

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1729  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,  
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR COSTS AND EXPENSES  
3 INCURRED FOR THE REHABILITATION OF CERTAIN HISTORIC STRUCTURES; TO  
4 REMOVE THE PROVISION THAT AUTHORIZES A TAXPAYER TO ELECT TO  
5 RECEIVE A 75% REBATE ON THE AMOUNT OF THE CREDIT IN EXCESS OF  
6 \$250,000.00 IN LIEU OF THE TEN-YEAR CARRYFORWARD SO AS TO ALLOW  
7 THE TAXPAYER TO ELECT TO RECEIVE A REBATE ON 75% OF THE TOTAL  
8 AMOUNT OF THE CREDIT IN LIEU OF THE TEN-YEAR CARRYFORWARD; TO  
9 INCREASE BY \$60,000,000.00 THE MAXIMUM AGGREGATE AMOUNT OF TAX  
10 CREDITS THAT MAY BE AWARDED UNDER THIS SECTION; TO GRANT PRIORITY  
11 FOR THE TAX CREDIT TO TAXPAYERS WHO WERE ISSUED A CERTIFICATE  
12 EVIDENCING THE ELIGIBLE CREDIT PRIOR TO JULY 1, 2020; TO PROVIDE  
13 THAT THE TAX CREDIT SHALL APPLY TO TAXPAYERS WHO HAVE BEEN ISSUED  
14 A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT BEFORE DECEMBER 31,  
15 2030, OR WHO, BEFORE DECEMBER 31, 2030, HAVE RECEIVED A  
16 DETERMINATION IN WRITING FROM THE MISSISSIPPI DEPARTMENT OF  
17 ARCHIVES AND HISTORY THAT THE REHABILITATION IS CONSISTENT WITH  
18 THE HISTORIC CHARACTER OF THE PROPERTY AND THAT THE PROPERTY MEETS  
19 THE UNITED STATES SECRETARY OF THE INTERIOR'S STANDARDS FOR  
20 REHABILITATION AND WHO ARE ISSUED A CERTIFICATE EVIDENCING THE  
21 ELIGIBLE CREDIT ON OR AFTER DECEMBER 31, 2030; TO AMEND SECTION  
22 27-7-22.41, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME  
23 TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS BY BUSINESS ENTERPRISES  
24 TO ELIGIBLE CHARITABLE ORGANIZATIONS, TO INCREASE THE AGGREGATE  
25 AMOUNT OF THE CREDITS THAT MAY BE AWARDED DURING A CALENDAR YEAR;  
26 TO REVISE CERTAIN PROVISIONS RELATING TO THE ALLOCATION OF SUCH  
27 CREDITS; TO AMEND SECTION 27-7-22.39, MISSISSIPPI CODE OF 1972,  
28 WHICH AUTHORIZES SEPARATE INCOME TAX CREDITS FOR VOLUNTARY CASH  
29 CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND  
30 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS, TO DECREASE THE  
31 AGGREGATE AMOUNT OF THE CREDITS THAT MAY BE AWARDED IN A CALENDAR  
32 YEAR; TO PROVIDE THAT ANY TAX CREDITS NOT AWARDED UNDER THIS  
33 SECTION DURING CALENDAR YEAR 2020, MAY BE ALLOCATED DURING  
34 CALENDAR YEAR 2020 UNDER SECTION 27-7-22.41 FOR CONTRIBUTIONS BY



35 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS; TO EXTEND  
36 THE DATE OF THE REPEALER ON THAT SECTION OF LAW; TO AMEND SECTION  
37 27-7-22.32, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME  
38 TAX CREDIT FOR EXPENSES INCURRED FOR THE ADOPTION OF A CHILD, TO  
39 EXTEND THE DATE OF THE REVERTER ON THE PROVISION OF LAW THAT  
40 INCREASES THE MAXIMUM AMOUNT OF THE TAX CREDIT FROM \$2,500.00 TO  
41 \$5,000.00 PER CHILD AND THE PROVISION THAT AUTHORIZES AN INCOME  
42 TAX CREDIT FOR A CHILD ADOPTED THROUGH THE MISSISSIPPI DEPARTMENT  
43 OF CHILD PROTECTION SERVICES; TO AMEND SECTION 27-65-101,  
44 MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE SALES  
45 TAX EXEMPTION ON SALES OF EQUIPMENT TO TELECOMMUNICATIONS  
46 ENTERPRISES THAT IS USED IN THE DEPLOYMENT OF BROADBAND  
47 TECHNOLOGIES; TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972,  
48 TO EXTEND UNTIL JULY 1, 2025, THE INCOME TAX CREDIT AND  
49 CORPORATION FRANCHISE TAX CREDIT AUTHORIZED FOR TELECOMMUNICATIONS  
50 ENTERPRISES FOR THE COST OF EQUIPMENT USED IN THE DEPLOYMENT OF  
51 BROADBAND TECHNOLOGIES; TO AMEND SECTION 57-87-7, MISSISSIPPI CODE  
52 OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE AD VALOREM TAX  
53 EXEMPTION FOR EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND  
54 TECHNOLOGIES BY TELECOMMUNICATIONS ENTERPRISES; TO PROVIDE THAT  
55 CERTAIN TAX CREDITS SHALL NOT APPLY TO EQUIPMENT USED IN THE  
56 DEPLOYMENT OF BROADBAND TECHNOLOGIES IF SUCH EQUIPMENT WAS PAID  
57 FOR, OR ITS COST WAS REIMBURSED BY, FUNDS MADE AVAILABLE UNDER THE  
58 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT; AND  
59 FOR RELATED PURPOSES.

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

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

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

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

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

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



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

75 (b) "Eligible property" means property located in  
76 Mississippi and offered or used for residential or business  
77 purposes; however, the term "eligible property" shall not include  
78 a single-family dwelling unless:

79 (i) A certificate evidencing the eligible credit  
80 has been issued to the taxpayer by the department prior to July 1,  
81 2016, that applies to such dwelling; or

82 (ii) The dwelling is designated as a National  
83 Historic Landmark under the National Historic Landmarks Program.

84 (c) "Structure in a certified historic district" means  
85 a structure (and its structural components) located in Mississippi  
86 which:

87 (i) Is listed in the National Register of Historic  
88 Places; or

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

93 (iii) Is located in a registered historic district  
94 listed on the National Register of Historic Places or located in a  
95 potential district that has been determined eligible for the  
96 National Register of Historic Places by the Secretary of the



97 United States Department of the Interior and will be listed within  
98 thirty (30) months of claiming the credit authorized by this  
99 section, and is certified by the Secretary of the United States  
100 Department of the Interior as being of historic significance to  
101 the district; or

102 (iv) Is certified by the Mississippi Department of  
103 Archives and History as contributing to the historic significance  
104 of:

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

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

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

114 (d) "Department" means the Department of Archives and  
115 History.

