

By: Senator(s) Harkins, Parker

To: Finance

SENATE BILL NO. 3169

1 AN ACT TO AMEND SECTION 27-7-22.29, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT NO INCOME TAX CREDITS FOR JOB CREATION BY CERTAIN
3 ALTERNATIVE ENERGY PROJECTS SHALL BE AWARDED UNDER THE SECTION FOR
4 ANY TAX YEAR AFTER 2025; TO AMEND SECTION 27-65-101, MISSISSIPPI
5 CODE OF 1972, TO PROVIDE THAT CERTAIN SALES AND USE TAX EXEMPTIONS
6 FOR CONSTRUCTION, EXPANSION AND HEADQUARTERS RELOCATION SHALL NOT
7 APPLY TO ANY SALES MADE ON OR AFTER JULY 1, 2025; TO AMEND
8 SECTIONS 57-62-7 AND 57-62-9, MISSISSIPPI CODE OF 1972, TO PROVIDE
9 THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL NOT ACCEPT
10 APPLICATIONS OR MAKE ELIGIBILITY DETERMINATIONS FOR INCENTIVE
11 PAYMENTS UNDER THE MISSISSIPPI ADVANTAGE JOBS ACT AFTER DECEMBER
12 31, 2025; TO DELETE OBSOLETE TIERS PERTAINING TO EXPIRED
13 INCENTIVES; TO AMEND SECTION 57-73-21, MISSISSIPPI CODE OF 1972,
14 TO PROVIDE THAT CERTAIN INCOME TAX CREDITS FOR JOBS UNDER THE
15 ECONOMIC DEVELOPMENT REFORM ACT SHALL NOT BE AWARDED FOR ANY TAX
16 YEAR AFTER 2025; TO DELETE AN OBSOLETE TIER PERTAINING TO EXPIRED
17 CREDITS; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** Section 27-7-22.29, Mississippi Code of 1972, is
20 amended as follows:

21 27-7-22.29. (1) Producers are allowed a job tax credit for
22 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
23 (\$1,000.00) annually for each net new full-time employee job for a
24 period of twenty (20) years from the date the credit begins;
25 however, if the producer is located in an area that has been



26 declared by the Governor to be a disaster area and as a direct
27 result of the disaster the producer is unable to maintain the
28 required number of employees, the commissioner may extend this
29 time period for not more two (2) years. The credit shall begin on
30 the date selected by the producer; however, the beginning date
31 shall not be more than five (5) years from the date the producer
32 begins manufacturing or producing alternative energy. For the
33 year in which the beginning date occurs, the number of new
34 full-time jobs shall be determined by using the monthly average
35 number of full-time employees subject to the Mississippi income
36 tax withholding. Thereafter, the number of new full-time jobs
37 shall be determined by comparing the monthly average number of
38 full-time employees subject to the Mississippi income tax
39 withholding for the taxable year with the corresponding period of
40 the prior taxable year. Once a producer creates twenty-five (25)
41 or more new full-time employee jobs, the producer shall be
42 eligible for the credit; however, if the producer is located in an
43 area that has been declared by the Governor to be a disaster area
44 and as a direct result of the disaster the producer is unable to
45 maintain the required number of employees, the commissioner may
46 waive the employment requirement for a period of time not to
47 exceed two (2) years. The credit is not allowed for any year of
48 the twenty-year period in which the overall monthly average number
49 of full-time employees subject to the Mississippi income tax
50 withholding falls below twenty-five (25). The * * * department



shall adjust the credit allowed each year for the net new employment fluctuations above twenty-five (25).

(2) Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were earned; however, if the producer is located in an area that has been declared by the Governor to be a disaster area and as a direct result of the disaster the producer is unable to use the existing carryforward, the commissioner may extend the period that the credit may be carried forward for a period of time not to exceed two (2) years. The credit that may be utilized each year shall be limited to an amount not greater than the total state income tax liability of the producer that is generated by, or arises out of, the alternative energy project.

(3) The tax credits provided for in this section shall be in lieu of the tax credits provided for in Section 57-73-21, and any producer utilizing the tax credit authorized in this section shall not utilize the tax credit authorized in Section 57-73-21.

(4) No credits shall be awarded under this section for any tax year after 2025.

SECTION 2. 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



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

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

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

94 (b) Sales of raw materials, catalysts, processing
95 chemicals, welding gases or other industrial processing gases
96 (except natural gas) to a manufacturer for use directly in
97 manufacturing or processing a product for sale or rental or
98 repairing or reconditioning vessels or barges of fifty (50) tons
99 load displacement and over. For the purposes of this exemption,
100 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



150 against use in this state other than on such ships, are
151 established.

152 (k) Sales of materials used in the construction of a
153 building, or any addition or improvement thereon, and sales of any
154 machinery and equipment not later than three (3) months after the
155 completion of construction of the building, or any addition
156 thereon, to be used therein, to qualified businesses, as defined
157 in Section 57-51-5, which are located in a county or portion
158 thereof designated as an enterprise zone pursuant to Sections
159 57-51-1 through 57-51-15.

