

TABLE 15

TAXATION

Corporate Income Tax	State	Local
Rate (range)	3-5%	0
Formula (e.g. Sales, Property & Payroll)	3 Factor Formula- Sales, Property, Payroll in MS. Versus company total	0
Federal Taxes Deductible		0
Accelerated Depreciation Permitted (Yes or No)	Yes, but Bonus Depreciation is not allowed.	0
Corporate Franchise Tax	State	Local
Rate (range)	3-5%	0
Formula (e.g. Sales, Property & Payroll)	Property and receipts in MS versus company total.	0
Federal Taxes Deductible		0
Accelerated Depreciation Permitted (Yes or No)	Yes, but Bonus Depreciation is not allowed.	0
Personal Income Tax	State	Local
Rate (Range)	3-5%	0
Earned Income	3-5%	0
Unearned Income (e.g. Dividend)	3-5%	0
Local Occupation Tax (Paid by Employee)	Rate	Basis
City Residents	0	
Non-City Residents	0	
Local Wage Tax (Paid by Employer)	Rate	Basis
City Residents	0	
Non-City Residents	0	
Gross Receipts Tax Rate by Type of Business		
A) Contractor's Tax - 3.5%		
B) Other Taxable Services - 7%		
C)		
D)		
E)		
Sales/Use Tax Rate		
State		7%
Local		1-2%
Total		8-9%
Sales Tax Rate by Utility:		

Electric Power	1.5% - used in mfg. process, otherwise 7%						
Natural Gas	0% if raw material, 1.5% used in mfg. process, otherwise 7%						
Fuel Oil	0% if raw material, 1.5% used in mfg. process, otherwise 7%						
Water	7% - Potable, 0% - Not potable						
Sewer	0%						
Hazardous Waste Disposal	0%						
Telephone							
Local	7%						
Long Distance In State	7%						
Long Distance Out of State	7%						
Machinery & Equipment Subject to Sales/Use Tax							
Production	1.50%						
Non-Production	7%						
Pollution Control	0%						
Office Furniture/Fixtures/Equipment	7%						
Sales/Use Tax (Yes or No) on							
Office Building Construction Materials	YES						
Industrial Building Construction Materials	YES						
Manufacturers' Raw Materials	NO						
Standard Software	YES						
Custom Software	YES						
Intangible Property							
Describe What is Subject to Tax Rate (e.g. Accounts Receivable, Capital Stock)							
Basis & Rate	See rates below						
Stock Bond Transaction Fee (Yes or No & its Yes Rate)	NONE						
Real Property Tax Rates for Jurisdictions Featuring	A-Canton	B- Flora	C- Madison	D-Ridgeland	E	F	G
Major Employment Centers							
City Millage	0.82	0.46	0.42	0.31			
County Millage	0.47	0.47	0.47	0.47			
School Millage	0.48	0.81	0.81	0.81			
Special District Millage							
Assessment Ratio (%)	15%	15%	15%	15%			
Effective Rate per \$100							
Personal Property Tax Rates per \$100	A	B	C	D	E	F	G
City Millage	0.82	0.46	0.42	0.31			
County Millage	0.47	0.47	0.47	0.47			

School Millage	0.48	0.81	0.81	0.81			
Special District Millage	N/A	N/A	N/A	N/A			
Assessment Ratio (%)	15%	15%	15%	15%			
Effective Rate per \$100							
State Property Tax Effective Rate per \$100							
Real Property							
Personal Property (machinery/equipment)							
Property Tax After Core Income Tax							
Rate							
Basis & Rate							
Property Tax After Core Income Tax & State Excise Tax							
Taxable Items							
Rate for Each Item							
Subject to Personal Property Tax							
Production Machinery & Equipment							
Non Production Machinery & Equipment							
Pollution Control							
Inventory							
Raw Materials							
Work in Progress							
Finished Goods							
Freeport Legislation							
Applicable to Warehousing							
Applicable to Manufacturing							
Goods Stored in a Public Warehouse							
Office Furniture-Fixtures							
Computer Equipment							
Workstations							
Telephones							
Furniture							
Company Vehicles							
Standard Software							
Custom Software							

*Mississippi Development Authority

*Mississippi Tax Commission