

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1642

1 AN ACT TO BRING FORWARD SECTIONS 27-7-22, 27-7-22.3,
 2 27-7-22.5, 27-7-22.7, 27-7-22.13, 27-7-22.15, 27-7-22.16,
 3 27-7-22.17, 27-7-22.18, 27-7-22.19, 27-7-22.20, 27-7-22.21,
 4 27-7-22.22, 27-7-22.23, 27-7-22.25, 27-7-22.27,
 5 27-7-22.28, 27-7-22.29, 27-7-22.30, 27-7-22.31, 27-7-22.32,
 6 27-7-22.33, 27-7-22.34, 27-7-22.35, 27-7-22.36, 27-7-22.37,
 7 27-7-22.39, 27-7-22.40, 27-7-22.41, 27-7-22.42, 27-7-22.43,
 8 27-7-22.44, 27-7-22.45, 27-7-22.46, 27-7-22.47, 27-7-22.48,
 9 27-7-22.49, 27-7-205, 27-7-207, 27-7-209, 57-73-21, 57-73-23,
 10 57-87-5, 57-87-7, 57-105-1, 57-10-409, 57-114-3, 57-114-7,
 11 57-114-9, 57-115-3 AND 57-115-5, MISSISSIPPI CODE OF 1972, WHICH
 12 AUTHORIZE VARIOUS TAX CREDITS, FOR THE PURPOSES OF POSSIBLE
 13 AMENDMENT; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 27-7-22, Mississippi Code of 1972, is
 16 brought forward as follows:

17 27-7-22. (1) For any qualified business, as defined in
 18 Section 57-51-5, which is located in a county, or portion thereof,
 19 designated as an enterprise zone pursuant to Title 57, Chapter 51,
 20 Mississippi Code of 1972, there shall be allowed as a credit
 21 against the tax imposed by this chapter, an amount equal to One
 22 Thousand Dollars (\$1,000.00) per net full-time employee as
 23 determined by the average annual employment of the business



24 reported to the Employment Security Commission. Such credit shall
25 be allowed annually to each qualified business for a period not to
26 exceed ten (10) years. If the amount allowable as a credit
27 exceeds the tax imposed by this chapter, the amount of such excess
28 shall not be refundable or carried forward to any other taxable
29 year.

30 For the purpose of determining the credit allowed to a
31 qualified business which is an existing trade or business having
32 expanded its buildings and facilities, the number of net full-time
33 employees shall be the difference between the average annual
34 employment of such business before and after such expansion.

35 If the Mississippi Enterprise Zone Act is repealed, any
36 qualified business which had been granted a tax credit under this
37 subsection prior to the date of such repeal shall be entitled to
38 such tax credit until the period for which it was granted expires.

39 (2) For any qualified business, as defined in Section
40 57-54-5, there shall be allowed as a credit against the tax
41 imposed by this chapter, an amount equal to One Thousand Dollars
42 (\$1,000.00) per net full-time employee as determined by the
43 average annual employment of the business reported to the
44 Employment Security Commission. Such credit shall be allowed
45 annually to each qualified business for a period not to exceed ten
46 (10) years. If the amount allowable as a credit exceeds the tax
47 imposed by this chapter, the amount of such excess shall not be
48 refundable or carried forward to any other taxable year.



49 For the purpose of determining the credit allowed to a
50 qualified business which is an existing trade or business having
51 expanded its buildings and facilities, the number of net full-time
52 employees shall be the difference between the average annual
53 employment of such business before and after such expansion.

54 If the Mississippi Advanced Technology Initiative Act is
55 repealed, any qualified business which had been granted a tax
56 credit under this subsection prior to the date of such repeal
57 shall be entitled to such tax credit until the period for which it
58 was granted expires.

59 (3) For any qualified company, certified as such by the
60 Mississippi Board of Economic Development under Section 57-53-1,
61 there shall be allowed as a credit against the tax imposed by this
62 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per
63 net full-time employee in this state, provided there is a minimum
64 of seventy-five (75) net full-time employees, as determined by the
65 average annual employment of the company in this state reported to
66 the Employment Security Commission. Such credit shall be allowed
67 annually to each qualified company for a period not to exceed ten
68 (10) years. If the amount allowable as a credit exceeds the tax
69 imposed by this chapter, the amount of such excess shall not be
70 refundable or carried forward to any other taxable year.

71 For the purpose of determining the credit allowed to a
72 qualified company which has expanded its existing buildings and
73 facilities, the number of net full-time employees shall be the



74 difference between the average annual employment of such company
75 before and after such expansion.

76 (4) For any qualified business or industry which is
77 certified as such by the Mississippi Board of Economic Development
78 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
79 any mFlex tax incentive amount for such qualified business's or
80 industry's qualified economic development project, there shall be
81 allowed as a credit against the tax imposed by this chapter, an
82 amount prescribed by, and subject to, the Mississippi Flexible Tax
83 Incentive Act.

84 **SECTION 2.** Section 27-7-22.3, Mississippi Code of 1972, is
85 brought forward as follows:

86 **[In cases involving an economic development project for which**
87 **the Mississippi Business Finance Corporation has issued bonds for**
88 **the purpose of financing the approved costs of such project prior**
89 **to July 1, 1994, this section shall read as follows:]**

90 27-7-22.3. (1) For taxpayers who are required to pay a job
91 assessment fee as provided in Section 57-10-413, there shall be
92 allowed as a credit against the taxes imposed by this chapter, an
93 amount equal to the amount of the job assessment fee imposed upon
94 such taxpayer pursuant to Section 57-10-413. If the amount
95 allowable as a credit exceeds the tax imposed by this article and
96 Section 27-7-22.3, the amount of such excess shall not be
97 refundable or carried forward to any other taxable year.



98 (2) For any approved company as defined in Section
99 57-10-401, there shall be allowed against the taxes imposed by
100 this chapter on the income of the approved company generated by or
101 arising out of the economic development project (as defined in
102 Section 57-10-401), a credit in an amount not to exceed the total
103 debt service paid under a financing agreement entered into under
104 Section 57-10-409. The tax credit allowed in this subsection
105 shall not exceed the amount of taxes due the State of Mississippi.

106 **[In cases involving an economic development project for which**
107 **the Mississippi Business Finance Corporation has not issued bonds**
108 **for the purpose of financing the approved costs of such project**
109 **prior to July 1, 1994, but has issued bonds for such project prior**
110 **to July 1, 1997, or in cases involving an economic development**
111 **project which has been induced by a resolution of the Board of**
112 **Directors of the Mississippi Business Finance Corporation that has**
113 **been filed with the State Tax Commission prior to July 1, 1997,**
114 **this section shall read as follows:]**

115 27-7-22.3. (1) For taxpayers who are required to pay a job
116 assessment fee as provided in Section 57-10-413, there shall be
117 allowed as a credit against the taxes imposed by this chapter, an
118 amount equal to the amount of the job assessment fee imposed upon
119 such taxpayer pursuant to Section 57-10-413. If the amount
120 allowable as a credit exceeds the tax imposed by this article and
121 Section 27-7-22.3, the amount of such excess shall not be
122 refundable or carried forward to any other taxable year.



123 (2) For any approved company as defined in Section
124 57-10-401, there shall be allowed against the taxes imposed by
125 this chapter on the income of the approved company generated by or
126 arising out of the economic development project (as defined in
127 Section 57-10-401), a credit in an amount not to exceed the total
128 debt service paid under a financing agreement entered into under
129 Section 57-10-409. The tax credit allowed in this subsection
130 shall not exceed the amount of taxes due the State of Mississippi.
131 The amount of income of the approved company generated by or
132 arising out of the economic development project shall be
133 determined by a formula adopted by the Mississippi Business
134 Finance Corporation.

135 **[In cases involving an economic development project for which**
136 **the Mississippi Business Finance Corporation has not issued bonds**
137 **for the purpose of financing the approved costs of such project**
138 **prior to July 1, 1997, or in cases involving an economic**
139 **development project which has not been induced by a resolution of**
140 **the Board of Directors of the Mississippi Business Finance**
141 **Corporation that has been filed with the State Tax Commission**
142 **prior to July 1, 1997, this section shall read as follows:]**

143 27-7-22.3. For any approved company as defined in Section
144 57-10-401, there shall be allowed against the taxes imposed by
145 this chapter on the income of the approved company generated by or
146 arising out of the economic development project (as defined in
147 Section 57-10-401), a credit in an amount not to exceed the total



148 debt service paid under a financing agreement entered into under
149 Section 57-10-409; provided, however, that the tax credit allowed
150 in this subsection shall not exceed eighty percent (80%) of the
151 amount of taxes due the State of Mississippi prior to the
152 application of the credit. To the extent that financing agreement
153 annual payments exceed the amount of the credit authorized
154 pursuant to this section in any taxable year, such excess payment
155 may be recouped from excess credits in succeeding years not to
156 exceed three (3) years following the date upon which the credit
157 was earned. The amount of income of the approved company
158 generated by or arising out of the economic development project
159 shall be determined by a formula adopted by the Mississippi
160 Business Finance Corporation.

161 **SECTION 3.** Section 27-7-22.5, Mississippi Code of 1972, is
162 brought forward as follows:

163 27-7-22.5. (1) (a) For any manufacturer, distributor,
164 wholesale or retail merchant who pays to a county, municipality,
165 school district, levee district or any other taxing authority of
166 the state or a political subdivision thereof, ad valorem taxes
167 imposed on commodities, raw materials, works-in-process, products,
168 goods, wares and merchandise held for resale, a credit against the
169 income taxes imposed under this chapter shall be allowed for the
170 portion of the ad valorem taxes so paid in the amounts prescribed
171 in subsection (2).



172 (b) (i) For any person, firm or corporation who pays
173 to a county, municipality, school district, levee district or any
174 other taxing authority of the state or a political subdivision
175 thereof, ad valorem taxes imposed on rental equipment, a credit
176 against the income taxes imposed under this chapter shall be
177 allowed for the portion of the ad valorem taxes so paid in the
178 amounts prescribed in subsection (2).

179 (ii) As used in this paragraph, "rental equipment"
180 means any rental equipment or other rental items which are held
181 for short-term rental to the public:

- 182 1. Under rental agreements with no specific
183 term;
- 184 2. Under at-will or open-ended agreements; or
- 185 3. Under rental agreements with terms
186 ordinarily of less than three hundred sixty-five (365) days; and
- 187 4. Is not subject to privilege taxes imposed
188 in Chapter 19, Title 27, Mississippi Code of 1972.

189 (c) The tax credit allowed by this section may not be
190 claimed by a taxpayer that is a medical cannabis establishment as
191 defined in the Mississippi Medical Cannabis Act.

192 (2) The tax credit allowed by this section shall not exceed
193 the amounts set forth in paragraphs (a) through (g) of this
194 subsection; and may be claimed for each location where such
195 commodities, raw material, works-in-process, products, goods,
196 wares, merchandise and/or rental equipment are found and upon



197 which the ad valorem taxes have been paid. Any tax credit claimed
198 under this section but not used in any taxable year may be carried
199 forward for five (5) consecutive years from the close of the tax
200 year in which the credit was earned.

201 (a) For the 1994 taxable year, the tax credit for each
202 location of the taxpayer shall not exceed the lesser of Two
203 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
204 State of Mississippi that are attributable to such location.

205 (b) For the 1995 taxable year, the tax credit for each
206 location of the taxpayer shall not exceed the lesser of Three
207 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
208 State of Mississippi that are attributable to such location.

209 (c) For the 1996 taxable year, the tax credit for each
210 location of the taxpayer shall not exceed the lesser of Four
211 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
212 State of Mississippi that are attributable to such location.

213 (d) For the 1997 taxable year and each taxable year
214 thereafter through taxable year 2013, the tax credit for each
215 location of the taxpayer shall not exceed the lesser of Five
216 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
217 State of Mississippi that are attributable to such location.

218 (e) For the 2014 taxable year, the tax credit for each
219 location of the taxpayer shall not exceed the lesser of Ten
220 Thousand Dollars (\$10,000.00) or the amount of income taxes due
221 the State of Mississippi that are attributable to such location.



222 (f) For the 2015 taxable year, the tax credit for each
223 location of the taxpayer shall not exceed the lesser of Fifteen
224 Thousand Dollars (\$15,000.00) or the amount of income taxes due
225 the State of Mississippi that are attributable to such location.

226 (g) For the 2016 taxable year and each taxable year
227 thereafter, the tax credit of the taxpayer shall be the lesser of
228 the amount of the ad valorem taxes described in subsection (1)
229 paid or the amount of income taxes due the State of Mississippi
230 that are attributable to such location.

231 (3) Any amount of ad valorem taxes paid by a taxpayer that
232 is applied toward the tax credit allowed in this section may not
233 be used as a deduction by the taxpayer for state income tax
234 purposes. In the case of a taxpayer that is a partnership,
235 limited liability company or S corporation, the credit may be
236 applied only to the tax attributable to partnership, limited
237 liability company or S corporation income derived from the
238 taxpayer.

239 **SECTION 4.** Section 27-7-22.7, Mississippi Code of 1972, is
240 brought forward as follows:

241 27-7-22.7. (1) As used in this section, the term "port"
242 means a state, county or municipal port or harbor established
243 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
244 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
245 59-11-1 through 59-11-7.



246 (2) For any income taxpayer utilizing the port facilities at
247 any port for the export of cargo that is loaded on a carrier
248 calling at any such port, a credit against the taxes imposed
249 pursuant to this chapter shall be allowed in the amounts provided
250 in this section.

251 (3) Except as otherwise provided by subsection (5) of this
252 section, the amount of the credit allowed pursuant to this section
253 shall be the total of the following charges on export cargo paid
254 by the corporation:

- 255 (a) Receiving into the port;
- 256 (b) Handling to a vessel; and
- 257 (c) Wharfage.

258 (4) The credit provided for in this section shall not exceed
259 fifty percent (50%) of the amount of tax imposed upon the taxpayer
260 for the taxable year reduced by the sum of all other credits
261 allowable to such taxpayer under this chapter, except credit for
262 tax payments made by or on behalf of the taxpayer. Any unused
263 portion of the credit may be carried forward for the succeeding
264 five (5) years. The maximum cumulative credit that may be claimed
265 by a taxpayer pursuant to this section and for the period of time
266 beginning on January 1, 1994, and ending on December 31, 2005, is
267 limited to One Million Two Hundred Thousand Dollars
268 (\$1,200,000.00).

269 (5) To obtain the credit provided for in this section, a
270 taxpayer must provide to the Department of Revenue a statement



271 from the governing authority of the port certifying the amount of
272 charges paid by the taxpayer for which a credit is claimed and any
273 other information required by the Department of Revenue.

274 (6) The purpose of the tax credit provided for in this
275 section is to promote the increased use of ports and related
276 facilities in this state, particularly by those taxpayers which
277 would not otherwise use such ports and related facilities without
278 the benefit of such tax credit, and increase the number of port
279 related jobs and other economic development benefits associated
280 with the increased use of such ports and related facilities. It
281 is the intent of the Legislature that in determining whether or
282 not such tax credit will be continued in future years, the
283 attainment of the purposes set forth in this subsection must be
284 demonstrated by the material contained in the reports prepared by
285 the Mississippi Development Authority under Section 27-7-22.9.

286 **SECTION 5.** Section 27-7-22.13, Mississippi Code of 1972, is
287 brought forward as follows:

288 27-7-22.13. (1) For the purposes of this section, the term
289 "financial institution" shall have the meaning set forth in
290 Section 27-7-24.1(h) (i), (ii), (iii), (iv), or (viii).

291 (2) There shall be allowed to a Mississippi employer which
292 is a financial institution a credit against the income taxes
293 imposed under this chapter based upon the net gain, if any, in the
294 number of employees of the financial institution in connection
295 with one of the following transactions:



296 (a) The merger or consolidation of a Mississippi
297 financial institution with an out-of-state financial institution;

298 (b) The purchase by a Mississippi domiciled financial
299 institution of all or substantially all of the assets (including
300 all or substantially all of the branches) of an out-of-state
301 financial institution;

302 (c) The purchase by an out-of-state financial
303 institution of all or substantially all of the assets (including
304 all or substantially all of the branches) of a Mississippi
305 domiciled financial institution;

306 (d) The purchase by a Mississippi domiciled financial
307 institution of all or substantially all of the assets (including
308 all or substantially all of the branches) of an out-of-state
309 financial institution in a state other than the State of
310 Mississippi even though:

311 (i) Two (2) or more financial institutions are not
312 merged or consolidated; or

313 (ii) All or substantially all of the assets of the
314 financial institution are not purchased; or

315 (e) The purchase by an out-of-state financial
316 institution of all or substantially all of the assets (including
317 all or substantially all of the branches) in the State of
318 Mississippi of a financial institution even though:

319 (i) Two (2) or more financial institutions are not
320 merged or consolidated; or



321 (ii) All or substantially all of the assets of the
322 financial institution are not purchased.

323 (3) The net gain, if any, in the number of employees shall
324 be determined by a comparison of:

325 (a) The number of employees listed on the Employer's
326 Quarterly Contribution Report filed with the Mississippi
327 Employment Security Commission by the financial institution for
328 the month the transaction was completed; and

329 (b) The number of employees listed on the Employer's
330 Quarterly Contribution Report filed with the Mississippi
331 Employment Security Commission by the financial institution for
332 the same month one (1) year following completion of the
333 transaction, exclusive of the number of employees gained in
334 connection with intervening transactions.

335 (4) The base amount of the credit provided in this section
336 shall be equal to the net gain in the number of employees
337 multiplied by One Thousand Five Hundred Dollars (\$1,500.00). The
338 financial institution may claim as a credit against income tax an
339 amount equal to one hundred percent (100%) of the base amount in
340 the tax year the determination is made, eighty percent (80%) in
341 the next year, sixty percent (60%) in the third year, forty
342 percent (40%) in the fourth year and twenty percent (20%) in the
343 fifth year. The credit allowed by this section shall not exceed
344 the amount of the taxes due to the State of Mississippi by the
345 financial institution. Any amount allowable as a credit pursuant



346 to this section that exceeds the financial institution's tax
347 liability shall not be refunded or carried forward to any other
348 taxable year.

349 (5) The credit authorized by this section shall apply only
350 to transactions described in this section which are completed
351 after March 29, 1996.

352 (6) The commission may promulgate regulations to implement
353 this section.

354 **SECTION 6.** Section 27-7-22.15, Mississippi Code of 1972, is
355 brought forward as follows:

356 27-7-22.15. (1) As used in this section, the following
357 words and phrases shall have the meanings ascribed to herein
358 unless the context clearly indicates otherwise:

359 (a) "Approved reforestation practices" means the
360 following practices for establishing a crop of trees suitable for
361 manufacturing into forest products:

362 (i) "Pine and hardwood tree planting practices"
363 including the cost of seedlings, planting by hand or machine, and
364 site preparation.

365 (ii) "Mixed-stand regeneration practices" to
366 establish a mixed-crop of pine and hardwood trees by planting or
367 direct seeding, or both, including the cost of seedlings,
368 seed/acorns, planting, seeding and site preparation.

369 (iii) "Direct seeding practices" to establish a
370 crop of pine or oak trees by directly applying seed/acorns to the



371 site including the cost of seed/acorns, seeding and site
372 preparation.

373 (iv) "Post-planting site preparation practices" to
374 reduce or control undesirable competition within the first growing
375 season of an established crop of trees.

376 Approved reforestation practices shall not include the
377 establishment of orchards, Christmas trees or ornamental trees.

378 (b) "Eligible tree species" means pine and hardwood
379 commercial tree species suitable for manufacturing into forest
380 products.

381 (c) "Cost-share assistance" means partial financial
382 payment for approved reforestation practices from the state
383 government as authorized under Sections 49-19-201 through
384 49-19-227, or the federal government.

385 (d) "Eligible owner" means a private individual, group
386 or association, but the term shall not mean private corporations
387 which manufacture products or provide public utility services of
388 any type or any subsidiary of such corporations.

389 (e) "Eligible lands" means nonindustrial private lands
390 owned by a private individual, group or association, but shall not
391 mean lands owned by private corporations which manufacture
392 products or provide public utility services of any type or any
393 subsidiary of such corporations.

394 (f) "Reforestation prescription or plan" means a
395 written description of the approved reforestation practices that



396 the eligible owner plans to use and includes a legal description
397 and map of the area to be reforested, a list of the tree seedling
398 or seed species to be used in the reforestation and the site
399 preparation practices that will be utilized.

400 (2) Subject to the limitations provided in subsection (3) of
401 this section, upon submission to the State Tax Commission of the
402 written verification provided for in subsection (5) of this
403 section and such other documentation as the State Tax Commission
404 may require, any eligible owner who incurs costs for approved
405 reforestation practices for eligible tree species on eligible
406 lands shall be allowed a credit, in an amount equal to the lesser
407 of fifty percent (50%) of the actual costs of the approved
408 reforestation practices or fifty percent (50%) of the average cost
409 of approved practices as established by the Mississippi Forestry
410 Commission under Section 49-19-219, against the taxes imposed
411 pursuant to this chapter for the tax year in which the costs are
412 incurred.

413 (3) The maximum amount of the credit provided for in
414 subsection (2) of this section that may be utilized in any one (1)
415 taxable year shall not exceed the lesser of Ten Thousand Dollars
416 (\$10,000.00) or the amount of income tax imposed upon the eligible
417 owner for the taxable year reduced by the sum of all other credits
418 allowable to the eligible owner under this chapter, except credit
419 for tax payments made by or on behalf of the eligible owner. Any
420 unused portion of the credit may be carried forward for succeeding



421 tax years. The maximum dollar amount of the credit provided for
422 in subsection (2) of this section that an eligible owner may
423 utilize during his lifetime shall be Seventy-five Thousand Dollars
424 (\$75,000.00) in the aggregate.

425 (4) If an eligible owner receives any state or federal cost
426 share assistance funds to defray the cost of an approved
427 reforestation practice, the cost of that practice on the same acre
428 or acres within the same tax year is not eligible for the credit
429 provided in this section unless the eligible owner's adjusted
430 gross income is less than the federal earned income credit level.

431 (5) To be eligible for the tax credit, an eligible owner
432 must have a reforestation prescription or plan prepared for the
433 eligible lands by a graduate forester of a college, school or
434 university accredited by the Society of American Foresters or by a
435 registered forester under the Foresters Registration Law of 1977.
436 The forester must verify in writing that the reforestation
437 practices were completed and that the reforestation prescription
438 or plan was followed.

439 **SECTION 7.** Section 27-7-22.16, Mississippi Code of 1972, is
440 brought forward as follows:

441 27-7-22.16. (1) (a) Except as otherwise provided under
442 this subsection, the words and phrases used in this section shall
443 have the meanings ascribed to them in Section 49-35-5, Mississippi
444 Code of 1972.



445 (b) "Remediation costs" means reasonable costs paid for
446 the assessment, investigation, remediation, monitoring and related
447 activities at a brownfield agreement site which are consistent
448 with the remedy selected for the site, and costs paid to the
449 Department of Environmental Quality for the processing of the
450 brownfield agreement application and administration of a
451 brownfield agreement. Remediation costs shall not include (i)
452 costs incurred before June 24, 1999; (ii) costs incurred after the
453 issuance of a No Further Action letter under Section 49-35-15,
454 Mississippi Code of 1972; (iii) costs incurred before the
455 acceptance of a brownfield agreement site into the Mississippi
456 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
457 costs incurred for any legal services or litigation costs; and (v)
458 any funds provided by any federal, state or local governmental
459 agency or political subdivision.

460 (2) Subject to the limitations provided in subsection (4) of
461 this section, upon submission to the State Tax Commission of
462 information provided for in subsection (5) of this section and any
463 other documentation as the State Tax Commission may require, any
464 brownfield party who (a) has conducted remediation at a brownfield
465 agreement site in accordance with Sections 49-35-1 through
466 49-35-25 and (b) has incurred remediation costs for activities
467 under Sections 49-35-1 through 49-35-25, as approved by the
468 Commission on Environmental Quality, shall be allowed a credit in
469 an amount equal to twenty-five percent (25%) of the remediation



470 costs at the brownfield agreement site as approved by the
471 commission, against the taxes imposed under this chapter for the
472 tax year in which the costs are incurred.

473 (3) (a) Before applying for the tax credit authorized in
474 this section, a brownfield party shall submit an application to
475 the Department of Environmental Quality for certification that the
476 brownfield party has conducted remediation at a brownfield
477 agreement site in accordance with Sections 49-35-1 through
478 49-35-25 during the tax year(s) for which the credit is sought.
479 The application shall be on forms prescribed by the Commission on
480 Environmental Quality and provided by the Department. The
481 application shall include the following:

482 (i) A section identifying the brownfield party,
483 the brownfield agreement site, the date the brownfield agreement
484 was executed and the tax year for which the credit is sought;

485 (ii) A certification that the costs to be
486 submitted to the State Tax Commission are remediation costs
487 incurred by the brownfield party during the tax year(s) for which
488 the credit is sought. The certification shall include a listing
489 of all remediation conducted and the associated costs; and

490 (iii) Any other information which the Commission
491 on Environmental Quality or the State Tax Commission deems
492 appropriate.

493 (b) Within sixty (60) days after receipt by the
494 Department of a completed application, the department shall



495 approve or disapprove the application. The Department shall
496 notify the brownfield party in writing of its decision. If the
497 department approves the application, the department shall provide
498 the brownfield party with certification that the brownfield party
499 has conducted remediation at a brownfield agreement site in
500 accordance with Sections 49-35-1 through 49-35-25 during the tax
501 year(s) for which the credit is sought. If the Department
502 disapproves the application, the Department shall notify the
503 brownfield party in writing and state the reasons for the
504 disapproval.

505 (c) Within thirty (30) days after receipt of the
506 Department's decision, the brownfield party may request a hearing
507 before the Commission regarding the Department's decision to
508 disapprove the application. An appeal of the Commission's
509 decision may be taken as provided under Section 49-17-41.

510 (d) The Department's review of the application under
511 this section shall be considered a part of the administration of
512 the brownfield agreement.

513 (e) The department's review of the application for
514 review of remediation costs under this section shall be considered
515 a part of the administration of the brownfield agreement.

516 (4) (a) The annual credit provided for in this section
517 shall not exceed the lesser of Forty Thousand Dollars (\$40,000.00)
518 or the amount of the income tax imposed upon the brownfield party
519 at the brownfield agreement site for the taxable year as reduced



520 by the sum of all other credits allowable to the brownfield party
521 under this chapter, except for credit for tax payments made by or
522 on behalf of the brownfield party. Any unused portion of the
523 credit may be carried forward for succeeding tax years.

524 (b) The maximum total credit under this section for a
525 brownfield agreement site is One Hundred Fifty Thousand Dollars
526 (\$150,000.00).

527 (5) To be eligible for the tax credit, the brownfield party
528 must submit a copy of the letter from the commission stating the
529 amount of remediation costs approved by the commission for the
530 given tax year.

531 **SECTION 8.** Section 27-7-22.17, Mississippi Code of 1972, is
532 brought forward as follows:

533 27-7-22.17. (1) Permanent business enterprises engaged in
534 operating a project and companies that are members of an
535 affiliated group that includes such permanent business enterprises
536 are allowed a job tax credit for taxes imposed by Section 27-7-5
537 equal to Five Thousand Dollars (\$5,000.00) annually for each net
538 new full-time employee job for a period of twenty (20) years from
539 the date the credit commences; however, if the permanent business
540 enterprise is located in an area that has been declared by the
541 Governor to be a disaster area and as a direct result of the
542 disaster the business enterprise is unable to maintain the
543 required number of employees, the commissioner may extend this
544 time period for not more than two (2) years. The credit shall



545 commence on the date selected by the permanent business
546 enterprise; however, the commencement date shall not be more than
547 five (5) years from the date the business enterprise commences
548 commercial production. For the year in which the commencement
549 date occurs, the number of new full-time jobs shall be determined
550 by using the monthly average number of full-time employees subject
551 to the Mississippi income tax withholding. Thereafter, the number
552 of new full-time jobs shall be determined by comparing the monthly
553 average number of full-time employees subject to the Mississippi
554 income tax withholding for the taxable year with the corresponding
555 period of the prior taxable year. Once a permanent business
556 enterprise creates or increases employment three thousand (3,000)
557 or more, such enterprise and the members of the affiliated group
558 that include such enterprise, shall be eligible for the credit.
559 The credit is not allowed for any year of the twenty-year period
560 in which the overall monthly average number of full-time employees
561 subject to the Mississippi income tax withholding falls below
562 three thousand (3,000); however, if the permanent business
563 enterprise is located in an area that has been declared by the
564 Governor to be a disaster area and as a direct result of the
565 disaster the business enterprise is unable to maintain the
566 required number of employees, the commissioner may waive the
567 employment requirement for a period of time not to exceed two (2)
568 years. The State Tax Commission shall adjust the credit allowed



569 each year for the net new employment fluctuations above three
570 thousand (3,000).

571 (2) Any tax credit claimed under this section but not used
572 in any taxable year may be carried forward for five (5)
573 consecutive years from the close of the tax year in which the
574 credits were earned; however, if the permanent business enterprise
575 is located in an area that has been declared by the Governor to be
576 a disaster area and as a direct result of the disaster the
577 business enterprise is unable to use the existing carryforward,
578 the commissioner may extend the period that the credit may be
579 carried forward for a period of time not to exceed two (2) years.
580 The credit that may be utilized each year shall be limited to an
581 amount not greater than the total state income tax liability of
582 the permanent business enterprise and the state income tax
583 liability of any member of the affiliated group that includes such
584 enterprise that is generated by, or arises out of, the project.

585 (3) The tax credits provided for in this section shall be in
586 lieu of the tax credits provided for in Section 57-73-21 and any
587 permanent business enterprise or any member of the affiliated
588 group that includes such enterprise utilizing the tax credit
589 authorized in this section shall not utilize the tax credit
590 authorized in Section 57-73-21.

591 (4) As used in this section:

592 (a) "Project" means a project as defined in Section
593 57-75-5(f) (iv).



594 (b) "Affiliated group" means one or more corporations
595 connected through stock ownership with a common parent corporation
596 where at least eighty percent (80%) of the voting power of all
597 classes of stock and at least eighty percent (80%) of each class
598 of the nonvoting stock of each of the member corporations, except
599 the common parent corporation, is directly owned by one or more of
600 the other member corporations; and the common parent corporation
601 directly owns stock possessing at least eighty percent (80%) of
602 the voting power of all classes of stock and at least eighty
603 percent (80%) of each class of the nonvoting stock of at least one
604 (1) of the other member corporations. As used in this subsection,
605 the term "stock" does not include nonvoting stock that is limited
606 and preferred as to dividends.

607 **SECTION 9.** Section 27-7-22.18, Mississippi Code of 1972, is
608 brought forward as follows:

609 27-7-22.18. (1) Any enterprise owning or operating a
610 project as defined in Section 57-75-5(f)(xviii) is allowed a job
611 tax credit for taxes imposed by Section 27-7-5 equal to Five
612 Thousand Dollars (\$5,000.00) annually for each net new full-time
613 employee job for a period of ten (10) years from the date the
614 credit commences. The credit shall commence on the date selected
615 by the enterprise; provided, however, that the commencement date
616 shall not be more than two (2) years from the date the project
617 becomes fully operational. For the year in which the commencement
618 date occurs, the enterprise must select a date on which it has at



619 least four hundred fifty (450) full-time employees subject to the
620 Mississippi income tax withholding. From that date to the end of
621 the year, the credit will be determined based on the remaining
622 monthly average of full-time employees subject to the Mississippi
623 income tax withholding. For each year thereafter, the number of
624 new full-time jobs created shall be determined by calculating the
625 monthly average number of full-time employees subject to the
626 Mississippi income tax withholding for the year. For every year
627 subsequent to the year the commencement date occurs, the credit is
628 not allowed for any year in which the overall monthly average
629 number of full-time employees subject to the Mississippi income
630 tax withholding falls below the minimum jobs requirement provided
631 in Section 57-75-5(f)(xviii). The State Tax Commission shall
632 adjust the credit allowed each year for the net new employment
633 fluctuations.

634 (2) For the first five (5) years in which a tax credit is
635 claimed under this section, any tax credit claimed but not used in
636 any taxable year may be carried forward for five (5) consecutive
637 years from the close of the tax year in which the credits were
638 earned. For the remainder of the ten-year period, any tax credit
639 claimed under this section but not used in any taxable year may be
640 carried forward for three (3) consecutive years from the close of
641 the tax year in which the credits were earned. The credit that
642 may be utilized each year shall be limited to an amount not



643 greater than the total state income tax liability of the
644 enterprise that is generated by, or arises out of, the project.

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

649 **SECTION 10.** Section 27-7-22.19, Mississippi Code of 1972, is
650 brought forward as follows:

651 27-7-22.19. (1) Integrated suppliers are allowed a job tax
652 credit for taxes imposed by Section 27-7-5 equal to One Thousand
653 Dollars (\$1,000.00) annually for each net new full-time employee
654 for five (5) years from the date the credit commences; however, if
655 the integrated supplier is located in an area that has been
656 declared by the Governor to be a disaster area and as a direct
657 result of the disaster the integrated supplier is unable to
658 maintain the required number of employees, the commissioner may
659 extend this time period for not more than two (2) years. The
660 credit shall commence on the date selected by the integrated
661 supplier; provided, however, that the commencement date shall not
662 be more than five (5) years from the date the integrated supplier
663 commences commercial production. For the year in which the
664 commencement date occurs, the number of new full-time jobs shall
665 be determined by using the monthly average number of full-time
666 employees subject to Mississippi income tax withholding.
667 Thereafter, the number of new full-time jobs shall be determined



668 by comparing the monthly average number of full-time employees
669 subject to Mississippi income tax withholding for the taxable year
670 with the corresponding period of the prior taxable year. Only
671 those integrated suppliers that increase employment by twenty (20)
672 or more are eligible for the credit. The credit is not allowed
673 during any of the five (5) years if the net employment increase
674 falls below twenty (20); however, if the integrated supplier is
675 located in an area that has been declared by the Governor to be a
676 disaster area and as a direct result of the disaster the
677 integrated supplier is unable to maintain the required number of
678 employees, the commissioner may waive the employment requirement
679 for a period of time not to exceed two (2) years. The State Tax
680 Commission shall adjust the credit allowed each year for the net
681 new employment fluctuations above the minimum level of twenty
682 (20).

683 (2) Any tax credit claimed under this section but not used
684 in any taxable year may be carried forward for five (5)
685 consecutive years from the close of the tax year in which the
686 credits were earned; however, if the integrated supplier is
687 located in an area that has been declared by the Governor to be a
688 disaster area and as a direct result of the disaster the
689 integrated supplier is unable to use the existing carryforward,
690 the commissioner may extend the period that the credit may be
691 carried forward for a period of time not to exceed two (2) years.
692 The credit that may be utilized each year shall be limited to an



693 amount not greater than fifty percent (50%) of the taxpayer's
694 state income tax liability which is attributable to income derived
695 from operation in the state for that year.