116 (2) Any taxpayer incurring costs and expenses for the  
117 rehabilitation of eligible property, which is a certified historic  
118 structure or a structure in a certified historic district, shall  
119 be entitled to a credit against the taxes imposed pursuant to this  
120 chapter in an amount equal to twenty-five percent (25%) of the  
121 total costs and expenses of rehabilitation incurred after January



122 1, 2006, which shall include, but not be limited to, qualified  
123 rehabilitation expenditures as defined under Section 47(c)(2)(A)  
124 of the Internal Revenue Code of 1986, as amended, and the related  
125 regulations thereunder:

126 (a) If the costs and expenses associated with  
127 rehabilitation exceed:

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

130 (ii) Fifty percent (50%) of the total basis in the  
131 property in the case of all other properties; and

132 (b) The rehabilitation is consistent with the standards  
133 of the Secretary of the United States Department of the Interior  
134 as determined by the department.

135 (3) Any taxpayer eligible for the credit authorized by this  
136 section may claim the credit in phases if:

137 (a) There is a written set of architectural plans and  
138 specifications for all phases of the rehabilitation (written plans  
139 outlining and describing all phases of the rehabilitation shall be  
140 accepted as written plans and specifications);

141 (b) The written set of architectural plans and  
142 specifications are completed before the physical work on the  
143 rehabilitation begins; and

144 (c) It can reasonably be expected that all phases of  
145 the rehabilitation will be completed.



146 (4) (a) (i) If the amount of the tax credit established by  
147 this section exceeds the total state income tax liability for the  
148 year in which the rehabilitated property is placed in service, the  
149 amount that exceeds the total state income tax liability may be  
150 carried forward for the ten (10) succeeding tax years.

151 (ii) \* \* \* The taxpayer may elect to claim a  
152 refund in the amount of seventy-five percent (75%) of the excess  
153 credit in lieu of the ten-year carryforward. The election must be  
154 made in the year in which the rehabilitated property is placed in  
155 service. Refunds will be paid in equal installments over a  
156 two-year period and shall be made from current collections.

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

160 (b) Not-for-profit entities, including, but not limited  
161 to, nonprofit corporations organized under Section 79-11-101 et  
162 seq. shall be ineligible for the credit authorized by this  
163 section. Credits granted to a partnership, a limited liability  
164 company taxed as a partnership or multiple owners of property  
165 shall be passed through to the partners, members or owners on a  
166 pro rata basis or pursuant to an executed agreement among the  
167 partners, members or owners documenting an alternative  
168 distribution method. Partners, members or other owners of a  
169 pass-through entity are not eligible to elect a refund of excess  
170 credit in lieu of a carryforward of the credit. However, a



171 partnership or limited liability company taxed as a partnership  
172 may elect to claim a refund of excess credit at the entity level  
173 on a form prescribed by the Department of Revenue. Additionally,  
174 excess tax credits that are attributable to rehabilitated property  
175 that was placed in service by a pass-through entity prior to  
176 January 1, 2011, and that have previously been allocated to and  
177 are held by another pass-through entity prior to January 1, 2011,  
178 may be refunded to such other pass-through entity.

179 (5) (a) To claim the credit authorized pursuant to this  
180 section, the taxpayer shall apply to the department which shall  
181 determine the amount of eligible rehabilitation costs and expenses  
182 and whether the rehabilitation is consistent with the standards of  
183 the Secretary of the United States Department of the Interior.  
184 The department shall issue a certificate evidencing the eligible  
185 credit if the taxpayer is found to be eligible for the tax credit.  
186 The taxpayer shall attach the certificate to all income tax  
187 returns on which the credit is claimed. The department shall not  
188 issue certificates evidencing the eligible credit which, when  
189 combined with certificates of eligible credits issued prior to  
190 July 1, 2016, will result in credits being awarded in excess of  
191 Twelve Million Dollars (\$12,000,000.00) in any one (1) state  
192 fiscal year.

193 (b) The aggregate amount of tax credits that may be  
194 awarded under this section shall not exceed \* \* \* One Hundred  
195 Eighty Million Dollars (\$180,000,000.00). A taxpayer who was



196 issued a certificate evidencing the eligible credit by the  
197 department prior to July 1, \* \* \* 2020, but who was unable to be  
198 awarded the credit due to the limit on the aggregate amount of  
199 credits authorized under this section prior to July 1, \* \* \* 2020:

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

203 (ii) Shall be given priority for tax credits  
204 awarded after July 1, \* \* \* 2020.

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

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

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

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

217 (b) The taxpayer shall notify the department and the  
218 Department of Revenue if any of the situations that subject the  
219 credit to recapture occur.





220           (7)   (a)   The board of trustees of the department shall  
221   establish fees to be charged for the services performed by the  
222   department under this section and shall publish the fee schedule.  
223   The fees contained in the schedule shall be in amounts reasonably  
224   calculated to recover the costs incurred by the department for the  
225   administration of this section. Any taxpayer desiring to  
226   participate in the tax credits authorized by this section shall  
227   pay the appropriate fee as contained in the fee schedule to the  
228   department, which shall be used by the department, without  
229   appropriation, to offset the administrative costs of the  
230   department associated with its duties under this section.

231           (b)   There is hereby created within the State Treasury a  
232   special fund into which shall be deposited all the fees collected  
233   by the department pursuant to this section. Money deposited into  
234   the fund shall not lapse at the end of any fiscal year and  
235   investment earnings on the proceeds in such special fund shall be  
236   deposited into such fund. Money from the fund shall be disbursed  
237   upon warrants issued by the State Fiscal Officer upon requisitions  
238   signed by the executive director of the department to assist the  
239   department in carrying out its duties under this section.

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

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

243           (b)   Who, before December 31, \* \* \* 2030, have received  
244   a determination in writing from the Mississippi Department of



245 Archives and History, in accordance with the department's Historic  
246 Preservation Certificate Application, Part 2, that the  
247 rehabilitation is consistent with the historic character of the  
248 property and that the property meets the United States Secretary  
249 of the Interior's Standards for Rehabilitation, or will meet the  
250 standards if certain specified conditions are met, and, who are  
251 issued a certificate evidencing the eligible credit on or after  
252 December 31, \* \* \* 2030.

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

255 27-7-22.41. (1) For the purposes of this section, the  
256 following words and phrases shall have the meanings ascribed in  
257 this section unless the context clearly indicates otherwise:

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

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

262 (i) Licensed by or under contract or agreement  
263 with the Department of Child Protection Services and provides  
264 services for:

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

267 2. The safety, care and well-being of  
268 children in custody with the Department of Child Protection  
269 Services, or



270 3. The express purpose of creating permanency  
271 for children through adoption; or

272 (ii) Certified by the department as a job  
273 training, workforce development or educational services charitable  
274 organization and provides services to:

275 1. Children in a foster care placement  
276 program established by the Department of Child Protection  
277 Services, children placed under the Safe Families for Children  
278 model, or children at significant risk of entering a foster care  
279 placement program established by the Department of Child  
280 Protection Services,

281 2. Children who have a chronic illness or  
282 physical, intellectual, developmental or emotional disability, or

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

287 (2) (a) The tax credit authorized in this section shall be  
288 available only to a taxpayer who is a business enterprise engaged  
289 in commercial, industrial or professional activities and operating  
290 as a corporation, limited liability company, partnership or sole  
291 proprietorship. Except as otherwise provided in this section, a  
292 credit is allowed against the taxes imposed by Sections 27-7-5,  
293 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
294 contributions made by a taxpayer during the taxable year to an



295 eligible charitable organization. The amount of credit that may  
296 be utilized by a taxpayer in a taxable year shall be limited to an  
297 amount not to exceed fifty percent (50%) of the total tax  
298 liability of the taxpayer for the taxes imposed by such sections  
299 of law. Any tax credit claimed under this section but not used in  
300 any taxable year may be carried forward for five (5) consecutive  
301 years from the close of the tax year in which the credits were  
302 earned.

