

INDUSTRIAL INCENTIVES & BENEFITS

Walthall County is classified as a Tier III County providing qualified businesses access to some of the best industrial incentive programs available. Locally, we have a non-union workforce and Mississippi has a Right-to-Work law that is Constitutionally protected, in which workers may not be denied employment based on their membership or lack of membership in a union.

- Free Port Warehouse Property Tax Exemption - A full exemption from property taxes may be granted by local governing authorities on personal property that is being held and stored prior to transport to a final destination outside the state. The exemption may be granted for all local property taxes and may be granted for any period of time set by the local governing authority.
- Industrial Property Tax Exemption - An exemption from property taxes is available to eligible industries that locate or expand in the state. This 10-year exemption from property taxes may be granted by local governing authorities on real and tangible personal property being used in the state. The exemption may be granted for all local property taxes except school district taxes on any property, but may not be granted on finished goods or rolling stock.
- Manufacturing Investment Tax Credit - Existing manufacturers that have operated in Mississippi for two or more years may be eligible for investment tax credits that can be applied to the entity's state income tax liability. To qualify, an existing manufacturer must invest \$1,000,000 or more in buildings and/or equipment used in the manufacturing operation. The investment credit is calculated as 5% of the eligible investment for a project.
- Jobs Tax Credit - Jobs tax credits are credits that can be applied to state income tax to reduce an employer's income tax liability. These credits are earned by certain types of businesses that create and sustain new jobs in Mississippi.

Jobs Tax Credits are calculated as a percentage of eligible payroll each year for five years, based on job location and wages subject to state income tax. The credits are taken in years two through six after the new jobs are created. To be eligible for this credit, the employer must create and maintain an annual average employment of the minimum number of jobs required based on the development classification of the county.

County Classification	Minimum Number of New Jobs	Credit Per Job
Tier III	10 OR MORE	10% OF PAYROLL
Tier II	15 OR MORE	5% OF PAYROLL
Tier III	10 OR MORE	10% OF PAYROLL

Credits can be used to offset up to fifty percent of a business’s income tax liability, and unused jobs tax credits can be carried forward up to five years.

JOB TRAINING OPTION - Legislation approved by the Mississippi Legislature allows companies that expand or locate in the state to either take the existing Jobs Tax Credit or monetize that credit to use for job training.

When companies that are eligible for the Jobs Tax Credit opt to monetize the credit, MDA provides job training grants to a community or junior college, public university or local workforce investment area in the state to pay costs incurred in training or retraining employees. **Grants may cover 75 percent of the costs of training or retraining employees**, not to exceed \$1,000 per job in Tier I counties, \$1,500 per job in Tier II counties and **\$2,000 per job in Tier III counties**.

Companies must elect to utilize a job training grant before creating any eligible jobs, and a company must choose between the Jobs Tax Credit or the job training grant option.

Motion Picture Production Tax Incentive Program - The Motion Picture Production

Incentive is a cash rebate program designed to encourage production of motion pictures in Mississippi. This corporate tax incentive is designed to return a portion of the qualified expenses incurred in the state back to the production company.

- Mississippi Aerospace Initiative Incentives Program - Mississippi's Aerospace Initiative Incentives program provides corporate tax incentives to companies that manufacture or assemble components for the aerospace industry or provide research, development or training services for the sector and are looking to locate or expand in the state.
- Mississippi Clean Energy Initiative Program - The Mississippi Clean Energy Initiative program allows the Mississippi Development Authority to certify companies that manufacture systems or components used to generate clean, renewable or alternative energy. This includes nuclear, solar, wind and hydro-generation.
- Mississippi Data Center Incentives - The State of Mississippi provides a state sales tax exemption for all computing equipment and software used by companies certified as data centers by the Mississippi Development Authority. Both new and replacement equipment qualify for the tax exemption.
- Mississippi Equity Investment Tax Credit (State New Markets Tax Credit) - A credit to Mississippi income or insurance premium tax is available for eligible investments made by Community Development Entities (CDEs) in designated low income census tracts in the state, as defined by the U.S. Census Bureau. These credits are state credits that act as companion credits to the Federal New Markets Tax Credits (NMTC) Program.
- National or Regional Headquarters Tax Credit - National or Regional Headquarters Tax Credits are credits equal to between \$500 and \$2,000 per position that can be applied to state income tax to reduce an eligible entity's corporate income tax liability. These credits are awarded to encourage companies to establish a headquarters in Mississippi and have their executive officers and other high-level employees based in the state. These credits are also awarded to companies that already have headquarters in Mississippi and create additional jobs at their headquarters operations in the state.