696 (3) The tax credits provided for in this section shall be in
697 lieu of the tax credits provided for in Section 57-73-21, and any
698 integrated supplier utilizing the tax credit authorized in this
699 section shall not utilize the tax credit authorized in Section
700 57-73-21.

701 (4) As used in this section the term "integrated supplier"
702 means a supplier located on the project site which provides goods
703 or services on the project site solely for a project as defined in
704 Section 57-75-5(f)(iv)1.

705 **SECTION 11.** Section 27-7-22.20, Mississippi Code of 1972, is
706 brought forward as follows:

707 27-7-22.20. (1) An enterprise owning or operating a project
708 as defined in Section 57-75-5(f)(xviii) is allowed an annual
709 investment tax credit for taxes imposed by Section 27-7-5 equal to
710 seven and one-half percent (7-1/2%) of the eligible investments
711 made by the enterprise. The credit shall commence on the date
712 selected by the enterprise; provided, however, that the
713 commencement date shall not be more than two (2) years from the
714 date the project becomes fully operational. For the purposes of
715 this section, the term "eligible investment" means the amount of
716 investment in a project as defined in Section 57-75-5(f)(xviii)
717 that is greater than Four Hundred Million Dollars



718 (\$400,000,000.00) and used in the initial establishment of the
719 project.

720 (2) Any tax credit claimed under this section but not used
721 in any taxable year may be carried forward for ten (10)
722 consecutive years from the close of the tax year in which the
723 credits were earned. The credit that may be utilized in any one
724 tax year shall be limited to an amount not greater than the total
725 state income tax liability of the enterprise for that year that is
726 generated by, or arises out of, the project.

727 (3) The credit received under this section is subject to
728 recapture if the property for which the tax credit was received is
729 disposed of, or converted to, other than business use. The amount
730 of the credit subject to recapture is one hundred percent (100%)
731 of the credit in the first year and fifty percent (50%) of the
732 credit in the second year. This subsection shall not apply in
733 cases in which an entire facility is sold.

734 **SECTION 12.** Section 27-7-22.21, Mississippi Code of 1972, is
735 brought forward as follows:

736 27-7-22.21. (1) As used in this section, the following
737 words and phrases shall have the following meanings, unless the
738 context clearly indicates otherwise:

739 (a) "Eligible land" means nonindustrial private lands
740 in the state that are adjacent to and along a stream which is
741 fully nominated to the Mississippi Scenic Streams Stewardship
742 Program, or nonindustrial private lands in the state which are



743 considered to be priority sites for conservation under the
744 Mississippi Natural Heritage Program.

745 (b) "Eligible owner" means a private individual, group
746 or association other than a private corporation, or any subsidiary
747 thereof, which manufactures products or provides public utility
748 services of any type.

749 (c) "Interest in land" means any right in real
750 property, including access thereto or improvements thereon, or
751 water, including, but not limited to, a fee simple easement, a
752 conservation easement, provided such interest complies with the
753 requirements of the United States Internal Revenue Code Section
754 170(h), partial interest, mineral right, remainder or future
755 interest, or other interest or right in real property.

756 (d) "Land" or "lands" means real property, with or
757 without improvements thereon, rights-of-way, water and riparian
758 rights, easements, privileges and all other rights or interests of
759 any land or description in, relating to, or connected with real
760 property.

761 (e) "Allowable transaction costs" mean the costs of the
762 appraisal of the lands or interests in lands, including
763 conservation easements, that are being donated, of the baseline
764 survey of the natural features, animals and plants present on the
765 site, of engineering and surveying fees, of maintenance fees, of
766 monitoring fees and of legal fees, including the costs of document
767 preparation, title review and title insurance.



768 (f) "Specified conservation purposes" mean the
769 preservation of stream bank habitats and the stability of stream
770 banks, or the protection of land necessary because of high
771 biodiversity significance or high protection urgency due to the
772 presence of exemplary natural communities or species of special
773 concern, including threatened or endangered species.

774 (2) For the taxable years beginning on or after January 1,
775 2003, for any income taxpayer who is an eligible owner, a credit
776 against the taxes imposed by this chapter shall be allowed in the
777 amounts provided in this section upon the donation of land or an
778 interest in land for specified conservation purposes.

779 (3) The credit provided for in this section shall be fifty
780 percent (50%) of the allowable transaction costs involved in the
781 donation for the tax year in which the allowable transaction costs
782 occur. The aggregate amount of the credit provided in this
783 section for allowable transaction costs shall not exceed the
784 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
785 imposed upon the taxpayer for the taxable year reduced by the sum
786 of all other credits allowable to such taxpayer under this
787 chapter, except credit for tax payments made by or on behalf of
788 the taxpayer. Any unused portion of the credit may be carried
789 forward for ten (10) succeeding tax years. The maximum dollar
790 amount of the credit provided for in this section that an eligible
791 owner may utilize during his lifetime shall be Ten Thousand
792 Dollars (\$10,000.00) in the aggregate.



793 (4) To be eligible for the credit provided for in this
794 section, an eligible owner must demonstrate that the donation
795 qualifies as a conservation contribution under Section 170(h) of
796 the United States Internal Revenue Code of 1986, by means of being
797 a donation in perpetuity, for conservation purposes and made to a
798 qualified holder or donee. A letter from the donee indicating
799 acceptance and a completed copy of the appropriate United States
800 Internal Revenue Service form shall constitute proof of
801 acceptance. The eligible owner also must submit any other
802 documentation that the State Tax Commission may require.

803 **SECTION 13.** Section 27-7-22.22, Mississippi Code of 1972, is
804 brought forward as follows:

805 27-7-22.22. (1) A credit is allowed against the taxes
806 imposed by this chapter to a taxpayer for allowing land owned by
807 the taxpayer to be used as a natural area preserve, a wildlife
808 refuge or habitat area, a wildlife management area, or for the
809 purpose of providing public outdoor recreational opportunities, as
810 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
811 the following conditions and limitations:

812 (a) The land may not be under lease to the Mississippi
813 Commission on Wildlife, Fisheries and Parks, and the commission
814 must approve the land as being suitable for the uses described in
815 this section.



816 (b) The amount of the tax credit allowed by this
817 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
818 land in each taxable year.

819 (c) In no event shall the amount of the tax credits
820 allowed by this section for a taxable year exceed the taxpayer's
821 liability for those taxes. Any unused credit amount shall be
822 allowed to be carried forward for five (5) years from the close of
823 the taxable year in which the land was approved for such a use.
824 No such credit shall be allowed the taxpayer against prior years'
825 tax liability.

826 (2) To claim a credit allowed by this section, the taxpayer
827 shall provide any information required by the Mississippi
828 Commission on Wildlife, Fisheries and Parks or the Mississippi
829 Commissioner of Revenue. Every taxpayer claiming a credit under
830 this section shall maintain and make available for inspection by
831 the Mississippi Commission on Wildlife, Fisheries and Parks or the
832 Mississippi Commissioner of Revenue any records that either entity
833 considers necessary to determine and verify the amount of the
834 credit to which the taxpayer is entitled. The burden of proving
835 eligibility for a credit and the amount of the credit rests upon
836 the taxpayer, and no credit may be allowed to a taxpayer that
837 fails to maintain adequate records or to make them available for
838 inspection.

839 (3) Upon approval of the Commission on Wildlife, Fisheries
840 and Parks under subsection (1) (a), a taxpayer seeking to claim any



841 tax credit provided for under this section must submit an
842 application to the Mississippi Commissioner of Revenue for
843 approval of the tax credit. The Mississippi Commissioner of
844 Revenue shall promulgate the rules and forms on which the
845 application is to be submitted. The Mississippi Commissioner of
846 Revenue shall review the application and may approve such
847 application upon determining that it meets the requirements of
848 this section within sixty (60) days after receiving the
849 application.

850 **SECTION 14.** Section 27-7-22.23, Mississippi Code of 1972, is
851 brought forward as follows:

852 27-7-22.23. (1) As used in this section, the term "port"
853 means a state, county or municipal port or harbor established
854 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
855 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
856 59-11-1 through 59-11-7.

857 (2) Subject to the provisions of this section, for any
858 income taxpayer utilizing the port facilities at any port for the
859 import of cargo that is unloaded from a carrier calling at any
860 such port, a credit against the taxes imposed pursuant to this
861 chapter shall be allowed in the amounts provided in this section.
862 In order to be eligible for the credit authorized under this
863 section, a taxpayer must locate its United States headquarters in
864 Mississippi on or after July 1, 2004, employ at least five (5)
865 permanent full-time employees who actually work at such



866 headquarters and have a minimum capital investment of Two Million
867 Dollars (\$2,000,000.00) in Mississippi. For the purposes of this
868 section, "full-time employee" shall mean an employee who works at
869 least thirty-five (35) hours per week.

870 (3) (a) Except as otherwise provided by subsection (4) of
871 this section, the amount of the credit allowed pursuant to this
872 section shall be the total of the following charges on import of
873 cargo paid by the corporation:

- 874 (i) Receiving into the port;
- 875 (ii) Handling from a vessel; and
- 876 (iii) Wharfage.

877 (b) The credit allowed pursuant to this section shall
878 not include charges paid by a corporation on the import of forest
879 products.

880 (4) The credit provided for in this section shall not exceed
881 fifty percent (50%) of the amount of tax imposed upon the taxpayer
882 for the taxable year reduced by the sum of all other credits
883 allowable to such taxpayer under this chapter, except credit for
884 tax payments made by or on behalf of the taxpayer. Any unused
885 portion of the credit may be carried forward for the succeeding
886 five (5) years. The maximum cumulative credit that may be claimed
887 by a taxpayer under this section is limited to One Million Dollars
888 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
889 more than twenty-five (25) permanent full-time employees at its
890 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)



891 if the taxpayer employs more than twenty-five (25), but not more
892 than one hundred (100) permanent full-time employees at its
893 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
894 if the taxpayer employs more than one hundred (100), but not more
895 than two hundred (200) permanent full-time employees at its
896 headquarters in Mississippi; and Four Million Dollars
897 (\$4,000,000.00) if the taxpayer employs more than two hundred
898 (200) permanent full-time employees at its headquarters in
899 Mississippi.

900 (5) To obtain the credit provided for in this section, a
901 taxpayer must provide to the Department of Revenue a statement
902 from the governing authority of the port certifying the amount of
903 charges paid by the taxpayer for which a credit is claimed and any
904 other information required by the Department of Revenue.

905 **SECTION 15.** Section 27-7-22.25, Mississippi Code of 1972, is
906 brought forward as follows:

907 27-7-22.25. (1) As used in this section, the term "airport"
908 means an airport established pursuant to Chapters 3 and 5, Title
909 61, Mississippi Code of 1972.

910 (2) Subject to the provisions of this section, for any
911 income taxpayer utilizing the facilities at any airport for the
912 export or import of cargo that is unloaded from a carrier at any
913 such airport, a credit against the taxes imposed pursuant to this
914 chapter shall be allowed in the amounts provided in this section.
915 In order to be eligible for the credit authorized under this



916 section, a taxpayer must locate its United States headquarters in
917 Mississippi on or after July 1, 2005, employ at least five (5) new
918 permanent full-time employees who actually work at such
919 headquarters and, after July 1, 2005, invest a minimum of Two
920 Million Dollars (\$2,000,000.00), in the aggregate, in real
921 property and/or personal property in Mississippi. For the
922 purposes of this section, "full-time employee" shall mean an
923 employee who works at least thirty-five (35) hours per week.

924 (3) Except as otherwise provided by subsection (4) of this
925 section, the amount of the credit allowed pursuant to this section
926 shall be the total of the following charges on import or export of
927 cargo paid by the corporation:

- 928 (a) Receiving into the airport;
- 929 (b) Aircraft marshalling or handling fees; and
- 930 (c) Aircraft landing fees.

931 (4) The credit provided for in this section shall not exceed
932 fifty percent (50%) of the amount of tax imposed upon the taxpayer
933 for the taxable year reduced by the sum of all other credits
934 allowable to such taxpayer under this chapter, except credit for
935 tax payments made by or on behalf of the taxpayer. Any unused
936 portion of the credit may be carried forward for the succeeding
937 five (5) years. The maximum cumulative credit that may be claimed
938 by a taxpayer under this section is limited to One Million Dollars
939 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
940 more than twenty-five (25) permanent full-time employees at its



941 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
942 if the taxpayer employs more than twenty-five (25), but not more
943 than one hundred (100) permanent full-time employees at its
944 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
945 if the taxpayer employs more than one hundred (100), but not more
946 than two hundred (200) permanent full-time employees at its
947 headquarters in Mississippi; and Four Million Dollars
948 (\$4,000,000.00) if the taxpayer employs more than two hundred
949 (200) permanent full-time employees at its headquarters in
950 Mississippi.

951 (5) To obtain the credit provided for in this section, a
952 taxpayer must provide to the Department of Revenue a statement
953 from the governing authority of the airport certifying the amount
954 of charges paid by the taxpayer for which a credit is claimed and
955 any other information required by the Department of Revenue.

956 (6) Any taxpayer who is eligible, before July 1, 2025, for
957 the credit provided for in this section, shall remain eligible for
958 such credit after July 1, 2025, notwithstanding the repeal of this
959 section.

960 **SECTION 16.** Section 27-7-22.27, Mississippi Code of 1972, is
961 brought forward as follows:

962 27-7-22.27. (1) As used in this section:

963 (a) "Business enterprises" means entities primarily
964 engaged in:



965 (i) Manufacturing, processing, warehousing,
966 distribution, wholesaling and research and development, or
967 (ii) Permanent business enterprises designated by
968 rule and regulation of the Mississippi Development Authority as
969 air transportation and maintenance facilities, final destination
970 or resort hotels having a minimum of one hundred fifty (150) guest
971 rooms, recreational facilities that impact tourism, movie industry
972 studios, telecommunications enterprises, data or information
973 processing enterprises or computer software development
974 enterprises or any technology intensive facility or enterprise.

975 (b) "Economically distressed community" means an area
976 within a municipality that contains groupings of census tracts
977 that include and are contiguous to the central business district,
978 where within such census tract groupings at least thirty percent
979 (30%) of the residents have incomes that are less than the
980 national poverty level as published by the United States Bureau of
981 the Census in the most recent decennial census for which data is
982 available; in which the unemployment rate is at least one and
983 one-half (1-1/2) times greater than the national average, as
984 determined by the most recent data from the United States Bureau
985 of Labor Statistics, including estimates of unemployment developed
986 using the calculation method of the United States Bureau of Labor
987 Statistics Census Share; and

988 (i) The municipal population of which is at least
989 four thousand (4,000) if any portion of the municipality is



990 located within a metropolitan area with a population of fifty
991 thousand (50,000), or more; or

992 (ii) The municipal population of which is at least
993 one thousand (1,000) if no portion of the municipality is located
994 within a metropolitan area with a population of fifty thousand
995 (50,000), or more.

996 (c) "Telecommunications enterprises" means entities
997 engaged in the creation, display, management, storage, processing,
998 transmission or distribution for compensation of images, text,
999 voice, video or data by wire or by wireless means, or entities
1000 engaged in the construction, design, development, manufacture,
1001 maintenance or distribution for compensation of devices, products,
1002 software or structures used in the above activities. Companies
1003 organized to do business as commercial broadcast radio stations,
1004 television stations or news organizations primarily serving
1005 in-state markets shall not be included within the definition of
1006 the term "telecommunications enterprises."

1007 (2) The governing authorities of a municipality may
1008 designate an area within such municipality as an economically
1009 distressed community.

1010 (3) Upon designation of an area within a municipality as an
1011 economically distressed community, the governing authorities of a
1012 municipality shall apply to the State Tax Commission for
1013 certification of the area as an economically distressed community.
1014 Such application shall provide the information necessary to



1015 establish certification as an economically distressed community.
1016 The State Tax Commission shall certify an area within a
1017 municipality as an economically distressed community if it finds
1018 that the designation meets the criteria provided for in subsection
1019 (1)(b) of this section.

1020 (4) Permanent business enterprises in areas within
1021 municipalities certified by the State Tax Commission as
1022 economically distressed communities are allowed a job tax credit
1023 for taxes imposed by Section 27-7-5 equal to ten percent (10%) of
1024 the payroll of the enterprise for net new full-time employee jobs
1025 for five (5) years beginning with years two (2) through six (6)
1026 after the creation of the minimum number of jobs required by this
1027 subsection. The number of new full-time jobs must be determined
1028 by comparing the monthly average number of full-time employees
1029 subject to the Mississippi income tax withholding for the taxable
1030 year with the corresponding period of the prior taxable year.
1031 Only those permanent business enterprises that increase employment
1032 by ten (10) or more in an economically distressed community are
1033 eligible for the credit. Credit is not allowed during any of the
1034 five (5) years if the net employment increase falls below ten
1035 (10). The State Tax Commission shall adjust the credit allowed
1036 each year for the net new employment fluctuations above the
1037 minimum level of ten (10).

1038 (5) Tax credits for five (5) years for the taxes imposed by
1039 Section 27-7-5 shall be awarded for additional net new full-time



1040 jobs created by business enterprises qualified under this section.
1041 The State Tax Commission shall adjust the credit allowed in the
1042 event of payroll fluctuations during the additional five (5) years
1043 of credit.

1044 (6) The sale, merger, acquisition, reorganization,
1045 bankruptcy or relocation from one (1) county to another county
1046 within the state of any business enterprise may not create new
1047 eligibility in any succeeding business entity, but any unused job
1048 tax credit may be transferred and continued by any transferee of
1049 the business enterprise. The State Tax Commission shall determine
1050 whether or not qualifying net increases or decreases have occurred
1051 or proper transfers of credit have been made and may require
1052 reports, promulgate regulations, and hold hearings as needed for
1053 substantiation and qualification.

1054 (7) Any tax credit claimed under this section but not used
1055 in any taxable year may be carried forward for five (5) years from
1056 the close of the tax year in which the qualified jobs were
1057 established but the credit established by this section taken in
1058 any one (1) tax year must be limited to an amount not greater than
1059 fifty percent (50%) of the taxpayer's state income tax liability
1060 which is attributable to income derived from operations in the
1061 state for that year.

1062 (8) No business enterprise for the transportation, handling,
1063 storage, processing or disposal of hazardous waste is eligible to
1064 receive the tax credits provided in this section.



1065 (9) The credits allowed under this section shall not be used
1066 by any business enterprise or corporation other than the business
1067 enterprise actually qualifying for the credits.

1068 (10) A business enterprise that receives a tax credit under
1069 this section shall not be eligible for the tax credit authorized
1070 in Section 57-73-21(2), (3) and (4).

1071 **SECTION 17.** Section 27-7-22.28, Mississippi Code of 1972, is
1072 brought forward as follows:

1073 27-7-22.28. As used in Sections 27-7-22.28 and 27-7-22.29,
1074 the following terms and phrases shall have the meanings ascribed
1075 in this section unless the context clearly indicates otherwise:

1076 (a) "Alternative energy project" means a business
1077 enterprise engaged in manufacturing or producing alternative
1078 energy in this state with not less than fifty percent (50%) of the
1079 finished product being derived from resources or products from
1080 this state.

1081 (b) "Authority" means the Mississippi Development
1082 Authority.

1083 (c) "Producer" means a manufacturer or producer of
1084 alternative energy through an alternative fuels project.

1085 (d) "State" means the State of Mississippi.

1086 **SECTION 18.** Section 27-7-22.29, Mississippi Code of 1972, is
1087 brought forward as follows:

1088 27-7-22.29. (1) Producers are allowed a job tax credit for
1089 taxes imposed by Section 27-7-5 equal to One Thousand Dollars



1090 (\$1,000.00) annually for each net new full-time employee job for a
1091 period of twenty (20) years from the date the credit begins;
1092 however, if the producer is located in an area that has been
1093 declared by the Governor to be a disaster area and as a direct
1094 result of the disaster the producer is unable to maintain the
1095 required number of employees, the commissioner may extend this
1096 time period for not more two (2) years. The credit shall begin on
1097 the date selected by the producer; however, the beginning date
1098 shall not be more than five (5) years from the date the producer
1099 begins manufacturing or producing alternative energy. For the
1100 year in which the beginning date occurs, the number of new
1101 full-time jobs shall be determined by using the monthly average
1102 number of full-time employees subject to the Mississippi income
1103 tax withholding. Thereafter, the number of new full-time jobs
1104 shall be determined by comparing the monthly average number of
1105 full-time employees subject to the Mississippi income tax
1106 withholding for the taxable year with the corresponding period of
1107 the prior taxable year. Once a producer creates twenty-five (25)
1108 or more new full-time employee jobs, the producer shall be
1109 eligible for the credit; however, if the producer is located in an
1110 area that has been declared by the Governor to be a disaster area
1111 and as a direct result of the disaster the producer is unable to
1112 maintain the required number of employees, the commissioner may
1113 waive the employment requirement for a period of time not to
1114 exceed two (2) years. The credit is not allowed for any year of



1115 the twenty-year period in which the overall monthly average number
1116 of full-time employees subject to the Mississippi income tax
1117 withholding falls below twenty-five (25). The State Tax
1118 Commission shall adjust the credit allowed each year for the net
1119 new employment fluctuations above twenty-five (25).

1120 (2) Any tax credit claimed under this section but not used
1121 in any taxable year may be carried forward for five (5)
1122 consecutive years from the close of the tax year in which the
1123 credits were earned; however, if the producer is located in an
1124 area that has been declared by the Governor to be a disaster area
1125 and as a direct result of the disaster the producer is unable to
1126 use the existing carryforward, the commissioner may extend the
1127 period that the credit may be carried forward for a period of time
1128 not to exceed two (2) years. The credit that may be utilized each
1129 year shall be limited to an amount not greater than the total
1130 state income tax liability of the producer that is generated by,
1131 or arises out of, the alternative energy project.

1132 (3) The tax credits provided for in this section shall be in
1133 lieu of the tax credits provided for in Section 57-73-21 and any
1134 producer utilizing the tax credit authorized in this section shall
1135 not utilize the tax credit authorized in Section 57-73-21.

1136 **SECTION 19.** Section 27-7-22.30, Mississippi Code of 1972, is
1137 brought forward as follows:

1138 27-7-22.30. (1) As used in this section:



1139 (a) "Manufacturing enterprise" means an enterprise
1140 that:

1141 (i) Falls within the definition of the term
1142 "manufacturer" in Section 27-65-11; and

1143 (ii) Has operated in this state for not less than
1144 two (2) years prior to application for the credit authorized by
1145 this section.

1146 The term "manufacturing enterprise" does not include any
1147 medical cannabis establishment as defined in the Mississippi
1148 Medical Cannabis Act.

1149 (b) "Eligible investment" means an investment of at
1150 least One Million Dollars (\$1,000,000.00) in buildings and/or
1151 equipment for the manufacturing enterprise.

1152 (2) A manufacturing enterprise is allowed a manufacturing
1153 investment tax credit for taxes imposed by Section 27-7-5 equal to
1154 five percent (5%) of the eligible investments made by the
1155 manufacturing enterprise.

1156 (3) Any tax credit claimed under this section but not used
1157 in any taxable year may be carried forward for five (5) years from
1158 the close of the tax year in which the eligible investment was
1159 made, but the credit established by this section taken in any one
1160 tax year shall not exceed fifty percent (50%) of the taxpayer's
1161 state income tax liability which is attributable to income derived
1162 from operations in the state for that year reduced by the sum of



1163 all other income tax credits allowable to the taxpayer, except
1164 credit for tax payments made by or on behalf of the taxpayer.

1165 (4) The maximum credit that may be claimed by a taxpayer on
1166 any project shall be limited to One Million Dollars
1167 (\$1,000,000.00).

1168 (5) The credit received under this section is subject to
1169 recapture if the property for which the tax credit was received is
1170 disposed of, or converted to, other than business use. The amount
1171 of the credit subject to recapture is one hundred percent (100%)
1172 of the credit in the first year and fifty percent (50%) of the
1173 credit in the second year. This subsection shall not apply in
1174 cases in which an entire facility is sold.

1175 (6) The sale, merger, acquisition, reorganization,
1176 bankruptcy or relocation from one (1) county to another county
1177 within the state of any manufacturing enterprise may not create
1178 new eligibility in any succeeding business entity, but any unused
1179 manufacturing investment tax credit may be transferred and
1180 continued by any transferee of the enterprise. The department
1181 shall determine whether or not qualifying net increases or
1182 decreases have occurred or proper transfers of credit have been
1183 made and may require reports, promulgate regulations, and hold
1184 hearings as needed for substantiation and qualification.

1185 (7) No manufacturing enterprise for the transportation,
1186 handling, storage, processing or disposal of hazardous waste is
1187 eligible to receive the tax credits provided in this section.



1188 (8) The credits allowed under this section shall not be used
1189 by any business enterprise or corporation other than the
1190 manufacturing enterprise actually qualifying for the credits.

1191 **SECTION 20.** Section 27-7-22.31, Mississippi Code of 1972, is
1192 brought forward as follows:

1193 27-7-22.31. (1) As used in this section:

1194 (a) "Certified historic structure" means a property
1195 located in Mississippi that has been:

1196 (i) Listed individually on the National Register
1197 of Historic Places; or

1198 (ii) Determined eligible for the National Register
1199 of Historic Places by the Secretary of the United States
1200 Department of the Interior and will be listed within thirty (30)
1201 months of claiming the rebate or credit authorized by this
1202 section; or

1203 (iii) Property designated a Mississippi Landmark
1204 by the Department of Archives and History pursuant to Section
1205 39-7-3 et seq.

1206 (b) "Eligible property" means property located in
1207 Mississippi and offered or used for residential or business
1208 purposes.

1209 (c) "Structure in a certified historic district" means
1210 a structure (and its structural components) located in Mississippi
1211 which:



1212 (i) Is listed in the National Register of Historic
1213 Places; or

1214 (ii) Has been determined eligible for the National
1215 Register of Historic Places by the Secretary of the United States
1216 Department of the Interior and will be listed within thirty (30)
1217 months of claiming the rebate or credit authorized by this
1218 section; or

1219 (iii) Is located in a registered historic district
1220 listed on the National Register of Historic Places or located in a
1221 potential district that has been determined eligible for the
1222 National Register of Historic Places by the Secretary of the
1223 United States Department of the Interior and will be listed within
1224 thirty (30) months of claiming the rebate or credit authorized by
1225 this section, and is certified by the Secretary of the United
1226 States Department of the Interior as being of historic
1227 significance to the district; or

1228 (iv) Is certified by the Mississippi Department of
1229 Archives and History as contributing to the historic significance
1230 of:

1231 1. A certified historic district listed on
1232 the National Register of Historic Places; or

1233 2. A potential district that has been
1234 determined eligible for the National Register of Historic Places
1235 by the Secretary of the United States Department of the Interior



1236 and will be listed within thirty (30) months of claiming the
1237 rebate or credit authorized by this section; or

1238 3. A local district that has been certified
1239 by the United States Department of the Interior.

1240 (d) "Department" means the Department of Archives and
1241 History.

1242 (2) Any taxpayer incurring costs and expenses for the
1243 rehabilitation of eligible property, which is a certified historic
1244 structure or a structure in a certified historic district, shall
1245 be entitled to a rebate or credit against the taxes imposed
1246 pursuant to this chapter in an amount equal to twenty-five percent
1247 (25%) of the total costs and expenses of rehabilitation incurred
1248 after January 1, 2006, which shall include, but not be limited to,
1249 qualified rehabilitation expenditures as defined under Section
1250 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
1251 the related regulations thereunder:

1252 (a) If the costs and expenses associated with
1253 rehabilitation exceed:

1254 (i) Five Thousand Dollars (\$5,000.00) in the case
1255 of an owner-occupied dwelling; or

1256 (ii) Fifty percent (50%) of the adjusted basis in
1257 the property in the case of all other properties; and

1258 (b) The rehabilitation is consistent with the standards
1259 of the Secretary of the United States Department of the Interior
1260 as determined by the department.



1261 (3) Any taxpayer eligible for the rebate or credit
1262 authorized by this section may claim the rebate or credit in
1263 phases if:

1264 (a) There is a written set of architectural plans and
1265 specifications for all phases of the rehabilitation (written plans
1266 outlining and describing all phases of the rehabilitation shall be
1267 accepted as written plans and specifications);

1268 (b) The written set of architectural plans and
1269 specifications are completed before the physical work on the
1270 rehabilitation begins; and

1271 (c) The project receives final certification by the
1272 department within sixty (60) months of the project start date
1273 certified in the first phase.

1274 (4) (a) (i) If the amount of the tax credit established by
1275 this section exceeds the total state income tax liability for the
1276 credit year, the amount that exceeds the total state income tax
1277 liability may be carried forward for the ten (10) succeeding tax
1278 years.

1279 (ii) In lieu of claiming a tax credit, the
1280 taxpayer may elect to claim a rebate in the amount of seventy-five
1281 percent (75%) of the amount that would be eligible to claim as a
1282 credit. The election may be made at any time after the
1283 certification of the rebate. If the taxpayer has utilized a tax
1284 credit on an income tax return prior to making an election to



1285 claim a rebate, then the available rebate will be reduced by the
1286 amount of credit utilized.

1287 (iii) Rebate requests shall be submitted to the
1288 department on forms prescribed by the department. The department
1289 will then provide the taxpayer with a voucher for the approved
1290 amount. Within twelve (12) months of the issuance of the voucher
1291 by the department, the taxpayer may submit the voucher to the
1292 Department of Revenue to receive payment. Rebates shall be made
1293 from current tax collections.

1294 (b) Not-for-profit entities, including, but not limited
1295 to, nonprofit corporations organized under Section 79-11-101 et
1296 seq., shall be ineligible for the rebate or credit authorized by
1297 this section. Credits granted to a partnership, a limited
1298 liability company taxed as a partnership or multiple owners of
1299 property shall be passed through to the partners, members or
1300 owners on a pro rata basis or pursuant to an executed agreement
1301 among the partners, members or owners documenting an alternative
1302 distribution method. Partners, members or other owners of a
1303 pass-through entity are not eligible to elect a refund of excess
1304 credit in lieu of a carryforward of the credit. However, a
1305 partnership or limited liability company taxed as a partnership
1306 may elect to claim a rebate at the entity level on a form
1307 prescribed by the department. Additionally, excess tax credits
1308 that are attributable to rehabilitated property that was placed in
1309 service by a pass-through entity prior to January 1, 2011, and



1310 that have previously been allocated to and are held by another
1311 pass-through entity prior to January 1, 2011, may be refunded to
1312 such other pass-through entity.

1313 (5) (a) (i) To claim the rebate or credit authorized
1314 pursuant to this section, the taxpayer shall apply to the
1315 department which shall determine the amount of eligible
1316 rehabilitation costs and expenses and whether the rehabilitation
1317 is consistent with the standards of the Secretary of the United
1318 States Department of the Interior. The department shall issue a
1319 certificate evidencing the date of the rebate or credit and amount
1320 of eligible rebate or credit if the taxpayer is found to be
1321 eligible for the tax rebate or credit. The taxpayer shall attach
1322 the certificate to all income tax returns on which the credit is
1323 claimed. Except as otherwise provided in this paragraph (a), the
1324 department shall not issue certificates evidencing the eligible
1325 rebate or credit which will result in rebates or credits being
1326 awarded in excess of Twelve Million Dollars (\$12,000,000.00) in
1327 any one (1) calendar year for projects with total qualified
1328 rehabilitation costs and expenses of One Million Seven Hundred
1329 Fifty Thousand Dollars (\$1,750,000.00) or more. The department
1330 shall also not issue certificates evidencing the eligible rebate
1331 or credit which will result in rebates or credits being awarded in
1332 excess of Twelve Million Dollars (\$12,000,000.00) in any one (1)
1333 calendar year for projects with total qualified rehabilitation



1334 costs and expenses of less than One Million Seven Hundred Fifty
1335 Thousand Dollars (\$1,750,000.00).

1336 (ii) If claiming a credit instead of a rebate, the
1337 taxpayer shall claim such credit on the income tax return for the
1338 tax year for which the credit is certified.

1339 (b) The date of the rebate or credit shall be certified
1340 in the following order:

1341 (i) The rebate or credit shall be certified based
1342 on the date of project completion.

1343 (ii) If the eligible rebate or credit exceeds the
1344 available limit in the year in which the project is completed, the
1345 rebate or credit shall be certified based on the date the
1346 certification is issued by the department. The department shall
1347 issue the certification in the first calendar year in which the
1348 requested rebate or credit would not exceed the calendar year
1349 limit.

1350 (c) The aggregate amount of tax rebates or credits that
1351 may be awarded under this section shall not exceed One Hundred
1352 Eighty Million Dollars (\$180,000,000.00).

1353 (6) (a) The rebate or credit received by a taxpayer
1354 pursuant to this section is subject to recapture if:

1355 (i) The property is one that has been determined
1356 eligible for the National Register of Historic Places but is not
1357 listed on the National Register of Historic Places within thirty



1358 (30) months of claiming the rebate or credit authorized by this
1359 section;

1360 (ii) The potential district in which the property
1361 is located is not listed on the National Register of Historic
1362 Places within thirty (30) months of claiming the rebate or credit
1363 authorized by this section; or

1364 (iii) The project has not received final
1365 certification by the department within sixty (60) months of the
1366 project start date certified in the first phase.

1367 (b) The taxpayer shall notify the department and the
1368 Department of Revenue if any of the situations that subject the
1369 credit to recapture occur.

1370 (7) (a) The board of trustees of the department shall
1371 establish fees to be charged for the services performed by the
1372 department under this section and shall publish the fee schedule.
1373 The fees contained in the schedule shall be in amounts reasonably
1374 calculated to recover the costs incurred by the department for the
1375 administration of this section. Any taxpayer desiring to
1376 participate in the tax credits authorized by this section shall
1377 pay the appropriate fee as contained in the fee schedule to the
1378 department, which shall be used by the department, without
1379 appropriation, to offset the administrative costs of the
1380 department associated with its duties under this section.

1381 (b) There is hereby created within the State Treasury a
1382 special fund into which shall be deposited all the fees collected



1383 by the department pursuant to this section. Money deposited into
1384 the fund shall not lapse at the end of any fiscal year and
1385 investment earnings on the proceeds in such special fund shall be
1386 deposited into such fund. Money from the fund shall be disbursed
1387 upon warrants issued by the State Fiscal Officer upon requisitions
1388 signed by the executive director of the department to assist the
1389 department in carrying out its duties under this section.