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

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

310 (3) Taxpayers taking a credit authorized by this section  
311 shall provide the name of the eligible charitable organization and  
312 the amount of the contribution to the department on forms provided  
313 by the department.

314 (4) An eligible charitable organization shall provide the  
315 department with a written certification that it meets all criteria  
316 to be considered an eligible charitable organization. The  
317 organization shall also notify the department of any changes that  
318 may affect eligibility under this section.



319 (5) The eligible charitable organization's written  
320 certification must be signed by an officer of the organization  
321 under penalty of perjury. The written certification shall include  
322 the following:

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

325 (b) A statement that the organization does not provide,  
326 pay for or provide coverage of abortions and does not financially  
327 support any other entity that provides, pays for or provides  
328 coverage of abortions;

329 (c) Any other information that the department requires  
330 to administer this section.

331 (6) The department shall review each written certification  
332 and determine whether the organization meets all the criteria to  
333 be considered an eligible charitable organization and notify the  
334 organization of its determination. The department may also  
335 periodically request recertification from the organization. The  
336 department shall compile and make available to the public a list  
337 of eligible charitable organizations.

338 (7) Tax credits authorized by this section that are earned  
339 by a partnership, limited liability company, S corporation or  
340 other similar pass-through entity, shall be allocated among all  
341 partners, members or shareholders, respectively, either in  
342 proportion to their ownership interest in such entity or as the



343 partners, members or shareholders mutually agree as provided in an  
344 executed document.

345       (8) (a) A taxpayer shall apply for credits with the  
346 department on forms prescribed by the department. In the  
347 application the taxpayer shall certify to the department the  
348 dollar amount of the contributions made or to be made during the  
349 calendar year. Within thirty (30) days after the receipt of an  
350 application, the department shall allocate credits based on the  
351 dollar amount of contributions as certified in the application.  
352 However, if the department cannot allocate the full amount of  
353 credits certified in the application due to the limit on the  
354 aggregate amount of credits that may be awarded under this section  
355 in a calendar year, the department shall so notify the applicant  
356 within thirty (30) days with the amount of credits, if any, that  
357 may be allocated to the applicant in the calendar year. Once the  
358 department has allocated credits to a taxpayer, if the  
359 contribution for which a credit is allocated has not been made as  
360 of the date of the allocation, then the contribution must be made  
361 not later than sixty (60) days from the date of the allocation.  
362 If the contribution is not made within such time period, the  
363 allocation shall be cancelled and returned to the department for  
364 reallocation. Upon final documentation of the contributions, if  
365 the actual dollar amount of the contributions is lower than the  
366 amount estimated, the department shall adjust the tax credit  
367 allowed under this section.



368           (b) A taxpayer who applied for a tax credit under this  
369 section during calendar year 2020, but who was unable to be  
370 awarded the credit due to the limit on the aggregate amount of  
371 credits authorized for calendar year 2020, shall be given priority  
372 for tax credits authorized to be allocated to taxpayers under this  
373 section by Section 27-7-22.39.

374           (9) The aggregate amount of tax credits that may be  
375 allocated by the department under this section during a calendar  
376 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
377 not more than fifty percent (50%) of tax credits allocated during  
378 a calendar year may be allocated for contributions to eligible  
379 charitable organizations described in subsection (1)(b)(ii) of  
380 this section. However, for calendar year 2021, and for each  
381 calendar year thereafter, the aggregate amount of tax credits that  
382 may be allocated by the department under this section during a  
383 calendar year shall not exceed Ten Million Dollars  
384 (\$10,000,000.00). For calendar year 2021, and for each calendar  
385 year thereafter, fifty percent (50%) of the tax credits allocated  
386 during a calendar year shall be allocated for contributions to  
387 eligible charitable organizations described in subsection  
388 (1)(b)(i) of this section and fifty percent (50%) of the tax  
389 credits allocated during a calendar year shall be allocated for  
390 contributions to eligible charitable organizations described in  
391 subsection (1)(b)(ii) of this section. For calendar year 2021,  
392 and for each calendar year thereafter, for credits allocated



393 during a calendar year for contributions to eligible charitable  
394 organizations described in subsection (1)(b)(i) of this section,  
395 no more than twenty-five percent (25%) of such credits may be  
396 allocated for contributions to a single eligible charitable  
397 organization. For calendar year 2021, and for each calendar year  
398 thereafter, for credits allocated during a calendar year for  
399 contributions to eligible charitable organizations described in  
400 subsection (1)(b)(ii) of this section, no more than five percent  
401 (5%) of such credits may be allocated for contributions to a  
402 single eligible charitable organization.

403 \* \* \*

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

406 27-7-22.39. (1) As used in this section:

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

410 (b) "Qualifying charitable organization" means a  
411 charitable organization that is exempt from federal income  
412 taxation under Section 501(c)(3) of the Internal Revenue Code or  
413 is a designated community action agency that receives community  
414 services block grant program monies pursuant to 42 USC 9901. The  
415 organization must spend at least fifty percent (50%) of its budget  
416 on services to residents of this state who receive temporary  
417 assistance for needy families benefits or low-income residents of





418 this state and their households or to children who have a chronic  
419 illness or physical, intellectual, developmental or emotional  
420 disability who are residents of this state. A charitable  
421 organization that is exempt from federal income tax under Section  
422 501(c)(3) of the Internal Revenue Code and that meets all other  
423 requirements of this paragraph except that it does not spend at  
424 least fifty percent (50%) of its overall budget in Mississippi may  
425 be a qualifying charitable organization if it spends at least  
426 fifty percent (50%) of its Mississippi budget on services to  
427 qualified individuals in Mississippi and it certifies to the  
428 department that one hundred percent (100%) of the voluntary cash  
429 contributions from the taxpayer will be spent on services to  
430 qualified individuals in Mississippi. Taxpayers choosing to make  
431 donations through an umbrella charitable organization that  
432 collects donations on behalf of member charities shall designate  
433 that the donation be directed to a member charitable organization  
434 that would qualify under this section on a stand-alone basis.  
435 Qualifying charitable organization does not include any entity  
436 that provides, pays for or provides coverage of abortions or that  
437 financially supports any other entity that provides, pays for or  
438 provides coverage of abortions.

439 (c) "Qualifying foster care charitable organization"  
440 means a qualifying charitable organization that each operating  
441 year provides services to at least one hundred (100) qualified  
442 individuals in this state and spends at least fifty percent (50%)



443 of its budget on services to qualified individuals in this state.  
444 A charitable organization that is exempt from federal income tax  
445 under Section 501(c)(3) of the Internal Revenue Code and that  
446 meets all other requirements of this paragraph except that it does  
447 not spend at least fifty percent (50%) of its overall budget in  
448 Mississippi may be a qualifying foster care charitable  
449 organization if it spends at least fifty percent (50%) of its  
450 Mississippi budget on services to qualified individuals in  
451 Mississippi and it certifies to the department that one hundred  
452 percent (100%) of the voluntary cash contributions from the  
453 taxpayer will be spent on services to qualified individuals in  
454 Mississippi. For the purposes of this paragraph, "qualified  
455 individual" means a child in a foster care placement program  
456 established by the Department of Child Protection Services, a  
457 child placed under the Safe Families for Children model, or a  
458 child at significant risk of entering a foster care placement  
459 program established by the Department of Child Protection  
460 Services.

