

# Wyoming Local Option Property Tax Abatement Authority for Long Term Economic Development

Presented to the Joint Revenue Interim Committee

May 11, 2017

There are many projects on drawing boards that never come to life because the economics just will not allow the investment. Low revenue, high capital cost, and high taxes all take their toll on a project's bottom line. For capital-intensive projects, property taxes CAN be project killers. One way to alleviate this is through Local Option Property Tax Abatement Authority.

By most matrices, Wyoming has a positive tax environment. Certainly, that's the case for residents. For energy projects, however, these tax matrices DO NOT account for the local property tax assessment of any production from these energy projects (Gross Products Ad Valorem Tax). Even exemptions to the severance tax allowed at the state level are denied at the local level. The assessment ratio is 100% for gross energy production value while residents pay at a ratio of 9.5% of market value and commercial and industrial property pay at a ratio of 11.5% on the exact same mill levies. This can equate up to an additional 6-7% or more in income being taken away from the bottom line of energy projects, and up to 0.8% for commercial/industrial projects. While this has carried the local jurisdictions through good and bad economic times, it can have a devastating impact on future high capital intensive projects.

**Problem:** Local assessments (100% of the mill levies for energy/mineral projects) could be taking capital-intensive and expensive but long-lived projects off drawing boards because too much cash flow goes to pay taxes.

**Problem:** Local governments lack the authority to abate – on a limited basis – locally assessed property, and enter contractual agreements that are beneficial to the local governments and the taxpayer.

**Solution:** Local Option Property Tax Abatement Authority. Pass *Local Option Authority* and allow the local county commissioners the choice of economic development in their communities.

Local Option means just that: local option. For abatement consideration, a project must prove to the local governing body/bodies that this project is in everyone's best interest and it is therefore worthy of the abatement. It is sort of a "cost sharing" of the project because the project has proven to be long-lived, therefore has the potential to bring revenue to the local jurisdictions long after the abatement has expired. **Local option** means locally determining the length of the abatement. **Local option** means locally determining the percentage of taxes to be abated. **Local option** means locally determining what projects are best for the local economy.

In Wyoming, local jurisdictions lack the authority to even consider abatements. A company with a project on its drawing board cannot even present an idea to the local governing bodies. They need the authority so that they can bring economic development to counties in Wyoming.

Examples of states that offer incentives:

Montana:

- Tax incentives for new and expanding industry;
- “Clean and Green” Property Tax Incentives:
  - Qualifies for 3% assessment ratio;
  - Subset of property qualifies for 50% abatement for up to 19 years.

North Dakota:

- Up to five-year 100% property tax exemption;
- Additional five years available for agriculture processors;
- Payment in lieu of property tax exemption, a company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years;
- Personal Property is not taxed, including equipment, materials in process and accounts receivable (exemption does not apply to refineries or utilities).

Mississippi

- Local discretion to grant exemption (abatement) on personal property for up to ten years, but not school district taxes for **new** industry;
- Local discretion to grant exemption (abatement) on personal property for up to ten years, but not school district taxes for **expanding** industry;
- Specific (non-discretionary) exemption for 10 years, excepting school district taxes, for equipment used in connection with enhanced oil recovery projects.

Texas

- Municipal & County options to grant abatements under guidelines established by the municipalities and counties;
- Reinvestment zones are designated;
- School districts may participate in valuation limitation agreements but not full abatement.

