer, server,
1102 software and other hardware equipment);



1103 5. Replacements of, repair parts for or
1104 services to repair items described in this subparagraph (i)1, 2
1105 and 3; and

1106 6. All services taxable pursuant to Section
1107 27-65-23 required to establish, support, operate, repair and/or
1108 maintain such project; and

1109 (ii) Sales or leases to an enterprise operating a
1110 project that has been certified by the Mississippi Major Economic
1111 Impact Authority as a project as defined in Section
1112 57-75-5(f) (xxxii) of electricity, current, power, steam, coal,
1113 natural gas, liquefied petroleum gas or other fuel, biomass,
1114 nitrogen or other atmospheric or other industrial gases used
1115 directly by the enterprise in the manufacturing/production
1116 operations of its project or used to provide climate control for
1117 manufacturing/production areas (which manufacturing/production
1118 areas shall be apportioned based on square footage). As used in
1119 this paragraph, the term "biomass" shall have the meaning ascribed
1120 to such term in Section 57-113-1.

1121 (aaa) Sales or leases to an enterprise and/or any
1122 affiliates thereof operating a project that has been certified by
1123 the Mississippi Major Economic Impact Authority as a project as
1124 defined in Section 57-75-5(f) (xxxiii) of:

1125 (i) Component building materials, fixtures,
1126 machinery and equipment used in the construction of a data
1127 processing facility or other buildings comprising all or part of a



1128 project, for a period ending no later than one (1) year following
1129 completion of the construction of the data processing facility or
1130 such other building; and

1131 (ii) All equipment and other personal property
1132 needed to establish and operate the project and any expansions
1133 thereof or additions thereto, including, but not limited to:

1134 1. Communications, computer, server,
1135 software, connectivity materials and equipment, emergency power
1136 generation equipment, other hardware equipment and any other
1137 technology;

1138 2. All replacements of, and repair parts for,
1139 such equipment or other personal property; and

1140 3. All services taxable pursuant to Section
1141 27-65-23 required to install, support, operate, repair and/or
1142 maintain the foregoing equipment and other personal property
1143 described in this subparagraph (ii).

1144 (bbb) Sales, leases or other retail transfers of
1145 fixed-wing aircraft to, or to be used by, certified common
1146 carriers in the transport of persons or property in interstate,
1147 intrastate or foreign commerce, and engines, accessories and spare
1148 parts for such fixed-wing aircraft.

1149 (2) Sales of component materials used in the construction of
1150 a building, or any addition or improvement thereon, sales of
1151 machinery and equipment to be used therein, and sales of
1152 manufacturing or processing machinery and equipment which is



1153 permanently attached to the ground or to a permanent foundation
1154 and which is not by its nature intended to be housed within a
1155 building structure, not later than three (3) months after the
1156 initial start-up date, to permanent business enterprises engaging
1157 in manufacturing or processing in Tier Two areas and Tier One
1158 areas (as such areas are designated in accordance with Section
1159 57-73-21), which businesses are certified by the Department of
1160 Revenue as being eligible for the exemption granted in this
1161 subsection, shall be exempt from one-half (1/2) of the taxes
1162 imposed on such transactions under this chapter. The exemption
1163 provided in this subsection (2) shall not apply to sales to any
1164 business enterprise that is a medical cannabis establishment as
1165 defined in the Mississippi Medical Cannabis Act.

1166 (3) Sales of component materials used in the construction of
1167 a facility, or any addition or improvement thereon, and sales or
1168 leases of machinery and equipment not later than three (3) months
1169 after the completion of construction of the facility, or any
1170 addition or improvement thereto, to be used in the building or any
1171 addition or improvement thereto, to a permanent business
1172 enterprise operating a data/information enterprise in Tier Two
1173 areas and Tier One areas (as such areas are designated in
1174 accordance with Section 57-73-21), which businesses meet minimum
1175 criteria established by the Mississippi Development Authority,
1176 shall be exempt from one-half (1/2) of the taxes imposed on such
1177 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 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. For purposes of this subsection, an enterprise must meet the criteria provided for in Section 27-65-17(1)(f) in order to be considered a technology intensive enterprise.

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

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

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

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



1203 (iv) "Tier Three areas" mean counties designated
1204 as Tier Three areas pursuant to Section 57-73-21; and

1205 (v) "Equipment used in the deployment of broadband
1206 technologies" means any equipment capable of being used for or in
1207 connection with the transmission of information at a rate, prior
1208 to taking into account the effects of any signal degradation, that
1209 is not less than * * * thirty-five (35) megabits per second
1210 downlink and three (3) megabits per second uplink for mobile
1211 broadband or that is capable of providing fixed broadband service
1212 as defined by Section 77-19-3.

1213 (b) Sales of equipment to telecommunications
1214 enterprises after June 30, 2003, and before July 1, * * * 2030,
1215 that is installed in Tier One areas and used in the deployment of
1216 broadband technologies shall be exempt from one-half (1/2) of the
1217 taxes imposed on such transactions under this chapter.

1218 (c) Sales of equipment to telecommunications
1219 enterprises after June 30, 2003, and before July 1, * * * 2030,
1220 that is installed in Tier Two and Tier Three areas and used in the
1221 deployment of broadband technologies shall be exempt from the
1222 taxes imposed on such transactions under this chapter.

1223 (6) Sales of component materials used in the replacement,
1224 reconstruction or repair of a building that has been destroyed or
1225 sustained extensive damage as a result of a disaster declared by
1226 the Governor, sales of machinery and equipment to be used therein
1227 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 that were eligible for the partial exemptions provided for in subsections (2), (3) and (4) of this section during initial construction of the building that was destroyed or damaged, which enterprises are certified by the Department of Revenue as being eligible for the partial exemption granted in this subsection, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter.