461 (d) "Services" means:

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

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



468 (iii) Job-training or education services or  
469 funding provided as part of a foster care independent living  
470 program.

471 (2) Except as provided in subsections (3) and (4) of this  
472 section, a credit is allowed against the taxes imposed by this  
473 chapter for voluntary cash contributions by the taxpayer during  
474 the taxable year to a qualifying charitable organization, other  
475 than a qualifying foster care charitable organization, not to  
476 exceed:

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

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

483 (3) A separate credit is allowed against the taxes imposed  
484 by this chapter for voluntary cash contributions during the  
485 taxable year to a qualifying foster care charitable organization.  
486 A contribution to a qualifying foster care charitable organization  
487 does not qualify for, and shall not be included in, any credit  
488 amount under subsection (2) of this section. If the voluntary  
489 cash contribution by the taxpayer is to a qualifying foster care  
490 charitable organization, the credit shall not exceed:



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

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

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

502           (a) Contribute to a qualifying charitable organization,  
503 other than a qualifying foster care charitable organization, and  
504 claim a credit under subsection (2) of this section.

505           (b) Contribute to a qualifying foster care charitable  
506 organization and claim a credit under subsection (3) of this  
507 section.

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

512           (6) If the allowable tax credit exceeds the taxes otherwise  
513 due under this chapter on the claimant's income, or if there are  
514 no taxes due under this chapter, the taxpayer may carry forward  
515 the amount of the claim not used to offset the taxes under this



516 chapter for not more than five (5) consecutive taxable years'  
517 income tax liability.

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

521 (8) Taxpayers taking a credit authorized by this section  
522 shall provide the name of the qualifying charitable organization  
523 and the amount of the contribution to the department on forms  
524 provided by the department.

525 (9) A qualifying charitable organization shall provide the  
526 department with a written certification that it meets all criteria  
527 to be considered a qualifying charitable organization. The  
528 organization shall also notify the department of any changes that  
529 may affect the qualifications under this section.

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

533 (a) Verification of the organization's status under  
534 Section 501(c)(3) of the Internal Revenue Code or verification  
535 that the organization is a designated community action agency that  
536 receives community services block grant program monies pursuant to  
537 42 USC 9901.

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



541 (i) Receive temporary assistance for needy  
542 families benefits;  
543 (ii) Are low-income residents of this state;  
544 (iii) Are children who have a chronic illness or  
545 physical, intellectual, developmental or emotional disability; or  
546 (iv) Are children in a foster care placement  
547 program established by the Department of Child Protection  
548 Services, children placed under the Safe Families for Children  
549 model or children at significant risk of entering a foster care  
550 placement program established by the Department of Child  
551 Protection Services.

552 (c) A statement that the organization plans to continue  
553 spending at least fifty percent (50%) of its budget on services to  
554 residents of this state who receive temporary assistance for needy  
555 families benefits, who are low-income residents of this state, who  
556 are children who have a chronic illness or physical, intellectual,  
557 developmental or emotional disability or who are children in a  
558 foster care placement program established by the Department of  
559 Child Protection Services, children placed under the Safe Families  
560 for Children model or children at significant risk of entering a  
561 foster care placement program established by the Department of  
562 Child Protection Services. A charitable organization that is  
563 exempt from federal income tax under Section 501(c)(3) of the  
564 Internal Revenue Code and that meets all other requirements for a  
565 qualifying charitable organization or qualifying foster care



566 charitable organization except that it does not spend at least  
567 fifty percent (50%) of its overall budget in Mississippi shall  
568 submit a statement that it spends at least fifty percent (50%) of  
569 its Mississippi budget on services to qualified individuals in  
570 Mississippi and that one hundred percent (100%) of the voluntary  
571 cash contributions it receives from Mississippi taxpayers will be  
572 spent on services to qualified individuals in Mississippi.

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

577 (e) A statement that the organization does not provide,  
578 pay for or provide coverage of abortions and does not financially  
579 support any other entity that provides, pays for or provides  
580 coverage of abortions.

581 (f) Any other information that the department requires  
582 to administer this section.

583 (11) The department shall review each written certification  
584 and determine whether the organization meets all the criteria to  
585 be considered a qualifying charitable organization and notify the  
586 organization of its determination. The department may also  
587 periodically request recertification from the organization. The  
588 department shall compile and make available to the public a list  
589 of the qualifying charitable organizations.



590 (12) The aggregate amount of tax credits that may be awarded  
591 under this section in any calendar year shall not exceed Three  
592 Million Dollars (\$3,000,000.00). However, for calendar year 2021,  
593 and for each calendar year thereafter, the aggregate amount of tax  
594 credits that may be awarded under this section in any calendar  
595 year shall not exceed One Million Dollars (\$1,000,000.00). In  
596 addition, any tax credits not awarded under this section before  
597 June 1, 2020, may be allocated during calendar year 2020 under  
598 Section 27-7-22.41 for contributions by taxpayers to eligible  
599 charitable organizations described in Section  
600 27-7-22.41(1)(b)(ii) as provided under such section,  
601 notwithstanding any limitation on the percentage of tax credits  
602 that may be allocated for such contributions.

603 (13) A taxpayer shall apply for credits with the department  
604 on forms prescribed by the department. In the application the  
605 taxpayer shall certify to the department the dollar amount of the  
606 contributions made or to be made during the calendar year. Within  
607 thirty (30) days after the receipt of an application, the  
608 department shall allocate credits based on the dollar amount of  
609 contributions as certified in the application. However, if the  
610 department cannot allocate the full amount of credits certified in  
611 the application due to the limit on the aggregate amount of  
612 credits that may be awarded under this section in a calendar year,  
613 the department shall so notify the applicant within thirty (30)  
614 days with the amount of credits, if any, that may be allocated to





615 the applicant in the calendar year. Once the department has  
616 allocated credits to a taxpayer, if the contribution for which a  
617 credit is allocated has not been made as of the date of the  
618 allocation, then the contribution must be made not later than  
619 sixty (60) days from the date of the allocation. If the  
620 contribution is not made within such time period, the allocation  
621 shall be cancelled and returned to the department for  
622 reallocation. Upon final documentation of the contributions, if  
623 the actual dollar amount of the contributions is lower than the  
624 amount estimated, the department shall adjust the tax credit  
625 allowed under this section.

626 (14) This section shall be repealed from and after January  
627 1, \* \* \* 2025.

