

By: Representatives Oliver, Stamps

To: Ways and Means

HOUSE BILL NO. 549

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
 2 TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL PROPERTY
 3 BY THE MANUFACTURER OR CUSTOM PROCESSOR THEREOF IF SUCH PROPERTY
 4 IS SHIPPED, TRANSPORTED OR EXPORTED FROM THIS STATE AND FIRST USED
 5 IN ANOTHER STATE, WHETHER SUCH SHIPMENT, TRANSPORTATION OR
 6 EXPORTATION IS MADE BY THE SELLER, PURCHASER, OR ANY THIRD PARTY
 7 ACTING ON BEHALF OF SUCH PARTY; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-65-101, Mississippi Code of 1972, is
 10 amended as follows:

11 27-65-101. (1) The exemptions from the provisions of this
 12 chapter which are of an industrial nature or which are more
 13 properly classified as industrial exemptions than any other
 14 exemption classification of this chapter shall be confined to
 15 those persons or property exempted by this section or by the
 16 provisions of the Constitution of the United States or the State
 17 of Mississippi. No industrial exemption as now provided by any
 18 other section except Section 57-3-33 shall be valid as against the
 19 tax herein levied. Any subsequent industrial exemption from the
 20 tax levied hereunder shall be provided by amendment to this



21 section. No exemption provided in this section shall apply to
22 taxes levied by Section 27-65-15 or 27-65-21.

23 The tax levied by this chapter shall not apply to the
24 following:

25 (a) Sales of boxes, crates, cartons, cans, bottles and
26 other packaging materials to manufacturers and wholesalers for use
27 as containers or shipping materials to accompany goods sold by
28 said manufacturers or wholesalers where possession thereof will
29 pass to the customer at the time of sale of the goods contained
30 therein and sales to anyone of containers or shipping materials
31 for use in ships engaged in international commerce.

32 (b) Sales of raw materials, catalysts, processing
33 chemicals, welding gases or other industrial processing gases
34 (except natural gas) to a manufacturer for use directly in
35 manufacturing or processing a product for sale or rental or
36 repairing or reconditioning vessels or barges of fifty (50) tons
37 load displacement and over. For the purposes of this exemption,
38 electricity used directly in the electrolysis process in the
39 production of sodium chlorate shall be considered a raw material.
40 This exemption shall not apply to any property used as fuel except
41 to the extent that such fuel comprises by-products which have no
42 market value.

43 (c) The gross proceeds of sales of dry docks, offshore
44 drilling equipment for use in oil or natural gas exploration or
45 production, vessels or barges of fifty (50) tons load displacement



46 and over, when the vessels or barges are sold by the manufacturer
47 or builder thereof. In addition to other types of equipment,
48 offshore drilling equipment for use in oil or natural gas
49 exploration or production shall include aircraft used
50 predominately to transport passengers or property to or from
51 offshore oil or natural gas exploration or production platforms or
52 vessels, and engines, accessories and spare parts for such
53 aircraft.

54 (d) Sales to commercial fishermen of commercial fishing
55 boats of over five (5) tons load displacement and not more than
56 fifty (50) tons load displacement as registered with the United
57 States Coast Guard and licensed by the Mississippi Commission on
58 Marine Resources.

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

61 (f) Sales of petroleum products to vessels or barges
62 for consumption in marine international commerce or interstate
63 transportation businesses.

64 (g) Sales and rentals of rail rolling stock (and
65 component parts thereof) for ultimate use in interstate commerce
66 and gross income from services with respect to manufacturing,
67 repairing, cleaning, altering, reconditioning or improving such
68 rail rolling stock (and component parts thereof).

69 (h) Sales of raw materials, catalysts, processing
70 chemicals, welding gases or other industrial processing gases



71 (except natural gas) used or consumed directly in manufacturing,
72 repairing, cleaning, altering, reconditioning or improving such
73 rail rolling stock (and component parts thereof). This exemption
74 shall not apply to any property used as fuel.

75 (i) Sales of machinery or tools or repair parts
76 therefor or replacements thereof, fuel or supplies used directly
77 in manufacturing, converting or repairing ships, vessels or barges
78 of three thousand (3,000) tons load displacement and over, but not
79 to include office and plant supplies or other equipment not
80 directly used on the ship, vessel or barge being built, converted
81 or repaired. For purposes of this exemption, "ships, vessels or
82 barges" shall not include floating structures described in Section
83 27-65-18.

84 (j) Sales of tangible personal property to persons
85 operating ships in international commerce for use or consumption
86 on board such ships. This exemption shall be limited to cases in
87 which procedures satisfactory to the commissioner, ensuring
88 against use in this state other than on such ships, are
89 established.