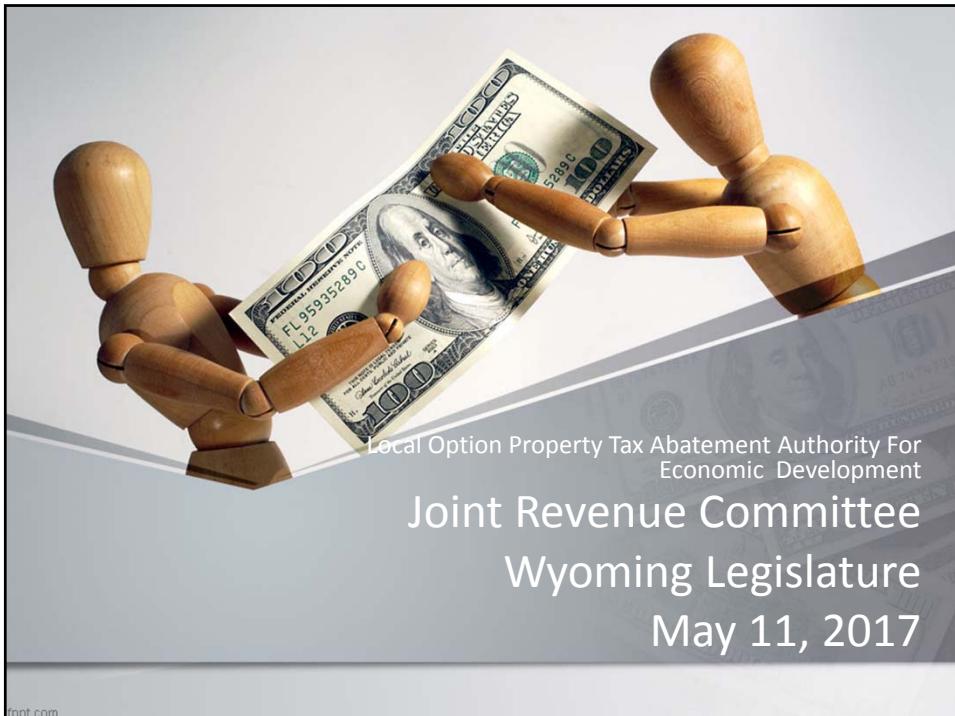
Louisiana

- Industrial Tax Exemptions for two consecutive five year periods:
  - New: Must have local consent;
  - New: Jobs must be created;
  - Manufacturing facilities.

Donna K. Lawrence

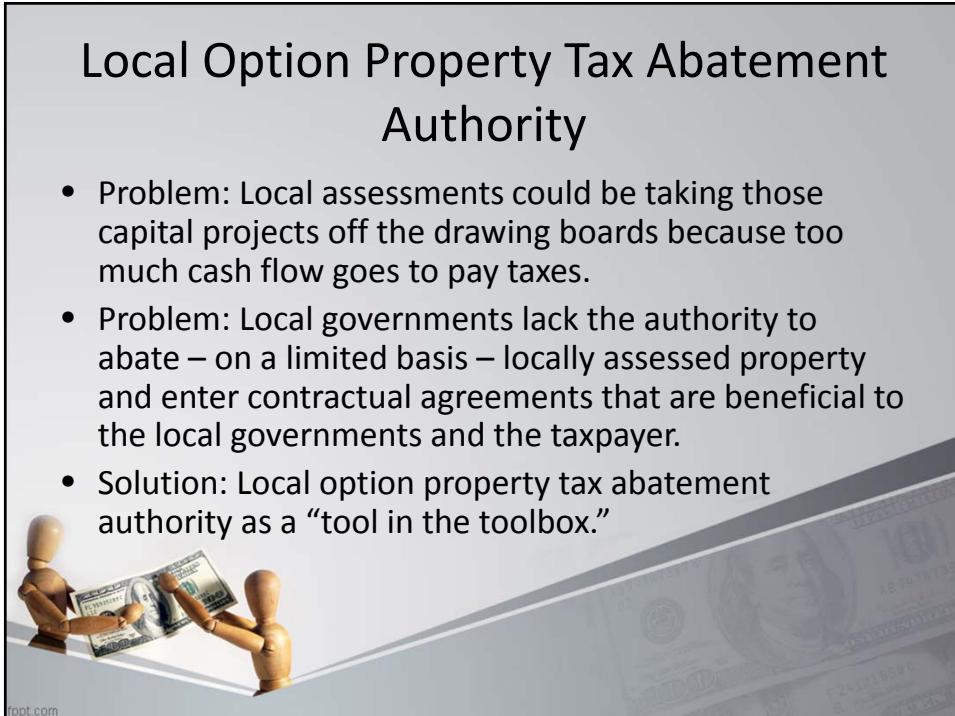
Denbury Resources Inc.