160 (l) Sales of materials used in the construction of a
161 building, or any addition or improvement thereon, and sales of any
162 machinery and equipment not later than three (3) months after the
163 completion of construction of the building, or any addition
164 thereon, to be used therein, to qualified businesses, as defined
165 in Section 57-54-5.

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

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

173 (o) The gross collections from self-service commercial
174 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 * * * 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. The exemption provided in this paragraph (q) shall not apply to any sales made on or after July 1, 2025.

(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 * * * 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 * * * 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).

(iii) The exemptions provided in this paragraph (r) shall not apply to any sales made on or after July 1, 2025.

(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.



275 (y) Sales or leases of component materials, machinery
276 and equipment used in the construction of a building, or any
277 addition or improvement thereon to an enterprise operating a
278 project that has been certified by the Mississippi Major Economic
279 Impact Authority as a project as defined in Section
280 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
281 or Section 57-75-5(f)(xxviii) and any other sales or leases
282 required to establish or operate such project.

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

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

288 (bb) [Repealed]

289 (cc) Sales or leases to an enterprise owning or
290 operating a project that has been designated by the Mississippi
291 Major Economic Impact Authority as a project as defined in Section
292 57-75-5(f)(xviii) of machinery and equipment; special tooling such
293 as dies, molds, jigs and similar items treated as special tooling
294 for federal income tax purposes; or repair parts therefor or
295 replacements thereof; repair services thereon; fuel, supplies,
296 electricity, coal and natural gas used directly in the
297 manufacturing/production operations of the project or used to
298 provide climate control for manufacturing/production areas.



299 (dd) Sales or leases of component materials, machinery
300 and equipment used in the construction of a building, or any
301 addition or improvement thereon to an enterprise owning or
302 operating a project that has been designated by the Mississippi
303 Major Economic Impact Authority as a project as defined in Section
304 57-75-5(f)(xviii) and any other sales or leases required to
305 establish or operate such project.

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

310 (ff) Sales of component materials used in the
311 construction of a facility, or any addition or improvement
312 thereon, and sales or leases of machinery and equipment not later
313 than three (3) months after the completion of construction of the
314 facility, or any addition or improvement thereto, to be used in
315 the building or any addition or improvement thereto, to a
316 permanent business enterprise operating a data/information
317 enterprise in Tier Three areas (as such areas are designated in
318 accordance with Section 57-73-21), meeting minimum criteria
319 established by the Mississippi Development Authority. The
320 exemption provided in this paragraph (ff) shall not apply to sales
321 to any business enterprise that is a medical cannabis
322 establishment as defined in the Mississippi Medical Cannabis Act.



323 The exemption provided in this paragraph (ff) shall not apply to
324 any sales made on or after July 1, 2025.

325 (gg) Sales of component materials used in the
326 construction of a facility, or any addition or improvement
327 thereto, and sales of machinery and equipment not later than three
328 (3) months after the completion of construction of the facility,
329 or any addition or improvement thereto, to be used in the facility
330 or any addition or improvement thereto, to technology intensive
331 enterprises for industrial purposes in Tier Three areas (as such
332 areas are designated in accordance with Section 57-73-21), as
333 certified by the department * * *. For purposes of this
334 paragraph, an enterprise must meet the criteria provided for in
335 Section 27-65-17(1)(f) in order to be considered a technology
336 intensive enterprise. The exemption provided in this paragraph
337 (gg) shall not apply to any sales made on or after July 1, 2025.

338 (hh) Sales of component materials used in the
339 replacement, reconstruction or repair of a building or facility
340 that has been destroyed or sustained extensive damage as a result
341 of a disaster declared by the Governor, sales of machinery and
342 equipment to be used therein to replace machinery or equipment
343 damaged or destroyed as a result of such disaster, including, but
344 not limited to, manufacturing or processing machinery and
345 equipment which is permanently attached to the ground or to a
346 permanent foundation and which is not by its nature intended to be
347 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 * * * as being
eligible for the exemption granted in this paragraph. The
exemption provided in this paragraph (hh) shall not apply to any
sales made on or after July 1, 2025.

