

By: Senator(s) Harkins

To: Finance

## SENATE BILL NO. 3168

1 AN ACT TO AMEND SECTION 57-113-21, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE DEFINITIONS OF CERTAIN TERMS FOR PURPOSES OF THE  
3 SALES, USE AND FRANCHISE TAX EXEMPTIONS FOR DATA CENTER  
4 ENTERPRISES; TO AMEND SECTION 57-113-23, MISSISSIPPI CODE OF 1972,  
5 TO REVISE THE REQUIRED CONTENTS OF THE APPLICATION TO BE SUBMITTED  
6 BY BUSINESS ENTERPRISES SEEKING THE EXEMPTIONS; TO PROVIDE THAT A  
7 BUSINESS ENTERPRISE SHALL AUTOMATICALLY BE ELIGIBLE FOR UP TO TWO  
8 TEN-YEAR EXTENSIONS OF THE TAX EXEMPTIONS FOR A QUALIFYING  
9 ADDITION OR EXPANSION, INCLUDING HARDWARE REPLACEMENT, TO A DATA  
10 CENTER; TO AMEND SECTION 57-113-25, MISSISSIPPI CODE OF 1972, TO  
11 PROVIDE THAT A BUSINESS ENTERPRISE HAS 60 DAYS FROM THE DATE OF  
12 NOTICE OF NONCOMPLIANCE TO REMEDY THE NONCOMPLIANCE BEFORE  
13 FORFEITING ITS TAX-EXEMPT STATUS, SUBJECT TO ANY PENALTIES  
14 PROVIDED IN MISSISSIPPI DEVELOPMENT AUTHORITY RULES AND  
15 REGULATIONS; TO PROVIDE THAT A BUSINESS ENTERPRISE SEEKING AN  
16 EXTENSION OF THE TAX EXEMPTIONS BASED ON A QUALIFYING ADDITION OR  
17 EXPANSION TO A DATA CENTER SHALL APPLY DIRECTLY TO THE DEPARTMENT  
18 OF REVENUE; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** Section 57-113-21, Mississippi Code of 1972, is  
21 amended as follows:

22 57-113-21. As used in this article:

23 (a) "Blockchain" means data that is shared across a  
24 network to create a ledger of verified transactions or information  
25 among network participants linked using cryptography to maintain  
26 the integrity of the ledger and to execute other functions and



distributed among network participants in an automated fashion to concurrently update network participants on the state of the ledger and any other functions.

( \* \* \* b) "Business enterprise" means any for-profit business \* \* \* establishment, excluding any enterprise engaged in digital asset mining, registered to do business in the state and which is the owner, operator, tenant or affiliate of a data center in this state with a minimum capital investment of:

(i) For a newly constructed data center, Two Hundred Fifty Million Dollars (\$250,000,000.00), which will create at least thirty-five (35) new, full-time jobs with a minimum average annual salary of one hundred twenty-five percent (125%) of the average annual state wage; or

(ii) For an addition or expansion, including hardware replacement, to a data center that met the criteria of subparagraph (i) of this paragraph (b) when newly constructed, One Hundred Million Dollars (\$100,000,000.00).

( \* \* \* c) "Data center" means one or more buildings or an array of interconnected buildings in one (1) physical location or multiple physical locations that are owned, leased, occupied or operated by a business enterprise that utilizes hardware, software, technology, infrastructure and/or workforce, to store, manage \* \* \*, process or disseminate digital data.

(d) "Digital asset" means virtual currency, cryptocurrencies, natively electronic assets, including



stablecoins and nonfungible tokens, and other digital-only assets  
that confer economic, proprietary, or access rights or powers.

(e) "Digital asset mining" means the use of electricity  
to power a computer for the purpose of securing a blockchain  
network.

( \* \* \* f) "MDA" means the Mississippi Development  
Authority.

