

AD VALOREM TAX EXEMPTIONS

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JACKSON COUNTY, MISSISSIPPI

JANUARY, 2001

Amended – November 13, 2006

Amended – August 4, 2008

JACKSON COUNTY TAX EXEMPTION POLICY

The following is a narrative outline of proposed tax exemptions as they relate to Jackson County and industry located within Jackson County, Mississippi.

This narrative is intended as a clarification of the tax exemption laws and should not in any way be interpreted as affecting the discretionary authority of the governing authorities of Jackson County. In the event of any conflict between this narrative and any law of the State of Mississippi, the law shall, of course, be controlling.

Property Tax exemptions may be granted, for up to ten years, on real and personal property taxes, less those taxes not eligible for exemption by law, and less those taxes and/or portions of taxes not eligible for exemption by local policy. Local policy does not allow exemption of community college taxes, 3 mills of road taxes and 5 mills of general county levy; however, each industry granted an exemption must pay not less than a total of 18 mills. If the millage not allowed to be exempt by law and local policy do not equal 18 mills, then the additional millage, if any, shall be added to the county road fund millage.

The new enterprises which may be exempt are enumerated as and limited to the following as determined by the State Tax Commission, within the meaning of Section 27-31-101 et seq and related Sections of the Mississippi Code of 1972, as amended.

Warehouse and/or distribution centers;

Manufacturing, processors and refineries;

Research facilities;

Corporate regional and national headquarters meeting minimum criteria established by the Department of Economic and Community Development;

Movie industry studios meeting minimum criteria established by the Department of Economic and Community Development;

Air transportation and maintenance facilities meeting minimum criteria established by the Department of Economic and Community Development;

Recreational facilities that impact tourism meeting minimum criteria established by the Department of Economic and Community Development;

Telecommunications enterprises meeting minimum criteria established by the Department of Economic and Community Development. The term "telecommunications enterprises" means entities engaged in the creation, display, management, storage, processing, transmission or distribution for compensation of images, text, voice, video or data by wire or by wireless means, or entities engaged in the construction, design, development, manufacture, maintenance or distribution for compensation of devices, products, software or structures used in the above activities.

A. NEW INDUSTRY is defined as new construction, new building, new property, new equipment and new jobs.

New industry is eligible to receive a 10-year tax exemption based on the calculated percentage, as defined in the Ad Valorem Tax Exemptions Technical Documentation, on land, building, and equipment; however state law mandates that all industry must pay school taxes and any other taxes required by law or local policy as assessed. School taxes are defined as public school taxes and community college taxes.

B. NEW INDUSTRY LOCATING INTO VACANT EXISTING BUILDING

A ten-year tax exemption based on the calculated percentage, as defined in the Ad Valorem Tax Exemptions Technical Documentation, can be granted on land, building, and equipment, with exception of school, community college taxes and any other taxes required by law or local policy.

C. NEW INDUSTRY LOCATING IN A LEASED BUILDING

New industry locating in a leased building is not allowed tax exemption on the real property. New industry locating in a leased building can, however, apply and receive tax exemption for lease hold improvements to the building and new manufacturing equipment purchased to be placed and operated in the leased building. Leased mobile equipment and machinery does not qualify for tax exemption.

D. EXISTING INDUSTRY - EXPANDING

A 10-year tax exemption based on the calculated percentage, as defined in the Ad Valorem Tax Exemptions Technical Documentation, may be granted on the expanded portion of new facility.

If the land on which the new expansion is built is enjoying an exemption at the time of expansion, the land will continue to enjoy the remainder of the exemption.

E. EXISTING INDUSTRY BECOMES NEW ENTERPRISE

If an existing industry is purchased and becomes a new enterprise, or if an or a lack of production existing industry has a name change and becomes a new enterprise, the new enterprise may enjoy the remainder of the current exemption in place. A tax exemption on all new manufacturing equipment can also be granted.

If the purchase under this heading is not an Arms Length transaction no tax exemption shall be allowed, unless there is an exemption in place and the remainder of that exemption shall be honored.

Any business which has been granted an exemption and there has been a cessation of manufacturing operation or a lack of production for a continuous period of twelve (12) months, at the end of the twelve month period, the exemption shall be reviewed and a determination made by the Board of Supervisors. However, if manufacturing operations are begun at a later date, they shall file a new application and the Board can only grant the unexpired balance of the period covered by the original exemption. This exemption shall not exceed the original expiration date.

