

By: Representative Lamar

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1729

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR COSTS AND EXPENSES
3 INCURRED FOR THE REHABILITATION OF CERTAIN HISTORIC STRUCTURES; TO
4 REMOVE THE PROVISION THAT EXCLUDES SINGLE-FAMILY DWELLINGS FROM
5 THE DEFINITION OF THE TERM "ELIGIBLE PROPERTY"; TO REMOVE THE
6 PROVISION THAT AUTHORIZES A TAXPAYER TO ELECT TO RECEIVE A 75%
7 REBATE ON THE AMOUNT OF THE CREDIT IN EXCESS OF \$250,000.00 IN
8 LIEU OF THE TEN-YEAR CARRYFORWARD SO AS TO ALLOW THE TAXPAYER TO
9 ELECT TO RECEIVE A REBATE ON 75% OF THE TOTAL AMOUNT OF THE CREDIT
10 IN LIEU OF THE TEN-YEAR CARRYFORWARD; TO AUTHORIZE THE SALE OR
11 TRANSFER OF SUCH INCOME TAX CREDITS; TO INCREASE BY \$60,000,000.00
12 THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE AWARDED
13 UNDER THIS SECTION AND TO REMOVE THE LIMITATION ON THE AMOUNT OF
14 CREDITS THAT MAY BE AWARDED IN ANY ONE STATE FISCAL YEAR; TO GRANT
15 PRIORITY FOR THE TAX CREDIT TO TAXPAYERS WHO WERE ISSUED A
16 CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT PRIOR TO JULY 1, 2020;
17 TO PROVIDE THAT THE TAX CREDIT SHALL APPLY TO TAXPAYERS WHO HAVE
18 BEEN ISSUED A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT BEFORE
19 DECEMBER 31, 2030, OR WHO, BEFORE DECEMBER 31, 2030, HAVE RECEIVED
20 A DETERMINATION IN WRITING FROM THE MISSISSIPPI DEPARTMENT OF
21 ARCHIVES AND HISTORY THAT THE REHABILITATION IS CONSISTENT WITH
22 THE HISTORIC CHARACTER OF THE PROPERTY AND THAT THE PROPERTY MEETS
23 THE UNITED STATES SECRETARY OF THE INTERIOR'S STANDARDS FOR
24 REHABILITATION AND WHO ARE ISSUED A CERTIFICATE EVIDENCING THE
25 ELIGIBLE CREDIT ON OR AFTER DECEMBER 31, 2030; TO AMEND SECTION
26 27-7-22.41, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME
27 TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS BY BUSINESS ENTERPRISES
28 TO ELIGIBLE CHARITABLE ORGANIZATIONS, TO INCREASE THE AGGREGATE
29 AMOUNT OF THE CREDITS THAT MAY BE AWARDED DURING A CALENDAR YEAR;
30 TO REVISE CERTAIN PROVISIONS RELATING TO THE ALLOCATION OF SUCH
31 CREDITS; TO AMEND SECTION 27-7-22.39, MISSISSIPPI CODE OF 1972,
32 WHICH AUTHORIZES SEPARATE INCOME TAX CREDITS FOR VOLUNTARY CASH
33 CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND
34 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS, TO DECREASE THE



35 AGGREGATE AMOUNT OF THE CREDITS THAT MAY BE AWARDED IN A CALENDAR
36 YEAR; TO PROVIDE THAT ANY TAX CREDITS NOT AWARDED UNDER THIS
37 SECTION DURING CALENDAR YEAR 2020, MAY BE ALLOCATED DURING
38 CALENDAR YEAR 2020 UNDER SECTION 27-7-22.41, MISSISSIPPI CODE OF
39 1972, FOR CONTRIBUTIONS BY TAXPAYERS TO CERTAIN ELIGIBLE
40 CHARITABLE ORGANIZATIONS; TO EXTEND THE DATE OF THE REPEALER ON
41 THAT SECTION OF LAW; TO AMEND SECTION 27-7-22.32, MISSISSIPPI CODE
42 OF 1972, WHICH AUTHORIZES AN INCOME TAX CREDIT FOR EXPENSES
43 INCURRED FOR THE ADOPTION OF A CHILD, TO EXTEND THE DATE OF THE
44 REVERTER ON THE PROVISION OF LAW THAT INCREASES THE MAXIMUM AMOUNT
45 OF THE TAX CREDIT FROM \$2,500.00 TO \$5,000.00 PER CHILD AND THE
46 PROVISION THAT AUTHORIZES AN INCOME TAX CREDIT FOR A CHILD ADOPTED
47 THROUGH THE MISSISSIPPI DEPARTMENT OF CHILD PROTECTION SERVICES;
48 TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972, TO EXTEND
49 UNTIL JULY 1, 2025, THE SALES TAX EXEMPTION ON SALES OF EQUIPMENT
50 TO TELECOMMUNICATIONS ENTERPRISES THAT IS USED IN THE DEPLOYMENT
51 OF BROADBAND TECHNOLOGIES; TO AMEND SECTION 57-87-5, MISSISSIPPI
52 CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE INCOME TAX CREDIT
53 AND CORPORATION FRANCHISE TAX CREDIT AUTHORIZED FOR
54 TELECOMMUNICATIONS ENTERPRISES FOR THE COST OF EQUIPMENT USED IN
55 THE DEPLOYMENT OF BROADBAND TECHNOLOGIES; TO AMEND SECTION
56 57-87-7, MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025,
57 THE AD VALOREM TAX EXEMPTION FOR EQUIPMENT USED IN THE DEPLOYMENT
58 OF BROADBAND TECHNOLOGIES BY TELECOMMUNICATIONS ENTERPRISES; AND
59 FOR RELATED PURPOSES.

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

61 **SECTION 1.** Section 27-7-22.31, Mississippi Code of 1972, is
62 amended as follows:

63 27-7-22.31. (1) As used in this section:

64 (a) "Certified historic structure" means a property
65 located in Mississippi that has been:

66 (i) Listed individually on the National Register
67 of Historic Places; or

68 (ii) Determined eligible for the National Register
69 of Historic Places by the Secretary of the United States
70 Department of the Interior and will be listed within thirty (30)
71 months of claiming the credit authorized by this section; or



72 (iii) Property designated a Mississippi Landmark
73 by the Department of Archives and History pursuant to Section
74 39-7-3 et seq.

75 (b) "Eligible property" means property located in
76 Mississippi and offered or used for residential or business
77 purposes * * *.

78 (c) "Structure in a certified historic district" means
79 a structure (and its structural components) located in Mississippi
80 which:

81 (i) Is listed in the National Register of Historic
82 Places; or

83 (ii) Has been determined eligible for the National
84 Register of Historic Places by the Secretary of the United States
85 Department of the Interior and will be listed within thirty (30)
86 months of claiming the credit authorized by this section; or

87 (iii) Is located in a registered historic district
88 listed on the National Register of Historic Places or located in a
89 potential district that has been determined eligible for the
90 National Register of Historic Places by the Secretary of the
91 United States Department of the Interior and will be listed within
92 thirty (30) months of claiming the credit authorized by this
93 section, and is certified by the Secretary of the United States
94 Department of the Interior as being of historic significance to
95 the district; or



96 (iv) Is certified by the Mississippi Department of
97 Archives and History as contributing to the historic significance
98 of:

99 1. A certified historic district listed on
100 the National Register of Historic Places; or

101 2. A potential district that has been
102 determined eligible for the National Register of Historic Places
103 by the Secretary of the United States Department of the Interior
104 and will be listed within thirty (30) months of claiming the
105 credit authorized by this section; or

106 3. A local district that has been certified
107 by the United States Department of the Interior.

