

# STATE AND LOCAL INCENTIVES

**AD VALOREM TAX EXEMPTION** - 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.

**SALES AND USE TAX EXEMPTION** - 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.

**JOBS TAX CREDIT** - U.S. Duty is not paid on merchandise exported from the zone (except to Canada or Mexico)

**FREEPORT WAREHOUSING INVENTORY TAX EXEMPTION** - 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.

**TVA VALLEY INVESTMENT PROGRAM** - Tennessee Valley Authority's Valley Investment Program is an economic development incentive program jointly conducted by TVA and distributors of TVA power offering competitive incentives to eligible customers who make multi-year commitments to invest in the Tennessee Valley region.

**INDUSTRIAL REVENUE BOND FINANCING** - Industrial Revenue Bond Financing allows for a full exemption of the 1.5% 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 exemption for up to 10 years as well as participation in the Mississippi Rural Economic Development Assistance Program.

**MISSISSIPPI RURAL ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM** - 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 offset up to 80% of the state and 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.