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

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

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

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



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

425 (i) All personal property and fixtures, including
426 without limitation, sales or leases to the enterprise and its
427 affiliates of:

428 1. Manufacturing machinery and equipment;

429 2. Special tooling such as dies, molds, jigs
430 and similar items treated as special tooling for federal income
431 tax purposes;

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

435 4. Nonmanufacturing furniture, fixtures and
436 equipment (inclusive of all communications, computer, server,
437 software and other hardware equipment); and

438 5. Fuel, supplies (other than
439 nonmanufacturing consumable supplies and water), electricity,
440 nitrogen gas and natural gas used directly in the
441 manufacturing/production operations of such project or used to
442 provide climate control for manufacturing/production areas of such
443 project;



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

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

(vv) Sales or leases 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) (xxx) of:

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

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

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



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

(xx) (i) Sales or leases 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)(xxxi), for a period ending no later than one (1) year following completion of the construction of the facility or facilities comprising such project of all personal property and fixtures, including without limitation, sales or leases to the enterprise and its affiliates of:

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



493 4. Nonmanufacturing furniture, fixtures and
494 equipment (inclusive of all communications, computer, server,
495 software and other hardware equipment);

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

499 6. All services taxable pursuant to Section
500 27-65-23 required to establish, support, operate, repair and/or
501 maintain such project; and

502 (ii) Sales or leases to an enterprise operating a
503 project that has been certified by the Mississippi Major Economic
504 Impact Authority as a project as defined in Section
505 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
506 natural gas, liquefied petroleum gas or other fuel, biomass,
507 nitrogen or other atmospheric or other industrial gases used
508 directly by the enterprise in the manufacturing/production
509 operations of its project or used to provide climate control for
510 manufacturing/production areas (which manufacturing/production
511 areas shall be apportioned based on square footage). As used in
512 this paragraph, the term "biomass" shall have the meaning ascribed
513 to such term in Section 57-113-1.

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



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

(zz) (i) Sales or leases 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)(xxxii), for a period ending no later than one (1) year following completion of the construction of the facility or facilities comprising such project of all personal property and fixtures, including, without limitation, sales or leases to the enterprise and its affiliates of:

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



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

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

(ii) Sales or leases 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)(xxxii) of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel, biomass, nitrogen or other atmospheric or other industrial gases used directly by the enterprise in the manufacturing/production operations of its project or used to provide climate control for manufacturing/production areas (which manufacturing/production areas shall be apportioned based on square footage). As used in this paragraph, the term "biomass" shall have the meaning ascribed to such term in Section 57-113-1.

(aaa) Sales or leases to an enterprise and/or any affiliates thereof 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)(xxxiii) of:

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



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

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

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

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

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

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

(2) 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



592 permanently attached to the ground or to a permanent foundation
593 and which is not by its nature intended to be housed within a
594 building structure, not later than three (3) months after the
595 initial start-up date, to permanent business enterprises engaging
596 in manufacturing or processing in Tier Two areas and Tier One
597 areas (as such areas are designated in accordance with Section
598 57-73-21), which businesses are certified by the department * * *
599 as being eligible for the exemption granted in this subsection,
600 shall be exempt from one-half (1/2) of the taxes imposed on such
601 transactions under this chapter. The exemption provided in this
602 subsection (2) shall not apply to sales to any business enterprise
603 that is a medical cannabis establishment as defined in the
604 Mississippi Medical Cannabis Act. The exemption provided in this
605 subsection (2) shall not apply to any sales made on or after July
606 1, 2025.

607 (3) Sales of component materials used in the construction of
608 a facility, or any addition or improvement thereon, and sales or
609 leases of machinery and equipment not later than three (3) months
610 after the completion of construction of the facility, or any
611 addition or improvement thereto, to be used in the building or any
612 addition or improvement thereto, to a permanent business
613 enterprise operating a data/information enterprise in Tier Two
614 areas and Tier One areas (as such areas are designated in
615 accordance with Section 57-73-21), which businesses meet minimum
616 criteria established by the Mississippi Development Authority,



617 shall be exempt from one-half (1/2) of the taxes imposed on such
618 transaction under this chapter. The exemption provided in this
619 subsection (3) shall not apply to sales to any business enterprise
620 that is a medical cannabis establishment as defined in the
621 Mississippi Medical Cannabis Act. The exemption provided in this
622 subsection (3) shall not apply to any sales made on or after July
623 1, 2025.

624 (4) Sales of component materials used in the construction of
625 a facility, or any addition or improvement thereto, and sales of
626 machinery and equipment not later than three (3) months after the
627 completion of construction of the facility, or any addition or
628 improvement thereto, to be used in the building or any addition or
629 improvement thereto, to technology intensive enterprises for
630 industrial purposes in Tier Two areas and Tier One areas (as such
631 areas are designated in accordance with Section 57-73-21), which
632 businesses are certified by the department * * * as being eligible
633 for the exemption granted in this subsection, shall be exempt from
634 one-half (1/2) of the taxes imposed on such transactions under
635 this chapter. For purposes of this subsection, an enterprise must
636 meet the criteria provided for in Section 27-65-17(1)(f) in order
637 to be considered a technology intensive enterprise. The exemption
638 provided in this subsection (4) shall not apply to any sales made
639 on or after July 1, 2025.

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



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

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

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

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

649 (v) "Equipment used in the deployment of broadband
650 technologies" means any equipment capable of being used for or in
651 connection with the transmission of information at a rate, prior
652 to taking into account the effects of any signal degradation, that
653 is not less than three hundred eighty-four (384) kilobits per
654 second in at least one (1) direction, including, but not limited
655 to, asynchronous transfer mode switches, digital subscriber line
656 access multiplexers, routers, servers, multiplexers, fiber optics
657 and related equipment.