[Donna.lawrence@denbury.com](mailto:Donna.lawrence@denbury.com)



## Local Option Property Tax Abatement Authority

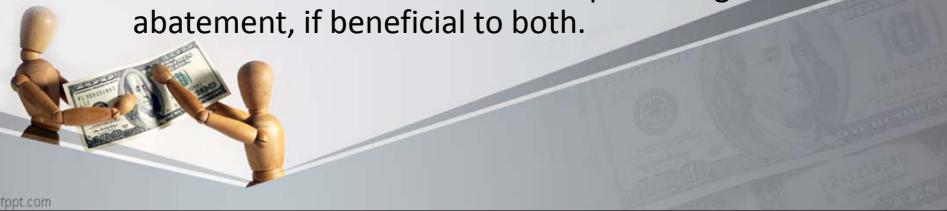
- Problem: Local assessments could be taking those capital projects off the drawing boards because too much cash flow goes to pay taxes.
- Problem: Local governments lack the authority to abate – on a limited basis – locally assessed property and enter contractual agreements that are beneficial to the local governments and the taxpayer.
- Solution: Local option property tax abatement authority as a “tool in the toolbox.”



## Local Option Property Tax Abatement Authority

- Local Option:

- Allows a company to present a project to local authorities;
- Allows the company AND the local authorities to decide a course that is mutually beneficial;
- Allows the determination of the length of the abatement, if beneficial to both;
- Allows the determination of the percentage of abatement, if beneficial to both.



## State incentives

- Montana:

- Tax incentives for new and expanding industry;
- “Clean and Green” Property Tax Incentives (DEQ certified EOR Projects):
  - Qualifies for 3% assessment ratio
  - Subset of property qualifies for 50% abatement for up to 19 years.



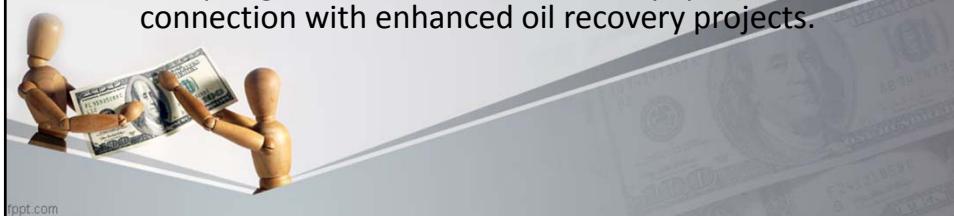
## State incentives

- North Dakota:
  - Up to five-year 100% property tax exemption
  - Additional five years available for agriculture processors
  - Payment in lieu of property tax exemption, a company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years
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## State incentives

- Mississippi
  - Local discretion to grant exemption (abatement) on personal property for up to ten years, but not school district taxes for new industry
  - Local discretion to grant exemption (abatement) on personal property for up to ten years, but not school district taxes for expanding industry
  - Specific (non-discretionary) exemption for 10 years, excepting school district taxes, for equipment used in connection with enhanced oil recovery projects.



## State incentives

- Texas
  - Municipal & County options to grant abatements under guidelines established by the municipalities and counties
  - Reinvestment zones are designated
  - School districts may participate in valuation limitation agreements but not full abatement.



## State incentives

- Louisiana
  - Industrial Tax Exemptions for two consecutive five year periods:
    - New: Must have local consent
    - New: Jobs must be created
    - Manufacturing facilities



# INDUSTRIAL TAX EXEMPTION

*Effective June 24, 2016, changes apply to the Industrial Tax Exemption Program, pursuant to an Executive Order from the Louisiana Governor's Office. View the Executive Order here.*

*Not all changes effective June 24, 2016 are reflected below. Please check again, as updates are ongoing.*

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, local property taxes (Ad Valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site.



## ELIGIBILITY

Businesses must be classified as a manufacturer or related to the manufacturing project in order to receive the benefits of the ITEP program. ITEP is only available for activities related to manufacturers:

A manufacturer, as identified by the federal government, has a North American Industry Classification System (NAICS) code that begins with 31, 32 or 33.