90 (k) Sales of materials used in the construction of a
91 building, or any addition or improvement thereon, and sales of any
92 machinery and equipment not later than three (3) months after the
93 completion of construction of the building, or any addition
94 thereon, to be used therein, to qualified businesses, as defined
95 in Section 57-51-5, which are located in a county or portion



96 thereof designated as an enterprise zone pursuant to Sections
97 57-51-1 through 57-51-15.

98 (l) Sales of materials used in the construction of a
99 building, or any addition or improvement thereon, and sales of any
100 machinery and equipment not later than three (3) months after the
101 completion of construction of the building, or any addition
102 thereon, to be used therein, to qualified businesses, as defined
103 in Section 57-54-5.

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

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

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

113 (p) Sales of materials used in the construction of a
114 building, or any addition or improvement thereon, and sales of any
115 machinery and equipment not later than three (3) months after the
116 completion of construction of the building, or any addition
117 thereon, to be used therein, to qualified companies, certified as
118 such by the Mississippi Development Authority under Section
119 57-53-1.



120 (q) Sales of component materials used in the
121 construction of a building, or any addition or improvement
122 thereon, sales of machinery and equipment to be used therein, and
123 sales of manufacturing or processing machinery and equipment which
124 is permanently attached to the ground or to a permanent foundation
125 and which is not by its nature intended to be housed within a
126 building structure, not later than three (3) months after the
127 initial start-up date, to permanent business enterprises engaging
128 in manufacturing or processing in Tier Three areas (as such term
129 is defined in Section 57-73-21), which businesses are certified by
130 the Department of Revenue as being eligible for the exemption
131 granted in this paragraph (q). The exemption provided in this
132 paragraph (q) shall not apply to sales to any business enterprise
133 that is a medical cannabis establishment as defined in the
134 Mississippi Medical Cannabis Act.

135 (r) (i) Sales of component materials used in the
136 construction of a building, or any addition or improvement
137 thereon, and sales of any machinery and equipment not later than
138 three (3) months after the completion of the building, addition or
139 improvement thereon, to be used therein, for any company
140 establishing or transferring its national or regional headquarters
141 from within or outside the State of Mississippi and creating a
142 minimum of twenty (20) jobs at the new headquarters in this state.
143 The exemption provided in this subparagraph (i) shall not apply to
144 sales for any company that is a medical cannabis establishment as



145 defined in the Mississippi Medical Cannabis Act. The Department
146 of Revenue shall establish criteria and prescribe procedures to
147 determine if a company qualifies as a national or regional
148 headquarters for the purpose of receiving the exemption provided
149 in this subparagraph (i).

150 (ii) Sales of component materials used in the
151 construction of a building, or any addition or improvement
152 thereon, and sales of any machinery and equipment not later than
153 three (3) months after the completion of the building, addition or
154 improvement thereon, to be used therein, for any company expanding
155 or making additions after January 1, 2013, to its national or
156 regional headquarters within the State of Mississippi and creating
157 a minimum of twenty (20) new jobs at the headquarters as a result
158 of the expansion or additions. The exemption provided in this
159 subparagraph (ii) shall not apply to sales for any company that is
160 a medical cannabis establishment as defined in the Mississippi
161 Medical Cannabis Act. The Department of Revenue shall establish
162 criteria and prescribe procedures to determine if a company
163 qualifies as a national or regional headquarters for the purpose
164 of receiving the exemption provided in this subparagraph (ii).

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



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

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

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

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

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

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

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

192 (w) From and after July 1, 2001, sales of pollution
193 control equipment to manufacturers or custom processors for
194 industrial use. For the purposes of this exemption, "pollution



195 control equipment" means equipment, devices, machinery or systems
196 used or acquired to prevent, control, monitor or reduce air, water
197 or groundwater pollution, or solid or hazardous waste as required
198 by federal or state law or regulation.

199 (x) Sales or leases to a manufacturer of motor vehicles
200 or powertrain components operating a project that has been
201 certified by the Mississippi Major Economic Impact Authority as a
202 project as defined in Section 57-75-5(f)(iv)1, Section
203 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
204 equipment; special tooling such as dies, molds, jigs and similar
205 items treated as special tooling for federal income tax purposes;
206 or repair parts therefor or replacements thereof; repair services
207 thereon; fuel, supplies, electricity, coal and natural gas used
208 directly in the manufacture of motor vehicles or motor vehicle
209 parts or used to provide climate control for manufacturing areas.