1390 (8) This section shall only apply to taxpayers:

1391 (a) Who have been issued a certificate evidencing the
1392 eligible credit before December 31, 2030; or

1393 (b) Who, before December 31, 2030, have received a
1394 determination in writing from the Mississippi Department of
1395 Archives and History, in accordance with the department's Historic
1396 Preservation Certificate Application, Part 2, that the
1397 rehabilitation is consistent with the historic character of the
1398 property and that the property meets the United States Secretary
1399 of the Interior's Standards for Rehabilitation, or will meet the
1400 standards if certain specified conditions are met, and, who are
1401 issued a certificate evidencing the eligible credit on or after
1402 December 31, 2030.

1403 **SECTION 21.** Section 27-7-22.32, Mississippi Code of 1972, is
1404 brought forward as follows:

1405 27-7-22.32. (1) (a) There shall be allowed as a credit
1406 against the tax imposed by this chapter the amount of the
1407 qualified adoption expenses paid or incurred, not to exceed Five



1408 Thousand Dollars (\$5,000.00), for each dependent child residing
1409 outside Mississippi but legally adopted by a taxpayer under the
1410 laws of this state during calendar year 2023 or during any
1411 calendar year thereafter. A taxpayer claiming a credit under this
1412 paragraph (a) may not claim a credit under paragraph (b) of this
1413 subsection for the adoption of the same child.

1414 (b) There shall be allowed as a credit against the tax
1415 imposed by this chapter the amount of Ten Thousand Dollars
1416 (\$10,000.00) for each dependent child residing in Mississippi and
1417 legally adopted by a taxpayer under the laws of this state during
1418 calendar year 2023 or during any calendar year thereafter. A
1419 taxpayer claiming a credit under this paragraph (b) may not claim
1420 a credit under paragraph (a) of this subsection for the adoption
1421 of the same child.

1422 (2) The tax credit under this section may be claimed for the
1423 taxable year in which the adoption becomes final under the laws of
1424 this state. Any tax credit claimed under this section but not
1425 used in any taxable year may be carried forward for the five (5)
1426 succeeding tax years. A tax credit is allowed under this section
1427 for any child for which an exemption is claimed during the same
1428 taxable year under Section 27-7-21(e). For the purposes of this
1429 section, the term "qualified adoption expenses" means and has the
1430 same definition as that term has in 26 USCA 23.

1431 **SECTION 22.** Section 27-7-22.33, Mississippi Code of 1972, is
1432 brought forward as follows:



1433 27-7-22.33. (1) A taxpayer shall be allowed a credit
1434 against the income taxes imposed under this chapter in an amount
1435 equal to twenty-five percent (25%) of the premium costs paid
1436 during the taxable year for a qualified long-term care insurance
1437 policy as defined in Section 7702B of the Internal Revenue Code
1438 that offers coverage to either the individual, the individual's
1439 spouse, the individual's parent or parent-in-law, or the
1440 individual's dependent as defined in Section 152 of the Internal
1441 Revenue Code.

1442 (2) No taxpayer shall be entitled to the credit with respect
1443 to the same expended amounts for qualified long-term care
1444 insurance which are claimed by another taxpayer.

1445 (3) The credit allowed by this section shall not exceed Five
1446 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
1447 whichever is less, for each qualified long-term care insurance
1448 policy. Any unused tax credit shall not be allowed to be carried
1449 forward to apply to the taxpayer's succeeding year's tax
1450 liability.

1451 (4) No credit shall be allowed under this section with
1452 respect to any premium for qualified long-term care insurance
1453 either deducted or subtracted by the taxpayer in arriving at his
1454 net taxable income under this section or with respect to any
1455 premiums for qualified long-term care insurance which were
1456 excluded from his net taxable income.



1457 **SECTION 23.** Section 27-7-22.34, Mississippi Code of 1972, is
1458 brought forward as follows:

1459 27-7-22.34. (1) As used in this section, "qualified
1460 business or industry" means any company that has been certified by
1461 the Mississippi Major Economic Impact Authority as a project as
1462 defined in Section 57-75-5(f)(xxii).

1463 (2) A qualified business or industry shall be allowed a job
1464 tax credit for taxes imposed by Section 27-7-5 equal to Five
1465 Thousand Dollars (\$5,000.00) annually for each net new full-time
1466 employee job for a period of twenty (20) years from the date the
1467 credit commences; however, if the qualified business or industry
1468 is located in an area that has been declared by the Governor to be
1469 a disaster area and as a direct result of the disaster the
1470 business or industry is unable to maintain the required number of
1471 employees, the commissioner may extend this time period for not
1472 more than two (2) years. The credit shall commence on the date
1473 selected by the business or industry; however, the commencement
1474 date shall not be more than six (6) years from the date the
1475 business or industry commences commercial production. For the
1476 year in which the commencement date occurs, the number of new
1477 full-time jobs shall be determined by using the monthly average
1478 number of full-time employees subject to the Mississippi income
1479 tax withholding. Thereafter, the number of new full-time jobs
1480 shall be determined by comparing the monthly average number of
1481 full-time employees subject to the Mississippi income tax



1482 withholding for the taxable year with the corresponding period of
1483 the prior taxable year. Once a qualified business or industry
1484 creates or increases employment by five hundred (500) or more,
1485 such business or industry shall be eligible for the credit. The
1486 credit is not allowed for any year of the twenty-year period in
1487 which the overall monthly average number of full-time employees
1488 subject to the Mississippi income tax withholding falls below five
1489 hundred (500); however, if the qualified business or industry is
1490 located in an area that has been declared by the Governor to be a
1491 disaster area and as a direct result of the disaster the business
1492 or industry is unable to maintain the required number of
1493 employees, the commissioner may waive the employment requirement
1494 for a period of time not to exceed two (2) years. The State Tax
1495 Commission shall adjust the credit allowed each year for the net
1496 new employment fluctuations above five hundred (500).

1497 (3) Any tax credit claimed under this section but not used
1498 in any taxable year may be carried forward for five (5)
1499 consecutive years from the close of the tax year in which the
1500 credits were earned; however, if the qualified business or
1501 industry is located in an area that has been declared by the
1502 Governor to be a disaster area and as a direct result of the
1503 disaster the business or industry is unable to use the existing
1504 carryforward, the commissioner may extend the period that the
1505 credit may be carried forward for a period of time not to exceed
1506 two (2) years. The credit that may be utilized each year shall be



1507 limited to an amount not greater than the total state income tax
1508 liability of the qualified business or industry that is generated
1509 by, or arises out of, the project.

1510 (4) The tax credits provided for in this section shall be in
1511 lieu of the tax credits provided for in Section 57-73-21 and any
1512 qualified business or industry utilizing the tax credit authorized
1513 in this section shall not utilize the tax credit authorized in
1514 Section 57-73-21.

1515 **SECTION 24.** Section 27-7-22.35, Mississippi Code of 1972, is
1516 brought forward as follows:

1517 27-7-22.35. (1) As used in this section:

1518 (a) "Eligible facility" means and includes a new
1519 facility that creates at least twenty (20) full-time jobs with a
1520 minimum capital investment from private sources of Fifty Million
1521 Dollars (\$50,000,000.00), that:

1522 (i) Consists of all components necessary for the
1523 production of electric energy from the direct firing or co-firing
1524 of biomass or waste heat recovery, and if applicable, other energy
1525 sources;

1526 (ii) Produces both electric energy and useful
1527 thermal energy, such as heat or steam, through the sequential use
1528 of energy (cogeneration); and

1529 (iii) Consists of all components necessary for the
1530 production of synfuel.



1531 An eligible facility includes all burners and boilers, any
1532 handling and delivery equipment that supplies fuel directly to and
1533 is integrated with such burners and boilers, steam headers,
1534 turbines, generators, property used for the collection, processing
1535 or storage of biomass or synfuel, transformers, pipelines and all
1536 other property used in the transmission of electricity or synfuel
1537 and related depreciable property.

1538 (b) "Biomass" means and includes any of the following:

1539 (i) Forest-related mill residues, pulping
1540 by-product and other by-products of wood processing, thinnings,
1541 slash, limbs, bark, brush and other cellulosic plant material or
1542 nonmerchantable forest-related products;

1543 (ii) Solid wood waste materials, including
1544 dunnage, manufacturing and construction wood wastes, demolition
1545 and storm debris and landscape or right-of-way trimmings;

1546 (iii) Agriculture wastes, including orchard tree
1547 crops, vineyard, grain, legumes, sugar and other crop by-products
1548 or residues and livestock waste nutrients;

1549 (iv) All plant and grass material that is grown
1550 exclusively as a fuel for the production of electricity;

1551 (v) Refuse derived fuels consisting of organic
1552 components and fibers of waste water treatment solids; or

1553 (vi) Whole trees.

1554 (c) "Synfuel" means any liquid or gaseous fuel obtained
1555 from biomass.



1556 (d) "Waste heat recovery" means systems that produce
1557 electricity from currently unused waste heat resulting from
1558 combustion or other processes and which do not use an additional
1559 combustion process. The term does not include any system whose
1560 primary purpose is the generation of electricity.

1561 (2) An enterprise owning or operating an eligible facility
1562 is allowed an annual investment tax credit for taxes imposed by
1563 Section 27-7-5 equal to five percent (5%) of investments made by
1564 the enterprise in the initial establishment of an eligible
1565 facility. The credit shall commence on the date selected by the
1566 enterprise; provided, however, that the commencement date shall
1567 not be more than two (2) years from the date the eligible facility
1568 becomes fully operational.

1569 (3) Any tax credit claimed under this section but not used
1570 in any taxable year may be carried forward for five (5)
1571 consecutive years from the close of the tax year in which the
1572 credits were earned. The credit that may be utilized in any one
1573 (1) tax year shall be limited to an amount not greater than fifty
1574 percent (50%) of the total state income tax liability of the
1575 enterprise for that year that is generated by, or arises out of,
1576 the eligible facility.

1577 **SECTION 25.** Section 27-7-22.36, Mississippi Code of 1972, is
1578 brought forward as follows:

1579 27-7-22.36. (1) As used in this section:



1580 (a) "Full-time employee" means an employee who works at
1581 least thirty-five (35) hours per week.

1582 (b) "New cut and sew job" means a job in which the
1583 employee cuts and sews upholstery for upholstered household
1584 furniture and which job did not exist in this state before January
1585 1, 2010.

1586 (2) Any enterprise owning or operating an upholstered
1587 household furniture manufacturing facility is allowed a job tax
1588 credit for taxes imposed by this chapter equal to Two Thousand
1589 Dollars (\$2,000.00) annually for each full-time employee employed
1590 in a new cut and sew job for a period of five (5) years from the
1591 date the credit commences. The credit shall commence on the date
1592 selected by the enterprise. For the year in which the
1593 commencement date occurs, the credit will be determined based on
1594 the monthly average number of full-time employees employed in new
1595 cut and sew jobs subject to the Mississippi income tax withholding
1596 who are employed by the enterprise. For each year thereafter, the
1597 number of new cut and sew jobs shall be determined by comparing
1598 the monthly average number of full-time employees employed in new
1599 cut and sew jobs subject to the Mississippi income tax withholding
1600 for the taxable year with the corresponding period of the prior
1601 taxable year. The Department of Revenue shall verify that the
1602 jobs claimed by enterprises to obtain the credit meet the
1603 definition of the term "new cut and sew job." The Department of



1604 Revenue shall adjust the credit allowed each year for employment
1605 fluctuations.

1606 (3) The credit that may be used each year shall be limited
1607 to an amount not greater than the total state income tax liability
1608 of the enterprise. Any tax credit claimed under this section but
1609 not used in any taxable year may be carried forward for five (5)
1610 consecutive years from the close of the tax year in which the
1611 credits were earned.

1612 (4) The tax credits provided for in this section shall be in
1613 lieu of the tax credits provided for in Section 57-73-21 and any
1614 enterprise using the tax credit authorized in this section shall
1615 not use the tax credit authorized in Section 57-73-21.

1616 (5) Any taxpayer who is eligible for the credit authorized
1617 in this section prior to January 1, 2026, shall be eligible for
1618 the credit authorized in this section, notwithstanding the repeal
1619 of this section, and shall be allowed to carry forward the credit
1620 after January 1, 2026, as provided for in subsection (3) of this
1621 section.

1622 (6) This section shall be repealed from and after January 1,
1623 2026.

1624 **SECTION 26.** Section 27-7-22.37, Mississippi Code of 1972, is
1625 brought forward as follows:

1626 27-7-22.37. (1) There shall be allowed as a credit against
1627 the tax imposed by Section 27-7-5 the amount of the qualified
1628 prekindergarten program support contributions paid to approved



1629 providers, lead partners or collaboratives, not to exceed One
1630 Million Dollars (\$1,000,000.00), by any individual, corporation or
1631 other entity having taxable income under the laws of this state
1632 during calendar year 2013 or during any calendar year thereafter.
1633 In order to qualify for a tax credit, such contributions may
1634 support the local match requirement of approved providers, lead
1635 partners or collaboratives as is necessary to match
1636 state-appropriated funds, and any such providers, lead partners or
1637 collaboratives shall be approved by the State Department of
1638 Education.

1639 (2) Any unused portion of the credit may be carried forward
1640 for three (3) tax years.

1641 (3) Any prekindergarten program support contribution shall
1642 be verified by submission to the Mississippi Department of Revenue
1643 of a copy of the receipt provided to the donor taxpayer by the
1644 prekindergarten program recipient or such other written
1645 verification as may be required by the Department of Revenue.

1646 (4) The maximum amount of donations accepted by the
1647 Department of Revenue in calendar year 2014 shall not exceed Eight
1648 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
1649 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
1650 year 2016 and calendar years thereafter shall not exceed
1651 Thirty-two Million Dollars (\$32,000,000.00), or what is
1652 appropriated by the Legislature to fund Chapter 493, Laws of 2013
1653 each year.



1654 (5) The Mississippi Department of Revenue shall promulgate
1655 rules necessary to effectuate the purposes of Chapter 493, Laws of
1656 2013. Such rules shall include a means of informing the public of
1657 the existence of the prekindergarten support program and the
1658 application process for provider, lead partner and collaborative
1659 candidates.

1660 **SECTION 27.** Section 27-7-22.39, Mississippi Code of 1972, is
1661 brought forward as follows:

1662 27-7-22.39. (1) As used in this section:

1663 (a) "Low-income residents" means persons whose
1664 household income is less than one hundred fifty percent (150%) of
1665 the federal poverty level.

1666 (b) "Qualifying charitable organization" means a
1667 charitable organization that is exempt from federal income
1668 taxation under Section 501(c)(3) of the Internal Revenue Code or
1669 is a designated community action agency that receives community
1670 services block grant program monies pursuant to 42 USC 9901. The
1671 organization must spend at least fifty percent (50%) of its budget
1672 on services to residents of this state who receive temporary
1673 assistance for needy families benefits or low-income residents of
1674 this state and their households or to children who have a chronic
1675 illness or physical, intellectual, developmental or emotional
1676 disability who are residents of this state. A charitable
1677 organization that is exempt from federal income tax under Section
1678 501(c)(3) of the Internal Revenue Code and that meets all other



1679 requirements of this paragraph except that it does not spend at
1680 least fifty percent (50%) of its overall budget in Mississippi may
1681 be a qualifying charitable organization if it spends at least
1682 fifty percent (50%) of its Mississippi budget on services to
1683 qualified individuals in Mississippi and it certifies to the
1684 department that one hundred percent (100%) of the voluntary cash
1685 contributions from the taxpayer will be spent on services to
1686 qualified individuals in Mississippi. Taxpayers choosing to make
1687 donations through an umbrella charitable organization that
1688 collects donations on behalf of member charities shall designate
1689 that the donation be directed to a member charitable organization
1690 that would qualify under this section on a stand-alone basis.
1691 Qualifying charitable organization does not include any entity
1692 that provides, pays for or provides coverage of abortions or that
1693 financially supports any other entity that provides, pays for or
1694 provides coverage of abortions.

1695 (c) "Qualifying foster care charitable organization"
1696 means a qualifying charitable organization that each operating
1697 year provides services to at least one hundred (100) qualified
1698 individuals in this state and spends at least fifty percent (50%)
1699 of its budget on services to qualified individuals in this state.
1700 A charitable organization that is exempt from federal income tax
1701 under Section 501(c)(3) of the Internal Revenue Code and that
1702 meets all other requirements of this paragraph except that it does
1703 not spend at least fifty percent (50%) of its overall budget in



1704 Mississippi may be a qualifying foster care charitable
1705 organization if it spends at least fifty percent (50%) of its
1706 Mississippi budget on services to qualified individuals in
1707 Mississippi and it certifies to the department that one hundred
1708 percent (100%) of the voluntary cash contributions from the
1709 taxpayer will be spent on services to qualified individuals in
1710 Mississippi. For the purposes of this paragraph, "qualified
1711 individual" means a child in a foster care placement program
1712 established by the Department of Child Protection Services, a
1713 child placed under the Safe Families for Children model, or a
1714 child at significant risk of entering a foster care placement
1715 program established by the Department of Child Protection
1716 Services.

1717 (d) "Services" means:

1718 (i) Cash assistance, medical care, child care,
1719 food, clothing, shelter, and job-placement services or any other
1720 assistance that is reasonably necessary to meet immediate basic
1721 needs and that is provided and used in this state;

1722 (ii) Job-training or education services or funding
1723 for parents, foster parents or guardians; or

1724 (iii) Job-training or education services or
1725 funding provided as part of a foster care independent living
1726 program.

1727 (2) (a) Except as provided in subsections (3) and (4) of
1728 this section, a credit is allowed against the taxes imposed by



1729 this chapter for voluntary cash contributions by the taxpayer
1730 during the taxable year to a qualifying charitable organization,
1731 other than a qualifying foster care charitable organization, not
1732 to exceed:

1733 (i) Through calendar year 2022, the lesser of Four
1734 Hundred Dollars (\$400.00) or the amount of the contribution in any
1735 taxable year for a single individual or a head of household; and
1736 for calendar year 2023 and each calendar year thereafter, the
1737 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the
1738 amount of the contribution in any taxable year for a single
1739 individual or a head of household.

1740 (ii) Through calendar year 2022, the lesser of
1741 Eight Hundred Dollars (\$800.00) or the amount of the contribution
1742 in any taxable year for a married couple filing a joint return;
1743 and for calendar year 2023 and each calendar year thereafter, the
1744 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the
1745 amount of the contribution in any taxable year for a married
1746 couple filing a joint return.

1747 (b) From and after January 1, 2023, a credit is also
1748 allowed against ad valorem taxes assessed and levied on real
1749 property for voluntary cash contributions made by the individual
1750 taxpayer during the taxable year to a qualifying charitable
1751 organization, other than a qualifying foster care charitable
1752 organization. The amount of credit that may be utilized by a
1753 taxpayer in a taxable year shall be limited to an amount not to



1754 exceed fifty percent (50%) of the total tax liability of the
1755 taxpayer for ad valorem taxes assessed and levied on real
1756 property. Any tax credit claimed under this paragraph but not
1757 used in any taxable year may be carried forward for five (5)
1758 consecutive years from the close of the tax year in which the
1759 credits were earned.

1760 (3) (a) A separate credit is allowed against the taxes
1761 imposed by this chapter for voluntary cash contributions during
1762 the taxable year to a qualifying foster care charitable
1763 organization. A contribution to a qualifying foster care
1764 charitable organization does not qualify for, and shall not be
1765 included in, any credit amount under subsection (2) of this
1766 section. If the voluntary cash contribution by the taxpayer is to
1767 a qualifying foster care charitable organization, the credit shall
1768 not exceed:

1769 (i) Through calendar year 2022, the lesser of Five
1770 Hundred Dollars (\$500.00) or the amount of the contribution in any
1771 taxable year for a single individual or a head of household; and
1772 for calendar year 2023 and each calendar year thereafter, the
1773 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the
1774 amount of the contribution in any taxable year for a single
1775 individual or a head of household.

1776 (ii) Through calendar year 2022, the lesser of One
1777 Thousand Dollars (\$1,000.00) or the amount of the contribution in
1778 any taxable year for a married couple filing a joint return; and



1779 for calendar year 2023 and each calendar year thereafter, the
1780 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the
1781 contribution in any taxable year for a married couple filing a
1782 joint return.

1783 (b) From and after January 1, 2023, a credit is also
1784 allowed against ad valorem taxes assessed and levied on real
1785 property for voluntary cash contributions made by the individual
1786 taxpayer during the taxable year to a qualifying foster care
1787 charitable organization. The amount of credit that may be
1788 utilized by a taxpayer in a taxable year shall be limited to an
1789 amount not to exceed fifty percent (50%) of the total tax
1790 liability of the taxpayer for ad valorem taxes assessed and levied
1791 on real property. Any tax credit claimed under this paragraph but
1792 not used in any taxable year may be carried forward for five (5)
1793 consecutive years from the close of the tax year in which the
1794 credits were earned.

1795 (4) Subsections (2) and (3) of this section provide separate
1796 credits against taxes imposed by this chapter depending on the
1797 recipients of the contributions. A taxpayer, including a married
1798 couple filing a joint return, in the same taxable year, may either
1799 or both:

1800 (a) Contribute to a qualifying charitable organization,
1801 other than a qualifying foster care charitable organization, and
1802 claim a credit under subsection (2) of this section.



1803 (b) Contribute to a qualifying foster care charitable
1804 organization and claim a credit under subsection (3) of this
1805 section.

1806 (5) A husband and wife who file separate returns for a
1807 taxable year in which they could have filed a joint return may
1808 each claim only one-half (1/2) of the tax credit that would have
1809 been allowed for a joint return.

1810 (6) Except as otherwise provided in subsections (2) and (3)
1811 of this section, if the allowable tax credit exceeds the taxes
1812 otherwise due under this chapter on the claimant's income, or if
1813 there are no taxes due under this chapter, the taxpayer may carry
1814 forward the amount of the claim not used to offset the taxes under
1815 this chapter for not more than five (5) consecutive taxable years'
1816 income tax liability.

1817 (7) The credit allowed by this section is in lieu of a
1818 deduction pursuant to Section 170 of the Internal Revenue Code and
1819 taken for state tax purposes.

1820 (8) Taxpayers taking a credit authorized by this section
1821 shall provide the name of the qualifying charitable organization
1822 and the amount of the contribution to the department on forms
1823 provided by the department.

1824 (9) A qualifying charitable organization shall provide the
1825 department with a written certification that it meets all criteria
1826 to be considered a qualifying charitable organization. The



1827 organization shall also notify the department of any changes that
1828 may affect the qualifications under this section.

1829 (10) The charitable organization's written certification
1830 must be signed by an officer of the organization under penalty of
1831 perjury. The written certification shall include the following:

1832 (a) Verification of the organization's status under
1833 Section 501(c)(3) of the Internal Revenue Code or verification
1834 that the organization is a designated community action agency that
1835 receives community services block grant program monies pursuant to
1836 42 USC 9901.

1837 (b) Financial data indicating the organization's budget
1838 for the organization's prior operating year and the amount of that
1839 budget spent on services to residents of this state who either:

1840 (i) Receive temporary assistance for needy
1841 families benefits;

1842 (ii) Are low-income residents of this state;

1843 (iii) Are children who have a chronic illness or
1844 physical, intellectual, developmental or emotional disability; or

1845 (iv) Are children in a foster care placement
1846 program established by the Department of Child Protection
1847 Services, children placed under the Safe Families for Children
1848 model or children at significant risk of entering a foster care
1849 placement program established by the Department of Child
1850 Protection Services.



1851 (c) A statement that the organization plans to continue
1852 spending at least fifty percent (50%) of its budget on services to
1853 residents of this state who receive temporary assistance for needy
1854 families benefits, who are low-income residents of this state, who
1855 are children who have a chronic illness or physical, intellectual,
1856 developmental or emotional disability or who are children in a
1857 foster care placement program established by the Department of
1858 Child Protection Services, children placed under the Safe Families
1859 for Children model or children at significant risk of entering a
1860 foster care placement program established by the Department of
1861 Child Protection Services. A charitable organization that is
1862 exempt from federal income tax under Section 501(c)(3) of the
1863 Internal Revenue Code and that meets all other requirements for a
1864 qualifying charitable organization or qualifying foster care
1865 charitable organization except that it does not spend at least
1866 fifty percent (50%) of its overall budget in Mississippi shall
1867 submit a statement that it spends at least fifty percent (50%) of
1868 its Mississippi budget on services to qualified individuals in
1869 Mississippi and that one hundred percent (100%) of the voluntary
1870 cash contributions it receives from Mississippi taxpayers will be
1871 spent on services to qualified individuals in Mississippi.

1872 (d) In the case of a foster care charitable
1873 organization, a statement that each operating year it provides
1874 services to at least one hundred (100) qualified individuals in
1875 this state.



1876 (e) A statement that the organization does not provide,
1877 pay for or provide coverage of abortions and does not financially
1878 support any other entity that provides, pays for or provides
1879 coverage of abortions.

1880 (f) Any other information that the department requires
1881 to administer this section.

1882 (11) The department shall review each written certification
1883 and determine whether the organization meets all the criteria to
1884 be considered a qualifying charitable organization and notify the
1885 organization of its determination. The department may also
1886 periodically request recertification from the organization. The
1887 department shall compile and make available to the public a list
1888 of the qualifying charitable organizations.

1889 (12) The aggregate amount of tax credits that may be awarded
1890 under this section in any calendar year shall not exceed Three
1891 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
1892 and for each calendar year thereafter, the aggregate amount of tax
1893 credits that may be awarded under this section in any calendar
1894 year shall not exceed One Million Dollars (\$1,000,000.00). In
1895 addition, any tax credits not awarded under this section before
1896 June 1, 2020, may be allocated during calendar year 2020 under
1897 Section 27-7-22.41 for contributions by taxpayers to eligible
1898 charitable organizations described in Section



1899 27-7-22.41(1)(b)(ii) as provided under such section,
1900 notwithstanding any limitation on the percentage of tax credits
1901 that may be allocated for such contributions.

1902 (13) A taxpayer shall apply for credits with the department
1903 on forms prescribed by the department. In the application the
1904 taxpayer shall certify to the department the dollar amount of the
1905 contributions made or to be made during the calendar year. Within
1906 thirty (30) days after the receipt of an application, the
1907 department shall allocate credits based on the dollar amount of
1908 contributions as certified in the application. However, if the
1909 department cannot allocate the full amount of credits certified in
1910 the application due to the limit on the aggregate amount of
1911 credits that may be awarded under this section in a calendar year,
1912 the department shall so notify the applicant within thirty (30)
1913 days with the amount of credits, if any, that may be allocated to
1914 the applicant in the calendar year. Once the department has
1915 allocated credits to a taxpayer, if the contribution for which a
1916 credit is allocated has not been made as of the date of the
1917 allocation, then the contribution must be made not later than
1918 sixty (60) days from the date of the allocation. If the
1919 contribution is not made within such time period, the allocation
1920 shall be cancelled and returned to the department for
1921 reallocation. Upon final documentation of the contributions, if
1922 the actual dollar amount of the contributions is lower than the



1923 amount estimated, the department shall adjust the tax credit
1924 allowed under this section.

1925 (14) This section shall be repealed from and after January
1926 1, 2025.

1927 **SECTION 28.** Section 27-7-22.40, Mississippi Code of 1972, is
1928 brought forward as follows:

1929 27-7-22.40. (1) The following words and phrases shall have
1930 the meanings ascribed in this section unless the context clearly
1931 indicates:

1932 (a) "Water transportation enterprise" means an
1933 enterprise or establishment primarily engaged in providing inland
1934 water transportation of cargo on lakes, rivers and/or intracoastal
1935 waterways, except on the Great Lakes System.

1936 (b) "Mississippi full-time job" means a job created in
1937 the State of Mississippi on or after January 1, 2019, and filled
1938 by a Mississippi resident who works at least thirty-five (35)
1939 hours per week.

1940 (2) Subject to the provisions of this section, any water
1941 transportation enterprise is allowed a job tax credit for taxes
1942 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
1943 annually for each Mississippi full-time job created for a period
1944 of five (5) years from the date the credit commences. A water
1945 transportation enterprise may not claim a tax credit for the
1946 reemployment of a person whose employment with the enterprise is
1947 terminated by the enterprise if the reemployment by the enterprise



1948 occurs within twelve (12) months from the date of the termination.
1949 The credit shall commence on the date selected by the enterprise.
1950 For the year in which the commencement date occurs, the credit
1951 will be determined based on the monthly average number of
1952 full-time employees employed by the water transportation
1953 enterprise in Mississippi full-time jobs subject to the
1954 Mississippi income tax withholding. For each year thereafter, the
1955 number of Mississippi full-time jobs shall be determined by
1956 comparing the monthly average number of full-time employees
1957 employed at the water transportation enterprise in Mississippi
1958 full-time jobs subject to the Mississippi income tax withholding
1959 for the taxable year with the corresponding period of the prior
1960 taxable year. The Department of Revenue shall adjust the credit
1961 allowed each year for employment fluctuations.

1962 (3) The credit that may be used each year shall be limited
1963 to an amount not greater than the total state income tax liability
1964 of the water transportation enterprise. Any tax credit claimed
1965 under this section but not used in any taxable year may be carried
1966 forward for five (5) consecutive years from the close of the tax
1967 year in which the credits were earned.

1968 (4) The sale, merger, acquisition, reorganization,
1969 bankruptcy or relocation from one (1) county to another county
1970 within the state of any water transportation enterprise may not
1971 create new eligibility in any succeeding business entity, but any
1972 unused job tax credit may be transferred and continued by any



1973 transferee of the water transportation enterprise. The Department
1974 of Revenue shall determine whether or not qualifying net increases
1975 or decreases have occurred or proper transfers of credit have been
1976 made and may require reports, promulgate regulations, and hold
1977 hearings as needed for substantiation and qualification.

1978 (5) The credits allowed under this section shall not be used
1979 by any business enterprise or corporation other than the water
1980 transportation enterprise actually qualifying for the credits.

1981 (6) The maximum aggregate amount of tax credits that may be
1982 claimed by all taxpayers claiming a credit under this section in a
1983 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

1984 (7) Any water transportation enterprise that is eligible for
1985 the credit authorized in this section before January 1, 2026,
1986 shall be eligible for the credit authorized in this section,
1987 notwithstanding the repeal of this section, and shall be allowed
1988 to carry forward the credit after January 1, 2026, as provided
1989 for in subsection (3) of this section.

1990 (8) This section shall be repealed from and after January 1,
1991 2026.

1992 **SECTION 29.** Section 27-7-22.41, Mississippi Code of 1972, is
1993 brought forward as follows:

1994 27-7-22.41. (1) For the purposes of this section, the
1995 following words and phrases shall have the meanings ascribed in
1996 this section unless the context clearly indicates otherwise:

1997 (a) "Department" means the Department of Revenue.



1998 (b) "Eligible charitable organization" means an
1999 organization that is exempt from federal income taxation under
2000 Section 501(c) (3) of the Internal Revenue Code and is:

2001 (i) Licensed by or under contract with the
2002 Mississippi Department of Child Protection Services and provides
2003 services for:

2004 1. The prevention and diversion of children
2005 from custody with the Department of Child Protection Services,

2006 2. The safety, care and well-being of
2007 children in custody with the Department of Child Protection
2008 Services, or

2009 3. The express purpose of creating permanency
2010 for children through adoption; or

2011 (ii) Certified by the department as an educational
2012 services charitable organization that is accredited by a regional
2013 accrediting organization and provides services to:

2014 1. Children in a foster care placement
2015 program established by the Department of Child Protection
2016 Services, children placed under the Safe Families for Children
2017 model, or children at significant risk of entering a foster care
2018 placement program established by the Department of Child
2019 Protection Services,

2020 2. Children who have a chronic illness or
2021 physical, intellectual, developmental or emotional disability, or



2022 3. Children eligible for free or reduced
2023 price meals programs under Section 37-11-7, or selected for
2024 participation in the Promise Neighborhoods Program sponsored by
2025 the U.S. Department of Education.

2026 (2) (a) The tax credit authorized in this section shall be
2027 available only to a taxpayer who is a business enterprise engaged
2028 in commercial, industrial or professional activities and operating
2029 as a corporation, limited liability company, partnership or sole
2030 proprietorship. Except as otherwise provided in this section, a
2031 credit is allowed against the taxes imposed by Sections 27-7-5,
2032 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2033 contributions made by a taxpayer during the taxable year to an
2034 eligible charitable organization. From and after January 1, 2022,
2035 for a taxpayer that is not operating as a corporation, a credit is
2036 also allowed against ad valorem taxes assessed and levied on real
2037 property for voluntary cash contributions made by the taxpayer
2038 during the taxable year to an eligible charitable organization.
2039 The amount of credit that may be utilized by a taxpayer in a
2040 taxable year shall be limited to (i) an amount not to exceed fifty
2041 percent (50%) of the total tax liability of the taxpayer for the
2042 taxes imposed by such sections of law and (ii) an amount not to
2043 exceed fifty percent (50%) of the total tax liability of the
2044 taxpayer for ad valorem taxes assessed and levied on real
2045 property. Any tax credit claimed under this section but not used
2046 in any taxable year may be carried forward for five (5)



2047 consecutive years from the close of the tax year in which the
2048 credits were earned.

2049 (b) A contribution to an eligible charitable
2050 organization for which a credit is claimed under this section does
2051 not qualify for and shall not be included in any credit that may
2052 be claimed under Section 27-7-22.39.

2053 (c) A contribution for which a credit is claimed under
2054 this section may not be used as a deduction by the taxpayer for
2055 state income tax purposes.

2056 (3) Taxpayers taking a credit authorized by this section
2057 shall provide the name of the eligible charitable organization and
2058 the amount of the contribution to the department on forms provided
2059 by the department.

2060 (4) An eligible charitable organization shall provide the
2061 department with a written certification that it meets all criteria
2062 to be considered an eligible charitable organization. An eligible
2063 charitable organization must also provide the department with
2064 written documented proof of its license and/or written contract
2065 with the Mississippi Department of Child Protection Services. The
2066 organization shall also notify the department of any changes that
2067 may affect eligibility under this section.

2068 (5) The eligible charitable organization's written
2069 certification must be signed by an officer of the organization
2070 under penalty of perjury. The written certification shall include
2071 the following:



2072 (a) Verification of the organization's status under
2073 Section 501(c)(3) of the Internal Revenue Code;

2074 (b) A statement that the organization does not provide,
2075 pay for or provide coverage of abortions and does not financially
2076 support any other entity that provides, pays for or provides
2077 coverage of abortions;

2078 (c) A statement that the funds generated from the tax
2079 credit shall be used for educational resources, staff and
2080 expenditures and/or other purposes described in this section.

2081 (d) Any other information that the department requires
2082 to administer this section.

2083 (6) The department shall review each written certification
2084 and determine whether the organization meets all the criteria to
2085 be considered an eligible charitable organization and notify the
2086 organization of its determination. The department may also
2087 periodically request recertification from the organization. The
2088 department shall compile and make available to the public a list
2089 of eligible charitable organizations.