SECTION 6. (1) For the purposes of this section, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

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

(b) "Eligible charitable organization" means an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is consistently providing programs that advance Mississippi youth in education achievement, physical development and social/emotional development while also supporting workforce development.

(2) (a) The tax credit authorized in this section shall be available only to a taxpayer that is a business enterprise engaged in commercial, industrial or professional activities and operating as a corporation, limited liability company, partnership or sole



1253 proprietorship. Except as otherwise provided in this section, a
1254 credit is allowed against the taxes imposed by Sections 27-7-5,
1255 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
1256 contributions made by a taxpayer during the taxable year to an
1257 eligible charitable organization. A credit is also allowed
1258 against ad valorem taxes assessed and levied on real property for
1259 voluntary cash contributions made by the taxpayer during the
1260 taxable year to an eligible charitable organization. The amount
1261 of credit that may be utilized by a taxpayer in a taxable year
1262 shall be limited to (i) an amount not to exceed fifty percent
1263 (50%) of the total tax liability of the taxpayer for the taxes
1264 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
1265 and (ii) an amount not to exceed fifty percent (50%) of the total
1266 tax liability of the taxpayer for ad valorem taxes assessed and
1267 levied on real property. Any credit claimed under this section
1268 but not used in the tax year in which it was earned may be carried
1269 forward for five (5) consecutive years from the close of the tax
1270 year in which it was earned.

1271 (b) A contribution for which a credit is claimed under
1272 this section may not be used as a deduction by the taxpayer for
1273 state income tax purposes.

1274 (3) A taxpayer taking a credit authorized by this section
1275 shall provide the name of the eligible charitable organization and
1276 the amount of the contribution to the department on forms provided
1277 by the department.



1278 (4) To be considered an eligible charitable organization
1279 under this section, an organization shall provide the department
1280 with a written certification that it meets all criteria. The
1281 organization shall also notify the department of any changes that
1282 may affect eligibility under this section.

1283 (5) The eligible charitable organization's written
1284 certification must be signed by an officer of the organization
1285 under penalty of perjury. The written certification shall include
1286 the following:

1287 (a) Verification of the organization's status under
1288 Section 501(c)(3) of the Internal Revenue Code;

1289 (b) A statement that the organization will use the
1290 contribution only for support of programs that advance Mississippi
1291 youth in education achievement, physical development and
1292 social/emotional development while also supporting workforce
1293 development; and

1294 (c) Any other information that the department requires
1295 in order to administer this section.

1296 (6) The department shall review each written certification
1297 and determine whether the organization meets all the criteria to
1298 be considered an eligible charitable organization and shall notify
1299 the organization of its determination. The department may also
1300 periodically request recertification from the organization. The
1301 department shall compile and make available to the public a list
1302 of eligible charitable organizations.



1303 (7) Tax credits authorized by this section that are earned
1304 by a partnership, limited liability company, S corporation or
1305 other similar pass-through entity, shall be allocated among all
1306 partners, members or shareholders, respectively, either in
1307 proportion to their ownership interest in such entity or as the
1308 partners, members or shareholders mutually agree as provided in an
1309 executed document.

1310 (8) (a) A taxpayer shall apply for credits with the
1311 department on forms prescribed by the department. In the
1312 application, the taxpayer shall certify to the department the
1313 dollar amount of the contributions made or to be made during the
1314 calendar year. Within thirty (30) days after the receipt of an
1315 application, the department shall allocate credits based on the
1316 dollar amount of contributions as certified in the application.
1317 However, if the department cannot allocate the full amount of
1318 credits certified in the application due to the limit on the
1319 aggregate amount of credits that may be awarded under this section
1320 in a calendar year, the department shall so notify the applicant
1321 within thirty (30) days with the amount of credits, if any, that
1322 may be allocated to the applicant in the calendar year. Once the
1323 department has allocated credits to a taxpayer, if the
1324 contribution for which a credit is allocated has not been made as
1325 of the date of the allocation, then the contribution must be made
1326 not later than sixty (60) days from the date of the allocation.
1327 If the contribution is not made within such time period, the



1328 allocation shall be cancelled and returned to the department for
1329 reallocation. Upon final documentation of the contribution, if
1330 the actual dollar amount of the contribution is lower than the
1331 amount estimated, the department shall adjust the tax credit
1332 allowed under this section.

1333 (b) For the purposes of using a tax credit against ad
1334 valorem taxes assessed and levied on real property, a taxpayer
1335 shall present to the appropriate tax collector the tax credit
1336 documentation provided to the taxpayer by the department, and the
1337 tax collector shall apply the tax credit against such ad valorem
1338 taxes. The tax collector shall forward the tax credit
1339 documentation to the department along with the amount of the tax
1340 credit applied against ad valorem taxes, and the department shall
1341 disburse funds to the tax collector for the amount of the tax
1342 credit applied against ad valorem taxes. Such payments by the
1343 department shall be made from current tax collections.

1344 (9) The aggregate amount of tax credits that may be
1345 allocated by the department under this section during a calendar
1346 year shall not exceed Two Hundred Fifty Thousand Dollars
1347 (\$250,000.00).

1348 **SECTION 7.** Section 6 of this act shall be codified as a new
1349 section in Chapter 7, Title 27, Mississippi Code of 1972.

1350 **SECTION 8.** Section 5 of this act shall take effect and be in
1351 force from and after July 1, 2025; and the remaining sections of



1352 this act shall take effect and be in force from and after January
1353 1, 2025.