658 (b) Sales of equipment to telecommunications
659 enterprises after June 30, 2003, and before July 1, 2025, that is
660 installed in Tier One areas and used in the deployment of
661 broadband technologies shall be exempt from one-half (1/2) of the
662 taxes imposed on such transactions under this chapter.

663 (c) Sales of equipment to telecommunications
664 enterprises after June 30, 2003, and before July 1, 2025, that is
665 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 construction of the building that was destroyed or damaged, which enterprises are certified by the department * * * 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. The exemption provided in this subsection (6) shall not apply to any sales made on or after July 1, 2025.

SECTION 3. Section 57-62-7, Mississippi Code of 1972, is amended as follows:

57-62-7. The MDA shall determine, upon initial application on a form approved by the MDA, if an establishment is engaged in a



690 qualified business or industry. The MDA shall make no such
691 determination after December 31, 2025.

692 **SECTION 4.** Section 57-62-9, Mississippi Code of 1972, is
693 amended as follows:

694 * * *

695 57-62-9. (1) (a) Except as otherwise provided in this
696 section, a qualified business or industry that meets the
697 qualifications specified in this chapter may receive quarterly
698 incentive payments for a period not to exceed ten (10) years from
699 the Department of Revenue pursuant to the provisions of this
700 chapter in an amount which shall be equal to ninety percent (90%)
701 of the amount of actual income tax withheld for employees with new
702 direct jobs, but in no event more than four percent (4%) of the
703 total annual salary paid for new direct jobs during such period,
704 excluding benefits which are not subject to Mississippi income
705 taxes.

706 (b) A qualified business or industry that is a project
707 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
708 which the ten-year period will begin. Such date may not be later
709 than sixty (60) months after the date the business or industry
710 applied for incentive payments.

711 (c) A qualified business or industry as defined in
712 Section 57-62-5(a)(iii) may elect the date upon which the ten-year
713 period will begin and may elect to begin receiving incentive
714 payments as early as the second quarter after that date.



Incentive payments will be calculated on all jobs above the existing number of jobs as of the date the MDA determines that the applicant is qualified to receive incentive payments. In the event that the qualified business or industry falls below the number of existing jobs at the time of determination that the applicant is qualified to receive the incentive payment, the incentive payment shall cease until the qualified business or industry once again exceeds that number. If after forty-eight (48) months, the qualified business or industry has failed to create at least three thousand (3,000) new direct jobs, incentive payments shall cease and the qualified business or industry shall not be qualified to receive further incentive payments.

(2) (a) A qualified business or industry that is a project as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to receive incentive payments for an additional period not to exceed five (5) years beyond the expiration date of the initial ten-year period if:

(i) The qualified business or industry creates at least three thousand (3,000) new direct jobs within five (5) years after the date the business or industry commences commercial production;

(ii) Within five (5) years after the date the business or industry commences commercial production, the average annual wage of the jobs is at least one hundred fifty percent (150%) of the most recently published state average annual wage or



the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser. The criteria for the average annual wage requirement shall be based upon the state average annual wage or the average annual wage of the county whichever is appropriate, at the time of creation of the minimum number of jobs, and the threshold established at that time will remain constant for the duration of the additional period; and

(iii) The qualified business or industry meets and maintains the job and wage requirements of subparagraphs (i) and (ii) of this paragraph (a) for four (4) consecutive calendar quarters.

(b) A qualified business or industry that is a project as defined in Section 57-75-5(f)(iv)1 and qualified to receive incentive payments for the additional period provided in paragraph (a) of this subsection (2) may apply to the MDA to receive incentive payments for an additional period not to exceed ten (10) years beyond the expiration date of the additional period provided in paragraph (a) of this subsection (2) if:

(i) The qualified business or industry creates at least four thousand (4,000) new direct jobs after qualifying for the additional incentive period provided in paragraph (a) of this subsection (2) but before the expiration of the additional period. For purposes of determining whether the business or industry meets



the minimum jobs requirement of this subparagraph (i), the number of jobs the business or industry created in order to meet the minimum jobs requirement of paragraph (a) of this subsection (2) shall be subtracted from the minimum jobs requirement of this subparagraph (i);

(ii) The average annual wage of the jobs is at least one hundred fifty percent (150%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser. The criteria for the average annual wage requirement shall be based upon the state average annual wage or the average annual wage of the county whichever is appropriate, at the time of creation of the minimum number of jobs, and the threshold established at that time will remain constant for the duration of the additional period; and

(iii) The qualified business or industry meets and maintains the job and wage requirements of subparagraphs (i) and (ii) of this paragraph (b) for four (4) consecutive calendar quarters.