( \* \* \* g) "State tax" means:

(i) Any sales and use tax imposed on the business  
enterprise pursuant to law related to the purchase or lease of  
component building materials and equipment for initial  
construction of facilities or expansion of facilities that are  
certified by the Mississippi Development Authority;

(ii) Any sales and use tax imposed by law on the  
business enterprise pursuant to law related to the purchase of  
replacement hardware, software or other necessary technology to  
operate a data center;

\* \* \*

( \* \* \* iii) Franchise tax imposed pursuant to law  
on the value of capital used, invested or employed by the business  
enterprise certified by the Mississippi Development  
Authority \* \* \* ; and

(iv) Any tax imposed on a data center pursuant to  
law related to the purchase of electricity.



76           **SECTION 2.** Section 57-113-23, Mississippi Code of 1972, is  
77 amended as follows:

78           57-113-23. (1) Business enterprises, as defined in Section  
79 57-113-21(b)(i), wishing to apply for the tax exemptions  
80 authorized by this article shall make application to the MDA prior  
81 to construction or acquisition of the buildings for the  
82 location \* \* \* of the business enterprise in this state. The  
83 application, at a minimum, shall contain:

84           (a) An overview of the project that includes the  
85 selected site, the number of jobs proposed, the length of time  
86 necessary for the company to meet its investment and employment  
87 requirements;

88           (b) A two-year business plan \* \* \*;

89           \* \* \*

90           ( \* \* \* c) An acknowledgment that the business entity  
91 will be required to provide annual documentation to demonstrate  
92 that the minimum investment and job \* \* \* requirements are being  
93 maintained; and

94           ( \* \* \* d) Such information as may be reasonably  
95 requested by the MDA to determine eligibility for the exemption.

96           (2) Business enterprises, as defined in Section  
97 57-113-21(b)(ii), shall automatically be eligible for up to two  
98 (2) ten-year extensions of the tax exemptions authorized by this  
99 article.



100       **SECTION 3.** Section 57-113-25, Mississippi Code of 1972, is  
101 amended as follows:

102       57-113-25. (1) Upon approval of the application, the MDA  
103 shall issue a certification designating the business enterprise,  
104 as defined in Section 57-113-21(b)(i), as eligible for the tax  
105 exemptions authorized by this article. This certification shall  
106 document the date by which all commitments must be met.

107       (2) Upon the issuance of the certification, the business  
108 enterprise, as defined in Section 57-113-21(b)(i), shall be exempt  
109 from state taxes for a period of ten (10) years, subject to the  
110 performance requirements set out in the agreement required by  
111 subsection (3)(c) of this section.

112       (3) The following conditions, along with any other  
113 conditions the MDA shall promulgate from time to time by rule or  
114 regulation, shall apply to such exemptions:

115       (a) A business enterprise, as defined in Section  
116 57-113-21(b)(i) or (ii), using any exemption provided under this  
117 article \* \* \* cannot \* \* \* transfer its exemption to any other  
118 person or business \* \* \* without prior approval by the MDA;

119       (b) No approved business enterprise, as defined in  
120 Section 57-113-21(b)(i) or (ii), may claim or use the exemption  
121 granted under this article unless that business enterprise is in  
122 full compliance with all state and local tax laws, and related  
123 ordinances and resolutions. However, if an audit conducted by any  
124 federal or state agency in the ordinary course of business reveals



any noncompliance by a business enterprise exempt from state taxes under this article, the business enterprise shall have sixty (60) days from the date of notice in which to remedy its noncompliance before forfeiting its tax-exempt status, subject to any penalties provided in MDA rules and regulations; and

(c) The business enterprise, as defined in Section 57-113-21(b)(i), must enter into an agreement with the MDA which sets out, at a minimum, the performance requirements of the approved business enterprise during the term of the exemption and provisions for the recapture of all or a portion of the taxes exempted if the performance requirements of the business enterprise are not met.

(4) Upon certifying a business enterprise, as defined in Section 57-113-21(b)(i), as eligible for the exemptions under this article, the MDA shall forward the certification along with any other necessary information to the Department of Revenue so that the exemptions can be implemented. A business enterprise, as defined in Section 57-113-21(b)(ii), shall apply directly to the Department of Revenue for the extension of the exemptions and shall provide any necessary information to the department. The Department of Revenue shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, for the implementation of the state tax exemptions granted under this article.



149           **SECTION 4.** This act shall take effect and be in force from  
150 and after July 1, 2025, and shall stand repealed on June 30, 2025.