108 (d) "Department" means the Department of Archives and
109 History.

110 (2) Any taxpayer incurring costs and expenses for the
111 rehabilitation of eligible property, which is a certified historic
112 structure or a structure in a certified historic district, shall
113 be entitled to a credit against the taxes imposed pursuant to this
114 chapter in an amount equal to twenty-five percent (25%) of the
115 total costs and expenses of rehabilitation incurred after January
116 1, 2006, which shall include, but not be limited to, qualified
117 rehabilitation expenditures as defined under Section 47(c)(2)(A)
118 of the Internal Revenue Code of 1986, as amended, and the related
119 regulations thereunder:



120 (a) If the costs and expenses associated with
121 rehabilitation exceed:
122 (i) Five Thousand Dollars (\$5,000.00) in the case
123 of an owner-occupied dwelling; or
124 (ii) Fifty percent (50%) of the total basis in the
125 property in the case of all other properties; and
126 (b) The rehabilitation is consistent with the standards
127 of the Secretary of the United States Department of the Interior
128 as determined by the department.
129 (3) Any taxpayer eligible for the credit authorized by this
130 section may claim the credit in phases if:
131 (a) There is a written set of architectural plans and
132 specifications for all phases of the rehabilitation (written plans
133 outlining and describing all phases of the rehabilitation shall be
134 accepted as written plans and specifications);
135 (b) The written set of architectural plans and
136 specifications are completed before the physical work on the
137 rehabilitation begins; and
138 (c) It can reasonably be expected that all phases of
139 the rehabilitation will be completed.
140 (4) (a) (i) If the amount of the tax credit established by
141 this section exceeds the total state income tax liability for the
142 year in which the rehabilitated property is placed in service, the
143 amount that exceeds the total state income tax liability may be
144 carried forward for the ten (10) succeeding tax years. In



145 addition, a taxpayer may sell or transfer the excess portion of
146 the tax credit to any taxpayer having a liability for taxes under
147 this chapter. A tax credit may not be sold or transferred more
148 than one (1) time, subject to guidelines established by the
149 Department of Revenue. The buyer or transferee of a tax credit
150 may use the acquired credit in the same manner and to the same
151 extent as the seller or transferor of the credit; however, the
152 sell or transfer of a credit will not extend the length of time
153 that the credit may be carried forward. In order to sell or
154 transfer a tax credit, the seller or transferor shall notify the
155 department and the Department of Revenue in writing within thirty
156 (30) days after the date of the sale or transfer. The notice
157 shall include:

158 1. The seller's or transferor's tax credit
159 balance before the sale or transfer of the credit;

160 2. The tax credit identification number
161 assigned by the department;

162 3. The unused portion of the credit remaining
163 after the sale or transfer;

164 4. All federal and state tax identification
165 numbers for both the seller or transferor and the buyer or
166 transferee;

167 5. The date of the sale or transfer;

168 6. The amount of the credit sold or

169 transferred; and



170 7. Any other information required by the
171 department or the Department of Revenue.

172 Failure by the seller or transferor to comply with the notice
173 requirements of this subparagraph (i) shall void the sale or
174 transfer.

175 (ii) * * * The taxpayer may elect to claim a
176 refund in the amount of seventy-five percent (75%) of the excess
177 credit in lieu of the ten-year carryforward and the sale or
178 transfer of the credit. The election must be made in the year in
179 which the rehabilitated property is placed in service. Refunds
180 will be paid in equal installments over a two-year period and
181 shall be made from current collections.

182 (iii) Refund requests shall be submitted to the
183 Department of Revenue on forms prescribed by the department.
184 Refunds shall be made from current tax collections.

185 (b) Not-for-profit entities, including, but not limited
186 to, nonprofit corporations organized under Section 79-11-101 et
187 seq. shall be ineligible for the credit authorized by this
188 section. Credits granted to a partnership, a limited liability
189 company taxed as a partnership or multiple owners of property
190 shall be passed through to the partners, members or owners on a
191 pro rata basis or pursuant to an executed agreement among the
192 partners, members or owners documenting an alternative
193 distribution method. Partners, members or other owners of a
194 pass-through entity are not eligible to elect a refund of excess



195 credit in lieu of a carryforward of the credit. However, a
196 partnership or limited liability company taxed as a partnership
197 may elect to claim a refund of excess credit at the entity level
198 on a form prescribed by the Department of Revenue. Additionally,
199 excess tax credits that are attributable to rehabilitated property
200 that was placed in service by a pass-through entity prior to
201 January 1, 2011, and that have previously been allocated to and
202 are held by another pass-through entity prior to January 1, 2011,
203 may be refunded to such other pass-through entity.

204 (5) (a) To claim the credit authorized pursuant to this
205 section, the taxpayer shall apply to the department which shall
206 determine the amount of eligible rehabilitation costs and expenses
207 and whether the rehabilitation is consistent with the standards of
208 the Secretary of the United States Department of the Interior.
209 The department shall issue a certificate evidencing the eligible
210 credit if the taxpayer is found to be eligible for the tax credit.
211 The taxpayer shall attach the certificate to all income tax
212 returns on which the credit is claimed. * * *

213 (b) The aggregate amount of tax credits that may be
214 awarded under this section shall not exceed * * * One Hundred
215 Eighty Million Dollars (\$180,000,000.00). A taxpayer who was
216 issued a certificate evidencing the eligible credit by the
217 department prior to July 1, * * * 2020, but who was unable to be
218 awarded the credit due to the limit on the aggregate amount of
219 credits authorized under this section prior to July 1, * * * 2020:



220 (i) May be awarded the credit so long as the award
221 does not cause the aggregate amount of tax credits awarded to
222 exceed the * * * amount authorized in this paragraph; and

223 (ii) Shall be given priority for tax credits
224 awarded after July 1, * * * 2020.

225 (6) (a) The credit received by a taxpayer pursuant to this
226 section is subject to recapture if:

227 (i) The property is one that has been determined
228 eligible for the National Register of Historic Places but is not
229 listed on the National Register of Historic Places within thirty
230 (30) months of claiming the credit authorized by this section;

231 (ii) The potential district in which the property
232 is located is not listed on the National Register of Historic
233 Places within thirty (30) months of claiming the credit authorized
234 by this section; or

235 (iii) The rehabilitation of the property for which
236 the credit was granted is abandoned.

237 (b) The taxpayer shall notify the department and the
238 Department of Revenue if any of the situations that subject the
239 credit to recapture occur.

240 (7) (a) The board of trustees of the department shall
241 establish fees to be charged for the services performed by the
242 department under this section and shall publish the fee schedule.
243 The fees contained in the schedule shall be in amounts reasonably
244 calculated to recover the costs incurred by the department for the



245 administration of this section. Any taxpayer desiring to
246 participate in the tax credits authorized by this section shall
247 pay the appropriate fee as contained in the fee schedule to the
248 department, which shall be used by the department, without
249 appropriation, to offset the administrative costs of the
250 department associated with its duties under this section.