(3) In order to receive incentive payments, an establishment shall apply to the MDA. The application shall be on a form prescribed by the MDA and shall contain such information as may be required by the MDA to determine if the applicant is qualified.

The MDA shall accept no applications after December 31, 2025.



790 (4) (a) In order to qualify to receive such payments, the
791 establishment applying shall be required to meet the definition of
792 the term "qualified business or industry";

793 (b) The criteria for the average annual salary
794 requirement shall be based upon the state average annual wage or
795 the average annual wage of the county whichever is appropriate, at
796 the time of application, and the threshold established upon
797 application will remain constant for the duration of the project;

798 (c) Except as otherwise provided for a qualified
799 business or industry as defined in Section 57-62-5(a)(iii), the
800 business or industry must meet its job creation commitment within
801 twenty-four (24) months of the application approval. However, if
802 the qualified business or industry is applying for incentive
803 payments for an additional period under subsection (2) of this
804 section, the business or industry must comply with the applicable
805 job and wage requirements of subsection (2) of this section.

806 (5) (a) The MDA shall determine if the applicant is
807 qualified to receive incentive payments.

808 (b) If the applicant is determined to be qualified to
809 receive incentive payments for an additional period under
810 subsection (2) of this section, the MDA shall conduct an analysis
811 to estimate the amount of gross payroll for the appropriate
812 additional period. Incentive payments, cumulatively, shall not
813 exceed ninety percent (90%) of the amount of actual income tax
814 withheld for employees with new direct jobs, but in no event more



815 than four percent (4%) of the total annual salary paid for new
816 direct jobs during the additional period, excluding benefits which
817 are not subject to Mississippi income taxes. Once the qualified
818 business or industry is approved by the MDA, an agreement shall be
819 deemed to exist between the qualified business or industry and the
820 State of Mississippi, requiring the continued incentive payment,
821 together with any amount due pursuant to subsection (8) of this
822 section, if applicable, to be made as long as the qualified
823 business or industry retains its eligibility.

824 (c) The MDA shall not make any determination under this
825 subsection (5) after December 31, 2025.

826 (6) Upon approval of such an application, the MDA shall
827 notify the Department of Revenue and shall provide it with a copy
828 of the approved application and the minimum job and salary
829 requirements. The Department of Revenue may require the qualified
830 business or industry to submit such additional information as may
831 be necessary to administer the provisions of this chapter. The
832 qualified business or industry shall report to the Department of
833 Revenue periodically to show its continued eligibility for
834 incentive payments. The qualified business or industry may be
835 audited by the Department of Revenue to verify such eligibility.
836 In addition, the State Auditor may conduct performance and
837 compliance audits under this chapter according to Section
838 7-7-211(o) and may bill the oversight agency.



(7) If the qualified business or industry is located in an area that has been declared by the Governor to be a disaster area and as a result of the disaster the business or industry is unable to create or maintain the full-time jobs required by this section:

(a) The Commissioner of Revenue may extend the period of time that the business or industry may receive incentive payments for a period of time not to exceed two (2) years;

(b) The Commissioner of Revenue may waive the requirement that a certain number of jobs be maintained for a period of time not to exceed twenty-four (24) months; and

(c) The MDA may extend the period of time within which the jobs must be created for a period of time not to exceed twenty-four (24) months.

(8) Notwithstanding any other provision of this section to the contrary, from and after January 1, 2023, if the amount of the incentive payment that a qualified business or industry is eligible to receive under this chapter is less than the amount that the incentive payment would have been if the payment had been calculated using any applicable income tax rates in Section 27-7-5 that were in effect before January 1, 2023, then the qualified business or industry also shall receive a grant equal to the difference between such two (2) amounts. Further, the term "incentive payment," as such term is used in this chapter, shall be deemed to not refer to or otherwise include any grant payment



863 payable to a qualified business or industry pursuant to this
864 subsection.

865 **SECTION 5.** Section 57-73-21, Mississippi Code of 1972, is
866 amended as follows:

867 * * *

868 57-73-21. (1) Annually by December 31, using the most
869 current data available from the University Research Center,
870 Mississippi Department of Employment Security and the United
871 States Department of Commerce, the Department of Revenue shall
872 rank and designate the state's counties as provided in this
873 section. The twenty-eight (28) counties in this state having a
874 combination of the highest unemployment rate and lowest per capita
875 income for the most recent thirty-six-month period, with equal
876 weight being given to each category, are designated Tier Three
877 areas. The twenty-seven (27) counties in the state with a
878 combination of the next highest unemployment rate and next lowest
879 per capita income for the most recent thirty-six-month period,
880 with equal weight being given to each category, are designated
881 Tier Two areas. The twenty-seven (27) counties in the state with
882 a combination of the lowest unemployment rate and the highest per
883 capita income for the most recent thirty-six-month period, with
884 equal weight being given to each category, are designated Tier One
885 areas. Counties designated by the Department of Revenue qualify
886 for the appropriate tax credit for jobs as provided in this
887 section. The designation by the Department of Revenue is



888 effective for the tax years of permanent business enterprises
889 which begin after the date of designation. For companies which
890 plan an expansion in their labor forces, the Department of Revenue
891 shall prescribe certification procedures to ensure that the
892 companies can claim credits in future years without regard to
893 whether or not a particular county is removed from the list of
894 Tier Three or Tier Two areas.

