

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 3062

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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:

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

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

34 (c) "Tier Two areas" mean counties designated as Tier
35 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)



61 tax year shall be limited to an amount not greater than fifty
62 percent (50%) of the taxpayer's tax liabilities under Chapters 7
63 and 13 of Title 27, Mississippi Code of 1972; however, any tax
64 credit claimed under this section, but not used in any taxable
65 year, may be carried forward for ten (10) consecutive years from
66 the close of the tax year in which the credits were earned.

67 (4) The maximum aggregate amount of credits that may be
68 claimed under this section shall not exceed the original
69 investment made by a telecommunications enterprise in the
70 qualifying equipment used in the deployment of broadband
71 technologies. For calendar year 2025, and for each calendar year
72 thereafter, the aggregate amount of tax credits that may be
73 claimed under this section during a calendar year shall not exceed
74 Fifteen Million Dollars (\$15,000,000.00), and for credits claimed
75 during a calendar year, no more than One Million Five Hundred
76 Thousand Dollars (\$1,500,000.00) of such credits may be claimed by
77 a single telecommunications enterprise, exclusive of credits that
78 might be carried forward from previous taxable years. For
79 calendar year 2025, and for each calendar year thereafter, a
80 telecommunications enterprise may file the cost of equipment used
81 in the deployment of broadband technologies with the Department of
82 Revenue between March 1 and March 20 for the expenditures incurred
83 in the preceding calendar year. If the total credits requested
84 exceed the annual aggregate cap of Fifteen Million Dollars
85 (\$15,000,000.00), each telecommunications enterprise shall be



86 allocated credits on a prorated basis. The Department of Revenue
87 shall adopt rules to administer this section, including, but not
88 limited to, rules prescribing forms, application procedures and
89 dates to claim the credit under this section.

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

95 (6) There will be no credit allowed under this section if
96 the equipment used in the deployment of broadband technologies was
97 paid for, or its cost was reimbursed by, funds made available
98 under the Coronavirus Aid, Relief, and Economic Security (CARES)
99 Act or the Broadband Equity, Access, and Deployment (BEAD)
100 Program.

101 **SECTION 2.** Section 57-87-7, Mississippi Code of 1972, is
102 amended as follows:

103 57-87-7. (1) Equipment used in the deployment of broadband
104 technologies by a telecommunications enterprise * * * that is
105 placed in service after June 30, 2003, and before July 1, 2025,
106 shall be exempt from ad valorem taxation for a period of ten (10)
107 years after the date such equipment is placed in service. * * *

108 (2) Equipment used in the deployment of fixed broadband
109 technologies by a telecommunications enterprise that is placed in
110 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,



161 electricity used directly in the electrolysis process in the
162 production of sodium chlorate shall be considered a raw material.
163 This exemption shall not apply to any property used as fuel except
164 to the extent that such fuel comprises by-products which have no
165 market value.

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

177 (d) Sales to commercial fishermen of commercial fishing
178 boats of over five (5) tons load displacement and not more than
179 fifty (50) tons load displacement as registered with the United
180 States Coast Guard and licensed by the Mississippi Commission on
181 Marine Resources.

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



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

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

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

198 (i) Sales of machinery or tools or repair parts
199 therefor or replacements thereof, fuel or supplies used directly
200 in manufacturing, converting or repairing ships, vessels or barges
201 of three thousand (3,000) tons load displacement and over, but not
202 to include office and plant supplies or other equipment not
203 directly used on the ship, vessel or barge being built, converted
204 or repaired. For purposes of this exemption, "ships, vessels or
205 barges" shall not include floating structures described in Section
206 27-65-18.

207 (j) Sales of tangible personal property to persons
208 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.

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



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
254 granted in this paragraph (q). The exemption provided in this
255 paragraph (q) shall not apply to sales to any business enterprise
256 that is a medical cannabis establishment as defined in the
257 Mississippi Medical Cannabis Act.



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

273 (ii) Sales of component materials used in the
274 construction of a building, or any addition or improvement
275 thereon, and sales of any machinery and equipment not later than
276 three (3) months after the completion of the building, addition or
277 improvement thereon, to be used therein, for any company expanding
278 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



a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act. The Department of Revenue shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for the purpose of receiving the exemption provided in this subparagraph (ii).

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

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

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

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

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

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



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

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

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

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



333 (y) Sales or leases of component materials, machinery
334 and equipment used in the construction of a building, or any
335 addition or improvement thereon to an enterprise operating a
336 project that has been certified by the Mississippi Major Economic
337 Impact Authority as a project as defined in Section
338 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
339 or Section 57-75-5(f)(xxviii) and any other sales or leases
340 required to establish or operate such project.