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

630 **[Through December 31, \* \* \* 2023, this section shall read as**  
631 **follows:]**

632 27-7-22.32. (1) (a) There shall be allowed as a credit  
633 against the tax imposed by this chapter the amount of the  
634 qualified adoption expenses paid or incurred, not to exceed Two  
635 Thousand Five Hundred Dollars (\$2,500.00), for each dependent  
636 child legally adopted by a taxpayer under the laws of this state  
637 during calendar year 2006 or during any calendar year thereafter  
638 through calendar year 2017, and not to exceed Five Thousand  
639 Dollars (\$5,000.00) for each dependent child legally adopted by a



640 taxpayer under the laws of this state during any calendar year  
641 thereafter. A taxpayer claiming a credit under this paragraph (a)  
642 may not claim a credit under paragraph (b) of this subsection for  
643 the adoption of the same child.

644 (b) There shall be allowed as a credit against the tax  
645 imposed by this chapter the amount of Five Thousand Dollars  
646 (\$5,000.00) for each dependent child legally adopted by a taxpayer  
647 under the laws of this state through the Mississippi Department of  
648 Child Protection Services during calendar year 2018 or during any  
649 calendar year thereafter. A taxpayer claiming a credit under this  
650 paragraph (b) may not claim a credit under paragraph (a) of this  
651 subsection for the adoption of the same child.

652 (2) The tax credit under this section may be claimed for the  
653 taxable year in which the adoption becomes final under the laws of  
654 this state. Any tax credit claimed under this section but not  
655 used in any taxable year may be carried forward for the five (5)  
656 succeeding tax years. A tax credit is allowed under this section  
657 for any child for which an exemption is claimed during the same  
658 taxable year under Section 27-7-21(e). For the purposes of this  
659 section, the term "qualified adoption expenses" means and has the  
660 same definition as that term has in 26 USCS 36C.

661 **[From and after January 1, \* \* \* 2024, this section shall**  
662 **read as follows:]**

663 27-7-22.32. There shall be allowed as a credit against the  
664 tax imposed by this chapter the amount of the qualified adoption



665 expenses paid or incurred, not to exceed Two Thousand Five Hundred  
666 Dollars (\$2,500.00), for each dependent child legally adopted by a  
667 taxpayer under the laws of this state during calendar year 2006 or  
668 during any calendar year thereafter. The tax credit under this  
669 section may be claimed for the taxable year in which the adoption  
670 becomes final under the laws of this state. Any tax credit  
671 claimed under this section but not used in any taxable year may be  
672 carried forward for the three (3) succeeding tax years. A tax  
673 credit is allowed under this section for any child for which an  
674 exemption is claimed during the same taxable year under Section  
675 27-7-21(e). For the purposes of this section, the term "qualified  
676 adoption expenses" means and has the same definition as that term  
677 has in 26 USCS 36C.

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

680       27-65-101. (1) The exemptions from the provisions of this  
681 chapter which are of an industrial nature or which are more  
682 properly classified as industrial exemptions than any other  
683 exemption classification of this chapter shall be confined to  
684 those persons or property exempted by this section or by the  
685 provisions of the Constitution of the United States or the State  
686 of Mississippi. No industrial exemption as now provided by any  
687 other section except Section 57-3-33 shall be valid as against the  
688 tax herein levied. Any subsequent industrial exemption from the  
689 tax levied hereunder shall be provided by amendment to this



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

692 The tax levied by this chapter shall not apply to the  
693 following:

694 (a) Sales of boxes, crates, cartons, cans, bottles and  
695 other packaging materials to manufacturers and wholesalers for use  
696 as containers or shipping materials to accompany goods sold by  
697 said manufacturers or wholesalers where possession thereof will  
698 pass to the customer at the time of sale of the goods contained  
699 therein and sales to anyone of containers or shipping materials  
700 for use in ships engaged in international commerce.

701 (b) Sales of raw materials, catalysts, processing  
702 chemicals, welding gases or other industrial processing gases  
703 (except natural gas) to a manufacturer for use directly in  
704 manufacturing or processing a product for sale or rental or  
705 repairing or reconditioning vessels or barges of fifty (50) tons  
706 load displacement and over. For the purposes of this exemption,  
707 electricity used directly in the electrolysis process in the  
708 production of sodium chlorate shall be considered a raw material.  
709 This exemption shall not apply to any property used as fuel except  
710 to the extent that such fuel comprises by-products which have no  
711 market value.

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



715 and over, when the vessels or barges are sold by the manufacturer  
716 or builder thereof. In addition to other types of equipment,  
717 offshore drilling equipment for use in oil or natural gas  
718 exploration or production shall include aircraft used  
719 predominately to transport passengers or property to or from  
720 offshore oil or natural gas exploration or production platforms or  
721 vessels, and engines, accessories and spare parts for such  
722 aircraft.

723 (d) Sales to commercial fishermen of commercial fishing  
724 boats of over five (5) tons load displacement and not more than  
725 fifty (50) tons load displacement as registered with the United  
726 States Coast Guard and licensed by the Mississippi Commission on  
727 Marine Resources.

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

730 (f) Sales of petroleum products to vessels or barges  
731 for consumption in marine international commerce or interstate  
732 transportation businesses.

733 (g) Sales and rentals of rail rolling stock (and  
734 component parts thereof) for ultimate use in interstate commerce  
735 and gross income from services with respect to manufacturing,  
736 repairing, cleaning, altering, reconditioning or improving such  
737 rail rolling stock (and component parts thereof).

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



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

744 (i) Sales of machinery or tools or repair parts  
745 therefor or replacements thereof, fuel or supplies used directly  
746 in manufacturing, converting or repairing ships, vessels or barges  
747 of three thousand (3,000) tons load displacement and over, but not  
748 to include office and plant supplies or other equipment not  
749 directly used on the ship, vessel or barge being built, converted  
750 or repaired. For purposes of this exemption, "ships, vessels or  
751 barges" shall not include floating structures described in Section  
752 27-65-18.

753 (j) Sales of tangible personal property to persons  
754 operating ships in international commerce for use or consumption  
755 on board such ships. This exemption shall be limited to cases in  
756 which procedures satisfactory to the commissioner, ensuring  
757 against use in this state other than on such ships, are  
758 established.

759 (k) Sales of materials used in the construction of a  
760 building, or any addition or improvement thereon, and sales of any  
761 machinery and equipment not later than three (3) months after the  
762 completion of construction of the building, or any addition  
763 thereon, to be used therein, to qualified businesses, as defined  
764 in Section 57-51-5, which are located in a county or portion



765 thereof designated as an enterprise zone pursuant to Sections  
766 57-51-1 through 57-51-15.

767 (l) Sales of materials used in the construction of a  
768 building, or any addition or improvement thereon, and sales of any  
769 machinery and equipment not later than three (3) months after the  
770 completion of construction of the building, or any addition  
771 thereon, to be used therein, to qualified businesses, as defined  
772 in Section 57-54-5.

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

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

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

782 (p) Sales of materials used in the construction of a  
783 building, or any addition or improvement thereon, and sales of any  
784 machinery and equipment not later than three (3) months after the  
785 completion of construction of the building, or any addition  
786 thereon, to be used therein, to qualified companies, certified as  
787 such by the Mississippi Development Authority under Section  
788 57-53-1.