895 (2) Permanent business enterprises in counties designated by
896 the Department of Revenue as Tier Three areas are allowed a job
897 tax credit for taxes imposed by Section 27-7-5 equal to ten
898 percent (10%) of the payroll of the enterprise for net new
899 full-time employee jobs for five (5) years beginning with years
900 two (2) through six (6) after the creation of the minimum number
901 of jobs required by this subsection; however, if the permanent
902 business enterprise is located in an area that has been declared
903 by the Governor to be a disaster area and as a direct result of
904 the disaster the permanent business enterprise is unable to
905 maintain the required number of jobs, the Commissioner of Revenue
906 may extend this time period for not more than two (2) years. The
907 number of new full-time jobs must be determined by comparing the
908 monthly average number of full-time employees subject to the
909 Mississippi income tax withholding for the taxable year with the
910 corresponding period of the prior taxable year. Only those
911 permanent business enterprises that increase employment by ten
912 (10) or more in a Tier Three area are eligible for the credit.



Credit is not allowed during any of the five (5) years if the net employment increase falls below ten (10). The Department of Revenue shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of ten (10). Medical cannabis establishments as defined in the Mississippi Medical Cannabis Act shall not be eligible for the tax credit authorized in this subsection (2). No credits shall be awarded under this subsection (2) for any tax year after 2025.

(3) Permanent business enterprises in counties that have been designated by the Department of Revenue as Tier Two areas are allowed a job tax credit for taxes imposed by Section 27-7-5 equal to five percent (5%) of the payroll of the enterprise for net new full-time employee jobs for five (5) years beginning with years two (2) through six (6) after the creation of the minimum number of jobs required by this subsection; however, if the permanent business enterprise is located in an area that has been declared by the Governor to be a disaster area and as a direct result of the disaster the permanent business enterprise is unable to maintain the required number of jobs, the Commissioner of Revenue may extend this time period for not more than two (2) years. The number of new full-time jobs must be determined by comparing the monthly average number of full-time employees subject to Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. Only those permanent business enterprises that increase employment by fifteen



(15) or more in Tier Two areas are eligible for the credit. The credit is not allowed during any of the five (5) years if the net employment increase falls below fifteen (15). The Department of Revenue shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of fifteen (15). Medical cannabis establishments as defined in the Mississippi Medical Cannabis Act shall not be eligible for the tax credit authorized in this subsection (3). No credits shall be awarded under this subsection (3) for any tax year after 2025.

(4) Permanent business enterprises in counties designated by the Department of Revenue as Tier One areas are allowed a job tax credit for taxes imposed by Section 27-7-5 equal to two and one-half percent (2.5%) of the payroll of the enterprise for net new full-time employee jobs for five (5) years beginning with years two (2) through six (6) after the creation of the minimum number of jobs required by this subsection; however, if the permanent business enterprise is located in an area that has been declared by the Governor to be a disaster area and as a direct result of the disaster the permanent business enterprise is unable to maintain the required number of jobs, the Commissioner of Revenue may extend this time period for not more than two (2) years. The number of new full-time jobs must be determined by comparing the monthly average number of full-time employees subject to Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. Only



those permanent business enterprises that increase employment by twenty (20) or more in Tier One areas are eligible for the credit. The credit is not allowed during any of the five (5) years if the net employment increase falls below twenty (20). The Department of Revenue shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of twenty (20). Medical cannabis establishments as defined in the Mississippi Medical Cannabis Act shall not be eligible for the tax credit authorized in this subsection (4). No credits shall be awarded under this subsection (4) for any tax year after 2025.

(5) (a) In addition to the other credits authorized in this section, an additional Five Hundred Dollars (\$500.00) credit for each net new full-time employee or an additional One Thousand Dollars (\$1,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least one hundred twenty-five percent (125%) of the average annual wage of the state or an additional Two Thousand Dollars (\$2,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least two hundred percent (200%) of the average annual wage of the state, shall be allowed for any company establishing or transferring its national or regional headquarters from within or outside the State of Mississippi. A minimum of twenty (20) jobs must be created to qualify for the additional credit. The



Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for purposes of receiving the credit awarded in this paragraph (a). As used in this paragraph (a), the average annual wage of the state is the most recently published average annual wage as determined by the Mississippi Department of Employment Security. Medical cannabis establishments as defined in the Mississippi Medical Cannabis Act shall not be eligible for the tax credit authorized in this paragraph (a).