2090 (7) Tax credits authorized by this section that are earned
2091 by a partnership, limited liability company, S corporation or
2092 other similar pass-through entity, shall be allocated among all
2093 partners, members or shareholders, respectively, either in
2094 proportion to their ownership interest in such entity or as the
2095 partners, members or shareholders mutually agree as provided in an
2096 executed document.



2097 (8) (a) A taxpayer shall apply for credits with the
2098 department on forms prescribed by the department. In the
2099 application the taxpayer shall certify to the department the
2100 dollar amount of the contributions made or to be made during the
2101 calendar year. Within thirty (30) days after the receipt of an
2102 application, the department shall allocate credits based on the
2103 dollar amount of contributions as certified in the application.
2104 However, if the department cannot allocate the full amount of
2105 credits certified in the application due to the limit on the
2106 aggregate amount of credits that may be awarded under this section
2107 in a calendar year, the department shall so notify the applicant
2108 within thirty (30) days with the amount of credits, if any, that
2109 may be allocated to the applicant in the calendar year. Once the
2110 department has allocated credits to a taxpayer, if the
2111 contribution for which a credit is allocated has not been made as
2112 of the date of the allocation, then the contribution must be made
2113 not later than sixty (60) days from the date of the allocation.
2114 If the contribution is not made within such time period, the
2115 allocation shall be cancelled and returned to the department for
2116 reallocation. Upon final documentation of the contributions, if
2117 the actual dollar amount of the contributions is lower than the
2118 amount estimated, the department shall adjust the tax credit
2119 allowed under this section.

2120 (b) A taxpayer who applied for a tax credit under this
2121 section during calendar year 2020, but who was unable to be



2122 awarded the credit due to the limit on the aggregate amount of
2123 credits authorized for calendar year 2020, shall be given priority
2124 for tax credits authorized to be allocated to taxpayers under this
2125 section by Section 27-7-22.39.

2126 (c) For the purposes of using a tax credit against ad
2127 valorem taxes assessed and levied on real property, a taxpayer
2128 shall present to the appropriate tax collector the tax credit
2129 documentation provided to the taxpayer by the Department of
2130 Revenue, and the tax collector shall apply the tax credit against
2131 such ad valorem taxes. The tax collector shall forward the tax
2132 credit documentation to the Department of Revenue along with the
2133 amount of the tax credit applied against ad valorem taxes, and the
2134 department shall disburse funds to the tax collector for the
2135 amount of the tax credit applied against ad valorem taxes. Such
2136 payments by the Department of Revenue shall be made from current
2137 tax collections.

2138 (9) The aggregate amount of tax credits that may be
2139 allocated by the department under this section during a calendar
2140 year shall not exceed Five Million Dollars (\$5,000,000.00), and
2141 not more than fifty percent (50%) of tax credits allocated during
2142 a calendar year may be allocated for contributions to eligible
2143 charitable organizations described in subsection (1)(b)(ii) of
2144 this section. However, for calendar year 2021, the aggregate
2145 amount of tax credits that may be allocated by the department
2146 under this section during a calendar year shall not exceed Ten



2147 Million Dollars (\$10,000,000.00), for calendar year 2022, the
2148 aggregate amount of tax credits that may be allocated by the
2149 department under this section during a calendar year shall not
2150 exceed Sixteen Million Dollars (\$16,000,000.00), and for calendar
2151 year 2023, and for each calendar year thereafter, the aggregate
2152 amount of tax credits that may be allocated by the department
2153 under this section during a calendar year shall not exceed
2154 Eighteen Million Dollars (\$18,000,000.00). For calendar year
2155 2021, and for each calendar year thereafter, fifty percent (50%)
2156 of the tax credits allocated during a calendar year shall be
2157 allocated for contributions to eligible charitable organizations
2158 described in subsection (1)(b)(i) of this section and fifty
2159 percent (50%) of the tax credits allocated during a calendar year
2160 shall be allocated for contributions to eligible charitable
2161 organizations described in subsection (1)(b)(ii) of this section.
2162 For calendar year 2021, and for each calendar year thereafter, for
2163 credits allocated during a calendar year for contributions to
2164 eligible charitable organizations described in subsection
2165 (1)(b)(i) of this section, no more than twenty-five percent (25%)
2166 of such credits may be allocated for contributions to a single
2167 eligible charitable organization. Except as otherwise provided in
2168 this section, for calendar year 2021, and for each calendar year
2169 thereafter, for credits allocated during a calendar year for
2170 contributions to eligible charitable organizations described in
2171 subsection (1)(b)(ii) of this section, no more than four and



2172 one-half percent (4-1/2%) of such credits may be allocated for
2173 contributions to a single eligible charitable organization.

2174 **SECTION 30.** Section 27-7-22.42, Mississippi Code of 1972, is
2175 brought forward as follows:

2176 27-7-22.42. (1) The following words and phrases shall have
2177 the meanings as defined in this section unless the context clearly
2178 indicates otherwise:

2179 (a) "Eligible taxpayer" means any railroad that is
2180 classified by the United States Surface Transportation Board as a
2181 Class II or Class III railroad.

2182 (b) "Eligible transferee" means any taxpayer having a
2183 liability for taxes under this chapter.

2184 (c) "Qualified railroad reconstruction or replacement
2185 expenditures" means gross expenditures for maintenance,
2186 reconstruction or replacement of railroad infrastructure,
2187 including track, roadbed, bridges, industrial leads and sidings,
2188 and track-related structures owned or leased by a Class II or
2189 Class III railroad in Mississippi as of January 1, 2022.

2190 (d) "Qualified new rail infrastructure expenditures"
2191 means gross expenditures for new construction of industrial leads,
2192 switches, spurs and sidings and extensions of existing sidings,
2193 for serving new customer locations or expansions in Mississippi,
2194 by a Class II or Class III railroad located in Mississippi.

2195 (2) Subject to the provisions of this section, an eligible
2196 taxpayer making qualified railroad reconstruction or replacement



2197 expenditures shall be allowed a credit against the taxes imposed
2198 under this chapter. The credit shall be for an amount equal to
2199 the lesser of fifty percent (50%) of an eligible taxpayer's
2200 qualified railroad reconstruction or replacement expenditures for
2201 the taxable year or the product of Five Thousand Dollars
2202 (\$5,000.00) multiplied by the number of miles of railroad track
2203 owned or leased within the State of Mississippi by the eligible
2204 taxpayer as of the close of the taxable year. For qualified new
2205 rail infrastructure expenditures, the credit shall be for an
2206 amount equal to the lesser of fifty percent (50%) of an eligible
2207 taxpayer's qualified new rail infrastructure expenditures for the
2208 taxable year, capped at One Million Dollars (\$1,000,000.00) per
2209 new rail-served customer project. However, the tax credit shall
2210 not exceed the amount of tax imposed upon the taxpayer for the
2211 taxable year reduced by the sum of all other credits allowable to
2212 the taxpayer under this chapter, except credit for tax payments
2213 made by or on behalf of the taxpayer. Any tax credit claimed
2214 under this section but not used in any taxable year may be carried
2215 forward for five (5) consecutive years from the close of the
2216 taxable year in which the credit was earned. The aggregate amount
2217 of credits that may be claimed by all taxpayers claiming a credit
2218 under this section during a calendar year shall not exceed Eight
2219 Million Dollars (\$8,000,000.00). In addition, an eligible
2220 taxpayer may transfer by written agreement any unused tax credit
2221 to an eligible transferee at any time during the year in which the



2222 credit is earned and the five (5) years following the taxable year
2223 in which the qualified railroad reconstruction or replacement
2224 expenditures or the qualified new rail infrastructure expenditures
2225 are made. The eligible taxpayer and the eligible transferee must
2226 jointly file a copy of the written transfer agreement with the
2227 Department of Revenue within thirty (30) days of the transfer.
2228 The written agreement must contain the: (a) name, address, and
2229 taxpayer identification number of the parties to the transfer; (b)
2230 taxable year the eligible taxpayer incurred the qualified railroad
2231 reconstruction or replacement expenditures or the qualified new
2232 rail infrastructure expenditures; (c) amount of credit being
2233 transferred; and (d) taxable year or years for which the credit
2234 may be claimed by the eligible transferee.

2235 This section shall stand repealed on January 1, 2024.

2236 **SECTION 31.** Section 27-7-22.43, Mississippi Code of 1972, is
2237 brought forward as follows:

2238 27-7-22.43. (1) This section shall be known and may be
2239 cited as the "Pregnancy Resource Act."

2240 (2) For the purposes of this section, the following words
2241 and phrases shall have the meanings ascribed in this section
2242 unless the context clearly indicates otherwise:

2243 (a) "Department" means the Department of Revenue.

2244 (b) "Eligible charitable organization" means an
2245 organization that is exempt from federal income taxation under
2246 Section 501(c)(3) of the Internal Revenue Code and is a pregnancy



2247 resource center or crisis pregnancy center. To be considered an
2248 "eligible charitable organization" a pregnancy resource center or
2249 crisis pregnancy center must meet the following criteria:

2250 (i) Certify that no more than twenty percent (20%)
2251 of the contributions received under this section will be spent on
2252 administrative purposes;

2253 (ii) File annually with the Secretary of State the
2254 organization's publicly available Internal Revenue Service
2255 filings.

2256 (3) (a) The tax credit authorized in this section shall be
2257 available only to a taxpayer who is a business enterprise engaged
2258 in commercial, industrial or professional activities and operating
2259 as a corporation, limited liability company, partnership or sole
2260 proprietorship. Except as otherwise provided in this section, a
2261 credit is allowed against the taxes imposed by Sections 27-7-5,
2262 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2263 contributions made by a taxpayer during the taxable year to an
2264 eligible charitable organization. For calendar year 2022, for a
2265 taxpayer that is not operating as a corporation, a credit is also
2266 allowed against ad valorem taxes assessed and levied on real
2267 property for voluntary cash contributions made by the taxpayer
2268 during the taxable year to an eligible charitable organization.
2269 From and after January 1, 2023, a credit is also allowed against
2270 ad valorem taxes assessed and levied on real property for
2271 voluntary cash contributions made by a taxpayer during the taxable



2272 year to an eligible charitable organization. The amount of credit
2273 that may be utilized by a taxpayer in a taxable year shall be
2274 limited to (i) an amount not to exceed fifty percent (50%) of the
2275 total tax liability of the taxpayer for the taxes imposed by such
2276 sections of law and (ii) an amount not to exceed fifty percent
2277 (50%) of the total tax liability of the taxpayer for ad valorem
2278 taxes assessed and levied on real property. Any tax credit
2279 claimed under this section but not used in any taxable year may be
2280 carried forward for five (5) consecutive years from the close of
2281 the tax year in which the credits were earned.

2282 (b) A contribution for which a credit is claimed under
2283 this section may not be used as a deduction by the taxpayer for
2284 state income tax purposes.

2285 (4) Taxpayers taking a credit authorized by this section
2286 shall provide the name of the eligible charitable organization and
2287 the amount of the contribution to the department on forms provided
2288 by the department.

2289 (5) An eligible charitable organization shall provide the
2290 department with a written certification that it meets all criteria
2291 to be considered an eligible charitable organization. The
2292 organization shall also notify the department of any changes that
2293 may affect eligibility under this section.

2294 (6) The eligible charitable organization's written
2295 certification must be signed by an officer of the organization



2296 under penalty of perjury. The written certification shall include
2297 the following:

2298 (a) Verification of the organization's status under
2299 Section 501(c) (3) of the Internal Revenue Code;

2300 (b) A statement that the organization does not provide,
2301 pay for or provide coverage of abortions and does not financially
2302 support any other entity that provides, pays for or provides
2303 coverage of abortions;

2304 (c) Any other information that the department requires
2305 to administer this section.

2306 (7) The department shall review each written certification
2307 and determine whether the organization meets all the criteria to
2308 be considered an eligible charitable organization and notify the
2309 organization of its determination. The department may also
2310 periodically request recertification from the organization. The
2311 department shall compile and make available to the public a list
2312 of eligible charitable organizations.

2313 (8) Tax credits authorized by this section that are earned
2314 by a partnership, limited liability company, S corporation or
2315 other similar pass-through entity, shall be allocated among all
2316 partners, members or shareholders, respectively, either in
2317 proportion to their ownership interest in such entity or as the
2318 partners, members or shareholders mutually agree as provided in an
2319 executed document.



2320 (9) (a) A taxpayer shall apply for credits with the
2321 department on forms prescribed by the department. In the
2322 application the taxpayer shall certify to the department the
2323 dollar amount of the contributions made or to be made during the
2324 calendar year. Within thirty (30) days after the receipt of an
2325 application, the department shall allocate credits based on the
2326 dollar amount of contributions as certified in the application.
2327 However, if the department cannot allocate the full amount of
2328 credits certified in the application due to the limit on the
2329 aggregate amount of credits that may be awarded under this section
2330 in a calendar year, the department shall so notify the applicant
2331 within thirty (30) days with the amount of credits, if any, that
2332 may be allocated to the applicant in the calendar year. Once the
2333 department has allocated credits to a taxpayer, if the
2334 contribution for which a credit is allocated has not been made as
2335 of the date of the allocation, then the contribution must be made
2336 not later than sixty (60) days from the date of the allocation.
2337 If the contribution is not made within such time period, the
2338 allocation shall be cancelled and returned to the department for
2339 reallocation. Upon final documentation of the contributions, if
2340 the actual dollar amount of the contributions is lower than the
2341 amount estimated, the department shall adjust the tax credit
2342 allowed under this section.

2343 (b) For the purposes of using a tax credit against ad
2344 valorem taxes assessed and levied on real property, a taxpayer



2345 shall present to the appropriate tax collector the tax credit
2346 documentation provided to the taxpayer by the Department of
2347 Revenue, and the tax collector shall apply the tax credit against
2348 such ad valorem taxes. The tax collector shall forward the tax
2349 credit documentation to the Department of Revenue along with the
2350 amount of the tax credit applied against ad valorem taxes, and the
2351 department shall disburse funds to the tax collector for the
2352 amount of the tax credit applied against ad valorem taxes. Such
2353 payments by the Department of Revenue shall be made from current
2354 tax collections.

2355 (10) The aggregate amount of tax credits that may be
2356 allocated by the department under this section during a calendar
2357 year shall not exceed Three Million Five Hundred Thousand Dollars
2358 (\$3,500,000.00). However, for calendar year 2023, and for each
2359 calendar year thereafter, the aggregate amount of tax credits that
2360 may be allocated by the department under this section during a
2361 calendar year shall not exceed Ten Million Dollars
2362 (\$10,000,000.00). For credits allocated during a calendar year
2363 for contributions to eligible charitable organizations, no more
2364 than twenty-five percent (25%) of such credits may be allocated
2365 for contributions to a single eligible charitable organization;
2366 however, credits not allocated before June 1, may be allocated
2367 without regard to such restriction for the same calendar year.

2368 **SECTION 32.** Section 27-7-22.44, Mississippi Code of 1972, is
2369 brought forward as follows:



2370 27-7-22.44. (1) As used in this section, the following
2371 words shall have the meanings ascribed herein unless the context
2372 clearly requires otherwise:

2373 (a) "Blood donation" means the voluntary and
2374 uncompensated donation of whole blood, or specific components of
2375 blood, by an employee, drawn for use by a nonprofit blood bank
2376 organization as part of a blood drive.

2377 (b) "Blood drive" means a function held at a specific
2378 date and time which is organized by a nonprofit blood bank
2379 organization in coordination with an employer or group of
2380 employers and is closed to nonemployees.

2381 (c) "Employee" means an individual employed by an
2382 employer authorized to claim a tax credit under this section.

2383 (d) "Employer" means a sole proprietor, general
2384 partnership, limited partnership, limited liability company,
2385 corporation or other legally recognized business entity.

2386 (e) "Verified donation" means a blood donation by an
2387 employee, made during a blood drive, which can be documented by an
2388 employer.

2389 (2) Subject to the provisions of this section, for calendar
2390 year 2022 and for calendar year 2023, a taxpayer that is an
2391 employer shall be allowed a credit against the taxes imposed under
2392 this chapter for each verified blood donation made by an employee
2393 as part of a blood drive. The credit shall be for an amount equal
2394 to Twenty Dollars (\$20.00) for each verified donation. However,



2395 the tax credit shall not exceed the amount of tax imposed upon the
2396 taxpayer for the taxable year reduced by the sum of all other
2397 credits allowable to the taxpayer under this chapter, except
2398 credit for tax payments made by or on behalf of the taxpayer. The
2399 maximum aggregate amount of tax credits that may be claimed by all
2400 taxpayers claiming a credit under this section in a taxable year
2401 shall not exceed One Hundred Thousand Dollars (\$100,000.00). The
2402 department shall annually calculate and publish a percentage by
2403 which the tax credit authorized by this section shall be reduced
2404 so the maximum aggregate amount of tax credits claimed by all
2405 taxpayers claiming a credit in a taxable year does not exceed One
2406 Hundred Thousand Dollars (\$100,000.00).

2407 **SECTION 33.** Section 27-7-22.45, Mississippi Code of 1972, is
2408 brought forward as follows:

2409 27-7-22.45. (1) As used in this section,

2410 (a) "Affiliated enterprise" or an "affiliate" shall
2411 have the meaning ascribed to such term in Section 57-75-5(k)(ii);

2412 (b) "Authority" shall have the meaning ascribed to such
2413 term in Section 57-75-5(b);

2414 (c) "Project" shall have the meaning ascribed to such
2415 term in Section 57-75-5(f)(xxxi); and

2416 (d) "Qualified business or industry" shall mean any
2417 company that has been certified by the Major Economic Impact
2418 Authority as a project as defined in Section 57-75-5(f)(xxxi), or
2419 any other company which becomes subject to the tax levied by this



2420 chapter because it is an affiliate of the company that has been
2421 certified by the Major Economic Impact Authority as a project as
2422 defined in Section 57-75-5(f) (xxxi).

2423 (2) Each qualified business or industry shall be allowed an
2424 annual credit, for a period of fifteen (15) successive years,
2425 against the tax imposed by this chapter upon such qualified
2426 business or industry in each such year, in an annual amount equal
2427 to the amount of the qualified business's or industry's tax
2428 imposed by this chapter for each such year during the fifteen (15)
2429 year period on income derived thereby from any project, as defined
2430 by Section 57-75-5(f) (xxxi).

2431 (3) The tax credit authorized by this section may be
2432 utilized by any qualified business or industry and by any
2433 affiliates thereof that file a combined tax return for the tax
2434 imposed by this chapter. The credit shall not apply to offset tax
2435 on income derived from activities subject to Mississippi income
2436 tax prior to certification of the project.

2437 (4) A qualified business or industry may elect the date upon
2438 which the fifteen (15) year period will begin; however, the date
2439 may not be later than twenty-four (24) months after the date the
2440 qualified business or industry begins commercial production of the
2441 project or such earlier date prescribed by a definitive written
2442 agreement between the authority and the qualified business or
2443 industry and/or an affiliate thereof.



2444 (5) In the event that the annual number of full-time jobs
2445 maintained or caused to be maintained by the qualified business or
2446 industry and/or any affiliate thereof falls below the minimum
2447 annual number of full-time jobs required by the authority pursuant
2448 to a written agreement between the authority and the qualified
2449 business or industry and/or any affiliate thereof for one or more
2450 years, the annual tax credit granted by this section may be
2451 reduced or suspended by the authority until the first tax year
2452 during which the annual number of full-time jobs maintained or
2453 caused to be maintained by the qualified business or industry
2454 and/or any affiliate thereof reaches the minimum annual number of
2455 full-time jobs required by the authority pursuant to a written
2456 agreement between the authority and the qualified business or
2457 industry and/or any affiliate thereof.

2458 (6) A qualified business or industry that utilizes the
2459 annual tax credits authorized by this section shall not be
2460 eligible for the credits authorized in Sections 57-73-21 through
2461 57-73-29.

2462 (7) A qualified business or industry shall be entitled to
2463 utilize a single sales apportionment factor in the calculation of
2464 its liability for income tax imposed by this chapter for any year
2465 for which it files a Mississippi income tax return. The qualified
2466 business or industry shall be entitled to continue to utilize such
2467 single sales apportionment factor notwithstanding a suspension of
2468 the income tax credit pursuant to subsection (5) of this section.



2469 In no event shall a qualified business or industry be entitled to
2470 utilize a single sales apportionment factor for purposes of
2471 calculating its liability for income tax imposed by this chapter
2472 on any income derived from any operations or activities thereof
2473 subject to tax liability imposed by this chapter prior to January
2474 1, 2023, except to the extent that the qualified business or
2475 industry is entitled to utilize a single sales apportionment
2476 factor in the calculation of its liability for income tax on
2477 income derived from any operations or activities thereof subject
2478 to tax liability imposed by this chapter prior to January 1, 2023,
2479 pursuant to any other section of law or regulation duly adopted by
2480 the department.

2481 (8) The Mississippi Development Authority may promulgate
2482 rules and regulations necessary to administer the provisions of
2483 this section.

2484 **SECTION 34.** Section 27-7-22.46, Mississippi Code of 1972, is
2485 brought forward as follows:

2486 27-7-22.46. (1) For the purposes of this section, the
2487 following words and phrases shall have the meanings ascribed in
2488 this section unless the context clearly indicates otherwise:

2489 (a) "Department" means the Department of Revenue.

2490 (b) "Eligible charitable organization" means an
2491 organization that is exempt from federal income taxation under
2492 Section 501(c)(3) of the Internal Revenue Code and is purchasing,
2493 warehousing and delivering food directly to food pantries or soup



2494 kitchens in more than five (5) Mississippi counties on a monthly
2495 basis.

2496 (2) (a) The tax credit authorized in this section shall be
2497 available only to a taxpayer that is a business enterprise engaged
2498 in commercial, industrial or professional activities and operating
2499 as a corporation, limited liability company, partnership or sole
2500 proprietorship. Except as otherwise provided in this section, a
2501 credit is allowed against the taxes imposed by Sections 27-7-5,
2502 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
2503 contributions made by a taxpayer during the taxable year to an
2504 eligible charitable organization. A credit is also allowed
2505 against ad valorem taxes assessed and levied on real property for
2506 voluntary cash contributions made by the taxpayer during the
2507 taxable year to an eligible charitable organization. The amount
2508 of credit that may be utilized by a taxpayer in a taxable year
2509 shall be limited to (i) an amount not to exceed fifty percent
2510 (50%) of the total tax liability of the taxpayer for the taxes
2511 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
2512 and (ii) an amount not to exceed fifty percent (50%) of the total
2513 tax liability of the taxpayer for ad valorem taxes assessed and
2514 levied on real property. Any credit claimed under this section
2515 but not used in the tax year in which it was earned may be carried
2516 forward for five (5) consecutive years from the close of the tax
2517 year in which it was earned.



2518 (b) A contribution for which a credit is claimed under
2519 this section may not be used as a deduction by the taxpayer for
2520 state income tax purposes.

2521 (3) A taxpayer taking a credit authorized by this section
2522 shall provide the name of the eligible charitable organization and
2523 the amount of the contribution to the department on forms provided
2524 by the department.

2525 (4) To be considered an eligible charitable organization
2526 under this section, an organization shall provide the department
2527 with a written certification that it meets all criteria. The
2528 organization shall also notify the department of any changes that
2529 may affect eligibility under this section.

2530 (5) The eligible charitable organization's written
2531 certification must be signed by an officer of the organization
2532 under penalty of perjury. The written certification shall include
2533 the following:

2534 (a) Verification of the organization's status under
2535 Section 501(c) (3) of the Internal Revenue Code;

2536 (b) A statement that the organization will use the
2537 contribution only for the purchasing of food and will deliver the
2538 food to food pantries and soup kitchens in the state; and

2539 (c) Any other information that the department requires
2540 in order to administer this section.

2541 (6) The department shall review each written certification
2542 and determine whether the organization meets all the criteria to



2543 be considered an eligible charitable organization and shall notify
2544 the organization of its determination. The department may also
2545 periodically request recertification from the organization. The
2546 department shall compile and make available to the public a list
2547 of eligible charitable organizations.

2548 (7) Tax credits authorized by this section that are earned
2549 by a partnership, limited liability company, S corporation or
2550 other similar pass-through entity, shall be allocated among all
2551 partners, members or shareholders, respectively, either in
2552 proportion to their ownership interest in such entity or as the
2553 partners, members or shareholders mutually agree as provided in an
2554 executed document.

2555 (8) (a) A taxpayer shall apply for credits with the
2556 department on forms prescribed by the department. In the
2557 application, the taxpayer shall certify to the department the
2558 dollar amount of the contributions made or to be made during the
2559 calendar year. Within thirty (30) days after the receipt of an
2560 application, the department shall allocate credits based on the
2561 dollar amount of contributions as certified in the application.
2562 However, if the department cannot allocate the full amount of
2563 credits certified in the application due to the limit on the
2564 aggregate amount of credits that may be awarded under this section
2565 in a calendar year, the department shall so notify the applicant
2566 within thirty (30) days with the amount of credits, if any, that
2567 may be allocated to the applicant in the calendar year. Once the



2568 department has allocated credits to a taxpayer, if the
2569 contribution for which a credit is allocated has not been made as
2570 of the date of the allocation, then the contribution must be made
2571 not later than sixty (60) days from the date of the allocation.
2572 If the contribution is not made within such time period, the
2573 allocation shall be cancelled and returned to the department for
2574 reallocation. Upon final documentation of the contribution, if
2575 the actual dollar amount of the contribution is lower than the
2576 amount estimated, the department shall adjust the tax credit
2577 allowed under this section.

2578 (b) For the purposes of using a tax credit against ad
2579 valorem taxes assessed and levied on real property, a taxpayer
2580 shall present to the appropriate tax collector the tax credit
2581 documentation provided to the taxpayer by the department, and the
2582 tax collector shall apply the tax credit against such ad valorem
2583 taxes. The tax collector shall forward the tax credit
2584 documentation to the department along with the amount of the tax
2585 credit applied against ad valorem taxes, and the department shall
2586 disburse funds to the tax collector for the amount of the tax
2587 credit applied against ad valorem taxes. Such payments by the
2588 department shall be made from current tax collections.

2589 (9) The aggregate amount of tax credits that may be
2590 allocated by the department under this section during a calendar
2591 year shall not exceed One Million Dollars (\$1,000,000.00).



2592 **SECTION 35.** Section 27-7-22.47, Mississippi Code of 1972, is
2593 brought forward as follows:

2594 27-7-22.47. (1) For the purposes of this section, the
2595 following words and phrases shall have the meanings ascribed in
2596 this section unless the context clearly indicates otherwise:

2597 (a) "Department" means the Department of Revenue.

2598 (b) "Eligible transitional home organization" means an
2599 organization that is exempt from federal income taxation under
2600 Section 501(c)(3) of the Internal Revenue Code that provides
2601 transitional housing for homeless persons age twenty-five (25) and
2602 under, homeless families and/or homeless and/or referred unwed
2603 pregnant women.

2604 "Eligible transitional home organization" does not include
2605 any entity that provides, pays for or provides coverage of
2606 abortions or that financially supports any other entity that
2607 provides, pays for or provides coverage of abortions.

2608 "Eligible transitional home organization" does not include
2609 any entity that charges a fee for the services and/or benefits it
2610 provides as an eligible transitional home organization. The
2611 prohibition against charging a fee for services and/or benefits is
2612 limited to services and benefits the entity provides as an
2613 eligible transitional home organization and does not apply to any
2614 other services and/or benefits the entity may provide to persons
2615 not being served by the entity's transitional home services.



2616 (c) "Transitional housing" means temporary housing the
2617 purpose of which is to provide homeless persons age twenty-five
2618 (25) and under, homeless families and/or homeless and/or referred
2619 unwed pregnant women with temporary shelter and facilitate their
2620 movement to permanent housing within an amount of time that the
2621 eligible transitional home organization determines to be
2622 appropriate.

2623 "Transitional housing" includes a program designed by the
2624 eligible transitional home organization that offers structure,
2625 supervision, support, life skills, education and training as the
2626 eligible transitional home organization determines to be
2627 appropriate for each individual and/or family to achieve and/or
2628 maintain independence.

2629 (2) (a) (i) The tax credit authorized in this subsection
2630 shall be available only to a taxpayer who is a business enterprise
2631 engaged in commercial, industrial or professional activities and
2632 operating as a corporation, limited liability company, partnership
2633 or sole proprietorship. Except as otherwise provided in this
2634 subsection, a credit is allowed against the taxes imposed by
2635 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2636 cash contributions made by a taxpayer during the taxable year to
2637 an eligible transitional home organization. A credit is also
2638 allowed against ad valorem taxes assessed and levied on real
2639 property for voluntary cash contributions made by the taxpayer
2640 during the taxable year to an eligible transitional home



2641 organization. The amount of credit that may be utilized by a
2642 taxpayer in a taxable year shall be limited to an amount not to
2643 exceed fifty percent (50%) of the total tax liability of the
2644 taxpayer for the taxes imposed by such sections of law and an
2645 amount not to exceed fifty percent (50%) of the total tax
2646 liability of the taxpayer for ad valorem taxes assessed and levied
2647 on real property. Any tax credit claimed under this subsection
2648 but not used in any taxable year may be carried forward for five
2649 (5) consecutive years from the close of the tax year in which the
2650 credits were earned.

2651 (ii) A contribution to an eligible transitional
2652 home organization for which a credit is claimed under this
2653 subsection does not qualify for and shall not be included in any
2654 credit that may be claimed under subsection (3) of this section.

2655 (iii) A contribution for which a credit is claimed
2656 under this subsection may not be used as a deduction by the
2657 taxpayer for state income tax purposes.

2658 (b) Taxpayers taking a credit authorized by this
2659 subsection shall provide the name of the eligible transitional
2660 home organization and the amount of the contribution to the
2661 department on forms provided by the department.

2662 (c) An eligible transitional home organization shall
2663 provide the department with a written certification that it meets
2664 all criteria to be considered an eligible transitional home



2665 organization. The organization shall also notify the department
2666 of any changes that may affect eligibility under this section.

2667 (d) The eligible transitional home organization's
2668 written certification must be signed by an officer of the
2669 organization under penalty of perjury. The written certification
2670 shall include the following:

2671 (i) Verification of the organization's status
2672 under Section 501(c)(3) of the Internal Revenue Code;

2673 (ii) Information about the facilities that
2674 demonstrate the applicant's ability to provide housing for
2675 homeless persons age twenty-five (25) and under, homeless
2676 families, and/or homeless and/or referred unwed pregnant women;

2677 (iii) Sufficient materials to document the program
2678 of the applicant that demonstrate that the applicant has and runs
2679 a program that offers structure, supervision, support, life
2680 skills, education and training as the eligible transitional home
2681 organization determines to be appropriate for each individual
2682 and/or family to achieve and/or maintain independence;

2683 (iv) A statement that the organization does not
2684 charge a fee for services or benefits provided in whole or in part
2685 by its transitional housing program; and

2686 (v) Any other information that the department
2687 requires to administer this section.

2688 (e) The department shall review each written
2689 certification and determine whether the organization meets all the



2690 criteria to be considered an eligible transitional home
2691 organization and notify the organization of its determination.
2692 The department may also periodically request recertification from
2693 the organization. The department shall compile and make available
2694 to the public a list of eligible transitional home organizations.

2695 (f) Tax credits authorized by this subsection that are
2696 earned by a partnership, limited liability company, S corporation
2697 or other similar pass-through entity, shall be allocated among all
2698 partners, members or shareholders, respectively, either in
2699 proportion to their ownership interest in such entity or as the
2700 partners, members or shareholders mutually agree as provided in an
2701 executed document.

2702 (g) (i) A taxpayer shall apply for credits with the
2703 department on forms prescribed by the department. In the
2704 application the taxpayer shall certify to the department the
2705 dollar amount of the contributions made or to be made during the
2706 calendar year. Within thirty (30) days after the receipt of an
2707 application, the department shall allocate credits based on the
2708 dollar amount of contributions as certified in the application.
2709 However, if the department cannot allocate the full amount of
2710 credits certified in the application due to the limit on the
2711 aggregate amount of credits that may be awarded under this
2712 subsection in a calendar year, the department shall so notify the
2713 applicant within thirty (30) days with the amount of credits, if
2714 any, that may be allocated to the applicant in the calendar year.



2715 Once the department has allocated credits to a taxpayer, if the
2716 contribution for which a credit is allocated has not been made as
2717 of the date of the allocation, then the contribution must be made
2718 not later than sixty (60) days from the date of the allocation.
2719 If the contribution is not made within such time period, the
2720 allocation shall be cancelled and returned to the department for
2721 reallocation. Upon final documentation of the contributions, if
2722 the actual dollar amount of the contributions is lower than the
2723 amount estimated, the department shall adjust the tax credit
2724 allowed under this subsection.

2725 (ii) For the purposes of using a tax credit
2726 against ad valorem taxes assessed and levied on real property, a
2727 taxpayer shall present to the appropriate tax collector the tax
2728 credit documentation provided to the taxpayer by the Department of
2729 Revenue, and the tax collector shall apply the tax credit against
2730 such ad valorem taxes. The tax collector shall forward the tax
2731 credit documentation to the Department of Revenue along with the
2732 amount of the tax credit applied against ad valorem taxes, and the
2733 department shall disburse funds to the tax collector for the
2734 amount of the tax credit applied against ad valorem taxes. Such
2735 payments by the Department of Revenue shall be made from current
2736 tax collections.

2737 (h) The aggregate amount of tax credits that may be
2738 allocated by the department under this subsection during a
2739 calendar year shall not exceed Ten Million Dollars



2740 (\$10,000,000.00). For credits allocated during a calendar year
2741 for contributions to eligible transitional home organizations, no
2742 more than twenty-five percent (25%) of such credits may be
2743 allocated for contributions to a single eligible transitional home
2744 organization.

2745 (3) (a) (i) Except as otherwise provided in this
2746 subsection, a credit is allowed against the taxes imposed by this
2747 chapter for voluntary cash contributions by an individual taxpayer
2748 during the taxable year to an eligible transitional home
2749 organization. A credit is also allowed against ad valorem taxes
2750 assessed and levied on real property for voluntary cash
2751 contributions made by an individual taxpayer during the taxable
2752 year to an eligible transitional home organization. The amount of
2753 credit that may be utilized by a taxpayer in a taxable year shall
2754 be limited to an amount not to exceed fifty percent (50%) of the
2755 total tax liability of the taxpayer for the taxes imposed by this
2756 chapter and an amount not to exceed fifty percent (50%) of the
2757 total tax liability of the taxpayer for ad valorem taxes assessed
2758 and levied on real property. Any tax credit claimed under this
2759 subsection but not used in any taxable year may be carried forward
2760 for five (5) consecutive years from the close of the tax year in
2761 which the credits were earned.

2762 (ii) A husband and wife who file separate returns
2763 for a taxable year in which they could have filed a joint return



2764 may each claim only one-half (1/2) of the tax credit that would
2765 have been allowed for a joint return.

