



MISSISSIPPI

Health Care Industry Zone Act: An Overview

Recently approved by the Mississippi Legislature and signed into law by Governor Phil Bryant, the **Mississippi Health Care Industry Zone Act** (House Bill 1537) promotes the growth of the health care industry in Mississippi.

The **Mississippi Health Care Industry Zone Act** aims to expand access to high-quality medical care for Mississippi residents and increase the number of health care jobs in the state by providing incentives to health care businesses that locate or expand within a qualified **Health Care Zone** and commit to create at least 25 full-time jobs and/or invest at least \$10 million.

The incentive program is designed to benefit medical service providers and businesses engaged in:

- Medical supply
- Biotechnology
- Pharmaceutical research and development
- Medical equipment or medicine production and related manufacturing or processing
- Biologics
- Laboratory testing
- Medical product distribution
- Diagnostic imaging

What is a Health Care Zone?

A Health Care Zone is defined as:

- an area where there are three adjoining counties which have Certificates of Need for more than 375 acute care hospital beds; the business must locate or expand within a five-mile radius of a health care facility with a certificate of need for acute care hospital beds; and
- an area within five miles of a hospital constructed before July 1, 2017, and with a minimum capital investment of \$250 million.



How can a business qualify for Mississippi Health Care Industry Zone incentives?

- The **Mississippi Development Authority** (MDA) must certify the business meets the minimum requirements of the **Mississippi Health Care Industry Zone Incentive Program** and the project advances health care opportunities in the state.
- Certification must be obtained before the project is announced and prior to the start of construction and hiring.
- The certified business must make a minimum investment of \$10 million and/or create at least 25 full-time jobs.
- The certified business must locate or expand a facility in a **Health Care Zone** – either within a five-mile radius of a health care facility with a Certificate of Need for acute care hospital beds or within a five-mile radius of a hospital with a minimum capital investment of \$250 million that is constructed before July 1, 2017.

What incentives are available for certified businesses?

- Certified businesses that meet the criteria of the **Mississippi Health Care Industry Zone Incentive Program** are eligible to receive a sales tax exemption from the date of certification through the start-up of the facility.
- Certified companies also are eligible to receive an accelerated, 10-year state income tax depreciation deduction.
- The **Mississippi Health Care Industry Zone Act** allows counties and cities to grant a property tax fee-in-lieu for 10 years for any certified project with an investment of more than \$10 million or a 10-year ad valorem tax exemption.
- Certified companies can also qualify for other Mississippi incentive programs, such as the Advantage Jobs Program, and other project assistance, such as funding for infrastructure needs.