

Overview of Mississippi Tax Incentives for DATA CENTERS

Mississippi offers a stable and supportive business climate that enables data centers and other high-tech enterprises to prosper over the long term. The state's **Data Center Incentives Program** provides specific tax incentives for companies that store, manage, process or manipulate data and locate or expand in Mississippi. To be eligible, companies must make a minimum investment of \$50 million in the state and must create at least 50 new jobs paying 150 percent of the average state wage.

Here, you will find an overview of other available tax incentives in Mississippi. State officials take a flexible approach to economic development that allows us to customize incentives to meet each company's specific needs, and Mississippi Data Center incentives can be used in conjunction with other state tax incentive programs.



PROGRAM	BENEFIT	ELIGIBILITY REQUIREMENTS*
<i>Income Tax Credits</i>		
Jobs Tax Credit	<p>In Mississippi, companies receive a corporate income tax credit for creating jobs. These credits are equal to a percentage of payroll for each newly created job. Companies can either use these credits, which range from 2.5% to 10% of payroll depending on the business location, or they can opt for a job training grant as a direct reduction of workforce training costs.</p> <p>Credits are available for a five-year period and are taken in years two through six after jobs are created. Job training grants can cover up to 75% of the cost of training employees and range from \$1,000 to \$2,000 per worker, depending on the business location.</p>	A business must create and maintain between 10 and 20 jobs, depending on the location of the facility. Eligible businesses include: data or information processing enterprises, telecommunications businesses, computer software developers, manufacturers, distributors and technology-intensive industries.
Rural Economic Development (RED) Tax Credit	An income tax credit used in conjunction with Mississippi Business Finance Corporation-issued industrial revenue bonds is available. Based on the amount of bond-related debt service, credits can be used to offset up to 80% of a company's state corporate income tax liability each year for the life of the bonds.	The credit is available to data processing, telecommunications, manufacturing, distribution or warehouse businesses in Mississippi utilizing industrial revenue bonds issued by the Mississippi Business Finance Corporation.
<i>Sales and Use Tax Exemptions</i>		
Data Center Incentives Program Sales Tax Exemption	Qualifying businesses are eligible to receive a state sales tax exemption for computing equipment and software, and for building materials used in construction, provided they purchase the materials directly. Both new and replacement equipment qualify for the exemption.	To be eligible, companies must make a minimum investment of \$50 million in the state and create at least 50 new jobs paying 150 percent of the average state wage. Companies must be certified as data centers by the Mississippi Development Authority to qualify for the exemption.
Sales and Use Tax Exemption for Construction or Expansion	A ½ or full sales and use tax exemption is available on eligible machinery and equipment purchases related to a new or expanded facility and on building materials used in construction, provided the materials are purchased directly by the eligible business. The amount of the exemption depends on the county in which the facility is located.	The exemption is available to data and information processing businesses, manufacturers, processors and technology-intensive enterprises.

Overview of Mississippi Tax Incentives for Data Centers



Sales and Use Tax Exemption for Bond Financing	<p>A sales and use tax exemption is available to eligible businesses that have obtained bond financing through the Mississippi Business Finance Corporation. A sales and use tax exemption is also available on building materials purchased directly by the eligible company.</p>	<p>All businesses using industrial revenue bonds issued through the Mississippi Business Finance Corporation are eligible.</p>
Property Tax Incentives		
Fee-in-Lieu	<p>A company may be approved by local authorities to pay a fee in lieu of standard property taxes. This negotiated fee is valid for 10 years but cannot be less than 1/3 of the property tax levy.</p>	<p>Local units of government may consider a fee-in-lieu agreement when a company's private investment in land, building(s) and equipment exceeds \$100 million.</p>
10-Year Property Tax Exemption	<p>An exemption from property taxes on land, buildings and equipment is available for up to 10 years. School taxes are not exempt.</p>	<p>Eligible businesses include: data centers, information processing companies, telecommunications businesses and technology-intensive industries. Local authorities must approve the exemption.</p>
Growth and Prosperity Incentives		
Growth and Prosperity (GAP) Program Tax Exemptions	<p>Businesses that locate or expand in specific geographic areas of the state may receive state income tax, franchise tax and property tax exemptions for up to 10 years, as well as a sales and use tax exemption on all equipment and machinery purchased during initial construction or an expansion at an approved facility. GAP counties include Adams, Bolivar, Claiborne, Coahoma, Holmes, Humphries, Issaquena, Jefferson, Leflore, Marion, Noxubee, Oktibbeha, Quitman, Sharkey, Sunflower, Tallahatchie, Tunica, Washington, Wilkinson and Yazoo counties.</p>	<p>An eligible business must be located in a county designated as a GAP county. To receive a GAP designation, a county must have an unemployment rate that is 200% of the state's annual unemployment rate or 30% or more of its population must fall below the federal poverty rate.</p>
Advantage Jobs Program		
Advantage Jobs Incentives	<p>Many businesses creating new jobs in Mississippi are eligible to receive a rebate equal to a percentage of their Mississippi payroll for up to 10 years.</p>	<p>Eligible businesses include: -data or information processing companies paying an average annual wage equal to the average county or state wage (whichever is less) and creating 200 jobs; OR -businesses that pay an average annual wage of 110% of the average county or state wage (whichever is less) and create at least 25 jobs. Businesses must provide a basic health benefits plan, and the average wage of all jobs created must meet the program's minimum average wage requirements.</p>

The eligibility criteria outlined above are not comprehensive. To view each program's eligibility requirements in full or to learn more, please contact us at 1.800.360.3323 or visit www.mississippi.org.