

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 3062

1 AN ACT TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972, TO
2 AMEND THE DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF
3 BROADBAND TECHNOLOGIES" FOR PURPOSES OF THE CREDIT AGAINST INCOME
4 TAX AND CORPORATION FRANCHISE TAX LIABILITY OF TELECOMMUNICATIONS
5 ENTERPRISES FOR CERTAIN INVESTMENTS MADE IN SUCH EQUIPMENT, AND
6 FOR PURPOSES OF THE AD VALOREM TAX EXEMPTION FOR SUCH EQUIPMENT
7 PLACED IN SERVICE IN A CERTAIN TIME PERIOD; TO LIMIT THE AGGREGATE
8 AMOUNT OF INCOME TAX AND CORPORATION FRANCHISE TAX CREDITS THAT
9 MAY BE CLAIMED DURING A CALENDAR YEAR; TO PROVIDE THAT, IF THE
10 TOTAL CREDITS REQUESTED EXCEED THE ANNUAL AGGREGATE CAP, EACH
11 TELECOMMUNICATIONS ENTERPRISE SHALL BE ALLOCATED CREDITS ON A
12 PRORATED BASIS; TO PROVIDE THAT NO CREDIT SHALL BE ALLOWED IF THE
13 EQUIPMENT WAS PAID FOR, OR ITS COST WAS REIMBURSED BY, FUNDS MADE
14 AVAILABLE UNDER THE BROADBAND EQUITY, ACCESS, AND DEPLOYMENT
15 (BEAD) PROGRAM; TO AMEND SECTION 57-87-7, MISSISSIPPI CODE OF
16 1972, TO SPECIFY THE EQUIPMENT PLACED IN SERVICE AFTER JUNE 30,
17 2025, AND BEFORE JULY 1, 2030, THAT IS ELIGIBLE FOR THE AD VALOREM
18 TAX EXEMPTION; TO REQUIRE A TAXPAYER TO SUBMIT A CERTIFIED, SWORN
19 DESCRIPTION OF THE EQUIPMENT TO THE TAX ASSESSOR OF THE COUNTY IN
20 WHICH SUCH EQUIPMENT IS LOCATED, ON OR BEFORE APRIL 1 OF THE FIRST
21 ASSESSMENT YEAR IN WHICH THE EXEMPTION IS BEING CLAIMED; TO AMEND
22 SECTION 27-65-101, MISSISSIPPI CODE OF 1972, TO REVISE THE
23 DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND
24 TECHNOLOGIES" FOR PURPOSES OF THE INDUSTRIAL SALES TAX EXEMPTION
25 FOR SALES OF SUCH EQUIPMENT; AND FOR RELATED PURPOSES.

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

27 **SECTION 1.** Section 57-87-5, Mississippi Code of 1972, is
28 amended as follows:

29 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 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 2. 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 3. Section 27-65-101, Mississippi Code of 1972,
is amended as follows:

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

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

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



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

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

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



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

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

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

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

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

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



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

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

(k) 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 businesses, as defined in Section 57-51-5, which are located in a county or portion thereof designated as an enterprise zone pursuant to Sections 57-51-1 through 57-51-15.

(l) 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 businesses, as defined in Section 57-54-5.

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



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

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

236 (p) Sales of materials used in the construction of a
237 building, or any addition or improvement thereon, and sales of any
238 machinery and equipment not later than three (3) months after the
239 completion of construction of the building, or any addition
240 thereon, to be used therein, to qualified companies, certified as
241 such by the Mississippi Development Authority under Section
242 57-53-1.

243 (q) Sales of component materials used in the
244 construction of a building, or any addition or improvement
245 thereon, sales of machinery and equipment to be used therein, and
246 sales of manufacturing or processing machinery and equipment which
247 is permanently attached to the ground or to a permanent foundation
248 and which is not by its nature intended to be housed within a
249 building structure, not later than three (3) months after the
250 initial start-up date, to permanent business enterprises engaging
251 in manufacturing or processing in Tier Three areas (as such term
252 is defined in Section 57-73-21), which businesses are certified by
253 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



279 regional headquarters within the State of Mississippi and creating
280 a minimum of twenty (20) new jobs at the headquarters as a result
281 of the expansion or additions. The exemption provided in this
282 subparagraph (ii) shall not apply to sales for any company that is
283 a medical cannabis establishment as defined in the Mississippi
284 Medical Cannabis Act. The Department of Revenue shall establish
285 criteria and prescribe procedures to determine if a company
286 qualifies as a national or regional headquarters for the purpose
287 of receiving the exemption provided in this subparagraph (ii).

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

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

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

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

301 (ii) Assists in the implementation of the
302 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



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

357 (dd) Sales or leases of component materials, machinery
358 and equipment used in the construction of a building, or any
359 addition or improvement thereon to an enterprise owning or
360 operating a project that has been designated by the Mississippi
361 Major Economic Impact Authority as a project as defined in Section
362 57-75-5(f)(xviii) and any other sales or leases required to
363 establish or operate such project.