The NAICS is used as a preliminary qualification criterion. If the company does manufacturing but does not have the manufacturing NAICS code, and 50%+ of the activities at the site are considered manufacturing, then additional steps are required to determine eligibility.

A detailed description of the activities to be considered manufacturing is provided by the company.

A site inspection will be performed by LED to determine if the activity is manufacturing.

The program can be used by manufacturers new to Louisiana and is also available to existing manufacturers in Louisiana with new investments to existing facilities.

## Program Rules:

All incentive program rules are in the Louisiana Administrative Code maintained by the Office of the State Register.

[View the Industrial Tax Exemption Constitutional Provision](#)

[View the Industrial Tax Exemption Rules](#)

Choose Title 13, Economic Development

Go to Part I, Chapter 5

 **GETTING STARTED**

 **NEXT STEPS**

 **ELIGIBILITY SCENARIOS**

 **FAQS**

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## THE PROCESS

Submit Advance Notification with fee online, and then begin the project.

File for Louisiana Unemployment ID number (if business does not have one) with the Louisiana Workforce Commission to receive NAICS code.

Complete the application online and submit any required addendum material to LED for review.

LED reviews application and submits it to the Board of Commerce and Industry.

If approved, the Board issues contract through LED.

Submit Project Completion Report with fee and Affidavit of Final Cost with fee to LED.

Submit Annual Report to LED.

**APPLY NOW »**

**PROGRAM  
ADMINISTRATION:**

**Kristin Cheng**

*Program Administrator*

kristin.cheng@la.gov  
225.342.2083

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# Montana Secretary of State

## Corey Stapleton

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**Rule: 42.19.1235**
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Rule Title: TAX INCENTIVE FOR NEW OR EXPANDING INDUSTRY

Department: [REVENUE, DEPARTMENT OF](#)  
 Chapter: [GENERAL PROPERTY TAX PROVISIONS](#)  
 Subchapter: [New Industrial Property](#)

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Latest version of the adopted rule presented in Administrative Rules of Montana (ARM):

[Printer Friendly Version](#)**42.19.1235 TAX INCENTIVE FOR NEW OR EXPANDING INDUSTRY**

(1) The industrial plant owner must make application to the governing body of the affected taxing jurisdiction on a form provided by the department. The form shall include, among other information, a specific description of the improvement or modernized process for which specialized tax treatment is requested, the date when construction or installation is to commence or has commenced and the date when it is to be completed. In addition, the plant owner must provide a disclosure of other property tax benefits the property receives or for which application has been made. The governing body of the affected taxing jurisdiction must approve the application and pass an approving resolution before tax benefits under [15-24-1402](#), MCA, can be received.

(2) In order to be considered for the current tax year, an application must be filed on the form available from the department on or before January 1 of the tax year.

(3) The plant owner must notify the department by sending a copy of the approved application described in (1) within 30 days after receiving approval from the affected taxing jurisdiction.

(4) The preceding year and current year's additions and investments may be considered and included for purposes of determining whether the threshold investment levels specified in [15-24-1401](#), MCA have been met.

(5) The department shall appraise the industrial plant after expansion or modernization.

(6) Only the increased value attributed to the expansion or modernization will receive tax incentives under [15-24-1402](#), MCA.

(7) An industrial plant which qualifies for classification as new industrial property under [15-6-135](#), MCA, cannot qualify for a tax incentive pursuant to [15-24-1402](#), MCA, as new or expanding industry property defined in [15-24-1401](#), MCA.

(8) Additional expansion or modernization of an industrial plant constructed in tax years subsequent to an expansion approved for tax incentives under [15-24-1402](#), MCA, does not qualify for an additional tax incentive unless an additional application is filed and an approving resolution passed.

(9) An applicant seeking to qualify pursuant to [15-24-1401](#), MCA, shall include the same information and certifications as required by ARM [42.19.1222](#).

History: [15-1-201](#), MCA; IMP, [15-6-135](#), [15-24-1401](#), [15-24-1402](#), MCA; NEW, 1988 MAR p. 742, Eff. 4/14/88; TRANS, from ARM [42.19.1220](#), AMD, 1991 MAR p. 2638, Eff. 12/27/91; AMD, 1992 MAR p. 2559, Eff. 11/26/92; AMD, 1997 MAR p. 2297, Eff. 12/16/97; AMD, 2005 MAR p. 667, Eff. 4/29/05.