2766 (iii) A contribution to an eligible transitional
2767 home organization for which a credit is claimed under this
2768 subsection does not qualify for and shall not be included in any
2769 credit that may be claimed under subsection (2) of this section.

2770 (iv) A contribution for which a credit is claimed
2771 under this subsection may not be used as a deduction by the
2772 taxpayer for state income tax purposes.

2773 (b) Taxpayers taking a credit authorized by this
2774 subsection shall provide the name of the eligible transitional
2775 home organization and the amount of the contribution to the
2776 department on forms provided by the department.

2777 (c) An eligible transitional home organization shall
2778 provide the department with a written certification that it meets
2779 all criteria to be considered an eligible transitional home
2780 organization. The organization shall also notify the department
2781 of any changes that may affect eligibility under this section.

2782 (d) The eligible transitional housing organization's
2783 written certification must be signed by an officer of the
2784 organization under penalty of perjury. The written certification
2785 shall include the following:

2786 (i) Verification of the organization's status
2787 under Section 501(c)(3) of the Internal Revenue Code;



2788 (ii) Information about the facilities that
2789 demonstrate the applicant's ability to provide housing for
2790 homeless persons age twenty-five (25) and under, homeless
2791 families, and/or homeless and/or referred unwed pregnant women;
2792 (iii) Sufficient materials to document the program
2793 of the applicant that demonstrate that the applicant has and runs
2794 a program that offers structure, supervision, support, life
2795 skills, education and training as the eligible transitional home
2796 organization determines to be appropriate for each individual
2797 and/or family to achieve and/or maintain independence;
2798 (iv) A statement that the organization does not
2799 charge a fee for services or benefits provided in whole or in part
2800 by its transitional housing program; and
2801 (v) Any other information that the department
2802 requires to administer this section.

2803 (e) The department shall review each written
2804 certification and determine whether the organization meets all the
2805 criteria to be considered an eligible transitional home
2806 organization and notify the organization of its determination.
2807 The department may also periodically request recertification from
2808 the organization. The department shall compile and make available
2809 to the public a list of eligible transitional home organizations.
2810 (f) (i) A taxpayer shall apply for credits with the
2811 department on forms prescribed by the department. In the
2812 application the taxpayer shall certify to the department the



2813 dollar amount of the contributions made or to be made during the
2814 calendar year. Within thirty (30) days after the receipt of an
2815 application, the department shall allocate credits based on the
2816 dollar amount of contributions as certified in the application.
2817 However, if the department cannot allocate the full amount of
2818 credits certified in the application due to the limit on the
2819 aggregate amount of credits that may be awarded under this
2820 subsection in a calendar year, the department shall so notify the
2821 applicant within thirty (30) days with the amount of credits, if
2822 any, that may be allocated to the applicant in the calendar year.
2823 Once the department has allocated credits to a taxpayer, if the
2824 contribution for which a credit is allocated has not been made as
2825 of the date of the allocation, then the contribution must be made
2826 not later than sixty (60) days from the date of the allocation.
2827 If the contribution is not made within such time period, the
2828 allocation shall be cancelled and returned to the department for
2829 reallocation. Upon final documentation of the contributions, if
2830 the actual dollar amount of the contributions is lower than the
2831 amount estimated, the department shall adjust the tax credit
2832 allowed under this subsection.

2833 (ii) For the purposes of using a tax credit
2834 against ad valorem taxes assessed and levied on real property, a
2835 taxpayer shall present to the appropriate tax collector the tax
2836 credit documentation provided to the taxpayer by the Department of
2837 Revenue, and the tax collector shall apply the tax credit against



2838 such ad valorem taxes. The tax collector shall forward the tax
2839 credit documentation to the Department of Revenue along with the
2840 amount of the tax credit applied against ad valorem taxes, and the
2841 department shall disburse funds to the tax collector for the
2842 amount of the tax credit applied against ad valorem taxes. Such
2843 payments by the Department of Revenue shall be made from current
2844 tax collections.

2845 (g) The aggregate amount of tax credits that may be
2846 allocated by the department under this subsection during a
2847 calendar year shall not exceed One Million Dollars
2848 (\$1,000,000.00).

2849 **SECTION 36.** Section 27-7-22.48, Mississippi Code of 1972, is
2850 brought forward as follows:

2851 27-7-22.48. (1) (a) For the purposes of this section, the
2852 following words and phrases shall have the meanings ascribed in
2853 this section unless the context clearly indicates otherwise:

2854 (i) "Department" means the Department of Revenue.

2855 (ii) "Eligible charitable organization" means an
2856 organization that is exempt from federal income taxation under
2857 Section 501(c)(3) of the Internal Revenue Code and spends at least
2858 fifty percent (50%) of its budget on contracting or making other
2859 agreements or arrangements with physicians and/or nurse
2860 practitioners to provide health care services to low-income
2861 residents of this state including those who are mothers and to
2862 their households.



2863 "Eligible charitable organization" does not include any
2864 entity that provides, pays for or provides coverage of abortions
2865 or that financially supports any other entity that provides, pays
2866 for or provides coverage of abortions.

2867 (iii) "Low-income residents" means persons whose
2868 household income does not exceed one hundred eighty-five percent
2869 (185%) of the federal poverty level converted to a modified
2870 adjusted gross income equivalent standard.

2871 (iv) "Nurse practitioner" means a nurse
2872 practitioner certified under Section 73-15-20, Mississippi Code of
2873 1972.

2874 (v) "Physician" means an individual licensed to
2875 practice medicine or osteopathic medicine under Section 73-25-1 et
2876 seq., Mississippi Code of 1972.

2877 (2) (a) (i) The tax credit authorized in this subsection
2878 shall be available only to a taxpayer who is a business enterprise
2879 engaged in commercial, industrial or professional activities and
2880 operating as a corporation, limited liability company, partnership
2881 or sole proprietorship. Except as otherwise provided in this
2882 subsection, a credit is allowed against the taxes imposed by
2883 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
2884 cash contributions made by a taxpayer during the taxable year to
2885 an eligible charitable organization. A credit is also allowed
2886 against ad valorem taxes assessed and levied on real property for
2887 voluntary cash contributions made by the taxpayer during the



2888 taxable year to an eligible charitable organization. The amount
2889 of credit that may be utilized by a taxpayer in a taxable year
2890 shall be limited to an amount not to exceed fifty percent (50%) of
2891 the total tax liability of the taxpayer for the taxes imposed by
2892 such sections of law and an amount not to exceed fifty percent
2893 (50%) of the total tax liability of the taxpayer for ad valorem
2894 taxes assessed and levied on real property. Any tax credit
2895 claimed under this subsection but not used in any taxable year may
2896 be carried forward for five (5) consecutive years from the close
2897 of the tax year in which the credits were earned.

2898 (ii) A contribution to an eligible charitable
2899 organization for which a credit is claimed under this subsection
2900 does not qualify for and shall not be included in any credit that
2901 may be claimed under subsection (3) of this section.

2902 (iii) A contribution for which a credit is claimed
2903 under this subsection may not be used as a deduction by the
2904 taxpayer for state income tax purposes.

2905 (b) Taxpayers taking a credit authorized by this
2906 subsection shall provide the name of the eligible charitable
2907 organization and the amount of the contribution to the department
2908 on forms provided by the department.

2909 (c) An eligible charitable organization shall provide
2910 the department with a written certification that it meets all
2911 criteria to be considered an eligible charitable organization.



2912 The organization shall also notify the department of any changes
2913 that may affect eligibility under this subsection.

2914 (d) The eligible charitable organization's written
2915 certification must be signed by an officer of the organization
2916 under penalty of perjury. The written certification shall include
2917 the following:

2918 (i) Verification of the organization's status
2919 under Section 501(c)(3) of the Internal Revenue Code;

2920 (ii) A statement that the organization does not
2921 provide, pay for or provide coverage of abortions and does not
2922 financially support any other entity that provides, pays for or
2923 provides coverage of abortions;

2924 (iii) Any other information that the department
2925 requires to administer this subsection.

2926 (e) The department shall review each written
2927 certification and determine whether the organization meets all the
2928 criteria to be considered an eligible charitable organization and
2929 notify the organization of its determination. The department may
2930 also periodically request recertification from the organization.
2931 The department shall compile and make available to the public a
2932 list of eligible charitable organizations.

2933 (f) Tax credits authorized by this subsection that are
2934 earned by a partnership, limited liability company, S corporation
2935 or other similar pass-through entity, shall be allocated among all
2936 partners, members or shareholders, respectively, either in



2937 proportion to their ownership interest in such entity or as the
2938 partners, members or shareholders mutually agree as provided in an
2939 executed document.

2940 (g) (i) A taxpayer shall apply for credits with the
2941 department on forms prescribed by the department. In the
2942 application the taxpayer shall certify to the department the
2943 dollar amount of the contributions made or to be made during the
2944 calendar year. Within thirty (30) days after the receipt of an
2945 application, the department shall allocate credits based on the
2946 dollar amount of contributions as certified in the application.
2947 However, if the department cannot allocate the full amount of
2948 credits certified in the application due to the limit on the
2949 aggregate amount of credits that may be awarded under this
2950 subsection in a calendar year, the department shall so notify the
2951 applicant within thirty (30) days with the amount of credits, if
2952 any, that may be allocated to the applicant in the calendar year.
2953 Once the department has allocated credits to a taxpayer, if the
2954 contribution for which a credit is allocated has not been made as
2955 of the date of the allocation, then the contribution must be made
2956 not later than sixty (60) days from the date of the allocation.
2957 If the contribution is not made within such time period, the
2958 allocation shall be cancelled and returned to the department for
2959 reallocation. Upon final documentation of the contributions, if
2960 the actual dollar amount of the contributions is lower than the



2961 amount estimated, the department shall adjust the tax credit
2962 allowed under this subsection.

2963 (ii) For the purposes of using a tax credit
2964 against ad valorem taxes assessed and levied on real property, a
2965 taxpayer shall present to the appropriate tax collector the tax
2966 credit documentation provided to the taxpayer by the Department of
2967 Revenue, and the tax collector shall apply the tax credit against
2968 such ad valorem taxes. The tax collector shall forward the tax
2969 credit documentation to the Department of Revenue along with the
2970 amount of the tax credit applied against ad valorem taxes, and the
2971 department shall disburse funds to the tax collector for the
2972 amount of the tax credit applied against ad valorem taxes. Such
2973 payments by the Department of Revenue shall be made from current
2974 tax collections.

2975 (h) The aggregate amount of tax credits that may be
2976 allocated by the department under this subsection during a
2977 calendar year shall not exceed Three Million Dollars
2978 (\$3,000,000.00).

2979 (3) (a) (i) Except as otherwise provided in this
2980 subsection, a credit is allowed against the taxes imposed by this
2981 chapter for voluntary cash contributions by an individual taxpayer
2982 during the taxable year to an eligible charitable organization. A
2983 credit is also allowed against ad valorem taxes assessed and
2984 levied on real property for voluntary cash contributions made by
2985 the taxpayer during the taxable year to an eligible charitable



2986 organization. The amount of credit that may be utilized by a
2987 taxpayer in a taxable year shall be limited to an amount not to
2988 exceed fifty percent (50%) of the total tax liability of the
2989 taxpayer for the taxes imposed by this chapter and an amount not
2990 to exceed fifty percent (50%) of the total tax liability of the
2991 taxpayer for ad valorem taxes assessed and levied on real
2992 property. Any tax credit claimed under this subsection but not
2993 used in any taxable year may be carried forward for five (5)
2994 consecutive years from the close of the tax year in which the
2995 credits were earned.

2996 (ii) A husband and wife who file separate returns
2997 for a taxable year in which they could have filed a joint return
2998 may each claim only one-half (1/2) of the tax credit that would
2999 have been allowed for a joint return.

3000 (iii) A contribution to an eligible charitable
3001 organization for which a credit is claimed under this subsection
3002 does not qualify for and shall not be included in any credit that
3003 may be claimed under subsection (2) of this section.

3004 (iv) A contribution for which a credit is claimed
3005 under this subsection may not be used as a deduction by the
3006 taxpayer for state income tax purposes.

3007 (b) Taxpayers taking a credit authorized by this
3008 subsection shall provide the name of the eligible charitable
3009 organization and the amount of the contribution to the department
3010 on forms provided by the department.



3011 (c) An eligible charitable organization shall provide
3012 the department with a written certification that it meets all
3013 criteria to be considered an eligible charitable organization.
3014 The organization shall also notify the department of any changes
3015 that may affect eligibility under this subsection.

3016 (d) The eligible charitable organization's written
3017 certification must be signed by an officer of the organization
3018 under penalty of perjury. The written certification shall include
3019 the following:

3020 (i) Verification of the organization's status
3021 under Section 501(c)(3) of the Internal Revenue Code;

3022 (ii) A statement that the organization does not
3023 provide, pay for or provide coverage of abortions and does not
3024 financially support any other entity that provides, pays for or
3025 provides coverage of abortions;

3026 (iii) Any other information that the department
3027 requires to administer this subsection.

3028 (e) The department shall review each written
3029 certification and determine whether the organization meets all the
3030 criteria to be considered an eligible charitable organization and
3031 notify the organization of its determination. The department may
3032 also periodically request recertification from the organization.
3033 The department shall compile and make available to the public a
3034 list of eligible charitable organizations.



3035 (f) (i) A taxpayer shall apply for credits with the
3036 department on forms prescribed by the department. In the
3037 application the taxpayer shall certify to the department the
3038 dollar amount of the contributions made or to be made during the
3039 calendar year. Within thirty (30) days after the receipt of an
3040 application, the department shall allocate credits based on the
3041 dollar amount of contributions as certified in the application.
3042 However, if the department cannot allocate the full amount of
3043 credits certified in the application due to the limit on the
3044 aggregate amount of credits that may be awarded under this
3045 subsection in a calendar year, the department shall so notify the
3046 applicant within thirty (30) days with the amount of credits, if
3047 any, that may be allocated to the applicant in the calendar year.
3048 Once the department has allocated credits to a taxpayer, if the
3049 contribution for which a credit is allocated has not been made as
3050 of the date of the allocation, then the contribution must be made
3051 not later than sixty (60) days from the date of the allocation.
3052 If the contribution is not made within such time period, the
3053 allocation shall be cancelled and returned to the department for
3054 reallocation. Upon final documentation of the contributions, if
3055 the actual dollar amount of the contributions is lower than the
3056 amount estimated, the department shall adjust the tax credit
3057 allowed under this subsection.

3058 (ii) For the purposes of using a tax credit
3059 against ad valorem taxes assessed and levied on real property, a



3060 taxpayer shall present to the appropriate tax collector the tax
3061 credit documentation provided to the taxpayer by the Department of
3062 Revenue, and the tax collector shall apply the tax credit against
3063 such ad valorem taxes. The tax collector shall forward the tax
3064 credit documentation to the Department of Revenue along with the
3065 amount of the tax credit applied against ad valorem taxes, and the
3066 department shall disburse funds to the tax collector for the
3067 amount of the tax credit applied against ad valorem taxes. Such
3068 payments by the Department of Revenue shall be made from current
3069 tax collections.

3070 (g) The aggregate amount of tax credits that may be
3071 allocated by the department under this subsection during a
3072 calendar year shall not exceed One Million Dollars
3073 (\$1,000,000.00).

3074 **SECTION 37.** Section 27-7-22.49, Mississippi Code of 1972, is
3075 brought forward as follows:

3076 27-7-22.49. (1) As used in this section, the following
3077 words and phrases shall have the meanings ascribed in this section
3078 unless the context clearly indicates otherwise:

3079 (a) "Employment-related expenses" means and has the
3080 same definition as such term has in 26 USCS Section 21.

3081 (b) "Qualifying individual" means and has the same
3082 definition as such term has in 26 USCS Section 21(b)(1)(A).

3083 (2) Subject to the provisions of this section, any taxpayer
3084 allowed to claim a federal income tax credit under 26 USCS Section



3085 21 for employment-related expenses incurred related to one (1) or
3086 more qualifying individuals shall be allowed a credit against the
3087 taxes imposed under this chapter in the manner prescribed in this
3088 section. The amount of the credit shall be equal to twenty-five
3089 percent (25%) of the amount of the federal income tax credit
3090 lawfully claimed by the taxpayer for such employment-related
3091 expenses on the taxpayer's federal income tax return. However,
3092 the amount of credit that may be utilized by a taxpayer in a
3093 taxable year shall be limited to an amount not to exceed the total
3094 tax liability of the taxpayer for the taxes imposed under this
3095 chapter. In order to claim the credit provided for in this
3096 section, a taxpayer must claim the federal income tax credit on
3097 the taxpayer's federal income tax return and have an adjusted
3098 gross income for such return of not more than Fifty Thousand
3099 Dollars (\$50,000.00). A taxpayer must provide a copy of such
3100 return and any other information required by the department.

3101 **SECTION 38.** Section 27-7-205, Mississippi Code of 1972, is
3102 brought forward as follows:

3103 27-7-205. As used in this article:

3104 (a) "Qualified community foundation" means an entity
3105 that is exempt from federal income taxation under Section
3106 501(c)(3) of the Internal Revenue Code that is recognized by the
3107 Mississippi Association of Grantmakers as meeting the following
3108 requirements:



3109 (i) It is organized by articles of incorporation
3110 in the State of Mississippi to serve the State of Mississippi, or
3111 one or more Mississippi counties or municipalities, or a
3112 combination thereof;

3113 (ii) It is comprised of permanent, component funds
3114 established by multiple separate donors;

3115 (iii) It supports broad-based charitable interests
3116 that benefit the residents of a defined geographic area, no larger
3117 than the State of Mississippi;

3118 (iv) It is directed by a board of directors that
3119 is comprised of community representatives and is independent in
3120 that it is not subject to the control of another entity;

3121 (v) It actively engages in charitable activities,
3122 including, but not limited to, supporting two (2) or more
3123 unaffiliated tax-exempt organizations through grants or other
3124 professionally accepted means of charitable support, and serving
3125 in leadership roles on important community issues;

3126 (vi) It complies with the guidelines of the
3127 Mississippi Association of Grantmakers, or its successor entity,
3128 for membership by a community foundation; and

3129 (vii) It is in good standing with having complied
3130 with Endow Mississippi certification, reporting, and data privacy
3131 requirements.

3132 (b) "Endowment gift" means an irrevocable contribution
3133 to an endowed fund held by a qualified community foundation.



3134 (c) "Qualified contribution" means an endowment gift of
3135 at least One Thousand Dollars (\$1,000.00) made to a qualified
3136 community foundation for an endowed fund established to
3137 substantially benefit charitable causes in this state, and that is
3138 a charitable gift as defined in Section 170(c) of the Internal
3139 Revenue Code. A qualified contribution may take any form, subject
3140 to the giving policies of the qualified community foundation
3141 receiving it.

3142 (d) "Endowed fund" means a fund held in a qualified
3143 community foundation that provides benefit to charitable causes in
3144 Mississippi that is intended to exist in perpetuity. An endowed
3145 fund may include, but is not limited to, donor-advised funds,
3146 community foundation affiliate funds, field-of-interest funds,
3147 agency funds and designated organizational funds.

3148 **SECTION 39.** Section 27-7-207, Mississippi Code of 1972, is
3149 brought forward as follows:

3150 27-7-207. (1) Subject to the limitations provided for in
3151 this section, through calendar year 2028, a taxpayer shall be
3152 allowed a credit against the tax imposed by Chapter 7, Title 27,
3153 in an amount equal to twenty-five percent (25%) of a qualified
3154 contribution to an endowed fund at a qualified community
3155 foundation, subject to the following:

3156 (a) The minimum amount of a qualified contribution
3157 shall be One Thousand Dollars (\$1,000.00).



3158 (b) The maximum amount of a qualified contribution
3159 shall be Five Hundred Thousand Dollars (\$500,000.00).

3160 (c) The total qualified contributions from any
3161 qualified taxpayer eligible for the tax credit authorized under
3162 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
3163 per year.

3164 (2) Except as otherwise provided in this subsection, the
3165 aggregate amount of tax credits authorized under this article
3166 shall not exceed One Million Dollars (\$1,000,000.00) in any one
3167 (1) calendar year. The credits shall be awarded on a first-come,
3168 first-served basis. If the tax credits authorized for any
3169 calendar year are not utilized, the amount not utilized may be
3170 awarded or carried forward in up to five (5) subsequent calendar
3171 years from the year in which such credits are made available.

3172 (3) If the amount allowable as a credit exceeds the tax
3173 imposed by Chapter 7, Title 27, the amount of such excess may be
3174 carried forward for not more than five (5) subsequent taxable
3175 years.

3176 (4) From and after January 1, 2029, no additional credits
3177 shall be authorized under this section; however, any tax credits
3178 authorized prior to January 1, 2029, and not used, may be carried
3179 forward for not more than five (5) taxable years subsequent to
3180 calendar year 2028.

3181 **SECTION 40.** Section 27-7-209, Mississippi Code of 1972, is
3182 brought forward as follows:



3183 27-7-209. For each calendar year, a total of ten percent
3184 (10%) of the authorized tax credits shall be reserved for
3185 qualified contributions to each of the qualified community
3186 foundations in Mississippi for a period of nine (9) months. Any
3187 credits that are not utilized within the nine-month period shall
3188 be utilized for qualified contributions to any qualified community
3189 foundation on a first-come, first-served basis. Any credits not
3190 specifically reserved under this section shall also be available
3191 to any qualified community foundation on a first-come,
3192 first-served basis. The Mississippi Association of Grantmakers,
3193 or its successor entity, shall, in cooperation with qualified
3194 community foundations, develop, establish and maintain records
3195 that determine the priority for the awarding of tax credits under
3196 this article.

3197 **SECTION 41.** Section 57-73-21, Mississippi Code of 1972, is
3198 brought forward as follows:

3199 **[In cases involving business enterprises that received or**
3200 **applied for the job tax credit authorized by this section prior to**
3201 **January 1, 2005, this section shall read as follows:]**

3202 57-73-21. (1) Annually by December 31, using the most
3203 current data available from the University Research Center,
3204 Mississippi Department of Employment Security and the United
3205 States Department of Commerce, the State Tax Commission shall rank
3206 and designate the state's counties as provided in this section.
3207 The twenty-eight (28) counties in this state having a combination



3208 of the highest unemployment rate and lowest per capita income for
3209 the most recent thirty-six-month period, with equal weight being
3210 given to each category, are designated Tier Three areas. The
3211 twenty-seven (27) counties in the state with a combination of the
3212 next highest unemployment rate and next lowest per capita income
3213 for the most recent thirty-six-month period, with equal weight
3214 being given to each category, are designated Tier Two areas. The
3215 twenty-seven (27) counties in the state with a combination of the
3216 lowest unemployment rate and the highest per capita income for the
3217 most recent thirty-six-month period, with equal weight being given
3218 to each category, are designated Tier One areas. Counties
3219 designated by the Tax Commission qualify for the appropriate tax
3220 credit for jobs as provided in subsections (2), (3) and (4) of
3221 this section. The designation by the Tax Commission is effective
3222 for the tax years of permanent business enterprises which begin
3223 after the date of designation. For companies which plan an
3224 expansion in their labor forces, the Tax Commission shall
3225 prescribe certification procedures to ensure that the companies
3226 can claim credits in future years without regard to whether or not
3227 a particular county is removed from the list of Tier Three or Tier
3228 Two areas.

3229 (2) Permanent business enterprises primarily engaged in
3230 manufacturing, processing, warehousing, distribution, wholesaling
3231 and research and development, or permanent business enterprises
3232 designated by rule and regulation of the Mississippi Development



3233 Authority as air transportation and maintenance facilities, final
3234 destination or resort hotels having a minimum of one hundred fifty
3235 (150) guest rooms, recreational facilities that impact tourism,
3236 movie industry studios, telecommunications enterprises, data or
3237 information processing enterprises or computer software
3238 development enterprises or any technology intensive facility or
3239 enterprise, in counties designated by the Tax Commission as Tier
3240 Three areas are allowed a job tax credit for taxes imposed by
3241 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
3242 for each net new full-time employee job for five (5) years
3243 beginning with years two (2) through six (6) after the creation of
3244 the job; however, if the permanent business enterprise is located
3245 in an area that has been declared by the Governor to be a disaster
3246 area and as a direct result of the disaster the permanent business
3247 enterprise is unable to maintain the required number of jobs, the
3248 Chairman of the State Tax Commission may extend this time period
3249 for not more two (2) years. The number of new full-time jobs must
3250 be determined by comparing the monthly average number of full-time
3251 employees subject to the Mississippi income tax withholding for
3252 the taxable year with the corresponding period of the prior
3253 taxable year. Only those permanent businesses that increase
3254 employment by ten (10) or more in a Tier Three area are eligible
3255 for the credit. Credit is not allowed during any of the five (5)
3256 years if the net employment increase falls below ten (10). The
3257 Tax Commission shall adjust the credit allowed each year for the



3258 net new employment fluctuations above the minimum level of ten
3259 (10).

3260 (3) Permanent business enterprises primarily engaged in
3261 manufacturing, processing, warehousing, distribution, wholesaling
3262 and research and development, or permanent business enterprises
3263 designated by rule and regulation of the Mississippi Development
3264 Authority as air transportation and maintenance facilities, final
3265 destination or resort hotels having a minimum of one hundred fifty
3266 (150) guest rooms, recreational facilities that impact tourism,
3267 movie industry studios, telecommunications enterprises, data or
3268 information processing enterprises or computer software
3269 development enterprises or any technology intensive facility or
3270 enterprise, in counties that have been designated by the Tax
3271 Commission as Tier Two areas are allowed a job tax credit for
3272 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
3273 (\$1,000.00) annually for each net new full-time employee job for
3274 five (5) years beginning with years two (2) through six (6) after
3275 the creation of the job; however, if the permanent business
3276 enterprise is located in an area that has been declared by the
3277 Governor to be a disaster area and as a direct result of the
3278 disaster the permanent business enterprise is unable to maintain
3279 the required number of jobs, the Chairman of the State Tax
3280 Commission may extend this time period for not more two (2) years.
3281 The number of new full-time jobs must be determined by comparing
3282 the monthly average number of full-time employees subject to



3283 Mississippi income tax withholding for the taxable year with the
3284 corresponding period of the prior taxable year. Only those
3285 permanent businesses that increase employment by fifteen (15) or
3286 more in Tier Two areas are eligible for the credit. The credit is
3287 not allowed during any of the five (5) years if the net employment
3288 increase falls below fifteen (15). The Tax Commission shall
3289 adjust the credit allowed each year for the net new employment
3290 fluctuations above the minimum level of fifteen (15).

3291 (4) Permanent business enterprises primarily engaged in
3292 manufacturing, processing, warehousing, distribution, wholesaling
3293 and research and development, or permanent business enterprises
3294 designated by rule and regulation of the Mississippi Development
3295 Authority as air transportation and maintenance facilities, final
3296 destination or resort hotels having a minimum of one hundred fifty
3297 (150) guest rooms, recreational facilities that impact tourism,
3298 movie industry studios, telecommunications enterprises, data or
3299 information processing enterprises or computer software
3300 development enterprises or any technology intensive facility or
3301 enterprise, in counties designated by the Tax Commission as Tier
3302 One areas are allowed a job tax credit for taxes imposed by
3303 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
3304 for each net new full-time employee job for five (5) years
3305 beginning with years two (2) through six (6) after the creation of
3306 the job; however, if the permanent business enterprise is located
3307 in an area that has been declared by the Governor to be a disaster



3308 area and as a direct result of the disaster the permanent business
3309 enterprise is unable to maintain the required number of jobs, the
3310 Chairman of the State Tax Commission may extend this time period
3311 for not more than two (2) years. The number of new full-time jobs
3312 must be determined by comparing the monthly average number of
3313 full-time employees subject to Mississippi income tax withholding
3314 for the taxable year with the corresponding period of the prior
3315 taxable year. Only those permanent businesses that increase
3316 employment by twenty (20) or more in Tier One areas are eligible
3317 for the credit. The credit is not allowed during any of the five
3318 (5) years if the net employment increase falls below twenty (20).
3319 The Tax Commission shall adjust the credit allowed each year for
3320 the net new employment fluctuations above the minimum level of
3321 twenty (20).

3322 (5) In addition to the credits authorized in subsections
3323 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
3324 credit for each net new full-time employee or an additional One
3325 Thousand Dollars (\$1,000.00) credit for each net new full-time
3326 employee who is paid a salary, excluding benefits which are not
3327 subject to Mississippi income taxation, of at least one hundred
3328 twenty-five percent (125%) of the average annual wage of the state
3329 or an additional Two Thousand Dollars (\$2,000.00) credit for each
3330 net new full-time employee who is paid a salary, excluding
3331 benefits which are not subject to Mississippi income taxation, of
3332 at least two hundred percent (200%) of the average annual wage of



3333 the state, shall be allowed for any company establishing or
3334 transferring its national or regional headquarters from within or
3335 outside the State of Mississippi. A minimum of thirty-five (35)
3336 jobs must be created to qualify for the additional credit. The
3337 State Tax Commission shall establish criteria and prescribe
3338 procedures to determine if a company qualifies as a national or
3339 regional headquarters for purposes of receiving the credit awarded
3340 in this subsection. As used in this subsection, the average
3341 annual wage of the state is the most recently published average
3342 annual wage as determined by the Mississippi Department of
3343 Employment Security.

3344 (6) In addition to the credits authorized in subsections
3345 (2), (3), (4) and (5), any job requiring research and development
3346 skills (chemist, engineer, etc.) shall qualify for an additional
3347 One Thousand Dollars (\$1,000.00) credit for each net new full-time
3348 employee.

3349 (7) In lieu of the tax credits provided in subsections (2)
3350 through (6), any commercial or industrial property owner which
3351 remediates contaminated property in accordance with Sections
3352 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3353 imposed by Section 27-7-5 equal to the amounts provided in
3354 subsection (2), (3) or (4) for each net new full-time employee job
3355 for five (5) years beginning with years two (2) through six (6)
3356 after the creation of the job. The number of new full-time jobs
3357 must be determined by comparing the monthly average number of



3358 full-time employees subject to Mississippi income tax withholding
3359 for the taxable year with the corresponding period of the prior
3360 taxable year. This subsection shall be administered in the same
3361 manner as subsections (2), (3) and (4), except the landowner shall
3362 not be required to increase employment by the levels provided in
3363 subsections (2), (3) and (4) to be eligible for the tax credit.

3364 (8) Tax credits for five (5) years for the taxes imposed by
3365 Section 27-7-5 shall be awarded for additional net new full-time
3366 jobs created by business enterprises qualified under subsections
3367 (2), (3), (4), (5), (6) and (7) of this section. Except as
3368 otherwise provided, the Tax Commission shall adjust the credit
3369 allowed in the event of employment fluctuations during the
3370 additional five (5) years of credit.

3371 (9) (a) The sale, merger, acquisition, reorganization,
3372 bankruptcy or relocation from one (1) county to another county
3373 within the state of any business enterprise may not create new
3374 eligibility in any succeeding business entity, but any unused job
3375 tax credit may be transferred and continued by any transferee of
3376 the business enterprise. The Tax Commission shall determine
3377 whether or not qualifying net increases or decreases have occurred
3378 or proper transfers of credit have been made and may require
3379 reports, promulgate regulations, and hold hearings as needed for
3380 substantiation and qualification.

3381 (b) This subsection shall not apply in cases in which a
3382 business enterprise has ceased operation, laid off all its



3383 employees and is subsequently acquired by another unrelated
3384 business entity that continues operation of the enterprise in the
3385 same or a similar type of business. In such a case the succeeding
3386 business entity shall be eligible for the credit authorized by
3387 this section unless the cessation of operation of the business
3388 enterprise was for the purpose of obtaining new eligibility for
3389 the credit.

3390 (10) Any tax credit claimed under this section but not used
3391 in any taxable year may be carried forward for five (5) years from
3392 the close of the tax year in which the qualified jobs were
3393 established but the credit established by this section taken in
3394 any one (1) tax year must be limited to an amount not greater than
3395 fifty percent (50%) of the taxpayer's state income tax liability
3396 which is attributable to income derived from operations in the
3397 state for that year. If the permanent business enterprise is
3398 located in an area that has been declared by the Governor to be a
3399 disaster area and as a direct result of the disaster the business
3400 enterprise is unable to use the existing carryforward, the
3401 Chairman of the State Tax Commission may extend the period that
3402 the credit may be carried forward for a period of time not to
3403 exceed two (2) years.

3404 (11) No business enterprise for the transportation,
3405 handling, storage, processing or disposal of hazardous waste is
3406 eligible to receive the tax credits provided in this section.



3407 (12) The credits allowed under this section shall not be
3408 used by any business enterprise or corporation other than the
3409 business enterprise actually qualifying for the credits.

3410 (13) The tax credits provided for in this section shall be
3411 in addition to any tax credits described in Sections 57-51-13(b),
3412 57-53-1(1) (a) and 57-54-9(b) and granted pursuant to official
3413 action by the Mississippi Development Authority prior to July 1,
3414 1989, to any business enterprise determined prior to July 1, 1989,
3415 by the Mississippi Development Authority to be a qualified
3416 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3417 a qualified company as described in Section 57-53-1, as the case
3418 may be; however, from and after July 1, 1989, tax credits shall be
3419 allowed only under either this section or Sections 57-51-13(b),
3420 57-53-1(1) (a) and Section 57-54-9(b) for each net new full-time
3421 employee.

3422 (14) As used in this section, the term "telecommunications
3423 enterprises" means entities engaged in the creation, display,
3424 management, storage, processing, transmission or distribution for
3425 compensation of images, text, voice, video or data by wire or by
3426 wireless means, or entities engaged in the construction, design,
3427 development, manufacture, maintenance or distribution for
3428 compensation of devices, products, software or structures used in
3429 the above activities. Companies organized to do business as
3430 commercial broadcast radio stations, television stations or news
3431 organizations primarily serving in-state markets shall not be



3432 included within the definition of the term "telecommunications
3433 enterprises."

3434 **[In cases involving business enterprises that apply for the**
3435 **job tax credit authorized by this section from and after January**
3436 **1, 2005, this section shall read as follows:]**

3437 57-73-21. (1) Annually by December 31, using the most
3438 current data available from the University Research Center,
3439 Mississippi Department of Employment Security and the United
3440 States Department of Commerce, the Department of Revenue shall
3441 rank and designate the state's counties as provided in this
3442 section. The twenty-eight (28) counties in this state having a
3443 combination of the highest unemployment rate and lowest per capita
3444 income for the most recent thirty-six-month period, with equal
3445 weight being given to each category, are designated Tier Three
3446 areas. The twenty-seven (27) counties in the state with a
3447 combination of the next highest unemployment rate and next lowest
3448 per capita income for the most recent thirty-six-month period,
3449 with equal weight being given to each category, are designated
3450 Tier Two areas. The twenty-seven (27) counties in the state with
3451 a combination of the lowest unemployment rate and the highest per
3452 capita income for the most recent thirty-six-month period, with
3453 equal weight being given to each category, are designated Tier One
3454 areas. Counties designated by the Department of Revenue qualify
3455 for the appropriate tax credit for jobs as provided in this
3456 section. The designation by the Department of Revenue is



3457 effective for the tax years of permanent business enterprises
3458 which begin after the date of designation. For companies which
3459 plan an expansion in their labor forces, the Department of Revenue
3460 shall prescribe certification procedures to ensure that the
3461 companies can claim credits in future years without regard to
3462 whether or not a particular county is removed from the list of
3463 Tier Three or Tier Two areas.