251 (b) There is hereby created within the State Treasury a
252 special fund into which shall be deposited all the fees collected
253 by the department pursuant to this section. Money deposited into
254 the fund shall not lapse at the end of any fiscal year and
255 investment earnings on the proceeds in such special fund shall be
256 deposited into such fund. Money from the fund shall be disbursed
257 upon warrants issued by the State Fiscal Officer upon requisitions
258 signed by the executive director of the department to assist the
259 department in carrying out its duties under this section.

260 (8) This section shall only apply to taxpayers:

261 (a) Who have been issued a certificate evidencing the
262 eligible credit before December 31, * * * 2030; or

263 (b) Who, before December 31, * * * 2030, have received
264 a determination in writing from the Mississippi Department of
265 Archives and History, in accordance with the department's Historic
266 Preservation Certificate Application, Part 2, that the
267 rehabilitation is consistent with the historic character of the
268 property and that the property meets the United States Secretary
269 of the Interior's Standards for Rehabilitation, or will meet the



270 standards if certain specified conditions are met, and, who are
271 issued a certificate evidencing the eligible credit on or after
272 December 31, * * * 2030.

273 **SECTION 2.** Section 27-7-22.41, Mississippi Code of 1972, is
274 amended as follows:

275 27-7-22.41. (1) For the purposes of this section, the
276 following words and phrases shall have the meanings ascribed in
277 this section unless the context clearly indicates otherwise:

278 (a) "Department" means the Department of Revenue.

279 (b) "Eligible charitable organization" means an
280 organization that is exempt from federal income taxation under
281 Section 501(c) (3) of the Internal Revenue Code and is:

282 (i) Licensed by or under contract or agreement
283 with the Department of Child Protection Services and provides
284 services for:

285 1. The prevention and diversion of children
286 from custody with the Department of Child Protection Services,

287 2. The safety, care and well-being of
288 children in custody with the Department of Child Protection
289 Services, or

290 3. The express purpose of creating permanency
291 for children through adoption; or

292 (ii) Certified by the department as a job
293 training, workforce development or educational services charitable
294 organization and provides services to:



295 1. Children in a foster care placement
296 program established by the Department of Child Protection
297 Services, children placed under the Safe Families for Children
298 model, or children at significant risk of entering a foster care
299 placement program established by the Department of Child
300 Protection Services,

301 2. Children who have a chronic illness or
302 physical, intellectual, developmental or emotional disability, or

303 3. Children eligible for free or reduced
304 price meals programs under Section 37-11-7.

305 (2) (a) The tax credit authorized in this section shall be
306 available only to a taxpayer who is a business enterprise engaged
307 in commercial, industrial or professional activities and operating
308 as a corporation, limited liability company, partnership or sole
309 proprietorship. Except as otherwise provided in this section, a
310 credit is allowed against the taxes imposed by Sections 27-7-5,
311 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
312 contributions made by a taxpayer during the taxable year to an
313 eligible charitable organization. The amount of credit that may
314 be utilized by a taxpayer in a taxable year shall be limited to an
315 amount not to exceed fifty percent (50%) of the total tax
316 liability of the taxpayer for the taxes imposed by such sections
317 of law. Any tax credit claimed under this section but not used in
318 any taxable year may be carried forward for five (5) consecutive



319 years from the close of the tax year in which the credits were
320 earned.

321 (b) A contribution to an eligible charitable
322 organization for which a credit is claimed under this section does
323 not qualify for and shall not be included in any credit that may
324 be claimed under Section 27-7-22.39.

325 (c) A contribution for which a credit is claimed under
326 this section may not be used as a deduction by the taxpayer for
327 state income tax purposes.

328 (3) Taxpayers taking a credit authorized by this section
329 shall provide the name of the eligible charitable organization and
330 the amount of the contribution to the department on forms provided
331 by the department.

332 (4) An eligible charitable organization shall provide the
333 department with a written certification that it meets all criteria
334 to be considered an eligible charitable organization. The
335 organization shall also notify the department of any changes that
336 may affect eligibility under this section.

337 (5) The eligible charitable organization's written
338 certification must be signed by an officer of the organization
339 under penalty of perjury. The written certification shall include
340 the following:

341 (a) Verification of the organization's status under
342 Section 501(c) (3) of the Internal Revenue Code;



343 (b) A statement that the organization does not provide,
344 pay for or provide coverage of abortions and does not financially
345 support any other entity that provides, pays for or provides
346 coverage of abortions;

347 (c) Any other information that the department requires
348 to administer this section.

349 (6) The department shall review each written certification
350 and determine whether the organization meets all the criteria to
351 be considered an eligible charitable organization and notify the
352 organization of its determination. The department may also
353 periodically request recertification from the organization. The
354 department shall compile and make available to the public a list
355 of eligible charitable organizations.

356 (7) Tax credits authorized by this section that are earned
357 by a partnership, limited liability company, S corporation or
358 other similar pass-through entity, shall be allocated among all
359 partners, members or shareholders, respectively, either in
360 proportion to their ownership interest in such entity or as the
361 partners, members or shareholders mutually agree as provided in an
362 executed document.

363 (8) (a) A taxpayer shall apply for credits with the
364 department on forms prescribed by the department. In the
365 application the taxpayer shall certify to the department the
366 dollar amount of the contributions made or to be made during the
367 calendar year. Within thirty (30) days after the receipt of an



368 application, the department shall allocate credits based on the
369 dollar amount of contributions as certified in the application.
370 However, if the department cannot allocate the full amount of
371 credits certified in the application due to the limit on the
372 aggregate amount of credits that may be awarded under this section
373 in a calendar year, the department shall so notify the applicant
374 within thirty (30) days with the amount of credits, if any, that
375 may be allocated to the applicant in the calendar year. Once the
376 department has allocated credits to a taxpayer, if the
377 contribution for which a credit is allocated has not been made as
378 of the date of the allocation, then the contribution must be made
379 not later than sixty (60) days from the date of the allocation.
380 If the contribution is not made within such time period, the
381 allocation shall be cancelled and returned to the department for
382 reallocation. Upon final documentation of the contributions, if
383 the actual dollar amount of the contributions is lower than the
384 amount estimated, the department shall adjust the tax credit
385 allowed under this section.

386 (b) A taxpayer who applied for a tax credit under this
387 section during calendar year 2020, but who was unable to be
388 awarded the credit due to the limit on the aggregate amount of
389 credits authorized for calendar year 2020, shall be given priority
390 for tax credits authorized to be allocated to taxpayers under this
391 section by Section 27-7-22.39.



392 (9) The aggregate amount of tax credits that may be
393 allocated by the department under this section during a calendar
394 year shall not exceed Five Million Dollars (\$5,000,000.00), and
395 not more than fifty percent (50%) of tax credits allocated during
396 a calendar year may be allocated for contributions to eligible
397 charitable organizations described in subsection (1)(b)(ii) of
398 this section. However, for calendar year 2021, and for each
399 calendar year thereafter, the aggregate amount of tax credits that
400 may be allocated by the department under this section during a
401 calendar year shall not exceed Ten Million Dollars
402 (\$10,000,000.00). For calendar year 2021, and for each calendar
403 year thereafter, fifty percent (50%) of the tax credits allocated
404 during a calendar year shall be allocated for contributions to
405 eligible charitable organizations described in subsection
406 (1)(b)(i) of this section and fifty percent (50%) of the tax
407 credits allocated during a calendar year shall be allocated for
408 contributions to eligible charitable organizations described in
409 subsection (1)(b)(ii) of this section. For calendar year 2021,
410 and for each calendar year thereafter, for credits allocated during
411 a calendar year for contributions to eligible charitable
412 organizations described in subsection (1)(b)(ii) of this section,
413 no more than ten percent (10%) of such credits may be allocated
414 for contributions to a single eligible charitable organization.