F. EXISTING INDUSTRY RELOCATING WITHIN THE COUNTY

If an existing industry already located in the county moves to a new location, the existing industry can enjoy a new 10-year exemption based on the calculated percentage, as defined in the Ad Valorem Tax Exemptions Technical Documentation, on land, new building, and new equipment for the increase in the assessed value of the new building and property above the original exemption. Old equipment is not eligible for a new exemption, however, it can continue to enjoy the unexpired tax exemption granted.

G. REPLACEMENT OF EXISTING EQUIPMENT FOR EXPANSION/IMPROVEMENTS

Replacement of existing equipment with equipment of the same specifications to perform the same function does not qualify for a new tax exemption, but does qualify to use the remaining portion of the exemption granted for the first equipment.

Replacement of existing equipment with new equipment that substantially improves the manufacturing process can apply for and be granted a up to a 10-year tax exemption based on the difference in the value of the old equipment and the new equipment.

H. EQUIPMENT INSTALLED FOR ENVIRONMENTAL IMPROVEMENTS

1) If equipment is installed to improve environmental conditions and that specific equipment is required by a Federal, State or local regulatory agency, a full 10-year tax exemption may be applied for and may be granted.

2) The equipment permanently used on-site at a landfill established by an industry to receive its waste only, can be granted an exemption.

I. FREEPORT WAREHOUSE TAX EXEMPTION

An industry can apply for and receive a full tax exemption, excluding school taxes and any other taxes required by law or local policy, on finished goods inventory. A minimum of 50% of the finished goods inventory must be transferred outside of the State of Mississippi.

The basic requirements for licensed FreePort Warehouse are:

1) Must be a warehouse or storage facility regularly engaged in the handling and storage of personal property.

2) 27-31-7 is amended by Senate Bill 2885 (Attached)

3) Ad valorem exemption of personal property must have approval of county and municipal governing authorities regarding amount and duration of exemption, and shall be applied for according to the tax exemption policies on a separate application.

4) At least 50% of actual value of personal property consigned or transferred thereto for storage and handling must have been moved out of the State of Mississippi during the preceding calendar year.

5) It may not be any storage area not physically separated by a barrier from manufacturing, assembly, disassembly or processing operations.

6) Each licensed warehouse must file with the State Tax Commission and tax assessor of each taxing jurisdiction where the facility is located and inventory of all personal property consigned or transferred to such warehouse or storage facility on January 1 of each year. At the end of the year, a report is made to the taxing authority showing actual movement of personal property from the facility. These reports are done on State Tax Commission forms.

7) Inventory exemption under Section 27-31-7 allows ad valorem tax exemption, with the exception of school tax exemption and any other taxes required by law or local policy, on all finished goods inventory remaining in the hands of any manufacturer, or its subsidiary, or any distribution or wholesale merchant. The time period for this exemption is a total of up to ten (10) years.

J. FEE IN-LIEU OF TAX EXEMPTION

For those companies who meet the qualification for an in lieu tax exemption under state law, those companies will negotiate directly with the Jackson County Board of Supervisors; however, similar factors as stated in the Jackson County Tax Exemption policy may be considered by the Board.

K. ADDITIONAL INFORMATION REQUIRED

1) A statement signed by the appropriate authority of the Company identifying any additional or improvements to existing infrastructure that will be required by the expanded or new enterprise. If there are no improvements to infrastructure required to accommodate the facility, then the Company shall so state and certify.

2) A signed statement by a qualified expert that the expansion or new enterprise poses no environmental hazard and same shall be constructed in accordance with all applicable local, state and federal laws, regulations and guidelines.

AD VALOREM TAX EXEMPTIONS

EVALUATION GUIDELINES

Technical Documentation, Worksheets and Examples

**JACKSON COUNTY, MISSISSIPPI
JANUARY, 2001**

JACKSON COUNTY TAX EXEMPTION POLICY

AD VALOREM TAX EXEMPTION TECHNICAL DOCUMENTATION

The model is based on a up to 10 year time frame, or 120 months. The percentage credits per unit are in terms of the maximum exemption term. For example: “2.0% for every 1 job created” is equivalent to a 2.4 month exemption for each new job created.

