

Tax Incentives Available to Existing Industries in Mississippi

In order to keep industry in Mississippi, the state offers a variety of incentives. This document explains the tax incentives that are currently available to manufacturers in the state. Other incentives may be available to businesses that meet eligibility requirements.

STATE INCENTIVES

Incentive	Description												
Jobs Tax Credit	<p>Jobs tax credits are taken against Mississippi corporate income tax. This credit is calculated as a percentage of eligible payroll each year for five years, based on job location and salary paid. The credits are taken in years two through six after the new jobs are created.</p> <p>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 location. Unused jobs tax credits can be carried forward up to five years.</p> <table><tr><th>County Classification</th><th>Jobs</th><th>Credit</th></tr><tr><td>Tier III</td><td>10 or more</td><td>10% of Payroll</td></tr><tr><td>Tier II</td><td>15 or more</td><td>5% of Payroll</td></tr><tr><td>Tier I</td><td>20 or more</td><td>2.5% of Payroll</td></tr></table>	County Classification	Jobs	Credit	Tier III	10 or more	10% of Payroll	Tier II	15 or more	5% of Payroll	Tier I	20 or more	2.5% of Payroll
County Classification	Jobs	Credit											
Tier III	10 or more	10% of Payroll											
Tier II	15 or more	5% of Payroll											
Tier I	20 or more	2.5% of Payroll											
Rural Economic Development (RED) Tax Credit	<p>Rural Economic Development (RED) credits are taken against Mississippi corporate income tax. RED credits are used in conjunction with industrial revenue bonds issued by the Mississippi Business Finance Corporation (MBFC). The credits are based on the amount of bond-related debt service and can be used to offset up to 80% of the state corporate income tax liability each year for the life of the bonds. Unused RED credits may be carried forward for three years.</p>												
Existing Manufacturer Tax Credit	<p>Income tax credits are for existing manufacturers that have operated in Mississippi for at least two years are available if an existing company invests at least \$1,000,000 in buildings and/or equipment. The company is eligible for an income tax credit of 5% of the approved investment.</p> <p>Credits can be carried forward for up to five years, with the maximum tax credit allowed on any project being \$1,000,000.</p>												
Sales and Use Tax Exemption for Construction or Expansion	<p>The sales and use tax exemption for construction and expansion is allowed on eligible machinery and equipment purchases related to a new or expanded facility. These purchases are subject to a one-half or full exemption, depending upon construction location. This exemption is available from the beginning of construction or expansion up until three months after initial start up. The</p>												

Incentive	Description
	<p>requirements.</p> <p>In addition to meeting the above requirements, eligible businesses must also provide a basic health benefits plan.</p> <p>The amount available for rebate is 90% if the actual state income taxes withheld, up to 4% of the salary subject to income taxes.</p> <p>The company will have 24 months from the date of the Certificate to meet all program requirements, including jobs and salaries.</p>
Existing Industry Withholding Rebate Program	<p>The Existing Industry Withholding Rebate Program provides for a rebate of a percentage of Mississippi payroll to qualified employers for a period of up to 2 years. This incentive is available to businesses that create 10 or more new jobs with an average annual salary of 100% of the lesser of the county or state average wage.</p> <p>The amount available for rebate is the actual state income taxes withheld, up to 3.5% of the salary subject to income taxes.</p> <p>The company will have 6 months from the date of the Certificate to meet all program requirements, including jobs and salaries. This program ends June 30, 2011.</p>

Note: Jobs tax credits are limited to 50% of the Mississippi corporate income tax liability. This credit is in addition to the RED tax credits allowed, which are limited to 80% of corporate income tax liability. The sum of the two credits can total up to 100% of the Mississippi corporate income tax liability. Unused credits may be carried forward as specified by the credit. After credit is taken for any Jobs Tax Credits and RED tax credits, the Existing Manufacturer Tax Credit may be taken for up to 50% of the remainder of the income tax liability.

***The company must meet minimum criteria set forth by state statute and the rules and regulations of the Mississippi Development Authority, Mississippi Business Finance Corporation, Mississippi State Tax Commission, and local governing authorities to receive these credits/exemptions/incentives.

