



Overview of Mississippi Tax Incentives for MANUFACTURERS

Mississippi offers a stable and supportive business climate that enables manufacturers to prosper over the long term. Construction costs, business tax rates and energy and labor costs are low here, and Mississippi offers a prime location, numerous shovel-ready sites, excellent transportation and energy infrastructure and a dedicated, skilled and productive workforce that is contributing to the success of numerous global industry leaders. Just as Mississippi's workforce stands ready to help companies compete and prosper on a global scale, economic development professionals in the state are committed to understanding and meeting businesses' needs and offering a level of responsiveness second to none.

In Mississippi, we take a flexible approach to economic development that allows us to customize incentives to meet each company's specific needs. Here, you'll find an overview of the state's tax incentive programs for manufacturers.

PROGRAM	BENEFIT	ELIGIBILITY REQUIREMENTS*
Income Tax Credits		
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>	<p>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.</p>
Research and Development Skills Tax Credit	<p>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.</p>	<p>Any business with positions requiring research or development skills may apply.</p>
Existing Manufacturer Tax Credit	<p>An income tax credit equal to 5% of an existing Mississippi manufacturing business's additional investment in buildings and/or equipment is available, up to a maximum credit of \$1 million.</p>	<p>Existing manufacturers that have operated in Mississippi for at least two years and invest an additional \$1 million or more in buildings and/or equipment may apply.</p>
Rural Economic Development (RED) Tax Credit	<p>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.</p>	<p>Manufacturing, telecommunications, data processing, distribution or warehouse facilities in Mississippi utilizing industrial revenue bonds issued by the Mississippi Business Finance Corporation may apply.</p>
Ad Valorem Tax Credit	<p>An income tax credit equal to the ad valorem (property) taxes a company pays on inventory is available.</p>	<p>Manufacturers, processors, distributors, wholesalers or retailers may apply.</p>
Sales and Use Tax Exemptions		
Sales and Use Tax Exemption for Construction or Expansion	<p>A ½ or full sales and use tax exemption, depending on the county in which the facility is located, 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.</p>	<p>Manufacturers, processors, data and information processing businesses and technology-intensive enterprises are eligible to apply.</p>

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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 eligible 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, building and equipment is available for up to 10 years. School taxes are not exempt.	Eligible businesses include: manufacturers, processors, research and development facilities, refineries, warehouse and distribution facilities, data and information processing companies and telecommunications 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 are eligible. 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.	Eligible businesses include: <ul style="list-style-type: none"> • data or information processing companies that pay an average annual wage of 100% of the average county or state wage (whichever is less) and create 200 full-time jobs; OR • any business (except a retailer or gaming establishment) that pays an average annual wage of 110% of the average county or state wage (whichever is less) and creates at least 25 new full-time jobs. Businesses must provide a basic health benefits plan.

The eligibility criteria outlined above are not comprehensive, and additional industry-specific incentives may be available to certain industries. 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.