210 (y) Sales or leases of component materials, machinery
211 and equipment used in the construction of a building, or any
212 addition or improvement thereon to an enterprise operating a
213 project that has been certified by the Mississippi Major Economic
214 Impact Authority as a project as defined in Section
215 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
216 or Section 57-75-5(f)(xxviii) and any other sales or leases
217 required to establish or operate such project.

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



220 (aa) The gross income from the stripping and painting
221 of commercial aircraft engaged in foreign or interstate
222 transportation business.

223 (bb) [Repealed]

224 (cc) Sales or leases to an enterprise owning or
225 operating a project that has been designated by the Mississippi
226 Major Economic Impact Authority as a project as defined in Section
227 57-75-5(f) (xviii) of machinery and equipment; special tooling such
228 as dies, molds, jigs and similar items treated as special tooling
229 for federal income tax purposes; or repair parts therefor or
230 replacements thereof; repair services thereon; fuel, supplies,
231 electricity, coal and natural gas used directly in the
232 manufacturing/production operations of the project or used to
233 provide climate control for manufacturing/production areas.

234 (dd) Sales or leases of component materials, machinery
235 and equipment used in the construction of a building, or any
236 addition or improvement thereon to an enterprise owning or
237 operating a project that has been designated by the Mississippi
238 Major Economic Impact Authority as a project as defined in Section
239 57-75-5(f) (xviii) and any other sales or leases required to
240 establish or operate such project.

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



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

258 (gg) Sales of component materials used in the
259 construction of a facility, or any addition or improvement
260 thereto, and sales of machinery and equipment not later than three
261 (3) months after the completion of construction of the facility,
262 or any addition or improvement thereto, to be used in the facility
263 or any addition or improvement thereto, to technology intensive
264 enterprises for industrial purposes in Tier Three areas (as such
265 areas are designated in accordance with Section 57-73-21), as
266 certified by the Department of Revenue. For purposes of this
267 paragraph, an enterprise must meet the criteria provided for in
268 Section 27-65-17(1)(f) in order to be considered a technology
269 intensive enterprise.



270 (hh) Sales of component materials used in the
271 replacement, reconstruction or repair of a building or facility
272 that has been destroyed or sustained extensive damage as a result
273 of a disaster declared by the Governor, sales of machinery and
274 equipment to be used therein to replace machinery or equipment
275 damaged or destroyed as a result of such disaster, including, but
276 not limited to, manufacturing or processing machinery and
277 equipment which is permanently attached to the ground or to a
278 permanent foundation and which is not by its nature intended to be
279 housed within a building structure, to enterprises or companies
280 that were eligible for the exemptions authorized in paragraph (q),
281 (r), (ff) or (gg) of this subsection during initial construction
282 of the building that was destroyed or damaged, which enterprises
283 or companies are certified by the Department of Revenue as being
284 eligible for the exemption granted in this paragraph.

285 (ii) Sales of software or software services transmitted
286 by the Internet to a destination outside the State of Mississippi
287 where the first use of such software or software services by the
288 purchaser occurs outside the State of Mississippi.

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

292 (kk) Sales of component building materials and
293 equipment for initial construction of facilities or expansion of



294 facilities as authorized under Sections 57-113-1 through 57-113-7
295 and Sections 57-113-21 through 57-113-27.

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

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

302 (nn) Sales of component materials used in the
303 construction of a building, or any addition or improvement
304 thereon, and sales or leases of machinery and equipment not later
305 than three (3) months after the completion of the construction of
306 the facility, to be used in the facility, to permanent business
307 enterprises operating a facility producing renewable crude oil
308 from biomass harvested or produced, in whole or in part, in
309 Mississippi, which businesses meet minimum criteria established by
310 the Mississippi Development Authority. As used in this paragraph,
311 the term "biomass" shall have the meaning ascribed to such term in
312 Section 57-113-1.

313 (oo) Sales of supplies, equipment and other personal
314 property to an organization that is exempt from taxation under
315 Section 501(c)(3) of the Internal Revenue Code and is the host
316 organization coordinating a professional golf tournament played or
317 to be played in this state and the supplies, equipment or other



318 personal property will be used for purposes related to the golf
319 tournament and related activities.

320 (pp) Sales of materials used in the construction of a
321 health care industry facility, as defined in Section 57-117-3, or
322 any addition or improvement thereon, and sales of any machinery
323 and equipment not later than three (3) months after the completion
324 of construction of the facility, or any addition thereon, to be
325 used therein, to qualified businesses, as defined in Section
326 57-117-3. This paragraph shall be repealed from and after July 1,
327 2025.