415 * * *



416 **SECTION 3.** Section 27-7-22.39, Mississippi Code of 1972, is
417 amended as follows:

418 27-7-22.39. (1) As used in this section:

419 (a) "Low-income residents" means persons whose
420 household income is less than one hundred fifty percent (150%) of
421 the federal poverty level.

422 (b) "Qualifying charitable organization" means a
423 charitable organization that is exempt from federal income
424 taxation under Section 501(c)(3) of the Internal Revenue Code or
425 is a designated community action agency that receives community
426 services block grant program monies pursuant to 42 USC 9901. The
427 organization must spend at least fifty percent (50%) of its budget
428 on services to residents of this state who receive temporary
429 assistance for needy families benefits or low-income residents of
430 this state and their households or to children who have a chronic
431 illness or physical, intellectual, developmental or emotional
432 disability who are residents of this state. A charitable
433 organization that is exempt from federal income tax under Section
434 501(c)(3) of the Internal Revenue Code and that meets all other
435 requirements of this paragraph except that it does not spend at
436 least fifty percent (50%) of its overall budget in Mississippi may
437 be a qualifying charitable organization if it spends at least
438 fifty percent (50%) of its Mississippi budget on services to
439 qualified individuals in Mississippi and it certifies to the



440 department that one hundred percent (100%) of the voluntary cash
441 contributions from the taxpayer will be spent on services to
442 qualified individuals in Mississippi. Taxpayers choosing to make
443 donations through an umbrella charitable organization that
444 collects donations on behalf of member charities shall designate
445 that the donation be directed to a member charitable organization
446 that would qualify under this section on a stand-alone basis.
447 Qualifying charitable organization does not include any entity
448 that provides, pays for or provides coverage of abortions or that
449 financially supports any other entity that provides, pays for or
450 provides coverage of abortions.

451 (c) "Qualifying foster care charitable organization"
452 means a qualifying charitable organization that each operating
453 year provides services to at least one hundred (100) qualified
454 individuals in this state and spends at least fifty percent (50%)
455 of its budget on services to qualified individuals in this state.
456 A charitable organization that is exempt from federal income tax
457 under Section 501(c)(3) of the Internal Revenue Code and that
458 meets all other requirements of this paragraph except that it does
459 not spend at least fifty percent (50%) of its overall budget in
460 Mississippi may be a qualifying foster care charitable
461 organization if it spends at least fifty percent (50%) of its
462 Mississippi budget on services to qualified individuals in
463 Mississippi and it certifies to the department that one hundred
464 percent (100%) of the voluntary cash contributions from the



465 taxpayer will be spent on services to qualified individuals in
466 Mississippi. For the purposes of this paragraph, "qualified
467 individual" means a child in a foster care placement program
468 established by the Department of Child Protection Services, a
469 child placed under the Safe Families for Children model, or a
470 child at significant risk of entering a foster care placement
471 program established by the Department of Child Protection
472 Services.

473 (d) "Services" means:

474 (i) Cash assistance, medical care, child care,
475 food, clothing, shelter, and job-placement services or any other
476 assistance that is reasonably necessary to meet immediate basic
477 needs and that is provided and used in this state;

478 (ii) Job-training or education services or funding
479 for parents, foster parents or guardians; or

480 (iii) Job-training or education services or
481 funding provided as part of a foster care independent living
482 program.

483 (2) Except as provided in subsections (3) and (4) of this
484 section, a credit is allowed against the taxes imposed by this
485 chapter for voluntary cash contributions by the taxpayer during
486 the taxable year to a qualifying charitable organization, other
487 than a qualifying foster care charitable organization, not to
488 exceed:



489 (a) The lesser of Four Hundred Dollars (\$400.00) or the
490 amount of the contribution in any taxable year for a single
491 individual or a head of household.

492 (b) The lesser of Eight Hundred Dollars (\$800.00) or
493 the amount of the contribution in any taxable year for a married
494 couple filing a joint return.

495 (3) A separate credit is allowed against the taxes imposed
496 by this chapter for voluntary cash contributions during the
497 taxable year to a qualifying foster care charitable organization.
498 A contribution to a qualifying foster care charitable organization
499 does not qualify for, and shall not be included in, any credit
500 amount under subsection (2) of this section. If the voluntary
501 cash contribution by the taxpayer is to a qualifying foster care
502 charitable organization, the credit shall not exceed:

503 (a) The lesser of Five Hundred Dollars (\$500.00) or the
504 amount of the contribution in any taxable year for a single
505 individual or a head of household.

506 (b) The lesser of One Thousand Dollars (\$1,000.00) or
507 the amount of the contribution in any taxable year for a married
508 couple filing a joint return.

509 (4) Subsections (2) and (3) of this section provide separate
510 credits against taxes imposed by this chapter depending on the
511 recipients of the contributions. A taxpayer, including a married
512 couple filing a joint return, in the same taxable year, may either
513 or both:



514 (a) Contribute to a qualifying charitable organization,
515 other than a qualifying foster care charitable organization, and
516 claim a credit under subsection (2) of this section.

517 (b) Contribute to a qualifying foster care charitable
518 organization and claim a credit under subsection (3) of this
519 section.

520 (5) A husband and wife who file separate returns for a
521 taxable year in which they could have filed a joint return may
522 each claim only one-half (1/2) of the tax credit that would have
523 been allowed for a joint return.

524 (6) If the allowable tax credit exceeds the taxes otherwise
525 due under this chapter on the claimant's income, or if there are
526 no taxes due under this chapter, the taxpayer may carry forward
527 the amount of the claim not used to offset the taxes under this
528 chapter for not more than five (5) consecutive taxable years'
529 income tax liability.

530 (7) The credit allowed by this section is in lieu of a
531 deduction pursuant to Section 170 of the Internal Revenue Code and
532 taken for state tax purposes.

533 (8) Taxpayers taking a credit authorized by this section
534 shall provide the name of the qualifying charitable organization
535 and the amount of the contribution to the department on forms
536 provided by the department.

537 (9) A qualifying charitable organization shall provide the
538 department with a written certification that it meets all criteria



539 to be considered a qualifying charitable organization. The
540 organization shall also notify the department of any changes that
541 may affect the qualifications under this section.

542 (10) The charitable organization's written certification
543 must be signed by an officer of the organization under penalty of
544 perjury. The written certification shall include the following:

545 (a) Verification of the organization's status under
546 Section 501(c)(3) of the Internal Revenue Code or verification
547 that the organization is a designated community action agency that
548 receives community services block grant program monies pursuant to
549 42 USC 9901.

550 (b) Financial data indicating the organization's budget
551 for the organization's prior operating year and the amount of that
552 budget spent on services to residents of this state who either:

553 (i) Receive temporary assistance for needy
554 families benefits;

555 (ii) Are low-income residents of this state;

556 (iii) Are children who have a chronic illness or
557 physical, intellectual, developmental or emotional disability; or

558 (iv) Are children in a foster care placement
559 program established by the Department of Child Protection
560 Services, children placed under the Safe Families for Children
561 model or children at significant risk of entering a foster care
562 placement program established by the Department of Child
563 Protection Services.