It is possible for the total of the individual credits to exceed 100%, although it is not possible to actually exceed 10 years. There is, however, a maximum credit on all categories. Further, minimum levels of both employment and capital investment are required to be eligible for ANY exemption.

The exhibit for personal property should detail each piece of equipment giving date of installation and true value to the equipment. Each item as installed or assembled on site must be listed separately.

Individual items as installed or assembled on site costing less than \$1,000 are not eligible for exemption.

With both new enterprise and expansion, past performance, environmental compatibility, road and bridge impact, infrastructure impact, and past history of Company’s compliance in commitments made in order to achieve tax exempt status may be considered by the Board, in its discretion, in granting the exemption, including but not limited to duration and amount.

Detail on specific criteria is as follows:

NEW ENTERPRISE

Jobs: 2.0% for every 1 job created with a 10 job minimum to be eligible (50% maximum)
Capital Investment: 2.0% for every \$100,000 of investment with a \$200,000 minimum (35% maximum)
Wages/Jobs Created Due to this Investment: 1.0% for every \$1 above minimum wage up to 50%
Employment Multiplier: .833% (one month) for every 1 indirect job created (35 % maximum)
Construction period and construction employees: 2.0% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35 % maximum)

EXPANSION

Jobs: 2.0% for each job created (50% maximum)
Expansion Investment: 2.0% for every \$100,000 of investment (35% maximum).
Wages/Jobs Created Due to this Investment: 1.0% for every \$1 above minimum wage up to (50% maximum)
Years of Operation: .5% credit for every year in operation (35% maximum)
Long Term Employment: (Average employment since establishment) .5% credit for every employee (35 % maximum)
Employment Multiplier: .833% (one month) for every 1 indirect job created (35% maximum)
Construction period and construction employees: 2.0% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35 % maximum)

AD VALOREM TAX EXEMPTIONS

New Enterprise/Relocation Worksheet

NAME OF COMPANY _____
 TYPE OF COMPANY _____
 PRODUCT/SERVICE _____
 ANNUAL PAYROLL _____

	VARIABLES	EXEMPTION %
JOBS (Direct)	_____	_____
INVESTMENT	_____	_____
WAGES (\$ ABOVE MINIMUM WAGE / HR)	_____	_____
CONSTRUCTION PERIOD (MONTHS)	_____	_____
CONSTRUCTION EMPLOYEES (NUMBER) ¹	_____	_____
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	_____	_____
 TOTAL AD VALOREM TAX EXEMPTION % ³		 _____

¹Construction period – (Months/120) * (Jobs * 2) = Exemption %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. direct jobs x Multiplier = xyz - # direct jobs = indirect jobs x .833 = Exemption %).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

AD VALOREM TAX EXEMPTIONS

Expansion / Retention Worksheet

NAME OF COMPANY _____
 TYPE OF COMPANY _____
 PRODUCT/SERVICE _____
 ANNUAL PAYROLL _____

	VARIABLES	EXEMPTION %
JOBS (Direct)	_____	_____
INVESTMENT	_____	_____
WAGES (\$ ABOVE MINIMUM WAGE / HR)	_____	_____
YEARS IN OPERATION	_____	_____
LONG TERM EMPLOYMENT	_____	_____
CONSTRUCTION PERIOD (MONTHS)	_____	_____
CONSTRUCTION EMPLOYEES (NUMBER) ¹	_____	_____
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	_____	_____
TOTAL AD VALOREM TAX EXEMPTION % ³		_____

¹Construction period – (Months/120) * (Jobs * 2) = Exemption %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. direct jobs x Multiplier = xyz - # direct jobs = indirect jobs x .833 = Exemption %).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

AD VALOREM TAX EXEMPTIONS

New Enterprise/Relocation
Small Investment Example

NAME OF COMPANY	<u>ABC Labeling</u>
TYPE OF COMPANY	<u>Printing and Publishing</u>
PRODUCT/SERVICE	<u>Labels</u>
ANNUAL PAYROLL	<u>\$163,280.</u>

	VARIABLES	EXEMPTION %
JOB (Direct)	14	28%
INVESTMENT	\$620,000	12.4%
WAGES (\$ ABOVE MINIMUM WAGE / HR)	\$4.50	4.5%
CONSTRUCTION PERIOD (MONTHS)	12	***
CONSTRUCTION EMPLOYEES (NUMBER) ¹	22	4.4%
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	1.9529	11.11%
TOTAL AD VALOREM TAX EXEMPTION % ³		60.41%