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

368 (ff) Sales of component materials used in the
369 construction of a facility, or any addition or improvement
370 thereon, and sales or leases of machinery and equipment not later
371 than three (3) months after the completion of construction of the
372 facility, or any addition or improvement thereto, to be used in
373 the building or any addition or improvement thereto, to a
374 permanent business enterprise operating a data/information
375 enterprise in Tier Three areas (as such areas are designated in
376 accordance with Section 57-73-21), meeting minimum criteria
377 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 where the first use of such software or software services by the purchaser occurs outside the State of Mississippi.

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

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

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

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

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



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

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

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



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

459 (rr) Gross collections derived from guided tours on any
460 navigable waters of this state, which include providing
461 accommodations, guide services and/or related equipment operated
462 by or under the direction of the person providing the tour, for
463 the purposes of outdoor tourism. The exemption provided in this
464 paragraph (rr) does not apply to the sale of tangible personal
465 property by a person providing such tours.

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

471 (tt) Sales exempt under the Facilitating Business Rapid
472 Response to State Declared Disasters Act of 2015 (Sections
473 27-113-1 through 27-113-9).

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



478 (i) All personal property and fixtures, including
479 without limitation, sales or leases to the enterprise and its
480 affiliates of:

- 481 1. Manufacturing machinery and equipment;
- 482 2. Special tooling such as dies, molds, jigs
483 and similar items treated as special tooling for federal income
484 tax purposes;
- 485 3. Component building materials, machinery
486 and equipment used in the construction of buildings, and any other
487 additions or improvements to the project site for the project;
- 488 4. Nonmanufacturing furniture, fixtures and
489 equipment (inclusive of all communications, computer, server,
490 software and other hardware equipment); and
- 491 5. Fuel, supplies (other than
492 nonmanufacturing consumable supplies and water), electricity,
493 nitrogen gas and natural gas used directly in the
494 manufacturing/production operations of such project or used to
495 provide climate control for manufacturing/production areas of such
496 project;

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

500 (iii) All services taxable pursuant to Section
501 27-65-23 required to establish, support, operate, repair and/or
502 maintain such project.



503 (vv) Sales or leases to an enterprise operating a
504 project that has been certified by the Mississippi Major Economic
505 Impact Authority as a project as defined in Section
506 57-75-5(f) (xxx) of:

507 (i) Purchases required to establish and operate
508 the project, including, but not limited to, sales of component
509 building materials, machinery and equipment required to establish
510 the project facility and any additions or improvements thereon;
511 and

512 (ii) Machinery, special tools (such as dies,
513 molds, and jigs) or repair parts thereof, or replacements and
514 lease thereof, repair services thereon, fuel, supplies and
515 electricity, coal and natural gas used in the manufacturing
516 process and purchased by the enterprise owning or operating the
517 project for the benefit of the project.

518 (wv) Sales of component materials used in the
519 construction of a building, or any expansion or improvement
520 thereon, sales of machinery and/or equipment to be used therein,
521 and sales of processing machinery and equipment which is
522 permanently attached to the ground or to a permanent foundation
523 which is not by its nature intended to be housed in a building
524 structure, no later than three (3) months after initial startup,
525 expansion or improvement of a permanent enterprise solely engaged
526 in the conversion of natural sand into proppants used in oil and
527 gas exploration and development with at least ninety-five percent



528 (95%) of such proppants used in the production of oil and/or gas
529 from horizontally drilled wells and/or horizontally drilled
530 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

531 (xx) (i) Sales or leases to an enterprise operating a
532 project that has been certified by the Mississippi Major Economic
533 Impact Authority as a project as defined in Section
534 57-75-5(f)(xxxi), for a period ending no later than one (1) year
535 following completion of the construction of the facility or
536 facilities comprising such project of all personal property and
537 fixtures, including without limitation, sales or leases to the
538 enterprise and its affiliates of:

539 1. Manufacturing machinery and equipment;

540 2. Special tooling such as dies, molds, jigs
541 and similar items treated as special tooling for federal income
542 tax purposes;

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

546 4. Nonmanufacturing furniture, fixtures and
547 equipment (inclusive of all communications, computer, server,
548 software and other hardware equipment);

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



552 6. All services taxable pursuant to Section
553 27-65-23 required to establish, support, operate, repair and/or
554 maintain such project; and

555 (ii) Sales or leases to an enterprise operating a
556 project that has been certified by the Mississippi Major Economic
557 Impact Authority as a project as defined in Section
558 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
559 natural gas, liquefied petroleum gas or other fuel, biomass,
560 nitrogen or other atmospheric or other industrial gases used
561 directly by the enterprise in the manufacturing/production
562 operations of its project or used to provide climate control for
563 manufacturing/production areas (which manufacturing/production
564 areas shall be apportioned based on square footage). As used in
565 this paragraph, the term "biomass" shall have the meaning ascribed
566 to such term in Section 57-113-1.