564 (c) A statement that the organization plans to continue
565 spending at least fifty percent (50%) of its budget on services to
566 residents of this state who receive temporary assistance for needy
567 families benefits, who are low-income residents of this state, who
568 are children who have a chronic illness or physical, intellectual,
569 developmental or emotional disability or who are children in a
570 foster care placement program established by the Department of
571 Child Protection Services, children placed under the Safe Families
572 for Children model or children at significant risk of entering a
573 foster care placement program established by the Department of
574 Child Protection Services. A charitable organization that is
575 exempt from federal income tax under Section 501(c)(3) of the
576 Internal Revenue Code and that meets all other requirements for a
577 qualifying charitable organization or qualifying foster care
578 charitable organization except that it does not spend at least
579 fifty percent (50%) of its overall budget in Mississippi shall
580 submit a statement that it spends at least fifty percent (50%) of
581 its Mississippi budget on services to qualified individuals in
582 Mississippi and that one hundred percent (100%) of the voluntary
583 cash contributions it receives from Mississippi taxpayers will be
584 spent on services to qualified individuals in Mississippi.

585 (d) In the case of a foster care charitable
586 organization, a statement that each operating year it provides
587 services to at least one hundred (100) qualified individuals in
588 this state.



589 (e) A statement that the organization does not provide,
590 pay for or provide coverage of abortions and does not financially
591 support any other entity that provides, pays for or provides
592 coverage of abortions.

593 (f) Any other information that the department requires
594 to administer this section.

595 (11) The department shall review each written certification
596 and determine whether the organization meets all the criteria to
597 be considered a qualifying charitable organization and notify the
598 organization of its determination. The department may also
599 periodically request recertification from the organization. The
600 department shall compile and make available to the public a list
601 of the qualifying charitable organizations.

602 (12) The aggregate amount of tax credits that may be awarded
603 under this section in any calendar year shall not exceed Three
604 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
605 and for each calendar year thereafter, the aggregate amount of tax
606 credits that may be awarded under this section in any calendar
607 year shall not exceed One Million Dollars (\$1,000,000.00). In
608 addition, any tax credits not awarded under this section before
609 June 1, 2020, may be allocated during calendar year 2020 under
610 Section 27-7-22.41 for contributions by taxpayers to eligible
611 charitable organizations described in Section



612 27-7-22.41(1)(b)(ii) as provided under such section,
613 notwithstanding any limitation on the percentage of tax credits
614 that may be allocated for such contributions.

615 (13) A taxpayer shall apply for credits with the department
616 on forms prescribed by the department. In the application the
617 taxpayer shall certify to the department the dollar amount of the
618 contributions made or to be made during the calendar year. Within
619 thirty (30) days after the receipt of an application, the
620 department shall allocate credits based on the dollar amount of
621 contributions as certified in the application. However, if the
622 department cannot allocate the full amount of credits certified in
623 the application due to the limit on the aggregate amount of
624 credits that may be awarded under this section in a calendar year,
625 the department shall so notify the applicant within thirty (30)
626 days with the amount of credits, if any, that may be allocated to
627 the applicant in the calendar year. Once the department has
628 allocated credits to a taxpayer, if the contribution for which a
629 credit is allocated has not been made as of the date of the
630 allocation, then the contribution must be made not later than
631 sixty (60) days from the date of the allocation. If the
632 contribution is not made within such time period, the allocation
633 shall be cancelled and returned to the department for
634 reallocation. Upon final documentation of the contributions, if
635 the actual dollar amount of the contributions is lower than the



636 amount estimated, the department shall adjust the tax credit
637 allowed under this section.

638 (14) This section shall be repealed from and after January
639 1, * * * 2025.

640 **SECTION 4.** Section 27-7-22.32, Mississippi Code of 1972, is
641 amended as follows:

642 **[Through December 31, * * * 2023, this section shall read as**
643 **follows:]**

644 27-7-22.32. (1) (a) There shall be allowed as a credit
645 against the tax imposed by this chapter the amount of the
646 qualified adoption expenses paid or incurred, not to exceed Two
647 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
648 child legally adopted by a taxpayer under the laws of this state
649 during calendar year 2006 or during any calendar year thereafter
650 through calendar year 2017, and not to exceed Five Thousand
651 Dollars (\$5,000.00) for each dependent child legally adopted by a
652 taxpayer under the laws of this state during any calendar year
653 thereafter. A taxpayer claiming a credit under this paragraph (a)
654 may not claim a credit under paragraph (b) of this subsection for
655 the adoption of the same child.

656 (b) There shall be allowed as a credit against the tax
657 imposed by this chapter the amount of Five Thousand Dollars
658 (\$5,000.00) for each dependent child legally adopted by a taxpayer
659 under the laws of this state through the Mississippi Department of
660 Child Protection Services during calendar year 2018 or during any



661 calendar year thereafter. A taxpayer claiming a credit under this
662 paragraph (b) may not claim a credit under paragraph (a) of this
663 subsection for the adoption of the same child.

664 (2) The tax credit under this section may be claimed for the
665 taxable year in which the adoption becomes final under the laws of
666 this state. Any tax credit claimed under this section but not
667 used in any taxable year may be carried forward for the five (5)
668 succeeding tax years. A tax credit is allowed under this section
669 for any child for which an exemption is claimed during the same
670 taxable year under Section 27-7-21(e). For the purposes of this
671 section, the term "qualified adoption expenses" means and has the
672 same definition as that term has in 26 USCS 36C.

673 **[From and after January 1, * * * 2024, this section shall**
674 **read as follows:]**

675 27-7-22.32. There shall be allowed as a credit against the
676 tax imposed by this chapter the amount of the qualified adoption
677 expenses paid or incurred, not to exceed Two Thousand Five Hundred
678 Dollars (\$2,500.00), for each dependent child legally adopted by a
679 taxpayer under the laws of this state during calendar year 2006 or
680 during any calendar year thereafter. The tax credit under this
681 section may be claimed for the taxable year in which the adoption
682 becomes final under the laws of this state. Any tax credit
683 claimed under this section but not used in any taxable year may be
684 carried forward for the three (3) succeeding tax years. A tax
685 credit is allowed under this section for any child for which an



686 exemption is claimed during the same taxable year under Section
687 27-7-21(e). For the purposes of this section, the term "qualified
688 adoption expenses" means and has the same definition as that term
689 has in 26 USCS 36C.

690 **SECTION 5.** Section 27-65-101, Mississippi Code of 1972, is
691 amended as follows:

692 27-65-101. (1) The exemptions from the provisions of this
693 chapter which are of an industrial nature or which are more
694 properly classified as industrial exemptions than any other
695 exemption classification of this chapter shall be confined to
696 those persons or property exempted by this section or by the
697 provisions of the Constitution of the United States or the State
698 of Mississippi. No industrial exemption as now provided by any
699 other section except Section 57-3-33 shall be valid as against the
700 tax herein levied. Any subsequent industrial exemption from the
701 tax levied hereunder shall be provided by amendment to this
702 section. No exemption provided in this section shall apply to
703 taxes levied by Section 27-65-15 or 27-65-21.

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

706 (a) Sales of boxes, crates, cartons, cans, bottles and
707 other packaging materials to manufacturers and wholesalers for use
708 as containers or shipping materials to accompany goods sold by
709 said manufacturers or wholesalers where possession thereof will
710 pass to the customer at the time of sale of the goods contained



711 therein and sales to anyone of containers or shipping materials
712 for use in ships engaged in international commerce.