¹Construction period – (12 / 120) * (22 * 2) = 4.4 %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. 14 x 1.9529 = 27.34 - 14 = 13.34 x .833 = 11.11%).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%. In this example an industry would be exempted from 60.41% of their taxes, but the county would collect 39.59% each year over the full ten years.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

MILLAGE

	<u>RATE</u>	<u>ANNUAL TAXES</u>	<u>EXEMPT</u>	<u>TAXES PAID</u>
COUNTY	43.089	\$ 4007.28	\$2420.80	\$1586.48
⁴ NON-EXEMPT MILLAGE	18.00	\$ 1674.00	*****	\$1674.00
<u>SCHOOL</u>	<u>51.324</u>	<u>\$ 4773.13</u>	<u>*****</u>	<u>\$4773.13</u>
TOTAL	112.413	\$10454.41	\$2420.80	\$8033.61

AD VALOREM TAX EXEMPTIONS

New Enterprise/Relocation
Large Investment Example

NAME OF COMPANY	<u>SOUTH JOINTS</u>
TYPE OF COMPANY	<u>Fabricated Metal Products</u>
PRODUCT/SERVICE	<u>Ball Joints</u>
ANNUAL PAYROLL	<u>\$16,120,000</u>

	VARIABLES	EXEMPTION %
JOB (Direct)	75	50%
INVESTMENT	\$21,000,000	35%
WAGES (\$ ABOVE MINIMUM WAGE / HR)	\$9.00	9%
CONSTRUCTION PERIOD (MONTHS)	8	***
CONSTRUCTION EMPLOYEES (NUMBER) ¹	400	35%
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	2.2676	35%
TOTAL AD VALOREM TAX EXEMPTION % ³		164%

¹Construction period – (8 / 120) * (400 * 2) = 53.3 %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. 75 x 2.2676 = 170.07 - 75 = 95.07 x .833 = 79.19%).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%. In this example an industry would be exempted from 100% of their taxes unless the Board of Supervisors, in its discretion and based on information it received during the application process, reduced the exemption.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

MILLAGE

	<u>RATE</u>	<u>ANNUAL TAXES</u>	<u>EXEMPT</u>	<u>TAXES PAID</u>
COUNTY	43.089	\$135730.35	\$135730.35	*****
⁴ NON-EXEMPT MILLAGE	18.00	\$ 56700.00	*****	\$ 56700.00
<u>SCHOOL</u>	<u>51.324</u>	<u>\$161670.60</u>	<u>*****</u>	<u>\$161670.60</u>
TOTAL	112.413	\$354100.95	\$135730.35	\$218370.60

AD VALOREM TAX EXEMPTIONS

Expansion / Retention
Small Investment Example

NAME OF COMPANY	<u>XYZ Publishers</u>
TYPE OF COMPANY	<u>Printing and Publishing</u>
PRODUCT/SERVICE	<u>Book Publishing</u>
ANNUAL PAYROLL	<u>\$1,525,000</u>

	VARIABLES	EXEMPTION %
JOB (Direct)	10	20%
INVESTMENT	\$800,000	16%
WAGES (\$ ABOVE MINIMUM WAGE / HR)	\$3.20	3.2%
YEARS IN OPERATION	10	5%
LONG TERM EMPLOYMENT	20	10%
CONSTRUCTION PERIOD (MONTHS)	4	***
CONSTRUCTION EMPLOYEES (NUMBER) ¹	32	2.13%
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	1.9529	7.94%
TOTAL AD VALOREM TAX EXEMPTION % ³		64.27%

¹Construction period – (4 / 120) * (32 * 2) = 2.13 %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. 10 x 1.9529 = 19.529 - 10 = 9.529 x .833 = 7.94%).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%. In this example an industry would be exempted from 64.27% of their taxes, but the county would collect 35.73% each year over the full ten years.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

MILLAGE

	<u>RATE</u>	<u>ANNUAL TAXES</u>	<u>EXEMPT</u>	<u>TAXES PAID</u>
COUNTY	43.089	\$ 5170.68	\$3323.20	\$1847.48
⁴ NON-EXEMPT MILLAGE	18.00	\$ 2160.00	*****	\$2160.00
<u>SCHOOL</u>	<u>51.324</u>	<u>\$ 6158.88</u>	<u>*****</u>	<u>\$6158.88</u>
TOTAL	114.49	\$13489.56	\$3323.20	\$10166.36