789           (q) Sales of component materials used in the  
790 construction of a building, or any addition or improvement  
791 thereon, sales of machinery and equipment to be used therein, and  
792 sales of manufacturing or processing machinery and equipment which  
793 is permanently attached to the ground or to a permanent foundation  
794 and which is not by its nature intended to be housed within a  
795 building structure, not later than three (3) months after the  
796 initial start-up date, to permanent business enterprises engaging  
797 in manufacturing or processing in Tier Three areas (as such term  
798 is defined in Section 57-73-21), which businesses are certified by  
799 the Department of Revenue as being eligible for the exemption  
800 granted in this paragraph (q).

801           (r) (i) Sales of component materials used in the  
802 construction of a building, or any addition or improvement  
803 thereon, and sales of any machinery and equipment not later than  
804 three (3) months after the completion of the building, addition or  
805 improvement thereon, to be used therein, for any company  
806 establishing or transferring its national or regional headquarters  
807 from within or outside the State of Mississippi and creating a  
808 minimum of twenty (20) jobs at the new headquarters in this state.  
809 The Department of Revenue shall establish criteria and prescribe  
810 procedures to determine if a company qualifies as a national or  
811 regional headquarters for the purpose of receiving the exemption  
812 provided in this subparagraph (i).





813                   (ii) Sales of component materials used in the  
814 construction of a building, or any addition or improvement  
815 thereon, and sales of any machinery and equipment not later than  
816 three (3) months after the completion of the building, addition or  
817 improvement thereon, to be used therein, for any company expanding  
818 or making additions after January 1, 2013, to its national or  
819 regional headquarters within the State of Mississippi and creating  
820 a minimum of twenty (20) new jobs at the headquarters as a result  
821 of the expansion or additions. The Department of Revenue shall  
822 establish criteria and prescribe procedures to determine if a  
823 company qualifies as a national or regional headquarters for the  
824 purpose of receiving the exemption provided in this subparagraph  
825 (ii).

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

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

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



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

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

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

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

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

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

860 (x) Sales or leases to a manufacturer of motor vehicles  
861 or powertrain components operating a project that has been



862 certified by the Mississippi Major Economic Impact Authority as a  
863 project as defined in Section 57-75-5(f)(iv)1, Section  
864 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
865 equipment; special tooling such as dies, molds, jigs and similar  
866 items treated as special tooling for federal income tax purposes;  
867 or repair parts therefor or replacements thereof; repair services  
868 thereon; fuel, supplies, electricity, coal and natural gas used  
869 directly in the manufacture of motor vehicles or motor vehicle  
870 parts or used to provide climate control for manufacturing areas.

871 (y) Sales or leases of component materials, machinery  
872 and equipment used in the construction of a building, or any  
873 addition or improvement thereon to an enterprise operating a  
874 project that has been certified by the Mississippi Major Economic  
875 Impact Authority as a project as defined in Section  
876 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
877 or Section 57-75-5(f)(xxviii) and any other sales or leases  
878 required to establish or operate such project.

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

881 (aa) The gross income from the stripping and painting  
882 of commercial aircraft engaged in foreign or interstate  
883 transportation business.

884 (bb) [Repealed]

885 (cc) Sales or leases to an enterprise owning or  
886 operating a project that has been designated by the Mississippi



887 Major Economic Impact Authority as a project as defined in Section  
888 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
889 as dies, molds, jigs and similar items treated as special tooling  
890 for federal income tax purposes; or repair parts therefor or  
891 replacements thereof; repair services thereon; fuel, supplies,  
892 electricity, coal and natural gas used directly in the  
893 manufacturing/production operations of the project or used to  
894 provide climate control for manufacturing/production areas.

895 (dd) Sales or leases of component materials, machinery  
896 and equipment used in the construction of a building, or any  
897 addition or improvement thereon to an enterprise owning or  
898 operating a project that has been designated by the Mississippi  
899 Major Economic Impact Authority as a project as defined in Section  
900 57-75-5(f) (xviii) and any other sales or leases required to  
901 establish or operate such project.

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

906 (ff) Sales of component materials used in the  
907 construction of a facility, or any addition or improvement  
908 thereon, and sales or leases of machinery and equipment not later  
909 than three (3) months after the completion of construction of the  
910 facility, or any addition or improvement thereto, to be used in  
911 the building or any addition or improvement thereto, to a



912 permanent business enterprise operating a data/information  
913 enterprise in Tier Three areas (as such areas are designated in  
914 accordance with Section 57-73-21), meeting minimum criteria  
915 established by the Mississippi Development Authority.

916 (gg) Sales of component materials used in the  
917 construction of a facility, or any addition or improvement  
918 thereto, and sales of machinery and equipment not later than three  
919 (3) months after the completion of construction of the facility,  
920 or any addition or improvement thereto, to be used in the facility  
921 or any addition or improvement thereto, to technology intensive  
922 enterprises for industrial purposes in Tier Three areas (as such  
923 areas are designated in accordance with Section 57-73-21), as  
924 certified by the Department of Revenue. For purposes of this  
925 paragraph, an enterprise must meet the criteria provided for in  
926 Section 27-65-17(1)(f) in order to be considered a technology  
927 intensive enterprise.

928 (hh) Sales of component materials used in the  
929 replacement, reconstruction or repair of a building or facility  
930 that has been destroyed or sustained extensive damage as a result  
931 of a disaster declared by the Governor, sales of machinery and  
932 equipment to be used therein to replace machinery or equipment  
933 damaged or destroyed as a result of such disaster, including, but  
934 not limited to, manufacturing or processing machinery and  
935 equipment which is permanently attached to the ground or to a  
936 permanent foundation and which is not by its nature intended to be



937 housed within a building structure, to enterprises or companies  
938 that were eligible for the exemptions authorized in paragraph (q),  
939 (r), (ff) or (gg) of this subsection during initial construction  
940 of the building that was destroyed or damaged, which enterprises  
941 or companies are certified by the Department of Revenue as being  
942 eligible for the exemption granted in this paragraph.

943 (ii) Sales of software or software services transmitted  
944 by the Internet to a destination outside the State of Mississippi  
945 where the first use of such software or software services by the  
946 purchaser occurs outside the State of Mississippi.

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

950 (kk) Sales of component building materials and  
951 equipment for initial construction of facilities or expansion of  
952 facilities as authorized under Sections 57-113-1 through 57-113-7  
953 and Sections 57-113-21 through 57-113-27.

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

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

960 (nn) Sales of component materials used in the  
961 construction of a building, or any addition or improvement



962 thereon, and sales or leases of machinery and equipment not later  
963 than three (3) months after the completion of the construction of  
964 the facility, to be used in the facility, to permanent business  
965 enterprises operating a facility producing renewable crude oil  
966 from biomass harvested or produced, in whole or in part, in  
967 Mississippi, which businesses meet minimum criteria established by  
968 the Mississippi Development Authority. As used in this paragraph,  
969 the term "biomass" shall have the meaning ascribed to such term in  
970 Section 57-113-1.

971 (oo) Sales of supplies, equipment and other personal  
972 property to an organization that is exempt from taxation under  
973 Section 501(c)(3) of the Internal Revenue Code and is the host  
974 organization coordinating a professional golf tournament played or  
975 to be played in this state and the supplies, equipment or other  
976 personal property will be used for purposes related to the golf  
977 tournament and related activities.