**Average Annual Salary
2008**

County	Average Annual Salary	110% of Average Annual Salary	125% of Average Annual Salary	150% of Average Annual Salary	175% of Average Annual Salary
State Total	\$32,911.00	\$36,202.10	\$41,138.75	\$49,366.50	\$57,594.25
Adams	\$30,298.00	\$33,327.80	\$37,872.50	\$45,447.00	\$53,021.50
Alcorn	\$30,741.00	\$33,815.10	\$38,426.25	\$46,111.50	\$53,796.75
Amite	\$28,501.00	\$31,351.10	\$35,626.25	\$42,751.50	\$49,876.75
Attala	\$28,440.00	\$31,284.00	\$35,550.00	\$42,660.00	\$49,770.00
Benton	\$28,287.00	\$31,115.70	\$35,358.75	\$42,430.50	\$49,502.25
Bolivar	\$28,246.00	\$31,070.60	\$35,307.50	\$42,369.00	\$49,430.50
Calhoun	\$24,704.00	\$27,174.40	\$30,880.00	\$37,056.00	\$43,232.00
Carroll	\$25,546.00	\$28,100.60	\$31,932.50	\$38,319.00	\$44,705.50
Chickasaw	\$26,760.00	\$29,436.00	\$33,450.00	\$40,140.00	\$46,830.00
Choctaw	\$31,582.00	\$34,740.20	\$39,477.50	\$47,373.00	\$55,268.50
Claiborne	\$46,585.00	\$51,243.50	\$58,231.25	\$69,877.50	\$81,523.75
Clarke	\$26,959.00	\$29,654.90	\$33,698.75	\$40,438.50	\$47,178.25
Clay	\$30,526.00	\$33,578.60	\$38,157.50	\$45,789.00	\$53,420.50
Coahoma	\$28,703.00	\$31,573.30	\$35,878.75	\$43,054.50	\$50,230.25
Copiah	\$26,789.00	\$29,467.90	\$33,486.25	\$40,183.50	\$46,880.75
Covington	\$26,533.00	\$29,186.30	\$33,166.25	\$39,799.50	\$46,432.75
Desoto	\$30,193.00	\$33,212.30	\$37,741.25	\$45,289.50	\$52,837.75
Forrest	\$33,807.00	\$37,187.70	\$42,258.75	\$50,710.50	\$59,162.25
Franklin	\$28,840.00	\$31,724.00	\$36,050.00	\$43,260.00	\$50,470.00
George	\$32,972.00	\$36,269.20	\$41,215.00	\$49,458.00	\$57,701.00
Greene	\$27,519.00	\$30,270.90	\$34,398.75	\$41,278.50	\$48,158.25
Grenada	\$27,927.00	\$30,719.70	\$34,908.75	\$41,890.50	\$48,872.25
Hancock	\$37,052.00	\$40,757.20	\$46,315.00	\$55,578.00	\$64,841.00
Harrison	\$33,273.00	\$36,600.30	\$41,591.25	\$49,909.50	\$58,227.75
Hinds	\$38,502.00	\$42,352.20	\$48,127.50	\$57,753.00	\$67,378.50
Holmes	\$26,900.00	\$29,590.00	\$33,625.00	\$40,350.00	\$47,075.00
Humphries	\$22,975.00	\$25,272.50	\$28,718.75	\$34,462.50	\$40,206.25
Issaquena	\$20,906.00	\$22,996.60	\$26,132.50	\$31,359.00	\$36,585.50
Ittawamba	\$29,411.00	\$32,352.10	\$36,763.75	\$44,116.50	\$51,469.25
Jackson	\$43,284.00	\$47,612.40	\$54,105.00	\$64,926.00	\$75,747.00
Jasper	\$31,698.00	\$34,867.80	\$39,622.50	\$47,547.00	\$55,471.50
Jefferson	\$27,403.00	\$30,143.30	\$34,253.75	\$41,104.50	\$47,955.25
Jefferson Davis	\$39,905.00	\$43,895.50	\$49,881.25	\$59,857.50	\$69,833.75
Jones	\$32,968.00	\$36,264.80	\$41,210.00	\$49,452.00	\$57,694.00
Kemper	\$24,995.00	\$27,494.50	\$31,243.75	\$37,492.50	\$43,741.25
Lafayette	\$32,946.00	\$36,240.60	\$41,182.50	\$49,419.00	\$57,655.50
Lamar	\$25,846.00	\$28,430.60	\$32,307.50	\$38,769.00	\$45,230.50
Lauderdale	\$31,601.00	\$34,761.10	\$39,501.25	\$47,401.50	\$55,301.75
Lawrence	\$35,882.00	\$39,470.20	\$44,852.50	\$53,823.00	\$62,793.50
Leake	\$25,010.00	\$27,511.00	\$31,262.50	\$37,515.00	\$43,767.50
Lee	\$33,243.00	\$36,567.30	\$41,553.75	\$49,864.50	\$58,175.25

**MISSISSIPPI STATE TAX COMMISSION
COUNTY RANKING AND DESIGNATION
2010**

Tier Three Less Developed Areas		Tier Two Moderately Developed Areas		Tier One Developed Areas	
1.	Jefferson	29.	Franklin	56.	Union
2.	Holmes	30.	Yazoo	57.	Lowndes
3.	Benton	31.	Walthall	58.	Carroll
4.	Claiborne	32.	Clarke	59.	Smith
5.	Noxubee	33.	Monroe	60.	Scott
6.	Sunflower	34.	Marshall	61.	Lincoln
7.	Webster	35.	Tallahatchie	62.	Newton
8.	Wilkinson	36.	Calhoun	63.	Tate
9.	Kemper	37.	George	64.	Lee
10.	Choctaw	38.	Leflore	65.	Lauderdale
11.	Tunica	39.	Bolivar	66.	Simpson
12.	Greene	40.	Issaquena	67.	Adams
13.	Chickasaw	41.	Leake	68.	Oktibbeha
14.	Perry	42.	Coahoma	69.	Neshoba
15.	Tishomingo	43.	Jasper	70.	Stone
16.	Attala	44.	Itawamba	71.	Forrest
17.	Humphreys	45.	Lawrence	72.	Warren
18.	Prentiss	46.	Sharkey	73.	Jackson
19.	Quitman	47.	Alcorn	74.	Jones
20.	Winston	48.	Grenada	75.	Hinds
21.	Yalobusha	49.	Pearl River	76.	Lafayette
22.	Panola	50.	Wayne	77.	Lamar
23.	Tippah	51.	Pontotoc	78.	Hancock
24.	Clay	52.	Covington	79.	Harrison
25.	Montgomery	53.	Marion	80.	Desoto
26.	Copiah	54.	Pike	81.	Madison
27.	Jefferson Davis	55.	Amite	82.	Rankin
28.	Washington				