328 (qq) Sales or leases to a manufacturer of automotive
329 parts operating a project that has been certified by the
330 Mississippi Major Economic Impact Authority as a project as
331 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
332 or repair parts therefor or replacements thereof; repair services
333 thereon; fuel, supplies, electricity, coal, nitrogen and natural
334 gas used directly in the manufacture of automotive parts or used
335 to provide climate control for manufacturing areas.

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



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

348 (tt) Sales exempt under the Facilitating Business Rapid
349 Response to State Declared Disasters Act of 2015 (Sections
350 27-113-1 through 27-113-9).

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

355 (i) All personal property and fixtures, including
356 without limitation, sales or leases to the enterprise and its
357 affiliates of:

358 1. Manufacturing machinery and equipment;

359 2. Special tooling such as dies, molds, jigs
360 and similar items treated as special tooling for federal income
361 tax purposes;

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

365 4. Nonmanufacturing furniture, fixtures and
366 equipment (inclusive of all communications, computer, server,
367 software and other hardware equipment); and



368 5. Fuel, supplies (other than
369 nonmanufacturing consumable supplies and water), electricity,
370 nitrogen gas and natural gas used directly in the
371 manufacturing/production operations of such project or used to
372 provide climate control for manufacturing/production areas of such
373 project;

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

377 (iii) All services taxable pursuant to Section
378 27-65-23 required to establish, support, operate, repair and/or
379 maintain such project.

380 (vv) Sales or leases to an enterprise operating a
381 project that has been certified by the Mississippi Major Economic
382 Impact Authority as a project as defined in Section
383 57-75-5(f) (xxx) of:

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

389 (ii) Machinery, special tools (such as dies,
390 molds, and jigs) or repair parts thereof, or replacements and
391 lease thereof, repair services thereon, fuel, supplies and
392 electricity, coal and natural gas used in the manufacturing



393 process and purchased by the enterprise owning or operating the
394 project for the benefit of the project.

395 (ww) Sales of component materials used in the
396 construction of a building, or any expansion or improvement
397 thereon, sales of machinery and/or equipment to be used therein,
398 and sales of processing machinery and equipment which is
399 permanently attached to the ground or to a permanent foundation
400 which is not by its nature intended to be housed in a building
401 structure, no later than three (3) months after initial startup,
402 expansion or improvement of a permanent enterprise solely engaged
403 in the conversion of natural sand into proppants used in oil and
404 gas exploration and development with at least ninety-five percent
405 (95%) of such proppants used in the production of oil and/or gas
406 from horizontally drilled wells and/or horizontally drilled
407 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

408 (xx) (i) Sales or leases to an enterprise operating a
409 project that has been certified by the Mississippi Major Economic
410 Impact Authority as a project as defined in Section
411 57-75-5(f)(xxxi), for a period ending no later than one (1) year
412 following completion of the construction of the facility or
413 facilities comprising such project of all personal property and
414 fixtures, including without limitation, sales or leases to the
415 enterprise and its affiliates of:

416 1. Manufacturing machinery and equipment;



417 2. Special tooling such as dies, molds, jigs
418 and similar items treated as special tooling for federal income
419 tax purposes;

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

423 4. Nonmanufacturing furniture, fixtures and
424 equipment (inclusive of all communications, computer, server,
425 software and other hardware equipment);

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

429 6. All services taxable pursuant to Section
430 27-65-23 required to establish, support, operate, repair and/or
431 maintain such project; and

432 (ii) Sales or leases to an enterprise operating a
433 project that has been certified by the Mississippi Major Economic
434 Impact Authority as a project as defined in Section
435 57-75-5(f)(xxxi) of electricity, current, power, steam, coal,
436 natural gas, liquefied petroleum gas or other fuel, biomass,
437 nitrogen or other atmospheric or other industrial gases used
438 directly by the enterprise in the manufacturing/production
439 operations of its project or used to provide climate control for
440 manufacturing/production areas (which manufacturing/production
441 areas shall be apportioned based on square footage). As used in



442 this paragraph, the term "biomass" shall have the meaning ascribed
443 to such term in Section 57-113-1.

444 (yy) The gross proceeds from the sale of any item of
445 tangible personal property by the manufacturer or custom processor
446 thereof if such item is shipped, transported or exported from this
447 state and first used in another state, whether such shipment,
448 transportation or exportation is made by the seller, purchaser, or
449 any third party acting on behalf of such party. For the purposes
450 of this paragraph (yy), any instruction to, training of or
451 inspection by the purchaser with respect to the item prior to
452 shipment, transportation or exportation of the item shall not
453 constitute a first use of such item within this state.