- National or Regional Headquarters Sales Tax Exemption - A sales and use tax exemption is available for eligible businesses that create their national or regional headquarters in Mississippi, transfer their headquarters to the state or grow their existing headquarters operations in the state. This exemption applies to component building materials used in the construction or improvement of a facility, as well as the machinery and equipment used in the facility. A minimum of 20 new headquarters jobs must be created at the location in order for a business to qualify for this exemption.
- Property Tax Exemption for Industrial Revenue Bond Financing - An exemption from property taxes on land, building and equipment is available and is valid for up to 10 years on property purchased with industrial revenue bond proceeds from bonds issued by the Mississippi Business Finance Corporation (MBFC).
- Property Tax Exemption on In-State Inventory - An exemption from property taxes on land, building and equipment is available and is valid for up to 10 years on property purchased with industrial revenue bond proceeds from bonds issued by the Mississippi Business Finance Corporation (MBFC).
- Property Tax Exemption for Broadband Technology - A property tax exemption is available for eligible telecommunications businesses on the purchase of equipment used in the deployment of broadband technology in the state.
- Property Tax Fee in Lieu - For new or expansion projects in the state that have a private capital investment in excess of \$100,000,000, a negotiated fee can be set that is paid in place of the standard property tax levy. This incentive is provided to encourage development with local communities and must be agreed to by the local board of supervisors and municipal authorities prior to being awarded.
- Research and Development Skills Tax Credit - Research and Development Skills Tax Credits are credits equal to \$1,000 per employee per year for a five year period and can be used to reduce an eligible entity's income tax liability. These credits are available for any position requiring research or development skills.
- Rural Economic Development Income Tax Credit - Rural Economic Development (RED) Credits are credits that can be used to reduce Mississippi corporate income tax.

These credits are created based on the amount of bond-related debt service paid on industrial revenue bonds issued by the Mississippi Business Finance Corporation (MBFC).

- Sales and Use Tax Exemption for Bond Financing - To encourage construction and expansion within the state, the Mississippi Business Finance Corporation may issue industrial revenue bonds for financing approved projects. Once projects are induced in the bond program, a sales tax exemption is available for all purchase made with bond proceeds.
- Sales and Use Tax Exemption for Construction or Expansion - A sales and use tax exemption is available for eligible businesses that construct a new facility or expand an existing facility in the state.
- Sales Tax Exemption for Broadband Technology - A sales and use tax exemption is available for eligible telecommunications businesses that deploy broadband technology. The amount of exemption that is allowed is based on the location of the facility.
- Sales Tax Reduction for Motion Picture Production - A sales and use tax reduction is available for qualified motion picture production companies on purchases and rentals used in the production of a nationally distributed feature-length film, video, television series or commercial made in Mississippi.
- Skills Training Income Tax Credit - Skills training tax credits are credits that can be applied to state income tax to reduce an employer's income tax liability. These credits are earned by certain types of businesses that offer training to their employees in Mississippi.
- Tourism Rebate Program - The Mississippi Tourism Rebate Program provides a tax rebate to qualified applicants of new tourism-oriented projects within the state of Mississippi. The Mississippi Tourism Rebate Program allows a portion of the sales tax paid by visitors to the eligible tourism-oriented enterprise to be paid to the applicant to reimburse the applicant for eligible costs incurred during the construction of the project.

Jobs tax credits are credits that can be applied to state income tax to reduce an employer's income tax liability. These credits are earned by certain types of businesses that create and sustain new jobs in Mississippi. The following businesses qualify for these credits:

Manufacturers

Wholesalers

Processors

Research and development facilities

Distributors

Warehouses

In addition, the following businesses qualify upon receiving a designation by the Mississippi Development Authority:

- Air and transportation maintenance facilities
- Telecommunications companies
- Data and information processing companies
- Computer software development enterprises
- Recreational facilities that impact tourism
- Resort hotels having a minimum of 150 rooms
- Movie industry studios
- Technology-intensive facilities

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