3464 (2) Permanent business enterprises in counties designated by
3465 the Department of Revenue as Tier Three areas are allowed a job
3466 tax credit for taxes imposed by Section 27-7-5 equal to ten
3467 percent (10%) of the payroll of the enterprise for net new
3468 full-time employee jobs for five (5) years beginning with years
3469 two (2) through six (6) after the creation of the minimum number
3470 of jobs required by this subsection; however, if the permanent
3471 business enterprise is located in an area that has been declared
3472 by the Governor to be a disaster area and as a direct result of
3473 the disaster the permanent business enterprise is unable to
3474 maintain the required number of jobs, the Commissioner of Revenue
3475 may extend this time period for not more than two (2) years. The
3476 number of new full-time jobs must be determined by comparing the
3477 monthly average number of full-time employees subject to the
3478 Mississippi income tax withholding for the taxable year with the
3479 corresponding period of the prior taxable year. Only those
3480 permanent business enterprises that increase employment by ten
3481 (10) or more in a Tier Three area are eligible for the credit.



3482 Credit is not allowed during any of the five (5) years if the net
3483 employment increase falls below ten (10). The Department of
3484 Revenue shall adjust the credit allowed each year for the net new
3485 employment fluctuations above the minimum level of ten (10).
3486 Medical cannabis establishments as defined in the Mississippi
3487 Medical Cannabis Act shall not be eligible for the tax credit
3488 authorized in this subsection (2).

3489 (3) Permanent business enterprises in counties that have
3490 been designated by the Department of Revenue as Tier Two areas are
3491 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
3492 to five percent (5%) of the payroll of the enterprise for net new
3493 full-time employee jobs for five (5) years beginning with years
3494 two (2) through six (6) after the creation of the minimum number
3495 of jobs required by this subsection; however, if the permanent
3496 business enterprise is located in an area that has been declared
3497 by the Governor to be a disaster area and as a direct result of
3498 the disaster the permanent business enterprise is unable to
3499 maintain the required number of jobs, the Commissioner of Revenue
3500 may extend this time period for not more than two (2) years. The
3501 number of new full-time jobs must be determined by comparing the
3502 monthly average number of full-time employees subject to
3503 Mississippi income tax withholding for the taxable year with the
3504 corresponding period of the prior taxable year. Only those
3505 permanent business enterprises that increase employment by fifteen
3506 (15) or more in Tier Two areas are eligible for the credit. The



3507 credit is not allowed during any of the five (5) years if the net
3508 employment increase falls below fifteen (15). The Department of
3509 Revenue shall adjust the credit allowed each year for the net new
3510 employment fluctuations above the minimum level of fifteen (15).
3511 Medical cannabis establishments as defined in the Mississippi
3512 Medical Cannabis Act shall not be eligible for the tax credit
3513 authorized in this subsection (3).

3514 (4) Permanent business enterprises in counties designated by
3515 the Department of Revenue as Tier One areas are allowed a job tax
3516 credit for taxes imposed by Section 27-7-5 equal to two and
3517 one-half percent (2.5%) of the payroll of the enterprise for net
3518 new full-time employee jobs for five (5) years beginning with
3519 years two (2) through six (6) after the creation of the minimum
3520 number of jobs required by this subsection; however, if the
3521 permanent business enterprise is located in an area that has been
3522 declared by the Governor to be a disaster area and as a direct
3523 result of the disaster the permanent business enterprise is unable
3524 to maintain the required number of jobs, the Commissioner of
3525 Revenue may extend this time period for not more than two (2)
3526 years. The number of new full-time jobs must be determined by
3527 comparing the monthly average number of full-time employees
3528 subject to Mississippi income tax withholding for the taxable year
3529 with the corresponding period of the prior taxable year. Only
3530 those permanent business enterprises that increase employment by
3531 twenty (20) or more in Tier One areas are eligible for the credit.



3532 The credit is not allowed during any of the five (5) years if the
3533 net employment increase falls below twenty (20). The Department
3534 of Revenue shall adjust the credit allowed each year for the net
3535 new employment fluctuations above the minimum level of twenty
3536 (20). Medical cannabis establishments as defined in the
3537 Mississippi Medical Cannabis Act shall not be eligible for the tax
3538 credit authorized in this subsection (4).

3539 (5) (a) In addition to the other credits authorized in this
3540 section, an additional Five Hundred Dollars (\$500.00) credit for
3541 each net new full-time employee or an additional One Thousand
3542 Dollars (\$1,000.00) credit for each net new full-time employee who
3543 is paid a salary, excluding benefits which are not subject to
3544 Mississippi income taxation, of at least one hundred twenty-five
3545 percent (125%) of the average annual wage of the state or an
3546 additional Two Thousand Dollars (\$2,000.00) credit for each net
3547 new full-time employee who is paid a salary, excluding benefits
3548 which are not subject to Mississippi income taxation, of at least
3549 two hundred percent (200%) of the average annual wage of the
3550 state, shall be allowed for any company establishing or
3551 transferring its national or regional headquarters from within or
3552 outside the State of Mississippi. A minimum of twenty (20) jobs
3553 must be created to qualify for the additional credit. The
3554 Department of Revenue shall establish criteria and prescribe
3555 procedures to determine if a company qualifies as a national or
3556 regional headquarters for purposes of receiving the credit awarded



3557 in this paragraph (a). As used in this paragraph (a), the average
3558 annual wage of the state is the most recently published average
3559 annual wage as determined by the Mississippi Department of
3560 Employment Security. Medical cannabis establishments as defined
3561 in the Mississippi Medical Cannabis Act shall not be eligible for
3562 the tax credit authorized in this paragraph (a).

3563 (b) In addition to the other credits authorized in this
3564 section, an additional Five Hundred Dollars (\$500.00) credit for
3565 each net new full-time employee or an additional One Thousand
3566 Dollars (\$1,000.00) credit for each net new full-time employee who
3567 is paid a salary, excluding benefits which are not subject to
3568 Mississippi income taxation, of at least one hundred twenty-five
3569 percent (125%) of the average annual wage of the state or an
3570 additional Two Thousand Dollars (\$2,000.00) credit for each net
3571 new full-time employee who is paid a salary, excluding benefits
3572 which are not subject to Mississippi income taxation, of at least
3573 two hundred percent (200%) of the average annual wage of the
3574 state, shall be allowed for any company expanding or making
3575 additions after January 1, 2013, to its national or regional
3576 headquarters within the State of Mississippi. A minimum of twenty
3577 (20) new jobs must be created to qualify for the additional
3578 credit. The Department of Revenue shall establish criteria and
3579 prescribe procedures to determine if a company qualifies as a
3580 national or regional headquarters for purposes of receiving the
3581 credit awarded in this paragraph (b). As used in this paragraph



3582 (b), the average annual wage of the state is the most recently
3583 published average annual wage as determined by the Mississippi
3584 Department of Employment Security. Medical cannabis
3585 establishments as defined in the Mississippi Medical Cannabis Act
3586 shall not be eligible for the tax credit authorized in this
3587 paragraph (b).

3588 (6) In addition to the other credits authorized in this
3589 section, any job requiring research and development skills
3590 (chemist, engineer, etc.) shall qualify for an additional One
3591 Thousand Dollars (\$1,000.00) credit for each net new full-time
3592 employee. Medical cannabis establishments as defined in the
3593 Mississippi Medical Cannabis Act shall not be eligible for the tax
3594 credit authorized in this subsection (6).

3595 (7) (a) In addition to the other credits authorized in this
3596 section, any company that transfers or relocates its national or
3597 regional headquarters to the State of Mississippi from outside the
3598 State of Mississippi may receive a tax credit in an amount equal
3599 to the actual relocation costs paid by the company. A minimum of
3600 twenty (20) jobs must be created in order to qualify for the
3601 additional credit authorized under this subsection. Relocation
3602 costs for which a credit may be awarded shall be determined by the
3603 Department of Revenue and shall include those nondepreciable
3604 expenses that are necessary to relocate headquarters employees to
3605 the national or regional headquarters, including, but not limited
3606 to, costs such as travel expenses for employees and members of



3607 their households to and from Mississippi in search of homes and
3608 moving expenses to relocate furnishings, household goods and
3609 personal property of the employees and members of their
3610 households. Medical cannabis establishments as defined in the
3611 Mississippi Medical Cannabis Act shall not be eligible for the tax
3612 credit authorized in this subsection (7).

3613 (b) The tax credit authorized under this subsection
3614 shall be applied for the taxable year in which the relocation
3615 costs are paid. The maximum cumulative amount of tax credits that
3616 may be claimed by all taxpayers claiming a credit under this
3617 subsection in any one (1) state fiscal year shall not exceed One
3618 Million Dollars (\$1,000,000.00), exclusive of credits that might
3619 be carried forward from previous taxable years. A company may not
3620 receive a credit for the relocation of an employee more than one
3621 (1) time in a twelve-month period for that employee.

3622 (c) The Department of Revenue shall establish criteria
3623 and prescribe procedures to determine if a company creates the
3624 required number of jobs and qualifies as a national or regional
3625 headquarters for purposes of receiving the credit awarded in this
3626 subsection. A company desiring to claim a credit under this
3627 subsection must submit an application for such credit with the
3628 Department of Revenue in a manner prescribed by the department.

3629 (d) In order to participate in the provisions of this
3630 section, a company must certify to the Mississippi Department of
3631 Revenue that it complies with the equal pay provisions of the



3632 federal Equal Pay Act of 1963, the Americans with Disabilities Act
3633 of 1990 and the fair pay provisions of the Civil Rights Act of
3634 1964.

3635 (e) This subsection shall stand repealed on July 1,
3636 2025.

3637 (8) In lieu of the other tax credits provided in this
3638 section, any commercial or industrial property owner which
3639 remediates contaminated property in accordance with Sections
3640 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
3641 imposed by Section 27-7-5 equal to the percentage of payroll
3642 provided in subsection (2), (3) or (4) of this section for net new
3643 full-time employee jobs for five (5) years beginning with years
3644 two (2) through six (6) after the creation of the jobs. The
3645 number of new full-time jobs must be determined by comparing the
3646 monthly average number of full-time employees subject to
3647 Mississippi income tax withholding for the taxable year with the
3648 corresponding period of the prior taxable year. This subsection
3649 shall be administered in the same manner as subsections (2), (3)
3650 and (4), except the landowner shall not be required to increase
3651 employment by the levels provided in subsections (2), (3) and (4)
3652 to be eligible for the tax credit.

3653 (9) (a) Tax credits for five (5) years for the taxes
3654 imposed by Section 27-7-5 shall be awarded for increases in the
3655 annual payroll for net new full-time jobs created by business
3656 enterprises qualified under this section. The Department of



3657 Revenue shall adjust the credit allowed in the event of payroll
3658 fluctuations during the additional five (5) years of credit.

3659 (b) Tax credits for five (5) years for the taxes
3660 imposed by Section 27-7-5 shall be awarded for additional net new
3661 full-time jobs created by business enterprises qualified under
3662 subsections (5) and (6) of this section and for additional
3663 relocation costs paid by companies qualified under subsection (7)
3664 of this section. The Department of Revenue shall adjust the
3665 credit allowed in the event of employment fluctuations during the
3666 additional five (5) years of credit.

3667 (10) (a) The sale, merger, acquisition, reorganization,
3668 bankruptcy or relocation from one (1) county to another county
3669 within the state of any business enterprise may not create new
3670 eligibility in any succeeding business entity, but any unused job
3671 tax credit may be transferred and continued by any transferee of
3672 the business enterprise. The Department of Revenue shall
3673 determine whether or not qualifying net increases or decreases
3674 have occurred or proper transfers of credit have been made and may
3675 require reports, promulgate regulations, and hold hearings as
3676 needed for substantiation and qualification.

3677 (b) This subsection shall not apply in cases in which a
3678 business enterprise has ceased operation, laid off all its
3679 employees and is subsequently acquired by another unrelated
3680 business entity that continues operation of the enterprise in the
3681 same or a similar type of business. In such a case the succeeding



3682 business entity shall be eligible for the credit authorized by
3683 this section unless the cessation of operation of the business
3684 enterprise was for the purpose of obtaining new eligibility for
3685 the credit.

3686 (11) Any tax credit claimed under this section but not used
3687 in any taxable year may be carried forward for five (5) years from
3688 the close of the tax year in which the qualified jobs were
3689 established and/or headquarters relocation costs paid, as
3690 applicable, but the credit established by this section taken in
3691 any one (1) tax year must be limited to an amount not greater than
3692 fifty percent (50%) of the taxpayer's state income tax liability
3693 which is attributable to income derived from operations in the
3694 state for that year. If the permanent business enterprise is
3695 located in an area that has been declared by the Governor to be a
3696 disaster area and as a direct result of the disaster the business
3697 enterprise is unable to use the existing carryforward, the
3698 Commissioner of Revenue may extend the period that the credit may
3699 be carried forward for a period of time not to exceed two (2)
3700 years.

3701 (12) No business enterprise for the transportation,
3702 handling, storage, processing or disposal of hazardous waste is
3703 eligible to receive the tax credits provided in this section.

3704 (13) The credits allowed under this section shall not be
3705 used by any business enterprise or corporation other than the
3706 business enterprise actually qualifying for the credits.



3707 (14) As used in this section:

3708 (a) "Business enterprises" means entities primarily
3709 engaged in:

3710 (i) Manufacturing, processing, warehousing,
3711 warehousing activities, distribution, wholesaling and research and
3712 development, or

3713 (ii) Permanent business enterprises designated by
3714 rule and regulation of the Mississippi Development Authority as
3715 air transportation and maintenance facilities, final destination
3716 or resort hotels having a minimum of one hundred fifty (150) guest
3717 rooms, recreational facilities that impact tourism, movie industry
3718 studios, telecommunications enterprises, data or information
3719 processing enterprises or computer software development
3720 enterprises or any technology intensive facility or enterprise.

3721 (b) "Telecommunications enterprises" means entities
3722 engaged in the creation, display, management, storage, processing,
3723 transmission or distribution for compensation of images, text,
3724 voice, video or data by wire or by wireless means, or entities
3725 engaged in the construction, design, development, manufacture,
3726 maintenance or distribution for compensation of devices, products,
3727 software or structures used in the above activities. Companies
3728 organized to do business as commercial broadcast radio stations,
3729 television stations or news organizations primarily serving
3730 in-state markets shall not be included within the definition of
3731 the term "telecommunications enterprises."



3732 (c) "Warehousing activities" means entities that
3733 establish or expand facilities that service and support multiple
3734 retail or wholesale locations within and outside the state.
3735 Warehousing activities may be performed solely to support the
3736 primary activities of the entity, and credits generated shall
3737 offset the income of the entity based on an apportioned ratio of
3738 payroll for warehouse employees of the entity to total Mississippi
3739 payroll of the entity that includes the payroll of retail
3740 employees of the entity.

3741 (15) The tax credits provided for in this section shall be
3742 in addition to any tax credits described in Sections 57-51-13(b),
3743 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
3744 action by the Mississippi Development Authority prior to July 1,
3745 1989, to any business enterprise determined prior to July 1, 1989,
3746 by the Mississippi Development Authority to be a qualified
3747 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
3748 a qualified company as described in Section 57-53-1, as the case
3749 may be; however, from and after July 1, 1989, tax credits shall be
3750 allowed only under either this section or Sections 57-51-13(b),
3751 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
3752 employee.

3753 (16) A business enterprise that chooses to receive job
3754 training assistance pursuant to Section 57-1-451 shall not be
3755 eligible for the tax credits provided for in this section.



3756 **SECTION 42.** Section 57-73-23, Mississippi Code of 1972, is
3757 brought forward as follows:

3758 57-73-23. (1) A fifty percent (50%) income tax credit shall
3759 be granted to any employer providing dependent care for employees
3760 during the employee's work hours, and to any employer who provides
3761 a child care stipend of at least Six Thousand Dollars (\$6,000.00)
3762 to a licensed or registered entity providing dependent child care
3763 in the State of Mississippi for an employee's children during the
3764 employee's work hours.

3765 (2) In order for an employer who provides a child care
3766 stipend under this section to be eligible for the tax credit, the
3767 employer shall certify to the Department of Revenue:

3768 (a) The names of the employees on whose behalf the
3769 stipend is paid; and

3770 (b) The amount of the stipend paid on behalf of each of
3771 those employees;

3772 (c) The licensed or registered entity receiving the
3773 child care stipend from the employer on behalf of the employee,
3774 including the entity's federal identification number and license
3775 and registration number; and

3776 (d) Such other information as may be required by the
3777 Department of Revenue to ensure that credits under this section
3778 are granted only to employers who provide stipends to a licensed
3779 or registered entity providing dependent care in the State of



3780 Mississippi for an employee's children during the employee's work
3781 hours.

3782 (3) For an employer contracting with a licensed or
3783 registered entity to provide dependent care for its employees
3784 during the employee's work hours, the credit is applied to the net
3785 cost of any contract executed by the employer for another entity
3786 to provide dependent care; or, if the employer elects to provide
3787 dependent care itself, the credit is applied to expenses of
3788 dependent care staff, learning and recreational materials and
3789 equipment, and the construction and maintenance of a facility; or,
3790 if the employer elects to provide a child care stipend to a
3791 licensed or registered entity providing dependent care in the
3792 State of Mississippi for the employee's children during the
3793 employee's work hours, the credit is applied to the amount of the
3794 stipend provided. Additional eligible expenses include net costs
3795 assumed by the employer which increase the quality, availability
3796 and affordability of dependent care in the community used by
3797 employees during the employee's work hours. This cost is net of
3798 any reimbursement. A deduction shall not be allowed for any
3799 expenses which serve as the basis for an income tax credit. The
3800 credits allowed under this section shall not be used by any
3801 business enterprise or corporation other than the business
3802 enterprise actually qualifying for the credits.

3803 Credit may be carried forward for the five (5) successive
3804 years if the amount allowable as credit exceeds income tax



3805 liability in a tax year; however, thereafter, if the amount
3806 allowable as a credit exceeds the tax liability, the amount of
3807 excess shall not be refundable or carried forward to any other
3808 taxable year.

3809 The facility must have an average daily enrollment for the
3810 taxable year of no less than six (6) children who are twelve (12)
3811 years of age or less and be licensed according to the regulations
3812 governing licensure of child care facilities in Mississippi; or
3813 must serve five (5) or fewer children and/or elderly adults in a
3814 family child care/elder care home approved by the Department of
3815 Health for participation in the United States Department of
3816 Agriculture child and adult nutrition program; or must serve
3817 children over twelve (12) years of age but less than eighteen (18)
3818 years of age in either a community-based facility or a facility at
3819 the employment site; or must serve adult relatives of employees in
3820 either a community-based elder care facility or a facility at the
3821 employment site; or must serve children or adult dependents having
3822 physical, emotional or mental disabilities in either a
3823 community-based facility or a facility at the employment site.

3824 Employers will be certified as eligible for the tax credit by
3825 the State Department of Health for programs serving children
3826 twelve (12) years of age or younger and for programs serving
3827 elderly adults and by the Department of Revenue for programs
3828 serving other dependents older than twelve (12) years of age.



3829 **SECTION 43.** Section 57-87-5, Mississippi Code of 1972, is
3830 brought forward as follows:

3831 57-87-5. (1) For purposes of this section:

3832 (a) "Telecommunications enterprises" shall have the
3833 meaning ascribed to such term in Section 57-73-21(14);

3834 (b) "Tier One areas" mean counties designated as Tier
3835 One areas pursuant to Section 57-73-21(1);

3836 (c) "Tier Two areas" mean counties designated as Tier
3837 Two areas pursuant to Section 57-73-21(1);

3838 (d) "Tier Three areas" mean counties designated as Tier
3839 Three areas pursuant to Section 57-73-21(1); and

3840 (e) "Equipment used in the deployment of broadband
3841 technologies" means any equipment capable of being used for or in
3842 connection with the transmission of information at a rate, prior
3843 to taking into account the effects of any signal degradation, that
3844 is not less than three hundred eighty-four (384) kilobits per
3845 second in at least one (1) direction, including, but not limited
3846 to, asynchronous transfer mode switches, digital subscriber line
3847 access multiplexers, routers, servers, multiplexers, fiber optics
3848 and related equipment.

3849 (2) With respect to the investment in each year by a
3850 telecommunications enterprise after June 30, 2003, and before July
3851 1, 2025, there shall be allowed annually as a credit against the
3852 aggregate tax imposed by Chapters 7 and 13 of Title 27,
3853 Mississippi Code of 1972, an amount equal to:



3854 (a) Five percent (5%) of the cost of equipment used in
3855 the deployment of broadband technologies in Tier One areas;

3856 (b) Ten percent (10%) of the cost of equipment used in
3857 the deployment of broadband technologies in Tier Two areas; and

3858 (c) Fifteen percent (15%) of the cost of equipment used
3859 in the deployment of broadband technologies in Tier Three areas.

3860 (3) Such annual credits shall be allowed commencing with the
3861 taxable year in which such property is placed in service and
3862 continue for nine (9) consecutive years thereafter. The aggregate
3863 credit established by this section taken in any one (1)
3864 tax year shall be limited to an amount not greater than fifty
3865 percent (50%) of the taxpayer's tax liabilities under Chapters 7
3866 and 13 of Title 27, Mississippi Code of 1972; however, any tax
3867 credit claimed under this section, but not used in any taxable
3868 year, may be carried forward for ten (10) consecutive years from
3869 the close of the tax year in which the credits were earned.

3870 (4) The maximum aggregate amount of credits that may be
3871 claimed under this section shall not exceed the original
3872 investment made by a telecommunications enterprise in the
3873 qualifying equipment used in the deployment of broadband
3874 technologies.

3875 (5) For purposes of this section, the tier in which
3876 broadband technology is deployed shall be determined in the year
3877 in which such technology is deployed in a county and such tier



3878 shall not change if the county is later designated in another
3879 tier.

3880 (6) There will be no credit allowed under this section if
3881 the equipment used in the deployment of broadband technologies was
3882 paid for, or its cost was reimbursed by, funds made available
3883 under the Coronavirus Aid, Relief, and Economic Security (CARES)
3884 Act.

3885 **SECTION 44.** Section 57-87-7, Mississippi Code of 1972, is
3886 brought forward as follows:

3887 57-87-7. Equipment used in the deployment of broadband
3888 technologies by a telecommunications enterprise (as defined in
3889 Section 57-73-21(14)), that is placed in service after June 30,
3890 2003, and before July 1, 2025, shall be exempt from ad valorem
3891 taxation for a period of ten (10) years after the date such
3892 equipment is placed in service. For purposes of this section,
3893 "equipment used in the deployment of broadband technologies" means
3894 any equipment capable of being used for or in connection with the
3895 transmission of information at a rate, prior to taking into
3896 account the effects of any signal degradation, that is not less
3897 than three hundred eighty-four (384) kilobits per second in at
3898 least one direction, including, but not limited to, asynchronous
3899 transfer mode switches, digital subscriber line access
3900 multiplexers, routers, servers, multiplexers, fiber optics and
3901 related equipment.



3902 **SECTION 45.** Section 57-105-1, Mississippi Code of 1972, is
3903 brought forward as follows:

3904 57-105-1. (1) As used in this section:

3905 (a) "Adjusted purchase price" means the investment in
3906 the qualified community development entity for the qualified
3907 equity investment, substantially all of the proceeds of which are
3908 used to make qualified low-income community investments in
3909 Mississippi.

3910 For the purposes of calculating the amount of qualified
3911 low-income community investments held by a qualified community
3912 development entity, an investment will be considered held by a
3913 qualified community development entity even if the investment has
3914 been sold or repaid; provided that the qualified community
3915 development entity reinvests an amount equal to the capital
3916 returned to or recovered by the qualified community development
3917 entity from the original investment, exclusive of any profits
3918 realized, in another qualified low-income community investment in
3919 Mississippi, including any federal Indian reservation located
3920 within the geographical boundary of Mississippi within twelve (12)
3921 months of the receipt of such capital. A qualified community
3922 development entity will not be required to reinvest capital
3923 returned from the qualified low-income community investments after
3924 the sixth anniversary of the issuance of the qualified equity
3925 investment, the proceeds of which were used to make the qualified
3926 low-income community investment, and the qualified low-income



3927 community investment will be considered held by the qualified
3928 community development entity through the seventh anniversary of
3929 the qualified equity investment's issuance.

3930 (b) "Applicable percentage" means:

3931 (i) For any equity investment issued prior to July
3932 1, 2008, four percent (4%) for each of the second through seventh
3933 credit allowance dates for purposes of the taxes imposed by
3934 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
3935 the second through seventh credit allowance dates for purposes of
3936 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

3937 (ii) For any equity investment issued from and
3938 after July 1, 2008, eight percent (8%) for each of the first
3939 through third credit allowance dates for purposes of the taxes
3940 imposed by Section 27-7-5 or the taxes imposed by Sections
3941 27-15-103, 27-15-109 and 27-15-123.

3942 (c) "Credit allowance date" means, with respect to any
3943 qualified equity investment:

3944 (i) The later of:

3945 1. The date upon which the qualified equity
3946 investment is initially made; or

3947 2. The date upon which the Mississippi
3948 Development Authority issues a certificate under subsection (4) of
3949 this section; and



3950 (ii) 1. For equity investments issued prior to
3951 July 1, 2008, each of the subsequent six (6) anniversary dates of
3952 the date upon which the investment is initially made; or

3953 2. For equity investments issued from and
3954 after July 1, 2008, each of the subsequent two (2) anniversary
3955 dates of the date determined as provided for in subparagraph (i)
3956 of this paragraph.

3957 (d) "Qualified community development entity" shall have
3958 the meaning ascribed to such term in Section 45D of the Internal
3959 Revenue Code of 1986, as amended, if the entity has entered into
3960 an Allocation Agreement with the Community Development Financial
3961 Institutions Fund of the United States Department of the Treasury
3962 with respect to credits authorized by Section 45D of the Internal
3963 Revenue Code of 1986, as amended.

3964 (e) "Qualified active low-income community business"
3965 shall have the meaning ascribed to such term in Section 45D of the
3966 Internal Revenue Code of 1986, as amended.

3967 (f) "Qualified equity investment" shall have the
3968 meaning ascribed to such term in Section 45D of the Internal
3969 Revenue Code of 1986, as amended. The investment does not have to
3970 be designated as a qualified equity investment by the Community
3971 Development Financial Institutions Fund of the United States
3972 Treasury to be considered a qualified equity investment under this
3973 section but otherwise must meet the definition under the Internal



3974 Revenue Code. In addition to meeting the definition in Section
3975 45D of the Internal Revenue Code such investment must also:

3976 (i) Have been acquired after January 1, 2007, at
3977 its original issuance solely in exchange for cash; and

3978 (ii) Have been allocated by the Mississippi
3979 Development Authority.

3980 For the purposes of this section, such investment shall be
3981 deemed a qualified equity investment on the later of the date such
3982 qualified equity investment is made or the date on which the
3983 Mississippi Development Authority issues a certificate under
3984 subsection (4) of this section allocating credits based on such
3985 investment.

3986 (g) "Qualified low-income community investment" shall
3987 have the meaning ascribed to such term in Section 45D of the
3988 Internal Revenue Code of 1986, as amended; provided, however, that
3989 the maximum amount of qualified low-income community investments
3990 issued for a single qualified active low-income community
3991 business, on an aggregate basis with all of its affiliates, that
3992 may be included for purposes of allocating any credits under this
3993 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
3994 the aggregate, whether issued by one (1) or several qualified
3995 community development entities.

3996 (2) A taxpayer that holds a qualified equity investment on
3997 the credit allowance date shall be entitled to a credit applicable
3998 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109



3999 and 27-15-123 during the taxable year that includes the credit
4000 allowance date. The amount of the credit shall be equal to the
4001 applicable percentage of the adjusted purchase price paid to the
4002 qualified community development entity for the qualified equity
4003 investment. The amount of the credit that may be utilized in any
4004 one (1) tax year shall be limited to an amount not greater than
4005 the total tax liability of the taxpayer for the taxes imposed by
4006 the above-referenced sections. The credit shall not be refundable
4007 or transferable. Any unused portion of the credit may be carried
4008 forward for seven (7) taxable years beyond the credit allowance
4009 date on which the credit was earned. The maximum aggregate amount
4010 of qualified equity investments that may be allocated by the
4011 Mississippi Development Authority may not exceed an amount that
4012 would result in taxpayers claiming in any one (1) state fiscal
4013 year credits in excess of Fifteen Million Dollars
4014 (\$15,000,000.00), exclusive of credits that might be carried
4015 forward from previous taxable years; however, a maximum of
4016 one-third (1/3) of this amount may be allocated as credits for
4017 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
4018 taxpayer claiming a credit under this section against the taxes
4019 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
4020 shall not be required to pay any additional tax under Section
4021 27-15-123 as a result of claiming such credit. The Mississippi
4022 Development Authority shall allocate credits within this limit as
4023 provided for in subsection (4) of this section.



4024 (3) Tax credits authorized by this section that are earned
4025 by a partnership, limited liability company, S corporation or
4026 other similar pass-through entity, shall be allocated among all
4027 partners, members or shareholders, respectively, either in
4028 proportion to their ownership interest in such entity or as the
4029 partners, members or shareholders mutually agree as provided in an
4030 executed document. Such allocation shall be made each taxable
4031 year of such pass-through entity which contains a credit allowance
4032 date.

4033 (4) The qualified community development entity shall apply
4034 for credits with the Mississippi Development Authority on forms
4035 prescribed by the Mississippi Development Authority. The
4036 qualified community development entity must pay an application fee
4037 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
4038 Authority at the time the application is submitted. In the
4039 application the qualified community development entity shall
4040 certify to the Mississippi Development Authority the dollar amount
4041 of the qualified equity investments made or to be made in this
4042 state, including in any federal Indian reservation located within
4043 the state's geographical boundary, during the first twelve-month
4044 period following the initial credit allowance date. The
4045 Mississippi Development Authority shall allocate credits based on
4046 the dollar amount of qualified equity investments as certified in
4047 the application. Once the Mississippi Development Authority has
4048 allocated credits to a qualified community development entity, if



4049 the corresponding qualified equity investment has not been issued
4050 as of the date of such allocation, then the corresponding
4051 qualified equity investment must be issued not later than one
4052 hundred twenty (120) days from the date of such allocation. If
4053 the qualified equity investment is not issued within such time
4054 period, the allocation shall be cancelled and returned to the
4055 Mississippi Development Authority for reallocation. Upon final
4056 documentation of the qualified low-income community investments,
4057 if the actual dollar amount of the investments is lower than the
4058 amount estimated, the Mississippi Development Authority shall
4059 adjust the tax credit allowed under this section. The Department
4060 of Revenue may recapture all of the credit allowed under this
4061 section if:

4062 (a) Any amount of federal tax credits available with
4063 respect to a qualified equity investment that is eligible for a
4064 tax credit under this section is recaptured under Section 45D of
4065 the Internal Revenue Code of 1986, as amended; or

4066 (b) The qualified community development entity redeems
4067 or makes any principal repayment with respect to a qualified
4068 equity investment prior to the seventh anniversary of the issuance
4069 of the qualified equity investment; or

4070 (c) The qualified community development entity fails to
4071 maintain at least eighty-five percent (85%) of the proceeds of the
4072 qualified equity investment in qualified low-income community



4073 investments in Mississippi at any time prior to the seventh
4074 anniversary of the issuance of the qualified equity investment.

4075 Any credits that are subject to recapture under this
4076 subsection shall be recaptured from the taxpayer that actually
4077 claimed the credit.

4078 The Mississippi Development Authority shall not allocate any
4079 credits under this section after July 1, 2024.

4080 (5) Each qualified community development entity that
4081 receives qualified equity investments to make qualified low-income
4082 community investments in Mississippi must annually report to the
4083 Mississippi Development Authority the North American Industry
4084 Classification System Code, the county, the dollars invested, the
4085 number of jobs assisted and the number of jobs assisted with wages
4086 over one hundred percent (100%) of the federal poverty level for a
4087 family of four (4) of each qualified low-income community
4088 investment.

4089 (6) The Mississippi Development Authority shall file an
4090 annual report on all qualified low-income community investments
4091 with the Governor, the Clerk of the House of Representatives, the
4092 Secretary of the Senate and the Secretary of State describing the
4093 North American Industry Classification System Code, the county,
4094 the dollars invested, the number of jobs assisted and the number
4095 of jobs assisted with wages over one hundred percent (100%) of the
4096 federal poverty level for a family of four (4) of each qualified



4097 low-income community investment. The annual report will be posted
4098 on the Mississippi Development Authority's Internet website.

4099 (7) (a) The purpose of this subsection is to authorize the
4100 creation and establishment of public benefit corporations for
4101 financing arrangements regarding public property and facilities.

4102 (b) As used in this subsection:

4103 (i) "New Markets Tax Credit transaction" means any
4104 financing transaction which utilizes either this section or
4105 Section 45D of the Internal Revenue Code of 1986, as amended.

4106 (ii) "Public benefit corporation" means a
4107 nonprofit corporation formed or designated by a public entity to
4108 carry out the purposes of this subsection.

4109 (iii) "Public entity or public entities" includes
4110 utility districts, regional solid waste authorities, regional
4111 utility authorities, community hospitals, regional airport
4112 authorities, municipal airport authorities, community and junior
4113 colleges, educational building corporations established by or on
4114 behalf of the state institutions of higher learning, school
4115 districts, planning and development districts, county economic
4116 development districts, urban renewal agencies, any other regional
4117 or local economic development authority, agency or governmental
4118 entity, and any other regional or local industrial development
4119 authority, agency or governmental entity.



4120 (iv) "Public property or facilities" means any
4121 property or facilities owned or leased by a public entity or
4122 public benefit corporation.

4123 (c) Notwithstanding any other provision of law to the
4124 contrary, public entities are authorized pursuant to this
4125 subsection to create one or more public benefit corporations or
4126 designate an existing corporation as a public benefit corporation
4127 for the purpose of entering into financing agreements and engaging
4128 in New Markets Tax Credit transactions, which shall include,
4129 without limitation, arrangements to plan, acquire, renovate,
4130 construct, lease, sublease, manage, operate and/or improve new or
4131 existing public property or facilities located within the
4132 boundaries or service area of the public entity. Any financing
4133 arrangement authorized under this subsection shall further any
4134 purpose of the public entity and may include a term of up to fifty
4135 (50) years.

