

# State & Local Incentives

<p><b>Ad Valorem Tax Exemption</b></p>	<p>Lee County, Mississippi exempts county levied real and personal property taxes for new and expanding industries establishing a single calendar year capital investment of \$500,000 and/or 25 new full-time jobs with wages exceeding 125% of the state average wage. These exemptions include, but are not limited to: building, land, equipment, fixtures, raw goods, goods in-process, and finished goods for a period of 10 years. This exemption excludes school taxes.</p>
<p><b>Sales and Use Tax Exemption</b></p>	<p>A 50% reduction of the sales and use tax on manufacturing machinery equipment and construction materials is available in Lee County. Also, any eligible purchases made with industrial revenue bonds can be exempted from state sales/use tax. Application for the exemption should be made with the State Tax Commission.</p>
<p><b>Jobs Tax Credit</b></p>	<p>Permanant business enterprises in Lee County are allowed a jobs tax credit equal to 2.5% of the payroll of net new full-time employees for five (5) years beginning with years two (2) through (6). To qualify, a total of twenty (20) net new jobs must be created and maintained.</p>
<p><b>Freeport Warehousing Inventory Tax Exemption</b></p>	<p>Lee County, Mississippi exempts all state, county, and school taxes on freeport inventory located within newly located and licensed freeport warehouses. Freeport warehousing inventory is inventory produced or not produced in Mississippi, that is in storage for transit to a final destination outside of Mississippi. Minimum guidelines for new qualifying "Freeport Warehouses" would be a single calendar year capital investment of \$500,000 and/or 25 new full-time jobs with wages exceeding 125% of the state average wage.</p>
<p><b>TVA Electrical Use Credit</b></p>	<p>Tennessee Valley Authority offers a Growth Credit Incentive on New and expanded electrical power loads of over 100kW. This incentive is applicable to years one through eight. Application for this incentive can be made with the local TVA power distributor.</p>
<p><b>Industrial Revenue Bond Financing</b></p>	<p>Industrial Revenue Bond Financing allows for a full exemption of the 1 1/2% State Sales and Use Tax on manufacturing equipment and for a full sales tax exemption on purchases of other equipment and component building materials used on the construction of a building. The use of these bonds for financing a project also qualifies the project for property tax expemption for up to ten (10) years as well as participation in the Mississippi Rural Economic Development Assistance Program.</p>
<p><b>The Mississippi Rural Economic Development Assistance Program</b></p>	<p>The Mississippi Rural Economic Development Assistance Program (RED) allows credit on Mississippi corporate income taxes that are used with industrial revenue bonds. The credits can be used to offest up to 80% of the state corporate income tax liability attributable to the project each year for the life of the bonds. Unused RED credits may be carried forward for three years.</p>
<p><b>Greater Mississippi Foreign Trade Zone</b></p>	<p>As a member of the Greater Mississippi Foreign-Trade Zone, Tupelo/Lee County provides FTZ benefits such as relief from inverted federal tariffs, federal duty referral, direct delivery, weekly entry, and a reduction in federal merchandise processing fees and personal property taxes.</p>
<p><b>Other Local</b></p>	<ul style="list-style-type: none"> <li>A. Infrastructure Improvements: time permitting; application will be made for CDBG Assistance to extend utilities to the property line and any road improvements as required.</li> <li>B. Site Survey will be provided at no cost to the client.</li> <li>C. Warranty Deed will be provided at no cost to the client.</li> </ul>



**Community Development Foundation**  
**300 West Main St., P.O. Box A**  
**Tupelo, Mississippi 38802-1210**  
**662.842.4521 800.523.3463**  
**www.cdfms.org info@cdfms.org**