



POWER UP! MISSISSIPPI OFFERS NEW INCENTIVES FOR MANUFACTURING, INDUSTRIAL, AND AGRICULTURAL USERS OF POWER

Mississippi Governor Phil Bryant recently signed into law [HB 844](#) to exempt from state sales taxes various sources of power sold to manufacturers and select other industrial and agricultural users in the state. Previously, a 1.5 percent rate applied to the now-exempt items. Highlights of the bill include the following:

- The exemption is very broad, encompassing electricity, current, power, steam, coal, natural and liquefied petroleum gas, and "other fuel;"
- The exemptions cover sales to manufacturers, custom processors, technology intensive enterprises, and public service companies "for industrial purposes," and specifically encompasses electricity generation, distribution and transmission, pipeline compressors and pumping stations, and railroad locomotives;
- The bill also applies to a broad range of agricultural industries such as poultry, livestock, domesticated fish, marine aquaculture, commercial horticulture, milk, poultry and livestock feed, farm crop irrigation, and commercial fishermen, shrimpers, and oystermen; and
- For many industries (such as poultry, livestock, fish, and horticulture, for example), the exemptions extend beyond just raising the animals and plants to include post-harvest production.

These new exemptions take effect July 1, 2014 (not 2013), so taxpayers have plenty of time to incorporate these changes into their sales tax compliance systems.

— [John F. Fletcher](#)



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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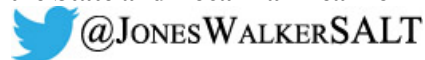
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