4136 (d) Notwithstanding any other provision of law to the
4137 contrary and in order to facilitate the acquisition, renovation,
4138 construction, leasing, subleasing, management, operating and/or
4139 improvement of new or existing public property or facilities to
4140 further any purpose of a public entity, public entities are
4141 authorized to enter into financing arrangements in order to
4142 transfer public property or facilities to and/or from public
4143 benefit corporations, including, without limitation, sales,
4144 sale-leasebacks, leases and lease-leasebacks, provided such



4145 transfer is related to any New Markets Tax Credit transaction
4146 furthering any purpose of the public entity. Any such transfer
4147 under this paragraph (d) and the public property or facilities
4148 transferred in connection therewith shall be exempted from any
4149 limitation or requirements with respect to leasing, acquiring,
4150 and/or constructing public property or facilities.

4151 (e) With respect to a New Markets Tax Credit
4152 transaction, public entities and public benefit corporations are
4153 authorized to enter into financing arrangements with any
4154 governmental, nonprofit or for-profit entity in order to leverage
4155 funds not otherwise available to public entities for the
4156 acquisition, construction and/or renovation of properties
4157 transferred to such public benefit corporations. The use of any
4158 funds loaned by or contributed by a public benefit corporation or
4159 borrowed by or otherwise made available to a public benefit
4160 corporation in such financing arrangement shall be dedicated
4161 solely to (i) the development of new properties or facilities
4162 and/or the renovation of existing properties or facilities or
4163 operation of properties or facilities, and/or (ii) the payment of
4164 costs and expenditures related to any such financing arrangements,
4165 including, but not limited to, funding any reserves required in
4166 connection therewith, the repayment of any indebtedness incurred
4167 in connection therewith, and the payment of fees and expenses
4168 incurred in connection with the closing, administration,



4169 accounting and/or compliance with respect to the New Markets Tax
4170 Credit transaction.

4171 (f) A public benefit corporation created pursuant to
4172 this subsection shall not be a political subdivision of the state
4173 but shall be a nonprofit corporation organized and governed under
4174 the provisions of the laws of this state and shall be a special
4175 purpose corporation established to facilitate New Markets Tax
4176 Credit transactions consistent with the requirements of this
4177 section.

4178 (g) Neither this subsection nor anything herein
4179 contained is or shall be construed as a restriction or limitation
4180 upon any powers which the public entity or public benefit
4181 corporation might otherwise have under any laws of this state, and
4182 this subsection is cumulative to any such powers. This subsection
4183 does and shall be construed to provide a complete additional and
4184 alternative method for the doing of the things authorized thereby
4185 and shall be regarded as supplemental and additional to powers
4186 conferred by other laws.

4187 (8) The Mississippi Development Authority shall promulgate
4188 rules and regulations to implement the provisions of this section.

4189 **SECTION 46.** Section 57-10-409, Mississippi Code of 1972, is
4190 brought forward as follows:

4191 **[In cases involving an economic development project for which**
4192 **the Mississippi Business Finance Corporation has issued bonds for**



4193 **the purpose of financing the approved costs of such project prior**
4194 **to July 1, 1994, this section shall read as follows:]**

4195 57-10-409. The corporation may enter into, with any approved
4196 company, a financing agreement with respect to its economic
4197 development project. The terms and provisions of each financing
4198 agreement shall be determined by negotiations between the
4199 corporation and the approved company, except that each financing
4200 agreement shall include the following provisions:

4201 (a) If the corporation issues any bonds in connection
4202 with an economic development project, the term of the financing
4203 agreement shall not be less than the last maturity of the bonds
4204 issued with respect to the economic development project, except
4205 that the financing agreement may terminate upon the earlier
4206 redemption of all of the bonds issued with respect to the economic
4207 development project and may grant to the approved company an
4208 option to purchase the economic development project from the
4209 corporation upon the termination of the financing agreement for
4210 such consideration and under such terms and conditions the
4211 corporation may approve. Nothing in this paragraph shall limit
4212 the extension of the term of a financing agreement if there is a
4213 refunding of the correlative bonds or otherwise.

4214 (b) If the corporation issues any bonds in connection
4215 with an economic development project, the financing agreement
4216 shall specify that the annual obligations of the approved company
4217 under Sections 57-10-401 through 57-10-445 shall equal in each



4218 year at least the annual debt service for that year on the bonds
4219 issued with respect to the economic development project; and the
4220 approved company shall pay such obligation of the financing
4221 agreement to the trustee for bonds issued for the benefit of the
4222 approved company, at such time and in such amounts sufficient to
4223 amortize such bonds.

4224 (c) If the corporation loans funds to an approved
4225 company that is a private company under the Mississippi Small
4226 Enterprise Development Finance Act, the financing agreement shall
4227 include the terms and conditions of the loan required by Section
4228 57-71-1 et seq.

4229 (d) (i) In consideration for financing agreement
4230 payment, the approved company may be permitted the following
4231 during the period of time in which the financing agreement is in
4232 effect, not to exceed twenty-five (25) years:

4233 1. A tax credit on the amount provided for in
4234 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4235 2. The aggregate assessment withheld by the
4236 approved company in each year.

4237 (ii) The income tax credited to the approved
4238 company referred to herein shall be credited in the fiscal year of
4239 the financing agreement in which the tax return of the approved
4240 company is filed. The approved company shall not be required to
4241 pay estimated tax payments under Section 27-7-319, Mississippi
4242 Code of 1972.



4243 (e) (i) The financing agreement shall provide that the
4244 assessments, when added to the credit for the state corporate
4245 income tax herein granted, shall not exceed the total financing
4246 agreement annual payment by the approved company in any year;
4247 however, to the extent that financing agreement annual payments
4248 exceed credits received and assessments collected in any year, the
4249 excess payment may be recouped from excess credits or assessment
4250 collections in succeeding years.

4251 (ii) If during any fiscal year of the financing
4252 agreement the total of the income tax credit granted to the
4253 approved company plus the assessment collected from the wages of
4254 the employees equals the annual payment pursuant to the financing
4255 agreement, and if all excess payments pursuant to the financing
4256 agreement accumulated in prior years have been recouped, the
4257 assessment collected from the wages of the employees shall cease
4258 for the remainder of the fiscal year of the financing agreement.

4259 (f) The financing agreement shall provide that:

4260 (i) It may be assigned by the approved company
4261 only upon the prior written consent of the corporation following
4262 the adoption of a resolution by the corporation to such effect;
4263 and

4264 (ii) Upon the default by the approved company in
4265 the obligation to render its annual payment, the corporation shall
4266 have the right, at its option, to declare the financing agreement
4267 in default and to accelerate the total of all annual payments that



4268 are to be made or to terminate the financing agreement and cause
4269 to be sold the economic development project at public or private
4270 sale, or to pursue any other remedies available under the Uniform
4271 Commercial Code, as from time to time amended, or otherwise
4272 available in law or equity.

4273 **[In cases involving an economic development project for which**
4274 **the Mississippi Business Finance Corporation has not issued bonds**
4275 **for the purpose of financing the approved costs of such project**
4276 **prior to July 1, 1994, but has issued bonds for such project prior**
4277 **to July 1, 1997, or in cases involving an economic development**
4278 **project which has been induced by a resolution of the Board of**
4279 **Directors of the Mississippi Business Finance Corporation that has**
4280 **been filed with the State Tax Commission prior to July 1, 1997,**
4281 **this section shall read as follows:]**

4282 57-10-409. The corporation may enter into, with any approved
4283 company, a financing agreement with respect to its economic
4284 development project. The terms and provisions of each financing
4285 agreement shall be determined by negotiations between the
4286 corporation and the approved company, except that each financing
4287 agreement shall include the following provisions:

4288 (a) If the corporation issues any bonds in connection
4289 with an economic development project, the term of the financing
4290 agreement shall not be less than the last maturity of the bonds
4291 issued with respect to the economic development project, except
4292 that the financing agreement may terminate upon the earlier



4293 redemption of all of the bonds issued with respect to the economic
4294 development project and may grant to the approved company an
4295 option to purchase the economic development project from the
4296 corporation upon the termination of the financing agreement for
4297 such consideration and under such terms and conditions the
4298 corporation may approve. Nothing in this paragraph shall limit
4299 the extension of the term of a financing agreement if there is a
4300 refunding of the correlative bonds or otherwise.

4301 (b) If the corporation issues any bonds in connection
4302 with an economic development project, the financing agreement
4303 shall specify that the annual obligations of the approved company
4304 under Sections 57-10-401 through 57-10-445 shall equal in each
4305 year at least the annual debt service for that year on the bonds
4306 issued with respect to the economic development project; and the
4307 approved company shall pay such obligation of the financing
4308 agreement to the trustee for bonds issued for the benefit of the
4309 approved company, at such time and in such amounts sufficient to
4310 amortize such bonds.

4311 (c) If the corporation loans funds to an approved
4312 company that is a private company under the Mississippi Small
4313 Enterprise Development Finance Act, the financing agreement shall
4314 include the terms and conditions of the loan required by Section
4315 57-71-1 et seq.

4316 (d) (i) In consideration for financing agreement
4317 payment, the approved company may be permitted the following



4318 during the period of time in which the financing agreement is in
4319 effect, not to exceed twenty-five (25) years:

4320 1. A tax credit on the amount provided for in
4321 Section 27-7-22.3(2), Mississippi Code of 1972; plus

4322 2. The aggregate assessment withheld by the
4323 approved company in each year.

4324 (ii) The income tax credited to the approved
4325 company referred to herein shall be credited in the fiscal year of
4326 the financing agreement in which the tax return of the approved
4327 company is filed. The approved company shall not be required to
4328 pay estimated tax payments under Section 27-7-319, Mississippi
4329 Code of 1972.

4330 (e) (i) The financing agreement shall provide that the
4331 assessments, when added to the credit for the state corporate
4332 income tax herein granted, shall not exceed the total financing
4333 agreement annual payment by the approved company in any year;
4334 however, to the extent that financing agreement annual payments
4335 exceed credits received and assessments collected in any year, the
4336 excess payment may be recouped from excess credits or assessment
4337 collections in succeeding years not to exceed three (3) years
4338 following the termination of the period of time during which the
4339 financing agreement is in effect.

4340 (ii) If during any fiscal year of the financing
4341 agreement the total of the income tax credit granted to the
4342 approved company plus the assessment collected from the wages of



4343 the employees equals the annual payment pursuant to the financing
4344 agreement, and if all excess payments pursuant to the financing
4345 agreement accumulated in prior years have been recouped, the
4346 assessment collected from the wages of the employees shall cease
4347 for the remainder of the fiscal year of the financing agreement.

4348 (f) The financing agreement shall provide that:

4349 (i) It may be assigned by the approved company
4350 only upon the prior written consent of the corporation following
4351 the adoption of a resolution by the corporation to such effect;
4352 and

4353 (ii) Upon the default by the approved company in
4354 the obligation to render its annual payment, the corporation shall
4355 have the right, at its option, to declare the financing agreement
4356 in default and to accelerate the total of all annual payments that
4357 are to be made or to terminate the financing agreement and cause
4358 to be sold the economic development project at public or private
4359 sale, or to pursue any other remedies available under the Uniform
4360 Commercial Code, as from time to time amended, or otherwise
4361 available in law or equity.

4362 **[In cases involving an economic development project for which**
4363 **the Mississippi Business Finance Corporation has not issued bonds**
4364 **for the purpose of financing the approved costs of such project**
4365 **prior to July 1, 1997, or in cases involving an economic**
4366 **development project which has not been induced by a resolution of**
4367 **the Board of Directors of the Mississippi Business Finance**



4368 **Corporation that has been filed with the State Tax Commission**
4369 **prior to July 1, 1997, this section shall read as follows:]**

4370 57-10-409. The corporation may enter into, with any approved
4371 company, a financing agreement with respect to its economic
4372 development project. The terms and provisions of each financing
4373 agreement shall be determined by negotiations between the
4374 corporation and the approved company, except that each financing
4375 agreement shall include the following provisions:

4376 (a) If the corporation issues any bonds in connection
4377 with an economic development project, the term of the financing
4378 agreement shall not be less than the last maturity of the bonds
4379 issued with respect to the economic development project, except
4380 that the financing agreement may terminate upon the earlier
4381 redemption of all of the bonds issued with respect to the economic
4382 development project and may grant to the approved company an
4383 option to purchase the economic development project from the
4384 corporation upon the termination of the financing agreement for
4385 such consideration and under such terms and conditions the
4386 corporation may approve. Nothing in this paragraph shall limit
4387 the extension of the term of a financing agreement if there is a
4388 refunding of the correlative bonds or otherwise.

4389 (b) If the corporation issues any bonds in connection
4390 with an economic development project, the financing agreement
4391 shall specify that the annual obligations of the approved company
4392 under Sections 57-10-401 through 57-10-445 shall equal in each



4393 year at least the annual debt service for that year on the bonds
4394 issued with respect to the economic development project; and the
4395 approved company shall pay such obligation of the financing
4396 agreement to the trustee for bonds issued for the benefit of the
4397 approved company, at such time and in such amounts sufficient to
4398 amortize such bonds.

4399 (c) If the corporation loans funds to an approved
4400 company that is a private company under the Mississippi Small
4401 Enterprise Development Finance Act, the financing agreement shall
4402 include the terms and conditions of the loan required by Section
4403 57-71-1 et seq.

4404 (d) (i) In consideration for financing agreement
4405 payment, the approved company may be permitted a tax credit on the
4406 amount provided for in Section 27-7-22.3(2), Mississippi Code of
4407 1972, during the period of time in which the financing agreement
4408 is in effect, not to exceed twenty-five (25) years.

4409 (ii) The income tax credited to the approved
4410 company referred to herein shall be credited in the fiscal year of
4411 the financing agreement in which the tax return of the approved
4412 company is filed. The approved company shall not be required to
4413 pay estimated tax payments under Section 27-7-319, Mississippi
4414 Code of 1972.

4415 (e) The financing agreement shall provide that:

4416 (i) It may be assigned by the approved company
4417 only upon the prior written consent of the corporation following



4418 the adoption of a resolution by the corporation to such effect;
4419 and

4420 (ii) Upon the default by the approved company in
4421 the obligation to render its annual payment, the corporation shall
4422 have the right, at its option, to declare the financing agreement
4423 in default and to accelerate the total of all annual payments that
4424 are to be made or to terminate the financing agreement and cause
4425 to be sold the economic development project at public or private
4426 sale, or to pursue any other remedies available under the Uniform
4427 Commercial Code, as from time to time amended, or otherwise
4428 available in law or equity.

4429 **SECTION 47.** Section 57-114-3, Mississippi Code of 1972, is
4430 brought forward as follows:

4431 57-114-3. For purposes of this chapter, the following words
4432 shall have the meanings ascribed herein unless the context
4433 otherwise requires:

4434 (a) "Affiliate" means, with respect to a specified
4435 entity, (i) another person or entity that directly or indirectly,
4436 through one or more intermediaries, controls or is controlled by
4437 or is under common control with the specified person or entity,
4438 where the term "control" means the ownership or possession,
4439 directly or indirectly, of the power to direct more than fifty
4440 percent (50%) of the voting equity securities or a similar
4441 ownership interest in the specified controlled entity, or (ii) any
4442 member of an affiliated group of corporations, of which the



4443 specified entity is also a member, which are each subject to
4444 income taxation in Mississippi and may elect to file a combined
4445 Mississippi income tax return in accordance with state law.

4446 (b) "Authority" means the Mississippi Development
4447 Authority.

4448 (c) "Annual report" means the report described in
4449 Section 57-114-13.

4450 (d) "Applicable accounting rules" shall mean the
4451 accounting principles generally recognized as applicable to a
4452 qualified business or industry and pursuant to which such
4453 qualified business or industry regularly prepares and maintains
4454 its financial and accounting books and records, and which
4455 specifically incorporate Generally Accepted Accounting Principles
4456 or International Financial Reporting Standards, as appropriate.

4457 (e) "Applicant" means any corporation, limited
4458 liability company, partnership, person or sole proprietorship,
4459 business trust or other legal entity and subunit or affiliate
4460 thereof that applies to the authority, in the manner prescribed by
4461 this chapter, seeking (i) certification by the authority that such
4462 applicant is a qualified business or industry and that its
4463 proposed new project or expansion of an existing business or
4464 industrial operation is a qualified economic development project,
4465 and (ii) an award in connection therewith of an mFlex tax
4466 incentive.



4467 (f) "Average state or county wage" shall mean, as of
4468 the project certification date, the lesser of the most recently
4469 published average annual wage per person as determined and
4470 published by the Mississippi Department of Employment Security for
4471 the state or the county in which the qualified project is or will
4472 be located; provided that, if a qualified project is or will be
4473 located in two (2) or more counties, the average state or county
4474 wage, as used in this chapter, shall mean, as of the project
4475 certification date, only the most recently published average
4476 annual wage per person as determined and published by the
4477 Mississippi Department of Employment Security for the state.

4478 (g) "Average employer wage" means the qualified annual
4479 payroll for all new full-time jobs created in the State of
4480 Mississippi by a qualified business or industry divided by the
4481 number of new full-time jobs thereof for which such qualified
4482 annual payroll was paid or is otherwise payable.

4483 (h) "Base full-time job" means a job (i) for which an
4484 employee was already hired by the qualified business or industry
4485 before, and is employed as of, the project certification date;
4486 (ii) that offers a minimum of one thousand eight hundred twenty
4487 (1,820) hours of an employee's time per year (i.e., thirty-five
4488 (35) hours per week on average) for a normal four (4) consecutive
4489 quarter period of the qualified business or industry's operations
4490 or a job for which the employee was hired before, and is employed
4491 as of, the project certification date and is compensated based on



4492 one thousand eight hundred twenty (1,820) hours for such annual
4493 period (including in each case an employee who, after hiring,
4494 elects to take unpaid time off or is on short-term or long-term
4495 disability); and (iii) the employee holding such job receives
4496 salary or wages subject to state income tax withholdings. The
4497 term "base full-time job" also means a base-leased employee.
4498 Part-time jobs may not be combined to add up to a base full-time
4499 job.

4500 (i) "Base-leased employee" means a nontemporary
4501 employee:

4502 (i) Who was leased by the qualified business or
4503 industry before the project certification date from another
4504 business or enterprise that is 1. in the business of leasing
4505 employees, and 2. is registered with the Office of the Secretary
4506 of State and qualified to do business in the state;

4507 (ii) Who is leased as of the project certification
4508 date;

4509 (iii) Who is not otherwise an employee of such
4510 qualified business or industry;

4511 (iv) Who, as of the project certification date,
4512 was already performing services for, and under the supervision of,
4513 the qualified business or industry pursuant to a leasing agreement
4514 between the qualified business or industry and such other employee
4515 leasing firm;



4516 (v) Whose job-performing services for the
4517 qualified business or industry offers a minimum of one thousand
4518 eight hundred twenty (1,820) hours of an employee's time per year
4519 (i.e., thirty-five (35) hours per week on average) for an entire
4520 normal work year of the qualified business or industry's
4521 operations or a job for which the employee is leased before the
4522 project certification date and is compensated based on one
4523 thousand eight hundred twenty (1,820) hours for such annual period
4524 (including in each case an employee who, after being leased,
4525 elects to take unpaid time off or is on short-term or long-term
4526 disability); and

4527 (vi) Whose job receives salary or wages subject to
4528 state income tax withholdings. Individuals employed by an
4529 independent contractor performing one or more services for the
4530 qualified business or industry pursuant to a services or
4531 management agreement (e.g., security services, landscaping
4532 services, and cafeteria management and food services) shall not be
4533 considered as base-leased employees.

4534 (j) "Contractor tax" shall mean the tax levied by
4535 Section 27-65-21, except for the tax upon the sale of
4536 manufacturing or processing machinery for a manufacturer or custom
4537 processor.

4538 (k) "Construction contract" shall mean any contract or
4539 portion of any contract for any one or more of the activities



4540 described in Section 27-65-21 for which the contractor tax applies
4541 and is payable by the contractor that is party thereto.

4542 (l) "Manufacturing machinery," as used in this chapter,
4543 shall have the same meaning ascribed to such term in Section
4544 27-65-11, as interpreted by any regulations promulgated by the
4545 Department of Revenue with respect to such section.

4546 (m) "mFlex agreement" means the written agreement
4547 entered into between a qualified business or industry and the
4548 authority in accordance with Section 57-114-7(4)(c).

4549 (n) "mFlex tax incentive" means the tax incentive
4550 authorized by this chapter to be calculated and awarded by the
4551 authority, and thereafter applied as a credit to offset state
4552 taxes, in accordance with, and subject to, this chapter.

4553 (o) "Minimum job creation requirement" means the
4554 creation by the qualified business or industry, following the
4555 project certification date, of at least ten (10) new full-time
4556 jobs in the state.

4557 (p) "Minimum qualified investment" means a qualified
4558 investment of not less than Two Million Five Hundred Thousand
4559 Dollars (\$2,500,000.00).

4560 (q) "New full-time job" means a job:

4561 (i) For which an employee is hired by the
4562 qualified business or industry after the project certification
4563 date;



4564 (ii) That offers a minimum of one thousand eight
4565 hundred twenty (1,820) hours of an employee's time per year (i.e.,
4566 thirty-five (35) hours per week on average) for a normal four (4)
4567 consecutive quarter period of the qualified business or industry's
4568 operations or a job for which the employee is hired after the
4569 project certification date and is compensated based on one
4570 thousand eight hundred twenty (1,820) hours for such annual period
4571 (including in each case an employee who, after hiring, elects to
4572 take unpaid time off or is on short-term or long-term disability);
4573 and

4574 (iii) The employee holding such job receives
4575 salary or wages subject to state income tax withholdings. The
4576 term "new full-time job" also means new-leased employee.
4577 Part-time jobs may not be combined to add up to a new full-time
4578 job.

4579 (r) "New-leased employee" means a nontemporary
4580 employee:

4581 (i) Who is leased by the qualified business or
4582 industry after the project certification date from another
4583 business or enterprise that is 1. in the business of leasing
4584 employees, and 2. is registered with the Office of the Secretary
4585 of State and qualified to do business in the state;

4586 (ii) Who is not otherwise an employee of such
4587 qualified business or industry;



4588 (iii) Who performs services for the qualified
4589 business or industry pursuant to a leasing agreement between the
4590 qualified business or industry and such other employee-leasing
4591 firm;

4592 (iv) Whose job-performing services for the
4593 qualified business or industry offers a minimum of one thousand
4594 eight hundred twenty (1,820) hours of an employee's time per year
4595 (i.e., thirty-five (35) hours per week on average) for an entire
4596 normal work year of the qualified business or industry's
4597 operations or a job for which the employee is leased after the
4598 project certification date and is compensated based on one
4599 thousand eight hundred twenty (1,820) hours for such annual period
4600 (including in each case an employee who, after being leased,
4601 elects to take unpaid time off or is on short-term or long-term
4602 disability); and

4603 (v) Whose job receives salary or wages subject to
4604 state income tax withholdings. Individuals employed by an
4605 independent contractor performing one or more services for the
4606 qualified business or industry pursuant to a services or
4607 management agreement (e.g., security services, landscaping
4608 services, and cafeteria management and food services) shall not be
4609 considered as a new-leased employees.

4610 (s) "Nonmanufacturing equipment" means all tangible
4611 personal property that is not manufacturing machinery, including,
4612 but not limited to, office furniture, fixtures, office computers



4613 and communications equipment, and warehouse equipment such as
4614 racking and shelving.

4615 (t) "Part-time job" means a job (i) for which an
4616 employee is hired by the qualified business or industry that
4617 requires fewer than one thousand eight hundred twenty (1,820)
4618 hours of an employee's time per year (i.e., requires fewer than
4619 thirty-five (35) hours per week on average) for an entire normal
4620 work year of the qualified business or industry's operations or a
4621 job for which the employee is hired and is compensated based on
4622 fewer than one thousand eight hundred twenty (1,820) hours for
4623 such annual period; and (iii) for which the employee holding such
4624 job receives salary or wages subject to state income tax
4625 withholdings.

4626 (u) "Project certification date" means the actual date
4627 of the authority's certification, or the effective date of
4628 certification determined and prescribed by the authority, of the
4629 qualified business or industry and its qualified economic
4630 development project as eligible for the state tax credits
4631 determined and awarded by the authority, as authorized by, and in
4632 accordance with, this chapter.

4633 (v) "Qualified annual payroll" means the sum of the
4634 annual salary and wages for new full-time jobs of the qualified
4635 business or industry, excluding the amount or value of any
4636 benefits that are not subject to state income taxes.



4637 (w) "Qualified business or industry" means any
4638 corporation, limited liability company, partnership, person or
4639 sole proprietorship, business trust or other legal entity and
4640 subunit or affiliate thereof, which makes a qualified minimum
4641 investment in a qualified economic development project.

4642 (x) "Qualified economic development project" or
4643 "qualified project" means the location in the state of one or more
4644 of the following enumerated enterprises for which a corporation,
4645 limited liability company, partnership, sole proprietorship,
4646 business trust or other legal entity, or subunit or affiliate
4647 thereof, makes or causes to be made from the minimum qualified
4648 investment and/or satisfies or causes to be satisfied the minimum
4649 job creation requirement:

4650 (i) A new warehouse and/or distribution enterprise
4651 or an expansion of an existing warehouse and/or distribution
4652 enterprise; provided that, in any such instance, such warehouse
4653 and/or distribution enterprise or expansion thereof is certified
4654 by the authority to qualify as such;

4655 (ii) A new manufacturing, remanufacturing,
4656 assembly, processing and/or refinery enterprise or an expansion of
4657 an existing manufacturing, remanufacturing, assembly, processing
4658 and/or refinery enterprise; provided that, in any such instance,
4659 such manufacturing, remanufacturing, assembly, processing and/or
4660 refinery enterprise or expansion thereof is certified by the
4661 authority to qualify as such;



4662 (iii) A new research or research and development
4663 enterprise or an expansion of an existing research or research and
4664 development enterprise; provided that, in any such instance, such
4665 research and development enterprise or an expansion thereof is
4666 certified by the authority to qualify as such;

4667 (iv) A new regional or national headquarters of
4668 the qualified business or industry or an expansion of an existing
4669 regional or national headquarters of the qualified business or
4670 industry; provided that, in any such instance, such regional or
4671 national headquarters or expansion thereof is certified by the
4672 authority to qualify as such;

4673 (v) An air transportation, repair and/or
4674 maintenance enterprise or an expansion of an existing air
4675 transportation, repair and/or maintenance enterprise; provided
4676 that, in either instance, such air transportation, repair and/or
4677 maintenance enterprise or expansion thereof is certified by the
4678 authority to qualify as such;

4679 (vi) A ship or other maritime vessel or barge
4680 transportation, repair and/or maintenance enterprise or an
4681 expansion of an existing ship or other maritime vessel or barge
4682 transportation, repair and/or maintenance enterprise; provided
4683 that, in either instance, the ship or other maritime vessel or
4684 barge transportation, repair and/or maintenance enterprise or
4685 expansion thereof is certified by the authority to qualify as
4686 such;



4687 (vii) A new data/information processing enterprise
4688 or an expansion of an existing new data/information processing
4689 enterprise; provided that, in any such instance such
4690 data/information processing enterprise or expansion thereof is
4691 certified by the authority to qualify as such;

4692 (viii) A new technology intensive enterprise or an
4693 expansion of an existing technology intensive enterprise; provided
4694 that, in either instance, the technology intensive enterprise or
4695 expansion thereof is certified by the authority to qualify as
4696 such; provided further, that a business or enterprise primarily
4697 engaged in creating computer programming codes to develop
4698 applications, websites and/or software shall qualify as a
4699 technology intensive enterprise;

4700 (ix) A new telecommunications enterprise
4701 principally engaged in the creation, display, management, storage,
4702 processing, transmission and/or distribution, for compensation, of
4703 images, text, voice, video or data by wire or by wireless means,
4704 or engaged in the construction, design, development, manufacture,
4705 maintenance or distribution for compensation of devices, products,
4706 software or structures used in the above activities, or an
4707 expansion of an existing telecommunications enterprise as herein
4708 described; provided that, in any such instance, any such
4709 telecommunications enterprise or expansion thereof is certified by
4710 the authority to qualify as such; provided further, that
4711 commercial broadcast radio stations, television stations or news



4712 organizations primarily serving in-state markets shall not be
4713 included within the definition of the term "telecommunications
4714 enterprise";

4715 (x) A new data center enterprise principally
4716 engaged in the utilization of hardware, software, technology,
4717 infrastructure and/or workforce, to store, manage or manipulate
4718 digital data, or an expansion of an existing data center
4719 enterprise as herein described; provided that, in such instance,
4720 any such data center enterprise or expansion thereof is certified
4721 by the authority to qualify as such.

4722 (y) "Qualified investment" means any expenditures made
4723 or caused to be made by the qualified business or industry
4724 following the project certification date for construction,
4725 installation, equipping and operation of a qualified economic
4726 development project from any source or combination of sources,
4727 excluding any funds contributed by the state or any agency or
4728 other political subdivision thereof, or by any local government or
4729 any agency or other political subdivision thereof, to the extent
4730 such expenditures can be capitalized under applicable accounting
4731 rules or otherwise by the Internal Revenue Code, whether or not
4732 the qualified business or industry elects to capitalize the same,
4733 as reflected in its financial statements, including, but not
4734 limited to, all costs associated with the acquisition,
4735 installation and/or construction of, or capital leasehold interest
4736 in, any buildings and other real property improvements, fixtures,



4737 equipment, machinery, landscaping, fire protection, depreciable
4738 fixed assets, engineering and design costs.

4739 (z) "Reporting year" means the twelve-month period
4740 ending on the last day of the month during which the annual
4741 anniversary of a project certification date occurs, and for which
4742 an annual report must be filed with the authority by a qualified
4743 business or industry in accordance with Section 57-114-13.

4744 (aa) "State" means the State of Mississippi.

4745 (bb) "State tax" means:

4746 (i) Any sales and use tax imposed on, and payable
4747 directly to the Department of Revenue by, the qualified business
4748 or industry in accordance with state law, except for contractor's
4749 tax and the taxes levied by Section 27-65-24(1)(b);

4750 (ii) All income tax imposed pursuant to law on
4751 income earned by the qualified business or industry pursuant to
4752 state law;

4753 (iii) Franchise tax imposed pursuant to state law
4754 on the value of capital used, invested or employed by the business
4755 enterprise certified by the Mississippi Development Authority; and

4756 (iv) Withholding tax required to be deducted and
4757 withheld from employee wages pursuant to Section 27-7-301 et seq.

4758 **SECTION 48.** Section 57-114-7, Mississippi Code of 1972, is
4759 brought forward as follows:

4760 57-114-7. (1) The authority shall evaluate an application
4761 to determine whether the applicant's proposed project is a



4762 qualified economic development project and whether it is therefore
4763 eligible for an award by the authority of an mFlex tax incentive,
4764 as calculated in accordance with Section 57-114-9.

4765 (2) Upon approval of an applicant's application, the
4766 authority shall issue a certification (a) designating the
4767 applicant's project as a "qualified economic development project"
4768 and eligible for the mFlex tax incentive authorized by this
4769 chapter; (b) awarding the initial mFlex tax incentive calculated
4770 pursuant to Section 57-114-9; and (c) imposing those mandatory
4771 conditions pursuant to subsection (4) of this section and any
4772 discretionary conditions otherwise imposed by the authority.

4773 (3) Upon the issuance of the certification and execution of
4774 the mFlex agreement by a qualified business or industry and the
4775 authority, the qualified business or industry may apply the amount
4776 of its mFlex tax incentive as a credit to offset (a) any state
4777 taxes (except for withholding tax required to be deducted and
4778 withheld from employee wages pursuant to Section 27-7-301 et
4779 seq.), as incurred thereby, up to the full amount of the mFlex tax
4780 incentive awarded by the authority for the associated qualified
4781 economic development project, and (b) only up to twenty percent
4782 (20%) of the mFlex tax incentive amount may be applied as a credit
4783 during the course of any reporting year to offset withholding tax
4784 deducted and withheld from employee wages pursuant to Section
4785 27-7-301 et seq.; provided that the amount of the mFlex tax
4786 incentive available to be applied as a credit to offset such state



4787 taxes shall be subject to any subsequent adjustments made by the
4788 authority to such award pursuant to Section 57-114-13, and any
4789 performance requirements set out in the mFlex agreement. The
4790 amount of the mFlex tax incentive available to be applied as a
4791 credit to offset any state taxes described in Section
4792 57-114-3(bb) (i) shall be limited to those such taxes payable
4793 directly by the qualified business or industry to the Department
4794 of Revenue pursuant to a direct pay permit issued by the
4795 Department of Revenue under Section 27-65-93. The amount of the
4796 mFlex tax incentive available to be applied as a credit to offset
4797 any state taxes may not be applied as a credit to offset any state
4798 taxes incurred prior to the issuance of the certification by the
4799 authority and execution of the mFlex agreement by the qualified
4800 business or industry and the authority.

4801 (4) The following conditions shall apply to each such
4802 certification made, and each mFlex tax incentive awarded, by the
4803 authority in accordance with this chapter:

4804 (a) Any certification and mFlex tax incentive award
4805 issued by the authority under this chapter is nontransferable and
4806 cannot be applied, used or assigned to any other person or
4807 business or tax account without prior approval by the authority,
4808 except for one or more affiliates of the qualified business or
4809 industry disclosed thereby on its application or in a subsequent
4810 annual report submitted to the authority in accordance with this
4811 chapter;



4812 (b) No qualified business or industry may claim or use
4813 the mFlex tax incentive awarded thereto under this chapter unless
4814 the qualified business or industry is in full compliance with all
4815 state and local tax laws, and related ordinances, permits and
4816 other applicable governmental approvals; and

4817 (c) Each qualified business or industry must enter into
4818 an mFlex agreement with the authority which sets out, at a
4819 minimum, (i) the obligation of the business or industry to provide
4820 an annual report to the authority pursuant to Section 57-114-13
4821 that demonstrates the actual amount of its qualified investment,
4822 including actual expenditures on manufacturing machinery,
4823 nonmanufacturing equipment and component building materials, the
4824 number of new full-time jobs created and maintained as a result of
4825 the project, and any other relevant information as may be required
4826 by the authority; and (ii) terms for readjustment or recapture of
4827 all or a portion of the mFlex tax incentive awarded thereto
4828 pursuant to Section 57-114-13 if the applicant 1. fails to satisfy
4829 the minimum job creation requirement if certification of the
4830 project is predicated on satisfaction of the minimum job creation
4831 requirement and not the minimum qualified investment, or 2. fails
4832 to satisfy the minimum qualified investment if certification of
4833 the project is predicated on satisfaction of the minimum job
4834 creation requirement and not the minimum qualified investment,
4835 and/or 3. fails to otherwise satisfy any other additional
4836 performance requirements of the qualified business or industry or



4837 its qualified economic development project that are imposed by the
4838 authority.