454 (2) Sales of component materials used in the construction of
455 a building, or any addition or improvement thereon, sales of
456 machinery and equipment to be used therein, and sales of
457 manufacturing or processing machinery and equipment which is
458 permanently attached to the ground or to a permanent foundation
459 and which is not by its nature intended to be housed within a
460 building structure, not later than three (3) months after the
461 initial start-up date, to permanent business enterprises engaging
462 in manufacturing or processing in Tier Two areas and Tier One
463 areas (as such areas are designated in accordance with Section
464 57-73-21), which businesses are certified by the Department of
465 Revenue as being eligible for the exemption granted in this
466 subsection, shall be exempt from one-half (1/2) of the taxes



467 imposed on such transactions under this chapter. The exemption
468 provided in this subsection (2) shall not apply to sales to any
469 business enterprise that is a medical cannabis establishment as
470 defined in the Mississippi Medical Cannabis Act.

471 (3) Sales of component materials used in the construction of
472 a facility, or any addition or improvement thereon, and sales or
473 leases of machinery and equipment not later than three (3) months
474 after the completion of construction of the facility, or any
475 addition or improvement thereto, to be used in the building or any
476 addition or improvement thereto, to a permanent business
477 enterprise operating a data/information enterprise in Tier Two
478 areas and Tier One areas (as such areas are designated in
479 accordance with Section 57-73-21), which businesses meet minimum
480 criteria established by the Mississippi Development Authority,
481 shall be exempt from one-half (1/2) of the taxes imposed on such
482 transaction under this chapter. The exemption provided in this
483 subsection (3) shall not apply to sales to any business enterprise
484 that is a medical cannabis establishment as defined in the
485 Mississippi Medical Cannabis Act.

486 (4) Sales of component materials used in the construction of
487 a facility, or any addition or improvement thereto, and sales of
488 machinery and equipment not later than three (3) months after the
489 completion of construction of the facility, or any addition or
490 improvement thereto, to be used in the building or any addition or
491 improvement thereto, to technology intensive enterprises for



492 industrial purposes in Tier Two areas and Tier One areas (as such
493 areas are designated in accordance with Section 57-73-21), which
494 businesses are certified by the Department of Revenue as being
495 eligible for the exemption granted in this subsection, shall be
496 exempt from one-half (1/2) of the taxes imposed on such
497 transactions under this chapter. For purposes of this subsection,
498 an enterprise must meet the criteria provided for in Section
499 27-65-17(1)(f) in order to be considered a technology intensive
500 enterprise.

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

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

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

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

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

510 (v) "Equipment used in the deployment of broadband
511 technologies" means any equipment capable of being used for or in
512 connection with the transmission of information at a rate, prior
513 to taking into account the effects of any signal degradation, that
514 is not less than three hundred eighty-four (384) kilobits per
515 second in at least one (1) direction, including, but not limited
516 to, asynchronous transfer mode switches, digital subscriber line



517 access multiplexers, routers, servers, multiplexers, fiber optics
518 and related equipment.

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

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

529 (6) Sales of component materials used in the replacement,
530 reconstruction or repair of a building that has been destroyed or
531 sustained extensive damage as a result of a disaster declared by
532 the Governor, sales of machinery and equipment to be used therein
533 to replace machinery or equipment damaged or destroyed as a result
534 of such disaster, including, but not limited to, manufacturing or
535 processing machinery and equipment which is permanently attached
536 to the ground or to a permanent foundation and which is not by its
537 nature intended to be housed within a building structure, to
538 enterprises that were eligible for the partial exemptions provided
539 for in subsections (2), (3) and (4) of this section during initial
540 construction of the building that was destroyed or damaged, which
541 enterprises are certified by the Department of Revenue as being



542 eligible for the partial exemption granted in this subsection,
543 shall be exempt from one-half (1/2) of the taxes imposed on such
544 transactions under this chapter.

545 **SECTION 2.** Nothing in this act shall affect or defeat any
546 claim, assessment, appeal, suit, right or cause of action for
547 taxes due or accrued under the sales tax laws before the date on
548 which this act becomes effective, whether such claims,
549 assessments, appeals, suits or actions have been begun before the
550 date on which this act becomes effective or are begun thereafter;
551 and the provisions of the sales tax laws are expressly continued
552 in full force, effect and operation for the purpose of the
553 assessment, collection and enrollment of liens for any taxes due
554 or accrued and the execution of any warrant under such laws before
555 the date on which this act becomes effective, and for the
556 imposition of any penalties, forfeitures or claims for failure to
557 comply with such laws.

558 **SECTION 3.** This act shall take effect and be in force from
559 and after July 1, 2023.