978 (pp) Sales of materials used in the construction of a  
979 health care industry facility, as defined in Section 57-117-3, or  
980 any addition or improvement thereon, and sales of any machinery  
981 and equipment not later than three (3) months after the completion  
982 of construction of the facility, or any addition thereon, to be  
983 used therein, to qualified businesses, as defined in Section  
984 57-117-3. This paragraph shall be repealed from and after July 1,  
985 2022.



986           (qq) Sales or leases to a manufacturer of automotive  
987 parts operating a project that has been certified by the  
988 Mississippi Major Economic Impact Authority as a project as  
989 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;  
990 or repair parts therefor or replacements thereof; repair services  
991 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
992 gas used directly in the manufacture of automotive parts or used  
993 to provide climate control for manufacturing areas.

994           (rr) Gross collections derived from guided tours on any  
995 navigable waters of this state, which include providing  
996 accommodations, guide services and/or related equipment operated  
997 by or under the direction of the person providing the tour, for  
998 the purposes of outdoor tourism. The exemption provided in this  
999 paragraph (rr) does not apply to the sale of tangible personal  
1000 property by a person providing such tours.

1001           (ss) Retail sales of truck-tractors and semitrailers  
1002 used in interstate commerce and registered under the International  
1003 Registration Plan (IRP) or any similar reciprocity agreement or  
1004 compact relating to the proportional registration of commercial  
1005 vehicles entered into as provided for in Section 27-19-143.

1006           (tt) Sales exempt under the Facilitating Business Rapid  
1007 Response to State Declared Disasters Act of 2015 (Sections  
1008 27-113-1 through 27-113-9).

1009           (uu) Sales or leases to an enterprise and its  
1010 affiliates operating a project that has been certified by the





1011 Mississippi Major Economic Impact Authority as a project as  
1012 defined in Section 57-75-5(f) (xxix) of:

1013 (i) All personal property and fixtures, including  
1014 without limitation, sales or leases to the enterprise and its  
1015 affiliates of:

1016 1. Manufacturing machinery and equipment;

1017 2. Special tooling such as dies, molds, jigs  
1018 and similar items treated as special tooling for federal income  
1019 tax purposes;

1020 3. Component building materials, machinery  
1021 and equipment used in the construction of buildings, and any other  
1022 additions or improvements to the project site for the project;

1023 4. Nonmanufacturing furniture, fixtures and  
1024 equipment (inclusive of all communications, computer, server,  
1025 software and other hardware equipment); and

1026 5. Fuel, supplies (other than  
1027 nonmanufacturing consumable supplies and water), electricity,  
1028 nitrogen gas and natural gas used directly in the  
1029 manufacturing/production operations of such project or used to  
1030 provide climate control for manufacturing/production areas of such  
1031 project;

1032 (ii) All replacements of, repair parts for or  
1033 services to repair items described in subparagraph (i)1, 2 and 3  
1034 of this paragraph; and



1035 (iii) All services taxable pursuant to Section  
1036 27-65-23 required to establish, support, operate, repair and/or  
1037 maintain such project.

1038 (vv) Sales or leases to an enterprise operating a  
1039 project that has been certified by the Mississippi Major Economic  
1040 Impact Authority as a project as defined in Section  
1041 57-75-5(f) (xxx) of:

1042 (i) Purchases required to establish and operate  
1043 the project, including, but not limited to, sales of component  
1044 building materials, machinery and equipment required to establish  
1045 the project facility and any additions or improvements thereon;  
1046 and

1047 (ii) Machinery, special tools (such as dies,  
1048 molds, and jigs) or repair parts thereof, or replacements and  
1049 lease thereof, repair services thereon, fuel, supplies and  
1050 electricity, coal and natural gas used in the manufacturing  
1051 process and purchased by the enterprise owning or operating the  
1052 project for the benefit of the project.

1053 (ww) Sales of component materials used in the  
1054 construction of a building, or any expansion or improvement  
1055 thereon, sales of machinery and/or equipment to be used therein,  
1056 and sales of processing machinery and equipment which is  
1057 permanently attached to the ground or to a permanent foundation  
1058 which is not by its nature intended to be housed in a building  
1059 structure, no later than three (3) months after initial startup,



1060 expansion or improvement of a permanent enterprise solely engaged  
1061 in the conversion of natural sand into proppants used in oil and  
1062 gas exploration and development with at least ninety-five percent  
1063 (95%) of such proppants used in the production of oil and/or gas  
1064 from horizontally drilled wells and/or horizontally drilled  
1065 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1066 (2) Sales of component materials used in the construction of  
1067 a building, or any addition or improvement thereon, sales of  
1068 machinery and equipment to be used therein, and sales of  
1069 manufacturing or processing machinery and equipment which is  
1070 permanently attached to the ground or to a permanent foundation  
1071 and which is not by its nature intended to be housed within a  
1072 building structure, not later than three (3) months after the  
1073 initial start-up date, to permanent business enterprises engaging  
1074 in manufacturing or processing in Tier Two areas and Tier One  
1075 areas (as such areas are designated in accordance with Section  
1076 57-73-21), which businesses are certified by the Department of  
1077 Revenue as being eligible for the exemption granted in this  
1078 subsection, shall be exempt from one-half (1/2) of the taxes  
1079 imposed on such transactions under this chapter.

1080 (3) Sales of component materials used in the construction of  
1081 a facility, or any addition or improvement thereon, and sales or  
1082 leases of machinery and equipment not later than three (3) months  
1083 after the completion of construction of the facility, or any  
1084 addition or improvement thereto, to be used in the building or any



1085 addition or improvement thereto, to a permanent business  
1086 enterprise operating a data/information enterprise in Tier Two  
1087 areas and Tier One areas (as such areas are designated in  
1088 accordance with Section 57-73-21), which businesses meet minimum  
1089 criteria established by the Mississippi Development Authority,  
1090 shall be exempt from one-half (1/2) of the taxes imposed on such  
1091 transaction under this chapter.

1092 (4) Sales of component materials used in the construction of  
1093 a facility, or any addition or improvement thereto, and sales of  
1094 machinery and equipment not later than three (3) months after the  
1095 completion of construction of the facility, or any addition or  
1096 improvement thereto, to be used in the building or any addition or  
1097 improvement thereto, to technology intensive enterprises for  
1098 industrial purposes in Tier Two areas and Tier One areas (as such  
1099 areas are designated in accordance with Section 57-73-21), which  
1100 businesses are certified by the Department of Revenue as being  
1101 eligible for the exemption granted in this subsection, shall be  
1102 exempt from one-half (1/2) of the taxes imposed on such  
1103 transactions under this chapter. For purposes of this subsection,  
1104 an enterprise must meet the criteria provided for in Section  
1105 27-65-17(1)(f) in order to be considered a technology intensive  
1106 enterprise.

1107 (5) (a) For purposes of this subsection:

1108 (i) "Telecommunications enterprises" shall have  
1109 the meaning ascribed to such term in Section 57-73-21;



1110 (ii) "Tier One areas" mean counties designated as  
1111 Tier One areas pursuant to Section 57-73-21;

1112 (iii) "Tier Two areas" mean counties designated as  
1113 Tier Two areas pursuant to Section 57-73-21;

1114 (iv) "Tier Three areas" mean counties designated  
1115 as Tier Three areas pursuant to Section 57-73-21; and

1116 (v) "Equipment used in the deployment of broadband  
1117 technologies" means any equipment capable of being used for or in  
1118 connection with the transmission of information at a rate, prior  
1119 to taking into account the effects of any signal degradation, that  
1120 is not less than three hundred eighty-four (384) kilobits per  
1121 second in at least one (1) direction, including, but not limited  
1122 to, asynchronous transfer mode switches, digital subscriber line  
1123 access multiplexers, routers, servers, multiplexers, fiber optics  
1124 and related equipment.