567 (yy) The gross proceeds from the sale of any item of
568 tangible personal property by the manufacturer or custom processor
569 thereof if such item is shipped, transported or exported from this
570 state and first used in another state, whether such shipment,
571 transportation or exportation is made by the seller, purchaser, or
572 any third party acting on behalf of such party. For the purposes
573 of this paragraph (yy), any instruction to, training of or
574 inspection by the purchaser with respect to the item prior to
575 shipment, transportation or exportation of the item shall not
576 constitute a first use of such item within this state.



577 (zz) (i) Sales or leases to an enterprise operating a
578 project that has been certified by the Mississippi Major Economic
579 Impact Authority as a project as defined in Section
580 57-75-5(f) (xxxii), for a period ending no later than one (1) year
581 following completion of the construction of the facility or
582 facilities comprising such project of all personal property and
583 fixtures, including, without limitation, sales or leases to the
584 enterprise and its affiliates of:

- 585 1. Manufacturing machinery and equipment;
- 586 2. Special tooling such as dies, molds, jigs
587 and similar items treated as special tooling for federal income
588 tax purposes;
- 589 3. Component building materials, machinery
590 and equipment used in the construction of buildings, and any other
591 additions or improvements to the project site for the project;
- 592 4. Nonmanufacturing furniture, fixtures and
593 equipment (inclusive of all communications, computer, server,
594 software and other hardware equipment);
- 595 5. Replacements of, repair parts for or
596 services to repair items described in this subparagraph (i)1, 2
597 and 3; and
- 598 6. All services taxable pursuant to Section
599 27-65-23 required to establish, support, operate, repair and/or
600 maintain such project; and



601 (ii) Sales or leases to an enterprise operating a
602 project that has been certified by the Mississippi Major Economic
603 Impact Authority as a project as defined in Section
604 57-75-5(f)(xxxii) of electricity, current, power, steam, coal,
605 natural gas, liquefied petroleum gas or other fuel, biomass,
606 nitrogen or other atmospheric or other industrial gases used
607 directly by the enterprise in the manufacturing/production
608 operations of its project or used to provide climate control for
609 manufacturing/production areas (which manufacturing/production
610 areas shall be apportioned based on square footage). As used in
611 this paragraph, the term "biomass" shall have the meaning ascribed
612 to such term in Section 57-113-1.

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

617 (i) Component building materials, fixtures,
618 machinery and equipment used in the construction of a data
619 processing facility or other buildings comprising all or part of a
620 project, for a period ending no later than one (1) year following
621 completion of the construction of the data processing facility or
622 such other building; and

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



626 1. Communications, computer, server,
627 software, connectivity materials and equipment, emergency power
628 generation equipment, other hardware equipment and any other
629 technology;

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

632 3. All services taxable pursuant to Section
633 27-65-23 required to install, support, operate, repair and/or
634 maintain the foregoing equipment and other personal property
635 described in this subparagraph (ii).

636 (bbb) Sales, leases or other retail transfers of
637 fixed-wing aircraft to, or to be used by, certified common
638 carriers in the transport of persons or property in interstate,
639 intrastate or foreign commerce, and engines, accessories and spare
640 parts for such fixed-wing aircraft.

641 (2) Sales of component materials used in the construction of
642 a building, or any addition or improvement thereon, sales of
643 machinery and equipment to be used therein, and sales of
644 manufacturing or processing machinery and equipment which is
645 permanently attached to the ground or to a permanent foundation
646 and which is not by its nature intended to be housed within a
647 building structure, not later than three (3) months after the
648 initial start-up date, to permanent business enterprises engaging
649 in manufacturing or processing in Tier Two areas and Tier One
650 areas (as such areas are designated in accordance with Section



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

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

(4) Sales of component materials used in the construction of a facility, or any addition or improvement thereto, and sales of machinery and equipment not later than three (3) months after the



676 completion of construction of the facility, or any addition or
677 improvement thereto, to be used in the building or any addition or
678 improvement thereto, to technology intensive enterprises for
679 industrial purposes in Tier Two areas and Tier One areas (as such
680 areas are designated in accordance with Section 57-73-21), which
681 businesses are certified by the Department of Revenue as being
682 eligible for the exemption granted in this subsection, shall be
683 exempt from one-half (1/2) of the taxes imposed on such
684 transactions under this chapter. For purposes of this subsection,
685 an enterprise must meet the criteria provided for in Section
686 27-65-17(1)(f) in order to be considered a technology intensive
687 enterprise.

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

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

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

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

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

697 (v) "Equipment used in the deployment of broadband
698 technologies" means any equipment capable of being used for or in
699 connection with the transmission of information at a rate, prior
700 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.

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

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

(6) Sales of component materials used in the replacement, reconstruction or repair of a building 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 that were eligible for the partial exemptions provided for in subsections (2), (3) and (4) of this section during initial



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

731 **SECTION 4.** Section 3 of this act shall take effect and be in
732 force from and after July 1, 2025, and the remaining sections of
733 this act shall take effect and be in force from and after January
734 1, 2025.