(b) In addition to the other credits authorized in this section, an additional Five Hundred Dollars (\$500.00) credit for each net new full-time employee or an additional One Thousand Dollars (\$1,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least one hundred twenty-five percent (125%) of the average annual wage of the state or an additional Two Thousand Dollars (\$2,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least two hundred percent (200%) of the average annual wage of the state, shall be allowed for any company expanding or making additions after January 1, 2013, to its national or regional headquarters within the State of Mississippi. A minimum of twenty (20) new jobs must be created to qualify for the additional credit. The Department of Revenue shall establish criteria and



1013 prescribe procedures to determine if a company qualifies as a
1014 national or regional headquarters for purposes of receiving the
1015 credit awarded in this paragraph (b). As used in this paragraph
1016 (b), the average annual wage of the state is the most recently
1017 published average annual wage as determined by the Mississippi
1018 Department of Employment Security. Medical cannabis
1019 establishments as defined in the Mississippi Medical Cannabis Act
1020 shall not be eligible for the tax credit authorized in this
1021 paragraph (b).

1022 (c) No credits shall be awarded under this subsection
1023 (5) for any tax year after 2025.

1024 (6) In addition to the other credits authorized in this
1025 section, any job requiring research and development skills
1026 (chemist, engineer, etc.) shall qualify for an additional One
1027 Thousand Dollars (\$1,000.00) credit for each net new full-time
1028 employee. Medical cannabis establishments as defined in the
1029 Mississippi Medical Cannabis Act shall not be eligible for the tax
1030 credit authorized in this subsection (6).

1031 (7) (a) In addition to the other credits authorized in this
1032 section, any company that transfers or relocates its national or
1033 regional headquarters to the State of Mississippi from outside the
1034 State of Mississippi may receive a tax credit in an amount equal
1035 to the actual relocation costs paid by the company. A minimum of
1036 twenty (20) jobs must be created in order to qualify for the
1037 additional credit authorized under this subsection. Relocation



1038 costs for which a credit may be awarded shall be determined by the
1039 Department of Revenue and shall include those nondepreciable
1040 expenses that are necessary to relocate headquarters employees to
1041 the national or regional headquarters, including, but not limited
1042 to, costs such as travel expenses for employees and members of
1043 their households to and from Mississippi in search of homes and
1044 moving expenses to relocate furnishings, household goods and
1045 personal property of the employees and members of their
1046 households. Medical cannabis establishments as defined in the
1047 Mississippi Medical Cannabis Act shall not be eligible for the tax
1048 credit authorized in this subsection (7).

1049 (b) The tax credit authorized under this subsection
1050 shall be applied for the taxable year in which the relocation
1051 costs are paid. The maximum cumulative amount of tax credits that
1052 may be claimed by all taxpayers claiming a credit under this
1053 subsection in any one (1) state fiscal year shall not exceed One
1054 Million Dollars (\$1,000,000.00), exclusive of credits that might
1055 be carried forward from previous taxable years. A company may not
1056 receive a credit for the relocation of an employee more than one
1057 (1) time in a twelve-month period for that employee.

1058 (c) The Department of Revenue shall establish criteria
1059 and prescribe procedures to determine if a company creates the
1060 required number of jobs and qualifies as a national or regional
1061 headquarters for purposes of receiving the credit awarded in this
1062 subsection. A company desiring to claim a credit under this



1063 subsection must submit an application for such credit with the
1064 Department of Revenue in a manner prescribed by the department.

1065 (d) In order to participate in the provisions of this
1066 section, a company must certify to the Mississippi Department of
1067 Revenue that it complies with the equal pay provisions of the
1068 federal Equal Pay Act of 1963, the Americans with Disabilities Act
1069 of 1990 and the fair pay provisions of the Civil Rights Act of
1070 1964.

1071 (e) This subsection shall stand repealed on July 1,
1072 2025.

1073 (8) In lieu of the other tax credits provided in this
1074 section, any commercial or industrial property owner which
1075 remediates contaminated property in accordance with Sections
1076 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
1077 imposed by Section 27-7-5 equal to the percentage of payroll
1078 provided in subsection (2), (3) or (4) of this section for net new
1079 full-time employee jobs for five (5) years beginning with years
1080 two (2) through six (6) after the creation of the jobs. The
1081 number of new full-time jobs must be determined by comparing the
1082 monthly average number of full-time employees subject to
1083 Mississippi income tax withholding for the taxable year with the
1084 corresponding period of the prior taxable year. This subsection
1085 shall be administered in the same manner as subsections (2), (3)
1086 and (4), except the landowner shall not be required to increase



employment by the levels provided in subsections (2), (3) and (4) to be eligible for the tax credit.

(9) (a) Tax credits for five (5) years for the taxes imposed by Section 27-7-5 shall be awarded for increases in the annual payroll for net new full-time jobs created by business enterprises qualified under this section. The Department of Revenue shall adjust the credit allowed in the event of payroll fluctuations during the additional five (5) years of credit.