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

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

346 (bb) [Repealed]

347 (cc) Sales or leases to an enterprise owning or
348 operating a project that has been designated by the Mississippi
349 Major Economic Impact Authority as a project as defined in Section
350 57-75-5(f)(xviii) of machinery and equipment; special tooling such
351 as dies, molds, jigs and similar items treated as special tooling
352 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.



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

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

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



381 (gg) Sales of component materials used in the
382 construction of a facility, or any addition or improvement
383 thereto, and sales of machinery and equipment not later than three
384 (3) months after the completion of construction of the facility,
385 or any addition or improvement thereto, to be used in the facility
386 or any addition or improvement thereto, to technology intensive
387 enterprises for industrial purposes in Tier Three areas (as such
388 areas are designated in accordance with Section 57-73-21), as
389 certified by the Department of Revenue. For purposes of this
390 paragraph, an enterprise must meet the criteria provided for in
391 Section 27-65-17(1)(f) in order to be considered a technology
392 intensive enterprise.

393 (hh) Sales of component materials used in the
394 replacement, reconstruction or repair of a building or facility
395 that has been destroyed or sustained extensive damage as a result
396 of a disaster declared by the Governor, sales of machinery and
397 equipment to be used therein to replace machinery or equipment
398 damaged or destroyed as a result of such disaster, including, but
399 not limited to, manufacturing or processing machinery and
400 equipment which is permanently attached to the ground or to a
401 permanent foundation and which is not by its nature intended to be
402 housed within a building structure, to enterprises or companies
403 that were eligible for the exemptions authorized in paragraph (q),
404 (r), (ff) or (gg) of this subsection during initial construction
405 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



431 from biomass harvested or produced, in whole or in part, in
432 Mississippi, which businesses meet minimum criteria established by
433 the Mississippi Development Authority. As used in this paragraph,
434 the term "biomass" shall have the meaning ascribed to such term in
435 Section 57-113-1.

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

443 (pp) Sales of materials used in the construction of a
444 health care industry facility, as defined in Section 57-117-3, or
445 any addition or improvement thereon, and sales of any machinery
446 and equipment not later than three (3) months after the completion
447 of construction of the facility, or any addition thereon, to be
448 used therein, to qualified businesses, as defined in Section
449 57-117-3. This paragraph shall be repealed from and after July 1,
450 2025.

451 (qq) Sales or leases to a manufacturer of automotive
452 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



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).

(uu) Sales or leases to an enterprise and its affiliates 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)(xxix) of:

(i) All personal property and fixtures, including without limitation, sales or leases to the enterprise and its 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 (ww) 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



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;
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



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



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

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

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

AN ACT TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972, TO AMEND THE DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND TECHNOLOGIES" FOR PURPOSES OF THE CREDIT AGAINST INCOME TAX AND CORPORATION FRANCHISE TAX LIABILITY OF TELECOMMUNICATIONS ENTERPRISES FOR CERTAIN INVESTMENTS MADE IN SUCH EQUIPMENT, AND FOR PURPOSES OF THE AD VALOREM TAX EXEMPTION FOR SUCH EQUIPMENT PLACED IN SERVICE IN A CERTAIN TIME PERIOD; TO LIMIT THE AGGREGATE AMOUNT OF INCOME TAX AND CORPORATION FRANCHISE TAX CREDITS THAT MAY BE CLAIMED DURING A CALENDAR YEAR; TO PROVIDE THAT, IF THE TOTAL CREDITS REQUESTED EXCEED THE ANNUAL AGGREGATE CAP, EACH TELECOMMUNICATIONS ENTERPRISE SHALL BE ALLOCATED CREDITS ON A PRORATED BASIS; TO PROVIDE THAT NO CREDIT SHALL BE ALLOWED IF THE EQUIPMENT WAS PAID FOR, OR ITS COST WAS REIMBURSED BY, FUNDS MADE AVAILABLE UNDER THE BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) PROGRAM; TO AMEND SECTION 57-87-7, MISSISSIPPI CODE OF 1972, TO SPECIFY THE EQUIPMENT PLACED IN SERVICE AFTER JUNE 30, 2025, AND BEFORE JULY 1, 2030, THAT IS ELIGIBLE FOR THE AD VALOREM TAX EXEMPTION; TO REQUIRE A TAXPAYER TO SUBMIT A CERTIFIED, SWORN DESCRIPTION OF THE EQUIPMENT 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; TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF "EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND TECHNOLOGIES" FOR PURPOSES OF THE INDUSTRIAL SALES TAX EXEMPTION FOR SALES OF SUCH EQUIPMENT; AND FOR RELATED PURPOSES.