AD VALOREM TAX EXEMPTIONS

Expansion / Retention
Large Investment Example

NAME OF COMPANY	<u>D&D CARS</u>
TYPE OF COMPANY	<u>Motor Vehicles and Equipment</u>
PRODUCT/SERVICE	<u>Automobiles</u>
ANNUAL PAYROLL	<u>\$52,000,000.</u>

	VARIABLES	EXEMPTION %
JOB (Direct)	20	40%
INVESTMENT	\$41,000,000.	35%
WAGES (\$ ABOVE MINIMUM WAGE / HR)	\$6.00	6%
YEARS IN OPERATION	18	9%
LONG TERM EMPLOYMENT	1000	35%
CONSTRUCTION PERIOD (MONTHS)	10	***
CONSTRUCTION EMPLOYEES (NUMBER) ¹	200	33.33%
EMPLOYMENT MULTIPLIER (INDIRECT JOBS) ²	2.0591	17.64%
TOTAL AD VALOREM TAX EXEMPTION % ³		175.97%

¹Construction period – (10 / 120) * (200 * 2) = 33.33 %

²Factor includes both direct and indirect jobs. To determine qualifying exemption percentage direct jobs must be subtracted (i.e. 20 x 2.0591 = 41.182 - 20 = 21.182 x .833 = 17.64%).

³A percentage exemption would allow the county to collect some Ad Valorem taxes over the full ten years if the exemption is less than 100%. In this example an industry would be exempted from 100% of their taxes unless the Board of Supervisors, in its discretion and based on information it received during the application process, reduced the exemption.

⁴Reappraisal Maintenance, State Port Bonds and Capital Improvement Millage by statute are not exemptible. Junior College and a portion of the Road and General County millage are not exempt by local policy.

MILLAGE

	<u>RATE</u>	<u>ANNUAL TAXES</u>	<u>EXEMPT</u>	<u>TAXES PAID</u>
COUNTY	43.089	\$264997.35	\$264997.35	*****
⁴ NON-EXEMPT MILLAGE	18.00	\$110700.00	*****	\$110700.00
<u>SCHOOL</u>	<u>51.324</u>	<u>\$315642.60</u>	<u>*****</u>	<u>\$315642.60</u>
TOTAL	112.413	\$691339.95	\$264997.35	\$426342.60

MULTIPLIERS

Mississippi

Bureau of Economic Analysis, U. S. Department of Commerce

INDUSTRY	EARNINGS* (DOLLARS)	EMPLOYMENT** # OF JOBS
Agriculture, forestry and fisheries		
Agricultural products and agricultural, forestry and fishery services	2.8684	2.3468
Forestry and fishery products	3.8006	4.0083
Mining		
Coal mining	0	0
Crude petroleum and natural gas	1.9802	1.9241
Miscellaneous mining	1.7555	1.788
Construction		
New construction	2.1414	2.052
Maintenance and repair construction	1.7465	1.7801
Manufacturing		
Food and kindred products and tobacco	4.6253	4.6838
Textile mill products	2.0216	2.0187
Apparel	2.0296	1.7222
Paper and allied products	2.7138	3.823
Printing and publishing	1.9521	1.9529
Chemicals and petroleum refining	3.9043	6.311
Rubber and leather products	2.0409	2.1205
Lumber and wood products and furniture	2.4822	2.4803
Stone, clay and glass products	2.1556	2.1956
Primary metals industry	2.2368	2.5253
Fabricated metal products	2.0298	2.2676
Machinery, except electrical	2.0675	2.3289
Electric and electric equipment	2.0348	2.2172
Motor vehicles and equipment	2.1807	2.0591
Transportation equipment, except motor vehicles	1.7963	2.2578
Instruments and related products	2.0072	2.0502
Miscellaneous manufacturing industries	2.2623	2.4259
Transportation and public utilities		
Transportation	1.8916	2.1437
Communication	1.6333	2.03
Electric, gas, water and sanitary services	3.2812	5.4638
Wholesale and retail trade		
Wholesale trade	1.5755	1.8141
Retail trade	1.594	1.4532
Finance, insurance and real estate		
Finance	1.7575	1.8485
Insurance	1.9924	2.3504
Real Estate	5.2123	4.0015
Services		
Hotels and lodging places and amusements	1.7692	1.3726
Personal services	1.6347	1.3782
Business services	1.5511	1.778
Eating and drinking places	1.8985	1.4118
Health services	1.4936	1.732
Miscellaneous services	1.8864	1.6693
Households	*****	*****

* The total dollar change in earnings of the households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.

