

Overview of Mississippi Tax Incentives for HEADQUARTERS OPERATIONS

Mississippi offers a prime location, excellent transportation infrastructure, a dedicated workforce, a supportive business climate and a high quality of life for employees and their families. The state provides tax incentives to companies that create or expand headquarters operations in Mississippi or transfer existing headquarters to the state. To qualify for these incentives, a company must plan, direct and control all aspects of its regional or national operations from Mississippi, perform centralized activities at its Mississippi facilities and create at least 20 new headquarters jobs, including officer and other high-level employee positions and the support staff normally associated with a headquarters operation.

Mississippi officials take a flexible approach to economic development, customizing incentives to meet each company's specific needs. Here, you'll find an overview of other tax incentive programs that can benefit headquarters operations.

PROGRAM	BENEFIT	ELIGIBILITY REQUIREMENTS*
<i>Income Tax Credits</i>		
National/Regional Headquarters Tax Credit	An income tax credit for each position assigned to a national or regional headquarters created in, transferred to or expanded in Mississippi. Based on the number of new full-time jobs created and their salaries, credits are available for a five-year period.	A company must create, transfer or expand its headquarters operations in Mississippi and must create at least 20 new headquarters jobs to receive the credit as defined by the Mississippi Department of Revenue.
Jobs Tax Credit	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 can opt for a job training grant that directly reduces workforce training costs. Credits are available for a five-year period and are taken in years two through six after jobs are created. 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.	A business must create and maintain between 10 and 20 jobs, depending on the location of the company's operations. Eligible businesses include: manufacturers, processors, wholesalers, distributors, warehouses, research and development facilities, data, information processing and telecommunications enterprises and technology intensive industries.
Research and Development Skills Tax Credit	An income tax credit of up to \$1,000 per year for a five-year period is available for any full-time position requiring research or development skills.	Any business with positions requiring research or development skills may apply.
Existing Manufacturer Tax Credit	An income tax credit equal to 5% of an existing Mississippi manufacturing business's additional investment in buildings and/or equipment is available.	Existing manufacturers (operating in the state for at least two years) that invest an additional \$1 million or more in buildings and/or equipment may qualify.
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.	Manufacturing, telecommunications, data processing, distribution or warehouse facilities in Mississippi utilizing industrial revenue bonds issued by the Mississippi Business Finance Corporation may apply.
Ad Valorem Tax Credit	An income tax credit equal to the ad valorem (property) taxes a company pays on inventory is available.	Manufacturers, processors, distributors, wholesalers or retailers may apply.
<i>Sales and Use Tax Exemptions</i>		
National/Regional Headquarters Sales & Use Tax Exemption	A sales and use tax exemption on component materials used in the construction, expansion or improvement of a building, machinery and equipment is available.	A company must create, transfer or expand headquarters operations in Mississippi and create at least 20 new headquarters jobs.

Sales and Use Tax Exemption for Construction or Expansion	Depending on the facility's location, 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.	Manufacturers, processors, data and information processing businesses and technology-intensive enterprises are eligible to apply.
Sales and Use Tax Exemption for Bond Financing	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 company.	All businesses using industrial revenue bonds issued through the Mississippi Business Finance Corporation are eligible.
Property Tax Incentives		
Fee-in-Lieu	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.	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.
10-Year Property Tax Exemption	An exemption from property taxes on land, buildings and equipment is available for up to 10 years. School taxes are not exempt.	Eligible businesses include: manufacturers, research and development facilities, warehouse and distribution centers, data and information processing companies and technology-intensive industries. Local authorities must approve the exemption.
Exemption on In-State Inventory	An exemption from property taxes on finished goods that will remain in Mississippi is available. School taxes are not exempt. Any taxes paid become a direct credit to Mississippi income tax.	Manufacturers, processors, distributors, wholesalers or retailers may apply. Local authorities must approve the exemption.
Free Port Warehouse Exemption	An exemption from property taxes paid on finished goods inventories leaving Mississippi is available. The exemption may be for all property taxes and may be perpetual.	Local authorities must approve the exemption.
Growth and Prosperity Incentives		
Growth and Prosperity (GAP) Program Tax Exemptions	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.	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.
Advantage Jobs Program		
Advantage Jobs Incentives	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. The average wage of all jobs created must meet the program's minimum average wage requirements, and businesses must provide a basic health benefits plan to qualify.	Eligible businesses include: <ul style="list-style-type: none"> • businesses (except retailers or gaming establishments) that pay an average annual wage of 110% of the average county or state wage (whichever is less) and create at least 25 full-time jobs; OR • data or information processing companies paying an average annual wage of 100% of the average county or state wage (whichever is less) and creating 200 jobs.

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