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

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



735 (d) Sales to commercial fishermen of commercial fishing
736 boats of over five (5) tons load displacement and not more than
737 fifty (50) tons load displacement as registered with the United
738 States Coast Guard and licensed by the Mississippi Commission on
739 Marine Resources.

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

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

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

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

756 (i) Sales of machinery or tools or repair parts
757 therefor or replacements thereof, fuel or supplies used directly
758 in manufacturing, converting or repairing ships, vessels or barges
759 of three thousand (3,000) tons load displacement and over, but not



760 to include office and plant supplies or other equipment not
761 directly used on the ship, vessel or barge being built, converted
762 or repaired. For purposes of this exemption, "ships, vessels or
763 barges" shall not include floating structures described in Section
764 27-65-18.

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

771 (k) Sales of materials used in the construction of a
772 building, or any addition or improvement thereon, and sales of any
773 machinery and equipment not later than three (3) months after the
774 completion of construction of the building, or any addition
775 thereon, to be used therein, to qualified businesses, as defined
776 in Section 57-51-5, which are located in a county or portion
777 thereof designated as an enterprise zone pursuant to Sections
778 57-51-1 through 57-51-15.

779 (l) Sales of materials used in the construction of a
780 building, or any addition or improvement thereon, and sales of any
781 machinery and equipment not later than three (3) months after the
782 completion of construction of the building, or any addition
783 thereon, to be used therein, to qualified businesses, as defined
784 in Section 57-54-5.



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

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

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

794 (p) Sales of materials used in the construction of a
795 building, or any addition or improvement thereon, and sales of any
796 machinery and equipment not later than three (3) months after the
797 completion of construction of the building, or any addition
798 thereon, to be used therein, to qualified companies, certified as
799 such by the Mississippi Development Authority under Section
800 57-53-1.

801 (q) Sales of component materials used in the
802 construction of a building, or any addition or improvement
803 thereon, sales of machinery and equipment to be used therein, and
804 sales of manufacturing or processing machinery and equipment which
805 is permanently attached to the ground or to a permanent foundation
806 and which is not by its nature intended to be housed within a
807 building structure, not later than three (3) months after the
808 initial start-up date, to permanent business enterprises engaging
809 in manufacturing or processing in Tier Three areas (as such term



810 is defined in Section 57-73-21), which businesses are certified by
811 the Department of Revenue as being eligible for the exemption
812 granted in this paragraph (q).

813 (r) (i) Sales of component materials used in the
814 construction of a building, or any addition or improvement
815 thereon, and sales of any machinery and equipment not later than
816 three (3) months after the completion of the building, addition or
817 improvement thereon, to be used therein, for any company
818 establishing or transferring its national or regional headquarters
819 from within or outside the State of Mississippi and creating a
820 minimum of twenty (20) jobs at the new headquarters in this state.
821 The Department of Revenue shall establish criteria and prescribe
822 procedures to determine if a company qualifies as a national or
823 regional headquarters for the purpose of receiving the exemption
824 provided in this subparagraph (i).

825 (ii) Sales of component materials used in the
826 construction of a building, or any addition or improvement
827 thereon, and sales of any machinery and equipment not later than
828 three (3) months after the completion of the building, addition or
829 improvement thereon, to be used therein, for any company expanding
830 or making additions after January 1, 2013, to its national or
831 regional headquarters within the State of Mississippi and creating
832 a minimum of twenty (20) new jobs at the headquarters as a result
833 of the expansion or additions. The Department of Revenue shall
834 establish criteria and prescribe procedures to determine if a



835 company qualifies as a national or regional headquarters for the
836 purpose of receiving the exemption provided in this subparagraph
837 (ii).

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

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

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

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

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

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

858 For purposes of this exemption, "machinery and equipment"
859 means any ocean-going vessels, barges, booms, skimmers and other



860 capital equipment used primarily in the operations of nonprofit
861 organizations referred to herein.

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

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

872 (x) Sales or leases to a manufacturer of motor vehicles
873 or powertrain components operating a project that has been
874 certified by the Mississippi Major Economic Impact Authority as a
875 project as defined in Section 57-75-5(f)(iv)1, Section
876 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
877 equipment; special tooling such as dies, molds, jigs and similar
878 items treated as special tooling for federal income tax purposes;
879 or repair parts therefor or replacements thereof; repair services
880 thereon; fuel, supplies, electricity, coal and natural gas used
881 directly in the manufacture of motor vehicles or motor vehicle
882 parts or used to provide climate control for manufacturing areas.

883 (y) Sales or leases of component materials, machinery
884 and equipment used in the construction of a building, or any



885 addition or improvement thereon to an enterprise operating a
886 project that has been certified by the Mississippi Major Economic
887 Impact Authority as a project as defined in Section
888 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
889 or Section 57-75-5(f)(xxviii) and any other sales or leases
890 required to establish or operate such project.

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

893 (aa) The gross income from the stripping and painting
894 of commercial aircraft engaged in foreign or interstate
895 transportation business.

896 (bb) [Repealed]

897 (cc) Sales or leases to an enterprise owning or
898 operating a project that has been designated by the Mississippi
899 Major Economic Impact Authority as a project as defined in Section
900 57-75-5(f)(xviii) of machinery and equipment; special tooling such
901 as dies, molds, jigs and similar items treated as special tooling
902 for federal income tax purposes; or repair parts therefor or
903 replacements thereof; repair services thereon; fuel, supplies,
904 electricity, coal and natural gas used directly in the
905 manufacturing/production operations of the project or used to
906 provide climate control for manufacturing/production areas.

907 (dd) Sales or leases of component materials, machinery
908 and equipment used in the construction of a building, or any
909 addition or improvement thereon to an enterprise owning or



910 operating a project that has been designated by the Mississippi
911 Major Economic Impact Authority as a project as defined in Section
912 57-75-5(f) (xviii) and any other sales or leases required to
913 establish or operate such project.

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

918 (ff) Sales of component materials used in the
919 construction of a facility, or any addition or improvement
920 thereon, and sales or leases of machinery and equipment not later
921 than three (3) months after the completion of construction of the
922 facility, or any addition or improvement thereto, to be used in
923 the building or any addition or improvement thereto, to a
924 permanent business enterprise operating a data/information
925 enterprise in Tier Three areas (as such areas are designated in
926 accordance with Section 57-73-21), meeting minimum criteria
927 established by the Mississippi Development Authority.

928 (gg) Sales of component materials used in the
929 construction of a facility, or any addition or improvement
930 thereto, and sales of machinery and equipment not later than three
931 (3) months after the completion of construction of the facility,
932 or any addition or improvement thereto, to be used in the facility
933 or any addition or improvement thereto, to technology intensive
934 enterprises for industrial purposes in Tier Three areas (as such



935 areas are designated in accordance with Section 57-73-21), as
936 certified by the Department of Revenue. For purposes of this
937 paragraph, an enterprise must meet the criteria provided for in
938 Section 27-65-17(1)(f) in order to be considered a technology
939 intensive enterprise.

940 (hh) Sales of component materials used in the
941 replacement, reconstruction or repair of a building or facility
942 that has been destroyed or sustained extensive damage as a result
943 of a disaster declared by the Governor, sales of machinery and
944 equipment to be used therein to replace machinery or equipment
945 damaged or destroyed as a result of such disaster, including, but
946 not limited to, manufacturing or processing machinery and
947 equipment which is permanently attached to the ground or to a
948 permanent foundation and which is not by its nature intended to be
949 housed within a building structure, to enterprises or companies
950 that were eligible for the exemptions authorized in paragraph (q),
951 (r), (ff) or (gg) of this subsection during initial construction
952 of the building that was destroyed or damaged, which enterprises
953 or companies are certified by the Department of Revenue as being
954 eligible for the exemption granted in this paragraph.