** The total change in the number of jobs in all industries for each additional job in the industry corresponding to the entry.

Ad Valorem Tax Exemption Worksheet

COMPANY NAME:

Type of Company:

(check all that apply)

- Warehouse/distribution center
- Manufacturer
- Processor
- Refinery
- Research facility
- Regional/national headquarters
- Movie industry studio
- Air transportation maintenance facility

Product / Service:

Years in operation in Jackson County:	
Current Total employment:	
# of Employees living in Jackson Co.	
# of Employees living in Mississippi	
Existing annual payroll: \$	
Number of new jobs:	
% local hires:	
Total construction investment: \$	
Average hourly wages: \$	
Construction/renovation period:	
Construction employment:	

Past performance of the company in regard to compliance with the Jackson County Tax Exemption Policy for prior exemptions, as well as past employment history, may be considered by the Board in its discretion in the granting of the exemption including duration and amount.

Exhibit A

**Ad Valorem Tax Exemption
Worksheet**

Company Name: _____

Item Category: _____

Item	Acquisition Cost	Year of Acquisition	True Value

Note: Assets should be listed individually and grouped by item category; furniture and fixtures, machinery and equipment, tools and die; subtotaled by acquisition year. Individual items costing less than \$1000. are not eligible for exemption.

Exhibit B

DISCLAIMER

This sample application is intended to be a guideline only. It is not represented to be legally sufficient. It is the responsibility of the applicant to insure that its application meets all statutory requirements. Applicant should consult its own legal counsel on the legal requirements for the applicant.

**APPLICATION FOR EXEMPTION FROM
AD VALOREM TAXES**

Application of _____
for exemption from ad valorem taxes for a period of
_____ years as authorized by Section 27-31-101, et.seq.,
of the Mississippi Code of 1972, as amended.

TO THE _____ of _____, Mississippi:

1. _____ files this as application in triplicate for exemption from ad valorem taxation, and respectfully represents unto this Honorable Board as follows:

2. Applicant, _____ is a corporation and domiciled in _____, Jackson County, Mississippi.

3. Applicant is now operating as a _____ manufacturing type of industry within _____, Jackson County, Mississippi, which factory is a bona fide (___new, ___expanded) enterprise of public utility within the meaning of Section 27-31-101 et seq and related Sections of the Mississippi Code of 1972, as amended, and is eligible for the exemption granted by the above mentioned section by specific enumeration, namely _____.

4. That said enterprise was completed on the ___ day of _____ 20_____, within the meaning of the applicable statutes of the State of Mississippi, and therefore, the exemption hereby claimed should commence on said date.

5. That said (___ new, ___ expanded) enterprise would provide approximately _____ new jobs as outlined on Exhibit A with an estimated annual payroll of \$ _____.

6. That said exemption of the tangible property exceeding \$1,000 per item, described in Exhibit B, should be granted for a period of _____ years from said date of completion.

7. That the true value of all property to be exempted is _____ Dollars, as shown in an itemized list attached hereto as Exhibit B and made a part hereof.

PRAYER

WHEREFORE, Applicant prays that this Board enter a finding that applicant's _____ is in fact a (___) new OR (___) expanded enterprise of _____, and that the same was completed on the ____ day of _____, 20 ____, within the meaning of the applicable laws _____ of Mississippi;

and

That applicant be granted an exemption from ad valorem taxation except School District and any other taxes as provided by law, for a period of 10 years based on the percentage of _____, developed from the Ad Valorem Tax Exemption Calculation, beginning on the ____ day of _____, 20____, upon all of the tangible property exceeding \$1,000. 00 per item, described in "Exhibit B" attached hereto, and made a part hereof, used in, or necessary to the operation of applicant's factory in Jackson County, Mississippi.

That this Board approve this application by an order resolution spread upon its minutes, declaring that such property is exempt from all ad valorem taxation, except as outlined above for a period of _____ years and forward the original and three certified copies of this application and a certified transcript of such approval to the Mississippi State Tax Commission and upon approval of such application by the said Mississippi State Tax Commission and certification of its approval, the Board will enter a final order on its minutes granting the exemption herein prayed.