4839 (5) In addition to those mandatory conditions prescribed by
4840 this chapter that apply to each certification and award of an
4841 mFlex tax incentive made by the authority in accordance herewith,
4842 the authority is authorized to impose any other conditions upon
4843 any certification and award of an mFlex tax incentive made by the
4844 authority as it shall find best promotes economic development in
4845 the state.

4846 (6) Upon certifying a qualified business or industry as
4847 eligible for, and awarding, an mFlex tax incentive under this
4848 chapter, the authority shall forward the certification along with
4849 any other necessary information to the Department of Revenue so
4850 that the mFlex tax incentive awarded to the qualified business or
4851 industry can be recorded by the Department of Revenue and used to
4852 verify each state tax credit subsequently applied by the qualified
4853 business or industry.

4854 (7) Within thirty (30) days following the end of each
4855 calendar quarter, the authority shall provide to the Governor,
4856 Lieutenant Governor and the Speaker of the House of
4857 Representatives a copy of each certification made, together with a
4858 copy of each mFlex agreement approved and executed, during the
4859 immediately preceding calendar quarter.

4860 **SECTION 49.** Section 57-114-9, Mississippi Code of 1972, is
4861 brought forward as follows:



4862 57-114-9. **Calculation and application of an mFlex tax**
4863 **incentive award.** The total amount of the initial mFlex tax
4864 incentive determined and awarded by the authority to the certified
4865 applicant shall be calculated by the authority as follows:

4866 (a) Subject to paragraph (f) below, one and one-half
4867 percent (1.5%) of the total purchase or sales price, or value,
4868 including any installation costs thereof, as applicable, of all
4869 manufacturing or processing machinery acquired, leased or
4870 otherwise moved into the state following the project certification
4871 date to establish and equip the qualified economic development
4872 project; plus

4873 (b) Subject to paragraph (f) below, seven percent (7%)
4874 of the total purchase or sales price, or value, including any
4875 installation costs thereof, as applicable, of all nonmanufacturing
4876 equipment, other than tagged over-the-road vehicles, acquired,
4877 leased or otherwise moved into the state following the project
4878 certification date to establish and equip the qualified economic
4879 development project; plus

4880 (c) Subject to paragraph (f) below, two percent (2%) of
4881 the total contract price or compensation paid to any contractor
4882 pursuant to any construction contract entered into following the
4883 project certification date by the qualified business or industry
4884 or any affiliate thereof, to construct, build, erect, repair or
4885 add to any building, facility, structure or other improvement to
4886 real property described in Section 27-65-21(1) (a) (i) to establish



4887 and construct the qualified economic development project; plus, if
4888 applicable;

4889 (d) To the extent that the average employer wage is
4890 equal to or more than seventy-five percent (75%) of the average
4891 state or county wage, then an additional fifteen percent (15%) of
4892 the product derived by multiplying the average employer wage by
4893 the number of new full-time jobs; plus, if applicable;

4894 (e) (i) To the extent that 1. the qualified economic
4895 development project is an enterprise enumerated in Section
4896 57-114-3(x)(i) or (x)(ii); 2. the number of new full-time jobs
4897 totals fifty (50) or more; 3. the qualified investment totals Ten
4898 Million Dollars (\$10,000,000) or more; 4. the average employer
4899 wage is equal to or more than one hundred ten percent (110%) of
4900 the average state or county wage; and 5. all full-time employees
4901 are eligible for and offered health insurance coverage funded in
4902 whole or at least fifty percent (50%) by the qualified business or
4903 industry (or by a leasing company with respect to leased
4904 employees), then an additional thirty percent (30%) of the product
4905 derived by multiplying the average employer wage by the number of
4906 new full-time jobs; or

4907 (ii) To the extent that subparagraph (i) of this
4908 paragraph (e) does not apply, but 1. the number of new full-time
4909 jobs totals twenty-five (25) or more; 2. the average employer wage
4910 is equal to or more than one hundred twenty-five percent (125%) of
4911 the average state or county wage; and 3. all full-time employees



4912 are eligible for and offered health insurance coverage funded in
4913 whole or at least fifty percent (50%) by the qualified business or
4914 industry (or by a leasing company with respect to leased
4915 employees), then an additional thirty percent (30%) of the product
4916 derived by multiplying the average employer wage by the number of
4917 new full-time jobs; provided, however, that the initial mFlex tax
4918 incentive award amount determined by the authority and awarded on
4919 the project certification date shall be based upon estimates
4920 provided by the qualified business or industry to the authority
4921 with respect to paragraphs (a) through (d) of this section, which
4922 estimates shall be memorialized as project performance measures
4923 agreed to by the qualified business or industry in the mFlex
4924 agreement; provided, further, that such initial award amount shall
4925 be subject to any subsequent adjustments made by the authority
4926 pursuant to Section 57-114-13;

4927 (f) To the extent that all or any portion of the
4928 purchases to establish a qualified economic development project
4929 which are financed by proceeds from bonds issued pursuant to
4930 Section 57-10-201 et seq. or Section 57-10-401 et seq., the mFlex
4931 tax incentive determined in accordance with this section shall
4932 exclude the amount calculated in accordance with paragraphs (a),
4933 (b) and (c) above; provided that, this paragraph (f) shall not
4934 apply in determining the mFlex tax incentive for a qualified
4935 economic development project to the extent that (i) the qualified
4936 economic development project is an expansion of an existing



4937 project, (ii) all or any portion of the purchases to establish the
4938 existing project were financed by proceeds from bonds issued
4939 pursuant to Section 57-10-201 et seq. or Section 57-10-401 et
4940 seq., and (iii) no purchases to establish the expansion
4941 constituting a qualified economic development project are financed
4942 by proceeds from bonds issued pursuant to Section 57-10-201 et
4943 seq. or Section 57-10-401 et seq.

4944 **SECTION 50.** Section 57-115-3, Mississippi Code of 1972, is
4945 brought forward as follows:

4946 57-115-3. As used in this chapter, the following terms and
4947 phrases shall have the meanings ascribed in this section unless
4948 the context clearly indicates otherwise:

4949 (a) "Affiliate" means:

4950 (i) Any person who, directly or indirectly,
4951 beneficially owns, controls, or holds power to vote fifteen
4952 percent (15%) or more of the outstanding voting securities or
4953 other voting ownership interest of a Mississippi small business
4954 investment company or insurance company; and

4955 (ii) Any person, fifteen percent (15%) or more of
4956 whose outstanding voting securities or other voting ownership
4957 interests are directly or indirectly beneficially owned,
4958 controlled, or held, with power to vote by a Mississippi small
4959 business investment company or insurance company. Notwithstanding
4960 this paragraph (a), an investment by a participating investor in a
4961 Mississippi small business investment company pursuant to an



4962 allocation of tax credits under this chapter does not cause that
4963 Mississippi small business investment company to become an
4964 affiliate of that participating investor.

4965 (b) "Allocation date" means the date on which credits
4966 are allocated to the participating investors of a Mississippi
4967 small business investment company under this chapter.

4968 (c) "MDA" means the Mississippi Development Authority.

4969 (d) "Department" means the Mississippi Department of
4970 Banking and Consumer Finance.

4971 (e) "Designated capital" means an amount of money that:

4972 (i) Is invested by a participating investor in a
4973 Mississippi small business investment company; and

4974 (ii) Fully funds the purchase price of a
4975 participating investor's equity interest in a Mississippi small
4976 business investment company or a qualified debt instrument issued
4977 by a Mississippi small business investment company, or both.

4978 (f) "Mississippi small business investment company"
4979 means a partnership, corporation, trust, or limited liability
4980 company, organized on a for-profit basis, that:

4981 (i) Has its principal office located in
4982 Mississippi or is headquartered in Mississippi;

4983 (ii) Has as its primary business activity the
4984 investment of cash in qualified businesses; and



4985 (iii) Is certified by the MDA as meeting the
4986 criteria described in this section to qualify as either a primary
4987 or secondary Mississippi small business investment company.

4988 (g) "Participating investor" means any insurer that
4989 contributes designated capital pursuant to this chapter.

4990 (h) "Person" means any natural person or entity,
4991 including, but not limited to, a corporation, general or limited
4992 partnership, trust, or limited liability company.

4993 (i) "Qualified business" means a business that is
4994 independently owned and operated and meets all of the following
4995 requirements:

4996 (i) It is headquartered in Mississippi, its
4997 principal business operations are located in Mississippi and at
4998 least eighty percent (80%) of its employees are located in
4999 Mississippi;

5000 (ii) It has not more than one hundred (100)
5001 employees at the time of the first qualified investment in the
5002 business;

5003 (iii) It is not more than ten percent (10%)
5004 engaged in:

- 5005 1. Professional services provided by
5006 accountants, doctors, or lawyers;
5007 2. Banking or lending;
5008 3. Real estate development;
5009 4. Retail;



5010 5. Insurance; or
5011 6. Making loans to or investments in a
5012 Mississippi small business investment company or an affiliate; and
5013 (iv) It is not a franchise of and has no financial
5014 relationship with a Mississippi small business investment company
5015 or any affiliate of a Mississippi small business investment
5016 company prior to a Mississippi small business investment company's
5017 first qualified investment in the business.

5018 A business classified as a qualified business at the time of
5019 the first qualified investment in the business will remain
5020 classified as a qualified business and may receive continuing
5021 qualified investments from any Mississippi small business
5022 investment company. Continuing investments will constitute
5023 qualified investments even though the business may not meet the
5024 definition of a qualified business at the time of such continuing
5025 investments; however, the business cannot fail to satisfy
5026 subparagraph (iii) and (iv) of this paragraph (i).

5027 (j) "Qualified debt instrument" means a debt instrument
5028 issued by a Mississippi small business investment company that
5029 meets all of the following criteria:

- 5030 (i) It is issued at par value or a premium;
5031 (ii) It has an original maturity date of at least
5032 four (4) years from the date of issuance and a repayment schedule
5033 that is not faster than a level principal amortization over four
5034 (4) years; and



5035 (iii) Has no interest or payment features that
5036 allow for the prepayment of interest or are tied to the
5037 profitability of the Mississippi small business investment company
5038 or the success of its investments.

5039 (k) "Qualified distribution" means any distribution or
5040 payment by a Mississippi small business investment company in
5041 connection with the following:

5042 (i) Reasonable costs and expenses of forming,
5043 syndicating and organizing the Mississippi small business
5044 investment company, including fees paid for professional services
5045 and the costs of financing and insuring the obligations of a
5046 Mississippi small business investment company, provided no such
5047 payment is made to more than one (1) participating investor or an
5048 affiliate or related party of a participating investor;

5049 (ii) An annual management fee not to exceed two
5050 percent (2%) of designated capital on an annual basis to offset
5051 the costs and expenses of managing and operating a Mississippi
5052 small business investment company;

5053 (iii) Any projected increase in federal or state
5054 taxes, including penalties and interest related to state and
5055 federal income taxes, or to the equity owners of the company
5056 resulting from the earnings or other tax liability of the company
5057 to the extent that the increase is related to the ownership,
5058 management, or operation of the company;



5059 (iv) Reasonable and necessary fees in accordance
5060 with industry custom for ongoing professional services, including,
5061 but not limited to, legal and accounting services related to the
5062 operation of a Mississippi small business investment company, not
5063 including lobbying or governmental relations; and

5064 (v) Payments of principal and interest to holders
5065 of qualified debt instruments issued by a Mississippi small
5066 business investment company which may be made without restriction.

5067 (1) "Qualified investment" means the investment of
5068 money by a Mississippi small business investment company in a
5069 qualified business for the purchase of any debt, debt
5070 participation, equity, or hybrid security of any nature and
5071 description, including a debt instrument or security that has the
5072 characteristics of debt but which provides for conversion into
5073 equity or equity participation instruments such as options or
5074 warrants; provided that any debt, debt participation or other debt
5075 instrument or security shall have a maturity of at least three (3)
5076 years. Any repayment of a qualified investment prior to one (1)
5077 year from the date of issuance shall result in the amount of the
5078 qualified investment being reduced by fifty percent (50%) for
5079 purposes of the cumulative investment requirement set forth in
5080 Section 57-115-9(1)(c).

5081 (m) "State premium tax liability" means any liability
5082 incurred by an insurance company under the provisions of Section
5083 27-15-103, 27-15-109 or 27-15-123 or in the case of a repeal or a



5084 reduction by the state of the liability imposed by Section
5085 27-15-103, 27-15-109 or 27-15-123.

5086 **SECTION 51.** Section 57-115-5, Mississippi Code of 1972, is
5087 brought forward as follows:

5088 57-115-5. (1) (a) The MDA must provide a standardized
5089 format for applying for the Mississippi small business investment
5090 credit authorized under this chapter, and for certification as a
5091 Mississippi small business investment company.

5092 (b) An applicant for certification as a primary
5093 Mississippi small business investment company must:

5094 (i) File an application with the MDA which shall
5095 include a business plan detailing:

5096 1. The approximate percentage of designated
5097 capital the applicant will invest in qualified businesses by the
5098 second, fourth and sixth anniversaries of its allocation date;

5099 2. The industry segments listed by the North
5100 American Industrial Classification System code and percentage of
5101 designated capital in which the applicant will invest; and

5102 3. The number of jobs that will be created or
5103 retained as a result of the applicant's investments once all
5104 designated capital has been invested. A job shall be considered
5105 created or retained if the job pays one hundred twenty-five
5106 percent (125%) of the state average annual wage and is maintained
5107 for at least three (3) years. The application shall project, at a
5108 minimum, that one (1) job shall be created or maintained for each



5109 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5110 awarded to the participating investors of the Mississippi small
5111 business investment company;

5112 (ii) Pay a nonrefundable application fee of Seven
5113 Thousand Five Hundred Dollars (\$7,500.00) at the time of filing
5114 the application;

5115 (iii) Submit as part of its application an audited
5116 balance sheet that contains an unqualified opinion of an
5117 independent certified public accountant issued not more than
5118 thirty-five (35) days before the application date that states that
5119 the applicant has an equity capitalization of Five Hundred
5120 Thousand Dollars (\$500,000.00) or more in the form of unencumbered
5121 cash, marketable securities or other liquid assets; and

5122 (iv) Have at least two (2) principals or persons,
5123 at least one (1) of which is primarily located in Mississippi,
5124 employed or engaged to manage the funds who each have a minimum of
5125 five (5) years of money management experience in the venture
5126 capital or private equity or lending industry.

5127 (c) An applicant for certification as a secondary
5128 Mississippi small business investment company must:

5129 (i) File an application with the MDA which shall
5130 include a business plan detailing:

5131 1. The approximate percentage of designated
5132 capital the applicant will invest in qualified businesses by the
5133 second, fourth and sixth anniversaries of its allocation date;



5134 2. The industry segments listed by the North
5135 American Industrial Classification System code and percentage of
5136 designated capital in which the applicant will invest; and

5137 3. The number of jobs that will be crested or
5138 retained as a result of the applicant's investments once all
5139 designated capital has been invested. A job shall be considered
5140 created or retained if the job pays one hundred twenty-five
5141 percent (125%) of the state average annual wage and is maintained
5142 for at least three (3) years. The application shall project, at a
5143 minimum, that one (1) job shall be created or maintained for each
5144 One Hundred Fifty Thousand Dollars (\$150,000.00) in credits
5145 awarded to the participating investors of the Mississippi small
5146 business investment company;

5147 (ii) Pay a nonrefundable application fee of Three
5148 Thousand Seven Hundred Fifty Dollars (\$3,750.00) at the time of
5149 filing the application;

5150 (iii) Submit as part of its application an audited
5151 balance sheet that contains an unqualified opinion of an
5152 independent certified public accountant issued not more than
5153 thirty-five (35) days before the application date that states that
5154 the applicant has an equity capitalization of One Hundred Fifty
5155 Thousand Dollars (\$150,000.00) or more in the form of unencumbered
5156 cash, marketable securities or other liquid assets;

5157 (iv) Demonstrate that fifty percent (50%) of all
5158 secondary investment company investments have been in Mississippi,



5159 and all of the applicant's employees have lived in Mississippi for
5160 at least two (2) years prior to the application being filed, and
5161 that those who are employed or engaged to manage the funds have a
5162 minimum of three (3) years of money management experience in the
5163 venture capital or private equity or lending industry; and

5164 (v) Submit as part of its application a signed and
5165 notarized partnership agreement letter with a certified primary
5166 Mississippi small business investment company.

5167 (d) (i) Any participating partner or individual in a
5168 certified secondary small business investment company that
5169 successfully participated in the initial authorization and
5170 allocation of credits in 2012, and which is a partner in a
5171 submitted application for credits allocated in subsection (4) (b)
5172 of this section, while partnered with the same primary small
5173 business investment company from the previous 2012 allocation,
5174 shall have the requirements in paragraph (c) (iii) and (iv) of this
5175 subsection waived as having been completed through the previous
5176 allocation.

5177 (ii) Any participating partner or individual in a
5178 certified secondary small business investment company that
5179 successfully participated in the authorization and allocation of
5180 credits in 2018, and which is a partner in a submitted application
5181 for credits allocated in subsection (4) (c) of this section, while
5182 partnered with the same primary small business investment company
5183 from the previous 2018 allocation, shall have the requirements in



5184 paragraph (c)(iii) and (iv) of this subsection waived as having
5185 been completed through the previous allocation.

5186 (e) The MDA may certify partnerships, corporations,
5187 trusts, or limited liability companies, organized on a for-profit
5188 basis, which submit an application to be designated as a
5189 Mississippi small business investment company if the applicant is
5190 located, headquartered, and licensed or registered to conduct
5191 business in Mississippi, has as its primary business activity the
5192 investment of cash in qualified businesses, and meets all of the
5193 criteria of this section.

5194 (f) The MDA must:

5195 (i) Review the organizational documents of each
5196 applicant for certification and the business history of each
5197 applicant;

5198 (ii) Determine whether the applicant has satisfied
5199 all of the requirements of this section; and

5200 (iii) Determine whether the officers and the board
5201 of directors, general partners, trustees, managers or members are
5202 trustworthy and are thoroughly acquainted with the requirements of
5203 this chapter.

5204 (g) Within forty-five (45) days after the receipt of an
5205 application, the MDA may issue the certification or refuse the
5206 certification and may communicate in detail to the applicant the
5207 grounds for refusal, including suggestions for the removal of the
5208 grounds.



5209 (h) The MDA must begin accepting applications to become
5210 a Mississippi small business investment company not later than
5211 August 1, 2012, for credits allocated in subsection (4)(a) of this
5212 section, not later than August 1, 2018, for credits allocated in
5213 subsection (4)(b) of this section, and not later than August 1,
5214 2023, for credits allocated in subsection (4)(c) of this section.

5215 (i) Certification by the MDA and operation of a primary
5216 Mississippi small business investment company is not subject to
5217 completion of any relationship or agreement with a secondary
5218 Mississippi small business investment company, and it is not the
5219 intent of this chapter to compel any such agreement.

5220 (2) (a) An insurance company or affiliate of an insurance
5221 company must not, directly or indirectly:

5222 (i) Beneficially own, whether through rights,
5223 options, convertible interest, or otherwise, fifteen percent (15%)
5224 or more of the voting securities or other voting ownership
5225 interest of a Mississippi small business investment company;

5226 (ii) Manage a Mississippi small business
5227 investment company; or

5228 (iii) Control the direction of investments for a
5229 Mississippi small business investment company.

5230 (b) A Mississippi small business investment company may
5231 obtain one or more guaranties, indemnities, bonds, insurance
5232 policies, or other payment undertakings for the benefit of its
5233 participating investors from any entity, except that in no case



5234 can more than one (1) participating investor of a Mississippi
5235 small business investment company on an aggregate basis with all
5236 affiliates of the participating investor, be entitled to provide
5237 guaranties, indemnities, bonds, insurance policies, or other
5238 payment undertakings in favor of the participating investors of a
5239 Mississippi small business investment company and its affiliates
5240 in this state.

5241 (c) This subsection (2) does not preclude a
5242 participating investor, insurance company or other party from
5243 exercising its legal rights and remedies, including, without
5244 limitation, interim management of a Mississippi small business
5245 investment company, in the event that a Mississippi small business
5246 investment company is in default of its statutory obligations or
5247 its contractual obligations to a participating investor, insurance
5248 company, or other party, or from monitoring a Mississippi small
5249 business investment company to ensure its compliance with this
5250 chapter or disallowing any investments that have not been approved
5251 by the MDA.

5252 (d) The MDA may contract with an independent third
5253 party to review, investigate, and certify that the applications
5254 comply with the provisions of this chapter.

5255 (3) (a) At the time of its investment of designated capital
5256 a participating investor shall earn a vested credit against the
5257 participating investor's state premium tax liability in an amount
5258 equal to one hundred percent (100%) of the participating



5259 investor's investment of designated capital in a Mississippi small
5260 business investment company, subject to the limits imposed by this
5261 section.

5262 (b) From and after January 1, 2015, a participating
5263 investor may claim the credit allocated in subsection (4)(a) of
5264 this section as follows: For each taxable year from 2015 through
5265 2019, an amount equal to twenty percent (20%) of the participating
5266 investor's investment of designated capital.

5267 (c) From and after January 1, 2021, a participating
5268 investor may claim the credit allocated in subsection (4)(b) of
5269 this section as follows:

5270 (i) For each taxable year from 2021 through 2025,
5271 an amount equal to sixteen and sixty-six one-hundredths percent
5272 (16.66%) of the participating investor's investment of designated
5273 capital; and

5274 (ii) For the 2026 taxable year, an amount equal to
5275 sixteen and seven-tenths percent (16.7%) of the participating
5276 investor's investment of designated capital.

5277 (d) From and after January 1, 2027, a participating
5278 investor may claim the credit allocated in subsection (4)(c) of
5279 this section as follows:

5280 (i) For each taxable year from 2027 through 2031,
5281 an amount equal to sixteen and sixty-six one-hundredths percent
5282 (16.66%) of the participating investor's investment of designated
5283 capital; and



5284 (ii) For the 2032 taxable year, an amount equal to
5285 sixteen and seven-tenths percent (16.7%) of the participating
5286 investor's investment of designated capital.

5287 (e) The credit for any taxable year cannot exceed the
5288 state premium tax liability of the participating investor for the
5289 taxable year. If the amount of the credit exceeds the state
5290 premium tax liability of the participating investor for the
5291 taxable year, the excess is an investment tax credit carryover for
5292 five (5) years from the date the credit is first able to be
5293 utilized in accordance with paragraph (a) of this subsection (3).

5294 (f) Notwithstanding any provision of this chapter to
5295 the contrary, the granting of any credits against the insurance
5296 premium tax shall not affect the insurance premium tax receipts
5297 distributed pursuant to Sections 83-1-37, 83-1-39, 83-34-39,
5298 45-11-5 and 21-29-233, which shall take priority over all other
5299 distributions of premium tax receipts and shall be calculated
5300 based upon gross insurance premium tax liability before the
5301 application of the tax credits.

5302 (g) A participating investor claiming a credit under
5303 this chapter is not required to pay any additional retaliatory tax
5304 under Section 27-15-123 levied as a result of claiming the credit.

5305 (h) A participating investor is not required to reduce
5306 the amount of tax pursuant to the state premium tax liability
5307 included by the participating investor in connection with
5308 ratemaking for any insurance contract written in this state



5309 because of a reduction in the participating investor's tax
5310 liability based on the tax credit allowed under this chapter.

5311 (i) If the taxes paid by a participating investor with
5312 respect to its state premium tax liability constitute a credit
5313 against any other tax that is imposed by this state, the
5314 participating investor's credit against the other tax shall not be
5315 reduced by virtue of the reduction in the participating investor's
5316 tax liability based on the tax credit allowed under this chapter.

5317 (j) Final decertification of a Mississippi small
5318 business investment company under this chapter prior to such
5319 Mississippi small business investment company meeting the
5320 requirements of Section 57-115-7(1)(a)(ii), shall result in the
5321 disallowance and the recapture of all of the credits allocated to
5322 its participating investors under this chapter. Once a
5323 Mississippi small business investment company has satisfied the
5324 requirements of Section 57-115-7(1)(a)(ii), any subsequent
5325 decertification shall not cause the disallowance or recapture of
5326 any credits allocated to its participating investors under this
5327 chapter.

5328 (k) The credits allowed under this chapter are not
5329 transferable; however, a participating investor may transfer
5330 credits to an affiliated insurance company provided it gives prior
5331 written notice of such transfer to the MDA and the Department of
5332 Revenue.



5333 (4) (a) (i) Through January 1, 2018, the aggregate amount
5334 of investment tax credits that may be allocated to all
5335 participating investors of Mississippi small business investment
5336 companies under this section shall not exceed Fifty Million
5337 Dollars (\$50,000,000.00), and no Mississippi small business
5338 investment company, on an aggregate basis with its affiliates, may
5339 file credit allocation claims that exceed Fifty Million Dollars
5340 (\$50,000,000.00).

5341 (ii) The Fifty Million Dollars (\$50,000,000.00)
5342 aggregate amount of investment tax credits allocated in this
5343 paragraph (a) shall be divided into a primary tax credit pool
5344 which may be applied for by certified primary Mississippi small
5345 business investment companies and a secondary tax credit pool
5346 which may be applied for by certified secondary Mississippi small
5347 business investment companies. The secondary tax credit pool
5348 shall be Three Million Five Hundred Thousand Dollars
5349 (\$3,500,000.00) of the total Fifty Million Dollars
5350 (\$50,000,000.00) aggregate amount of investment tax credits.
5351 Secondary Mississippi small business investment companies may not
5352 apply for more than One Million Seven Hundred Fifty Thousand
5353 Dollars (\$1,750,000.00) worth of credits on a single application.
5354 A certified secondary Mississippi small business investment
5355 company may apply for additional tax credit allocation from the
5356 secondary tax credit pool, if the credits are available, after



5357 fifty percent (50%) of its previously allocated credits are used
5358 in qualified investments.

5359 (iii) If there are any tax credits remaining
5360 available for allocation in the secondary tax credit pool on
5361 August 1, 2013, those available tax credits shall revert to the
5362 primary tax credit pool and be made available to primary
5363 Mississippi small business investment companies according to rules
5364 and regulations promulgated by the MDA. Prior to August 1, 2013,
5365 primary Mississippi small business investment companies, including
5366 any wholly owned subsidiary company, shall be prohibited from
5367 making application to the MDA to be additionally certified as a
5368 secondary Mississippi small business investment company for
5369 purposes of the tax credits allocated in this paragraph (a) and
5370 prohibited from applying for any tax credit allocation from the
5371 secondary tax credit pool. A certified primary Mississippi small
5372 business investment company may have ownership equity in a
5373 certified secondary Mississippi small business investment company,
5374 but the equity interest owned by the certified primary Mississippi
5375 small business investment company shall not exceed forty percent
5376 (40%).

5377 (b) (i) From and after July 1, 2018, through January
5378 1, 2023, an additional aggregate amount of investment tax credits
5379 may be allocated to all participating investors of Mississippi
5380 small business investment companies under this section. The
5381 amount so allocated shall not exceed Forty-five Million Dollars



5382 (\$45,000,000.00), and no Mississippi small business investment
5383 company, on an aggregate basis with its affiliates, may file
5384 credit allocation claims on the additional aggregate amount of tax
5385 credits that exceed Forty-five Million Dollars (\$45,000,000.00).

5386 (ii) The Forty-five Million Dollars
5387 (\$45,000,000.00) aggregate amount of investment tax credits
5388 allocated in this paragraph (b) shall be divided into a primary
5389 tax credit pool which may be applied for by certified primary
5390 Mississippi small business investment companies and a secondary
5391 tax credit pool which may be applied for by certified secondary
5392 Mississippi small business investment companies. The secondary
5393 tax credit pool shall be Three Million Five Hundred Thousand
5394 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5395 (\$45,000,000.00) aggregate amount of investment tax credits.
5396 Secondary Mississippi small business investment companies may not
5397 apply for more than One Million Seven Hundred Fifty Thousand
5398 Dollars (\$1,750,000.00) worth of credits on a single application.
5399 A certified secondary Mississippi small business investment
5400 company may apply for additional tax credit allocation from the
5401 secondary tax credit pool, if the credits are available, after
5402 fifty percent (50%) of its previously allocated credits are used
5403 in qualified investments.

5404 (iii) If there are any tax credits remaining
5405 available for allocation in the secondary tax credit pool on
5406 August 1, 2019, those available tax credits shall revert to the



5407 primary tax credit pool and be made available to primary
5408 Mississippi small business investment companies according to rules
5409 and regulations promulgated by the MDA. Prior to August 1, 2022,
5410 primary Mississippi small business investment companies, including
5411 any wholly owned subsidiary company, shall be prohibited from
5412 making application to the MDA to be additionally certified as a
5413 secondary Mississippi small business investment company for
5414 purposes of the tax credits allocated in this paragraph (b) and
5415 prohibited from applying for any tax credit allocation from the
5416 secondary tax credit pool. A certified primary Mississippi small
5417 business investment company may have ownership equity in a
5418 certified secondary Mississippi small business investment company,
5419 but the equity interest owned by the certified primary Mississippi
5420 small business investment company shall not exceed forty percent
5421 (40%).

5422 (c) (i) From and after July 1, 2023, an additional
5423 aggregate amount of investment tax credits may be allocated to all
5424 participating investors of Mississippi small business investment
5425 companies under this section. The amount so allocated shall not
5426 exceed Forty-five Million Dollars (\$45,000,000.00), and no
5427 Mississippi small business investment company, on an aggregate
5428 basis with its affiliates, may file credit allocation claims on
5429 the additional aggregate amount of tax credits that exceed
5430 Forty-five Million Dollars (\$45,000,000.00).



5431 (ii) The Forty-five Million Dollars
5432 (\$45,000,000.00) aggregate amount of investment tax credits
5433 allocated in this paragraph (c) shall be divided into a primary
5434 tax credit pool which may be applied for by certified primary
5435 Mississippi small business investment companies and a secondary
5436 tax credit pool which may be applied for by certified secondary
5437 Mississippi small business investment companies. The secondary
5438 tax credit pool shall be Three Million Five Hundred Thousand
5439 Dollars (\$3,500,000.00) of the total Forty-five Million Dollars
5440 (\$45,000,000.00) aggregate amount of investment tax credits.
5441 Secondary Mississippi small business investment companies may not
5442 apply for more than One Million Seven Hundred Fifty Thousand
5443 Dollars (\$1,750,000.00) worth of credits on a single application.
5444 A certified secondary Mississippi small business investment
5445 company may apply for additional tax credit allocation from the
5446 secondary tax credit pool, if the credits are available, after
5447 fifty percent (50%) of its previously allocated credits are used
5448 in qualified investments.

5449 (iii) If there are any tax credits remaining
5450 available for allocation in the secondary tax credit pool on
5451 August 1, 2024, those available tax credits shall revert to the
5452 primary tax credit pool and be made available to primary
5453 Mississippi small business investment companies according to rules
5454 and regulations promulgated by the MDA. Prior to August 1, 2027,
5455 primary Mississippi small business investment companies, including



5456 any wholly owned subsidiary company, shall be prohibited from
5457 making application to the MDA to be additionally certified as a
5458 secondary Mississippi small business investment company for
5459 purposes of the tax credits allocated in this paragraph (c) and
5460 prohibited from applying for any tax credit allocation from the
5461 secondary tax credit pool. A certified primary Mississippi small
5462 business investment company may have ownership equity in a
5463 certified secondary Mississippi small business investment company,
5464 but the equity interest owned by the certified primary Mississippi
5465 small business investment company shall not exceed forty percent
5466 (40%).

5467 (d) Credits must be allocated to investors in the order
5468 that the credit allocation claims are filed with the MDA.

5469 (e) Any credit allocation claims filed with the MDA
5470 before the initial credit allocation claim filing date will be
5471 deemed to have been filed on the initial credit allocation claim
5472 filing date. The MDA will set the initial credit allocation claim
5473 filing date to be not less than one hundred twenty (120) days and
5474 not more than one hundred fifty (150) days after the date the MDA
5475 begins accepting applications for certification. Credit
5476 allocation claims filed on the same day with the MDA must be
5477 treated as having been filed contemporaneously.

5478 (f) If two (2) or more Mississippi small business
5479 investment companies file credit allocation claims with the MDA on
5480 behalf of their respective participating investors on the same day



5481 and the aggregate amount of credit allocation claims exceeds the
5482 aggregate limit of credits authorized under this subsection (4) or
5483 the lesser amount of credits that remain unallocated on that day,
5484 then the credits shall be allocated among the participating
5485 investors who filed on that day on a pro rata basis with respect
5486 to the amounts claimed. The pro rata allocation for any one (1)
5487 participating investor is the product obtained by multiplying a
5488 fraction, the numerator of which is the amount of the credit
5489 allocation claim filed on behalf of a participating investor and
5490 the denominator of which is the total of all credit allocation
5491 claims filed on behalf of all participating investors on that day,
5492 by the aggregate limit of credits authorized under this subsection
5493 (4) or the lesser amount of credits that remain unallocated on
5494 that day.

5495 (g) Within ten (10) business days after the MDA
5496 receives a credit allocation claim filed by a Mississippi small
5497 business investment company on behalf of one or more of its
5498 participating investors, the MDA may notify the Mississippi small
5499 business investment company of the amount of credits allocated to
5500 each of the participating investors of that Mississippi small
5501 business investment company. In the event a Mississippi small
5502 business investment company does not receive an investment of
5503 designated capital from each participating investor required to
5504 earn the amount of credits allocated to the participating investor
5505 within ten (10) business days of the Mississippi small business



5506 investment company's receipt of notice of allocation, then it
5507 shall notify the MDA on or before the next business day, and the
5508 credits allocated to the participating investor of the Mississippi
5509 small business investment company will be forfeited. The MDA may
5510 then reallocate those forfeited credits among the participating
5511 investors of the other Mississippi small business investment
5512 companies on a pro rata basis with respect to the credit
5513 allocation claims filed on behalf of the participating investors.
5514 The MDA may levy a fine of not more than Fifty Thousand Dollars
5515 (\$50,000.00) on any participating investor that does not invest
5516 the full amount of designated capital required to fund the credits
5517 allocated to it by the MDA in accordance with the credit
5518 allocation claim filed on its behalf.

5519 (h) No participating investor, on an aggregate basis
5520 with its affiliates, may file an allocation claim for more than
5521 twenty-five percent (25%) of the maximum amount of investment tax
5522 credits authorized under this subsection (4), regardless of
5523 whether the claim is made in connection with one or more
5524 Mississippi small business investment companies.

5525 **SECTION 52.** This act shall take effect and be in force from
5526 and after July 1, 2024.