955 (ii) Sales of software or software services transmitted
956 by the Internet to a destination outside the State of Mississippi
957 where the first use of such software or software services by the
958 purchaser occurs outside the State of Mississippi.



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

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

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

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

972 (nn) Sales of component materials used in the
973 construction of a building, or any addition or improvement
974 thereon, and sales or leases of machinery and equipment not later
975 than three (3) months after the completion of the construction of
976 the facility, to be used in the facility, to permanent business
977 enterprises operating a facility producing renewable crude oil
978 from biomass harvested or produced, in whole or in part, in
979 Mississippi, which businesses meet minimum criteria established by
980 the Mississippi Development Authority. As used in this paragraph,
981 the term "biomass" shall have the meaning ascribed to such term in
982 Section 57-113-1.



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

990 (pp) Sales of materials used in the construction of a
991 health care industry facility, as defined in Section 57-117-3, or
992 any addition or improvement thereon, and sales of any machinery
993 and equipment not later than three (3) months after the completion
994 of construction of the facility, or any addition thereon, to be
995 used therein, to qualified businesses, as defined in Section
996 57-117-3. This paragraph shall be repealed from and after July 1,
997 2022.

998 (qq) Sales or leases to a manufacturer of automotive
999 parts operating a project that has been certified by the
1000 Mississippi Major Economic Impact Authority as a project as
1001 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
1002 or repair parts therefor or replacements thereof; repair services
1003 thereon; fuel, supplies, electricity, coal, nitrogen and natural
1004 gas used directly in the manufacture of automotive parts or used
1005 to provide climate control for manufacturing areas.

1006 (rr) Gross collections derived from guided tours on any
1007 navigable waters of this state, which include providing



1008 accommodations, guide services and/or related equipment operated
1009 by or under the direction of the person providing the tour, for
1010 the purposes of outdoor tourism. The exemption provided in this
1011 paragraph (rr) does not apply to the sale of tangible personal
1012 property by a person providing such tours.

1013 (ss) Retail sales of truck-tractors and semitrailers
1014 used in interstate commerce and registered under the International
1015 Registration Plan (IRP) or any similar reciprocity agreement or
1016 compact relating to the proportional registration of commercial
1017 vehicles entered into as provided for in Section 27-19-143.

1018 (tt) Sales exempt under the Facilitating Business Rapid
1019 Response to State Declared Disasters Act of 2015 (Sections
1020 27-113-1 through 27-113-9).

1021 (uu) Sales or leases to an enterprise and its
1022 affiliates operating a project that has been certified by the
1023 Mississippi Major Economic Impact Authority as a project as
1024 defined in Section 57-75-5(f)(xxix) of:

1025 (i) All personal property and fixtures, including
1026 without limitation, sales or leases to the enterprise and its
1027 affiliates of:

- 1028 1. Manufacturing machinery and equipment;
1029 2. Special tooling such as dies, molds, jigs
1030 and similar items treated as special tooling for federal income
1031 tax purposes;



1032 3. Component building materials, machinery
1033 and equipment used in the construction of buildings, and any other
1034 additions or improvements to the project site for the project;

1035 4. Nonmanufacturing furniture, fixtures and
1036 equipment (inclusive of all communications, computer, server,
1037 software and other hardware equipment); and

1038 5. Fuel, supplies (other than
1039 nonmanufacturing consumable supplies and water), electricity,
1040 nitrogen gas and natural gas used directly in the
1041 manufacturing/production operations of such project or used to
1042 provide climate control for manufacturing/production areas of such
1043 project;

1044 (ii) All replacements of, repair parts for or
1045 services to repair items described in subparagraph (i)1, 2 and 3
1046 of this paragraph; and

1047 (iii) All services taxable pursuant to Section
1048 27-65-23 required to establish, support, operate, repair and/or
1049 maintain such project.

1050 (vv) Sales or leases to an enterprise operating a
1051 project that has been certified by the Mississippi Major Economic
1052 Impact Authority as a project as defined in Section
1053 57-75-5(f)(xxx) of:

1054 (i) Purchases required to establish and operate
1055 the project, including, but not limited to, sales of component
1056 building materials, machinery and equipment required to establish



1057 the project facility and any additions or improvements thereon;
1058 and

1059 (ii) Machinery, special tools (such as dies,
1060 molds, and jigs) or repair parts thereof, or replacements and
1061 lease thereof, repair services thereon, fuel, supplies and
1062 electricity, coal and natural gas used in the manufacturing
1063 process and purchased by the enterprise owning or operating the
1064 project for the benefit of the project.

1065 (ww) Sales of component materials used in the
1066 construction of a building, or any expansion or improvement
1067 thereon, sales of machinery and/or equipment to be used therein,
1068 and sales of processing machinery and equipment which is
1069 permanently attached to the ground or to a permanent foundation
1070 which is not by its nature intended to be housed in a building
1071 structure, no later than three (3) months after initial startup,
1072 expansion or improvement of a permanent enterprise solely engaged
1073 in the conversion of natural sand into proppants used in oil and
1074 gas exploration and development with at least ninety-five percent
1075 (95%) of such proppants used in the production of oil and/or gas
1076 from horizontally drilled wells and/or horizontally drilled
1077 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1078 (2) Sales of component materials used in the construction of
1079 a building, or any addition or improvement thereon, sales of
1080 machinery and equipment to be used therein, and sales of
1081 manufacturing or processing machinery and equipment which is



1082 permanently attached to the ground or to a permanent foundation
1083 and which is not by its nature intended to be housed within a
1084 building structure, not later than three (3) months after the
1085 initial start-up date, to permanent business enterprises engaging
1086 in manufacturing or processing in Tier Two areas and Tier One
1087 areas (as such areas are designated in accordance with Section
1088 57-73-21), which businesses are certified by the Department of
1089 Revenue as being eligible for the exemption granted in this
1090 subsection, shall be exempt from one-half (1/2) of the taxes
1091 imposed on such transactions under this chapter.

1092 (3) Sales of component materials used in the construction of
1093 a facility, or any addition or improvement thereon, and sales or
1094 leases of machinery and equipment not later than three (3) months
1095 after the completion of construction of the facility, or any
1096 addition or improvement thereto, to be used in the building or any
1097 addition or improvement thereto, to a permanent business
1098 enterprise operating a data/information enterprise in Tier Two
1099 areas and Tier One areas (as such areas are designated in
1100 accordance with Section 57-73-21), which businesses meet minimum
1101 criteria established by the Mississippi Development Authority,
1102 shall be exempt from one-half (1/2) of the taxes imposed on such
1103 transaction under this chapter.

1104 (4) Sales of component materials used in the construction of
1105 a facility, or any addition or improvement thereto, and sales of
1106 machinery and equipment not later than three (3) months after the



1107 completion of construction of the facility, or any addition or
1108 improvement thereto, to be used in the building or any addition or
1109 improvement thereto, to technology intensive enterprises for
1110 industrial purposes in Tier Two areas and Tier One areas (as such
1111 areas are designated in accordance with Section 57-73-21), which
1112 businesses are certified by the Department of Revenue as being
1113 eligible for the exemption granted in this subsection, shall be
1114 exempt from one-half (1/2) of the taxes imposed on such
1115 transactions under this chapter. For purposes of this subsection,
1116 an enterprise must meet the criteria provided for in Section
1117 27-65-17(1)(f) in order to be considered a technology intensive
1118 enterprise.