(b) Tax credits for five (5) years for the taxes imposed by Section 27-7-5 shall be awarded for additional net new full-time jobs created by business enterprises qualified under subsections (5) and (6) of this section and for additional relocation costs paid by companies qualified under subsection (7) of this section. The Department of Revenue shall adjust the credit allowed in the event of employment fluctuations during the additional five (5) years of credit.

(10) (a) The sale, merger, acquisition, reorganization, bankruptcy or relocation from one (1) county to another county within the state of any business enterprise may not create new eligibility in any succeeding business entity, but any unused job tax credit may be transferred and continued by any transferee of the business enterprise. The Department of Revenue shall determine whether or not qualifying net increases or decreases have occurred or proper transfers of credit have been made and may



1111 require reports, promulgate regulations, and hold hearings as
1112 needed for substantiation and qualification.

1113 (b) This subsection shall not apply in cases in which a
1114 business enterprise has ceased operation, laid off all its
1115 employees and is subsequently acquired by another unrelated
1116 business entity that continues operation of the enterprise in the
1117 same or a similar type of business. In such a case the succeeding
1118 business entity shall be eligible for the credit authorized by
1119 this section unless the cessation of operation of the business
1120 enterprise was for the purpose of obtaining new eligibility for
1121 the credit.

1122 (11) Any tax credit claimed under this section but not used
1123 in any taxable year may be carried forward for five (5) years from
1124 the close of the tax year in which the qualified jobs were
1125 established and/or headquarters relocation costs paid, as
1126 applicable, but the credit established by this section taken in
1127 any one (1) tax year must be limited to an amount not greater than
1128 fifty percent (50%) of the taxpayer's state income tax liability
1129 which is attributable to income derived from operations in the
1130 state for that year. If the permanent business enterprise is
1131 located in an area that has been declared by the Governor to be a
1132 disaster area and as a direct result of the disaster the business
1133 enterprise is unable to use the existing carryforward, the
1134 Commissioner of Revenue may extend the period that the credit may



1135 be carried forward for a period of time not to exceed two (2)
1136 years.

1137 (12) No business enterprise for the transportation,
1138 handling, storage, processing or disposal of hazardous waste is
1139 eligible to receive the tax credits provided in this section.

1140 (13) The credits allowed under this section shall not be
1141 used by any business enterprise or corporation other than the
1142 business enterprise actually qualifying for the credits.

1143 (14) As used in this section:

1144 (a) "Business enterprises" means entities primarily
1145 engaged in:

1146 (i) Manufacturing, processing, warehousing,
1147 warehousing activities, distribution, wholesaling and research and
1148 development, or

1149 (ii) Permanent business enterprises designated by
1150 rule and regulation of the Mississippi Development Authority as
1151 air transportation and maintenance facilities, final destination
1152 or resort hotels having a minimum of one hundred fifty (150) guest
1153 rooms, recreational facilities that impact tourism, movie industry
1154 studios, telecommunications enterprises, data or information
1155 processing enterprises or computer software development
1156 enterprises or any technology intensive facility or enterprise.

1157 (b) "Telecommunications enterprises" means entities
1158 engaged in the creation, display, management, storage, processing,
1159 transmission or distribution for compensation of images, text,



1160 voice, video or data by wire or by wireless means, or entities
1161 engaged in the construction, design, development, manufacture,
1162 maintenance or distribution for compensation of devices, products,
1163 software or structures used in the above activities. Companies
1164 organized to do business as commercial broadcast radio stations,
1165 television stations or news organizations primarily serving
1166 in-state markets shall not be included within the definition of
1167 the term "telecommunications enterprises."

1168 (c) "Warehousing activities" means entities that
1169 establish or expand facilities that service and support multiple
1170 retail or wholesale locations within and outside the state.
1171 Warehousing activities may be performed solely to support the
1172 primary activities of the entity, and credits generated shall
1173 offset the income of the entity based on an apportioned ratio of
1174 payroll for warehouse employees of the entity to total Mississippi
1175 payroll of the entity that includes the payroll of retail
1176 employees of the entity.

1177 (15) The tax credits provided for in this section shall be
1178 in addition to any tax credits described in Sections 57-51-13(b),
1179 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
1180 action by the Mississippi Development Authority prior to July 1,
1181 1989, to any business enterprise determined prior to July 1, 1989,
1182 by the Mississippi Development Authority to be a qualified
1183 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
1184 a qualified company as described in Section 57-53-1, as the case



1185 may be; however, from and after July 1, 1989, tax credits shall be
1186 allowed only under either this section or Sections 57-51-13(b),
1187 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
1188 employee.

1189 (16) A business enterprise that chooses to receive job
1190 training assistance pursuant to Section 57-1-451 shall not be
1191 eligible for the tax credits provided for in this section.

1192 **SECTION 6.** This act shall take effect and be in force from
1193 and after July 1, 2025.