1125 (b) Sales of equipment to telecommunications  
1126 enterprises after June 30, 2003, and before July 1, \* \* \* 2025,  
1127 that is installed in Tier One areas and used in the deployment of  
1128 broadband technologies shall be exempt from one-half (1/2) of the  
1129 taxes imposed on such transactions under this chapter.

1130 (c) Sales of equipment to telecommunications  
1131 enterprises after June 30, 2003, and before July 1, \* \* \* 2025,  
1132 that is installed in Tier Two and Tier Three areas and used in the  
1133 deployment of broadband technologies shall be exempt from the  
1134 taxes imposed on such transactions under this chapter.



1135           (6) Sales of component materials used in the replacement,  
1136 reconstruction or repair of a building that has been destroyed or  
1137 sustained extensive damage as a result of a disaster declared by  
1138 the Governor, sales of machinery and equipment to be used therein  
1139 to replace machinery or equipment damaged or destroyed as a result  
1140 of such disaster, including, but not limited to, manufacturing or  
1141 processing machinery and equipment which is permanently attached  
1142 to the ground or to a permanent foundation and which is not by its  
1143 nature intended to be housed within a building structure, to  
1144 enterprises that were eligible for the partial exemptions provided  
1145 for in subsections (2), (3) and (4) of this section during initial  
1146 construction of the building that was destroyed or damaged, which  
1147 enterprises are certified by the Department of Revenue as being  
1148 eligible for the partial exemption granted in this subsection,  
1149 shall be exempt from one-half (1/2) of the taxes imposed on such  
1150 transactions under this chapter.

1151           **SECTION 6.** Section 57-87-5, Mississippi Code of 1972, is  
1152 amended as follows:

1153           57-87-5. (1) For purposes of this section:

1154                   (a) "Telecommunications enterprises" shall have the  
1155 meaning ascribed to such term in Section 57-73-21(14);

1156                   (b) "Tier One areas" mean counties designated as Tier  
1157 One areas pursuant to Section 57-73-21(1);

1158                   (c) "Tier Two areas" mean counties designated as Tier  
1159 Two areas pursuant to Section 57-73-21(1);



1160 (d) "Tier Three areas" mean counties designated as Tier  
1161 Three areas pursuant to Section 57-73-21(1); and

1162 (e) "Equipment used in the deployment of broadband  
1163 technologies" means any equipment capable of being used for or in  
1164 connection with the transmission of information at a rate, prior  
1165 to taking into account the effects of any signal degradation, that  
1166 is not less than three hundred eighty-four (384) kilobits per  
1167 second in at least one (1) direction, including, but not limited  
1168 to, asynchronous transfer mode switches, digital subscriber line  
1169 access multiplexers, routers, servers, multiplexers, fiber optics  
1170 and related equipment.

1171 (2) With respect to the investment in each year by a  
1172 telecommunications enterprise after June 30, 2003, and before July  
1173 1, \* \* \* 2025, there shall be allowed annually as a credit against  
1174 the aggregate tax imposed by Chapters 7 and 13 of Title 27,  
1175 Mississippi Code of 1972, an amount equal to:

1176 (a) Five percent (5%) of the cost of equipment used in  
1177 the deployment of broadband technologies in Tier One areas;

1178 (b) Ten percent (10%) of the cost of equipment used in  
1179 the deployment of broadband technologies in Tier Two areas; and

1180 (c) Fifteen percent (15%) of the cost of equipment used  
1181 in the deployment of broadband technologies in Tier Three areas.

1182 (3) Such annual credits shall be allowed commencing with the  
1183 taxable year in which such property is placed in service and



1184 continue for nine (9) consecutive years thereafter. The aggregate  
1185 credit established by this section taken in any one (1)  
1186 tax year shall be limited to an amount not greater than fifty  
1187 percent (50%) of the taxpayer's tax liabilities under Chapters 7  
1188 and 13 of Title 27, Mississippi Code of 1972; however, any tax  
1189 credit claimed under this section, but not used in any taxable  
1190 year, may be carried forward for ten (10) consecutive years from  
1191 the close of the tax year in which the credits were earned.

1192 (4) The maximum aggregate amount of credits that may be  
1193 claimed under this section shall not exceed the original  
1194 investment made by a telecommunications enterprise in the  
1195 qualifying equipment used in the deployment of broadband  
1196 technologies.

1197 (5) For purposes of this section, the tier in which  
1198 broadband technology is deployed shall be determined in the year  
1199 in which such technology is deployed in a county and such tier  
1200 shall not change if the county is later designated in another  
1201 tier.

1202 (6) There will be no credit allowed under this section if  
1203 the equipment used in the deployment of broadband technologies was  
1204 paid for, or its cost was reimbursed by, funds made available  
1205 under the Coronavirus Aid, Relief, and Economic Security (CARES)  
1206 Act.

1207 **SECTION 7.** Section 57-87-7, Mississippi Code of 1972, is  
1208 amended as follows:





1209           57-87-7. Equipment used in the deployment of broadband  
1210 technologies by a telecommunications enterprise (as defined in  
1211 Section 57-73-21(14)), that is placed in service after June 30,  
1212 2003, and before July 1, \* \* \* 2025, shall be exempt from ad  
1213 valorem taxation for a period of ten (10) years after the date  
1214 such equipment is placed in service. For purposes of this  
1215 section, "equipment used in the deployment of broadband  
1216 technologies" means any equipment capable of being used for or in  
1217 connection with the transmission of information at a rate, prior  
1218 to taking into account the effects of any signal degradation, that  
1219 is not less than three hundred eighty-four (384) kilobits per  
1220 second in at least one direction, including, but not limited to,  
1221 asynchronous transfer mode switches, digital subscriber line  
1222 access multiplexers, routers, servers, multiplexers, fiber optics  
1223 and related equipment.

1224           **SECTION 8.** Nothing in this act shall affect or defeat any  
1225 claim, assessment, appeal, suit, right or cause of action for  
1226 taxes due or accrued under the income tax laws before the date on  
1227 which this act becomes effective, whether such claims,  
1228 assessments, appeals, suits or actions have been begun before the  
1229 date on which this act becomes effective or are begun thereafter;  
1230 and the provisions of the income tax laws are expressly continued  
1231 in full force, effect and operation for the purpose of the  
1232 assessment, collection and enrollment of liens for any taxes due  
1233 or accrued and the execution of any warrant under such laws before



1234 the date on which this act becomes effective, and for the  
1235 imposition of any penalties, forfeitures or claims for failure to  
1236 comply with such laws.

1237         **SECTION 9.** Sections 2 and 3 of this act shall take effect  
1238 and be in force from and after January 1, 2020, and the remaining  
1239 sections of this act shall take effect and be in force from and  
1240 after July 1, 2020.