Respectfully submitted, this the ____ day of _____, 20_____.

Applicant

BY: _____

Title

ATTEST: _____

AGREEMENT TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO

Name of Company

THIS IS A FORM AGREEMENT ONLY SUBJECT TO CHANGE AS CIRCUMSTANCES AND NEGOTIATIONS DICTATE

This Agreement, made and entered into on this the _____ day of _____, 20____, by and between the Jackson County Board of Supervisors and _____, the parties having hereby agreed as follows:

1. That, _____ (the Firm) is qualified to do business in the State of Mississippi;
2. That, the Firm has committed to the Jackson County Board of Supervisors its intention to expend considerable funds for the expansion of its buildings, purchase new equipment and employ new employees, at its facility located in Jackson County; and
3. That, as an inducement to the Firm to relocate/expand its facility and add a minimum of _____ new employees in Jackson County, the Board of Supervisors consider certain tax incentives in the form of certain exemption on ad valorem real and personal property taxes (the Taxes) with such inducements and commitments (the Inducements) being summarized and contained herein and the Board hereby approves same; and
4. That, the inducements will play a major role in its decision to expand and add new employees; and
5. That, the Board is authorized and empowered by the provisions of Section 27-31-53 (Freeport Warehouse), 27-31-101 (New Industrial Enterprise Exemption), 27-31-105 (Expanded Enterprise Exemption), and 27-31-7 (Manufactured Products Exemption), thereof (the Statutes), of the Mississippi code of 1972, as amended (the Code), to grant certain exemptions (the Exemptions) from Taxes to the Firm with respect to the facility and equipment all within the County; and
6. That, the Firm wishes to obtain satisfactory assurances from the County, that the County will, upon proper applications and proof of qualifications being filed thereof with the County by the Firm, grant such Exemptions; and agreement as follows and as more specifically hereinafter and upon the timely filing by the Firm with the Board of both proper and complete initial and/or extension applications and proof of qualification with all requirements of the Statutes and Laws therefore and the certification by the Firm of the information required thereunder;

SECTION 1. Either under a single application by the Firm for the entire project upon its completion or under multiple annual applications by the Firm for portions of the equipment upon the completion of the initial portion thereof covered by the initial application being treated as addition to or expansions of such initially completed portion thereof and with such exemption for such phase, in order to exempt each such portion of the expansion as soon as permissible; and

SECTION 2. The Board recognized and acknowledges that certain of the Exemptions are effective only from the date of grant by the Board or the date of completion, therefore, to grant the Exemptions at the earliest possible date such Exemptions may lawfully be granted.

SECTION 3. The Term for personal property exemption will be for _____ years. The term for real property exemption will be for _____ years.

SECTION 4. When hiring employees, applicant will give preference to Jackson County residents and, the applicant will utilize Jackson County vendors, suppliers, subcontractors and professionals so far as possible. All vendors, subcontractors and suppliers are encouraged to establish a local entity.

SECTION 5. Applicant will provide to the Tax Assessor's office the following documentation:

- (1) This document is filed every year (January thru March 31). Every business in this county is required to fill this form out annually. This form is called a Personal Property Rendition.
- (2) Any additions or deletions taken place in the past year has to be listed.
- (3) This is done when the exemption is applied for and any additions or deletions after that point is taxable and should be included in #2.
- (4) Each list should contain acquisition cost and year of acquisition. Assets should be listed individually and grouped by item category; furniture and fixtures, machinery and equipment, tool and die; subtotaled by acquisition year. **Individual items as installed or assembled on site costing less than \$1,000 are not eligible for exemption.**

Firm specifically agrees and understands that assets shall be listed on forms or in a format prescribed by the tax assessor's office and within the time frame prescribed by said office.

Failure to provide the documentation could result in the revocation of the exemption.

SECTION 6. Firm agrees taxes must be kept current. Firm agrees that failure to keep tax payments current could result in a loss of exempt status. The remaining years of the exemption may be revoked at the discretion of the Jackson County Board of Supervisors.

SECTION 7. That the person or persons with proper legal capacity to bind the Firm shall execute this resolution binding the Firm to these obligations under penalty of the likely loss of this tax exemption for failure to do so.

WITNESS our signatures, this the ____ day of _____, 20____.

JACKSON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

COMPANY

By: _____

Title: _____