1119 (5) (a) For purposes of this subsection:

1120 (i) "Telecommunications enterprises" shall have
1121 the meaning ascribed to such term in Section 57-73-21;

1122 (ii) "Tier One areas" mean counties designated as
1123 Tier One areas pursuant to Section 57-73-21;

1124 (iii) "Tier Two areas" mean counties designated as
1125 Tier Two areas pursuant to Section 57-73-21;

1126 (iv) "Tier Three areas" mean counties designated
1127 as Tier Three areas pursuant to Section 57-73-21; and

1128 (v) "Equipment used in the deployment of broadband
1129 technologies" means any equipment capable of being used for or in
1130 connection with the transmission of information at a rate, prior
1131 to taking into account the effects of any signal degradation, that



1132 is not less than three hundred eighty-four (384) kilobits per
1133 second in at least one (1) direction, including, but not limited
1134 to, asynchronous transfer mode switches, digital subscriber line
1135 access multiplexers, routers, servers, multiplexers, fiber optics
1136 and related equipment.

1137 (b) Sales of equipment to telecommunications
1138 enterprises after June 30, 2003, and before July 1, * * * 2025,
1139 that is installed in Tier One areas and used in the deployment of
1140 broadband technologies shall be exempt from one-half (1/2) of the
1141 taxes imposed on such transactions under this chapter.

1142 (c) Sales of equipment to telecommunications
1143 enterprises after June 30, 2003, and before July 1, * * * 2025,
1144 that is installed in Tier Two and Tier Three areas and used in the
1145 deployment of broadband technologies shall be exempt from the
1146 taxes imposed on such transactions under this chapter.

1147 (6) Sales of component materials used in the replacement,
1148 reconstruction or repair of a building that has been destroyed or
1149 sustained extensive damage as a result of a disaster declared by
1150 the Governor, sales of machinery and equipment to be used therein
1151 to replace machinery or equipment damaged or destroyed as a result
1152 of such disaster, including, but not limited to, manufacturing or
1153 processing machinery and equipment which is permanently attached
1154 to the ground or to a permanent foundation and which is not by its
1155 nature intended to be housed within a building structure, to
1156 enterprises that were eligible for the partial exemptions provided



1157 for in subsections (2), (3) and (4) of this section during initial
1158 construction of the building that was destroyed or damaged, which
1159 enterprises are certified by the Department of Revenue as being
1160 eligible for the partial exemption granted in this subsection,
1161 shall be exempt from one-half (1/2) of the taxes imposed on such
1162 transactions under this chapter.

1163 **SECTION 6.** Section 57-87-5, Mississippi Code of 1972, is
1164 amended as follows:

1165 57-87-5. (1) For purposes of this section:

1166 (a) "Telecommunications enterprises" shall have the
1167 meaning ascribed to such term in Section 57-73-21(14);

1168 (b) "Tier One areas" mean counties designated as Tier
1169 One areas pursuant to Section 57-73-21(1);

1170 (c) "Tier Two areas" mean counties designated as Tier
1171 Two areas pursuant to Section 57-73-21(1);

1172 (d) "Tier Three areas" mean counties designated as Tier
1173 Three areas pursuant to Section 57-73-21(1); and

1174 (e) "Equipment used in the deployment of broadband
1175 technologies" means any equipment capable of being used for or in
1176 connection with the transmission of information at a rate, prior
1177 to taking into account the effects of any signal degradation, that
1178 is not less than three hundred eighty-four (384) kilobits per
1179 second in at least one (1) direction, including, but not limited
1180 to, asynchronous transfer mode switches, digital subscriber line



1181 access multiplexers, routers, servers, multiplexers, fiber optics
1182 and related equipment.

1183 (2) With respect to the investment in each year by a
1184 telecommunications enterprise after June 30, 2003, and before July
1185 1, * * * 2025, there shall be allowed annually as a credit against
1186 the aggregate tax imposed by Chapters 7 and 13 of Title 27,
1187 Mississippi Code of 1972, an amount equal to:

1188 (a) Five percent (5%) of the cost of equipment used in
1189 the deployment of broadband technologies in Tier One areas;

1190 (b) Ten percent (10%) of the cost of equipment used in
1191 the deployment of broadband technologies in Tier Two areas; and

1192 (c) Fifteen percent (15%) of the cost of equipment used
1193 in the deployment of broadband technologies in Tier Three areas.

1194 (3) Such annual credits shall be allowed commencing with the
1195 taxable year in which such property is placed in service and
1196 continue for nine (9) consecutive years thereafter. The aggregate
1197 credit established by this section taken in any one (1)
1198 tax year shall be limited to an amount not greater than fifty
1199 percent (50%) of the taxpayer's tax liabilities under Chapters 7
1200 and 13 of Title 27, Mississippi Code of 1972; however, any tax
1201 credit claimed under this section, but not used in any taxable
1202 year, may be carried forward for ten (10) consecutive years from
1203 the close of the tax year in which the credits were earned.

1204 (4) The maximum aggregate amount of credits that may be
1205 claimed under this section shall not exceed the original



1206 investment made by a telecommunications enterprise in the
1207 qualifying equipment used in the deployment of broadband
1208 technologies.

1209 (5) For purposes of this section, the tier in which
1210 broadband technology is deployed shall be determined in the year
1211 in which such technology is deployed in a county and such tier
1212 shall not change if the county is later designated in another
1213 tier.

1214 **SECTION 7.** Section 57-87-7, Mississippi Code of 1972, is
1215 amended as follows:

1216 57-87-7. Equipment used in the deployment of broadband
1217 technologies by a telecommunications enterprise (as defined in
1218 Section 57-73-21(14)), that is placed in service after June 30,
1219 2003, and before July 1, * * * 2025, shall be exempt from ad
1220 valorem taxation for a period of ten (10) years after the date
1221 such equipment is placed in service. For purposes of this
1222 section, "equipment used in the deployment of broadband
1223 technologies" means any equipment capable of being used for or in
1224 connection with the transmission of information at a rate, prior
1225 to taking into account the effects of any signal degradation, that
1226 is not less than three hundred eighty-four (384) kilobits per
1227 second in at least one direction, including, but not limited to,
1228 asynchronous transfer mode switches, digital subscriber line
1229 access multiplexers, routers, servers, multiplexers, fiber optics
1230 and related equipment.



1231 **SECTION 8.** Nothing in this act shall affect or defeat any
1232 claim, assessment, appeal, suit, right or cause of action for
1233 taxes due or accrued under the income tax laws before the date on
1234 which this act becomes effective, whether such claims,
1235 assessments, appeals, suits or actions have been begun before the
1236 date on which this act becomes effective or are begun thereafter;
1237 and the provisions of the income tax laws are expressly continued
1238 in full force, effect and operation for the purpose of the
1239 assessment, collection and enrollment of liens for any taxes due
1240 or accrued and the execution of any warrant under such laws before
1241 the date on which this act becomes effective, and for the
1242 imposition of any penalties, forfeitures or claims for failure to
1243 comply with such laws.

1244 **SECTION 9.** Sections 2 and 3 of this act shall take effect
1245 and be in force from and after January 1, 2020, and the remaining
1246 sections of this act shall take effect and be in force from and
1247 after July 1, 2020.

