

Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO

House Bill No. 1239

BY: Committee

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

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

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

23 (a) "Blockchain" means data that is shared across a
24 network to create a ledger of verified transactions or information
25 among network participants linked using cryptography to maintain
26 the integrity of the ledger and to execute other functions and
27 distributed among network participants in an automated fashion to
28 concurrently update network participants on the state of the
29 ledger and any other functions.



(* * *b) "Business enterprise" means any for-profit business * * * establishment, excluding any enterprise engaged in digital asset mining and any enterprise that has entered or will enter an agreement under the Mississippi Major Economic Impact Act (MMEIA), registered to do business in the state and which is the owner, operator, tenant or affiliate of a data center in this state with a minimum capital investment of:

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

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

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

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



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

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

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

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

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

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

* * *

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

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



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

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

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

90 (b) A two-year business plan * * *;

91 * * *

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

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

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



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

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

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

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

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

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



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

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

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



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

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

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