MAR Notices	Effective From	Effective To	History Notes
4/29/2005	Current		History: <a href="#">15-1-201</a> , MCA; IMP, <a href="#">15-6-135</a> , <a href="#">15-24-1401</a> , <a href="#">15-24-1402</a> , MCA; NEW, 1988 MAR p. 742, Eff. 4/14/88; TRANS, from ARM <a href="#">42.19.1220</a> , AMD, 1991 MAR p. 2638, Eff. 12/27/91; AMD, 1992 MAR p. 2559, Eff. 11/26/92; AMD, 1997 MAR p. 2297, Eff. 12/16/97; AMD, 2005 MAR p. 667, Eff. 4/29/05.

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For questions regarding the content, interpretation, or application of a specific rule, please contact the agency that issued the rule.  
A directory of state agencies is available online at <http://www.mt.gov/govt/agencylisting.asp>.

For questions about the organization of the ARM or this web site, contact [sosarm@mt.gov](mailto:sosarm@mt.gov).

## Energize Montana

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## "Clean and Green" Property Tax Incentives

In 2007, the Legislature passed House Bill 3 (May special session) that established property tax incentives to encourage energy projects with less environmental impact than conventional facilities. The "Clean and Green" incentives come in three forms.

First, certain facilities and equipment (included in the list below) can be classified as either Class 14 or Class 15 Property (15-6-157 (<http://leg.mt.gov/bills/mca/15/6/15-6-157.htm>) and 15-6-158 (<http://leg.mt.gov/bills/mca/15/6/15-6-158.htm>), MCA). These classes are taxed at 3 percent of market value; previously, these facilities may have been taxed at a higher percent of their market value. To qualify for the 3 percent tax rate, the standard prevailing wages for heavy construction must be paid during construction and some other qualifications may also apply.

Second, high-voltage direct-current converter stations that are constructed in a location and manner so that the station can direct power to two different regional power grids can be classified as Class 16 property. Class 16 property is taxed at 2.25 percent of market value.

Third, a subset of Class 14, 15, and 16 properties are eligible for a property tax abatement of 50 percent for up to 19 years (15-24-3101 et seq. (<http://leg.mt.gov/bills/mca/15/24/15-24-3101.htm>) MCA). This abatement applies to all mills levied against the qualifying facility or equipment. For qualifying clean advanced coal research and development equipment or for renewable energy research and development equipment, only the first \$1 million of the value receives the abatement.

The Department of Environmental Quality must certify that certain transmission lines, carbon dioxide pipelines and liquid fuel pipelines qualify as Class 14 or 15 property. The Department also certifies any facility or equipment seeking the property tax abatement. A taxpayer starts the process by filling out the appropriate application. Projects eligible for these property tax classifications and abatements are likely to have unique characteristics, so a follow-up interview or inspection may be necessary.

Rules setting the framework for "Clean and Green" certification are at ARM 17.80.201 (<http://www.mtrules.org/gateway/ruleno.asp?RN=17.80.201>) and 17.80.202 (<http://www.mtrules.org/gateway/ruleno.asp?RN=17.80.202>). Rules for alternating current transmission lines are at ARM 17.80.203 (<http://www.mtrules.org/gateway/ruleno.asp?RN=17.80.203>) and ARM 17.80.225 (<http://www.mtrules.org/gateway/ruleno.asp?RN=17%2E80%2E225>). Rules for carbon dioxide pipelines are at ARM 17.80.204 (<http://www.mtrules.org/gateway/RuleNo.asp?RN=17%2E80%2E204>). Rules for enhanced oil recovery equipment are at ARM 17.80.205-206 (<http://www.mtrules.org/gateway/ruleno.asp?RN=17%2E80%2E205>). Once the property is certified, the Department of Revenue applies and administers the property tax just as with any other facility. DOR rules are ARM 42.4.4114 (<http://www.mtrules.org/gateway/ruleno.asp?RN=42.4.4114>) and 42.4.4115 (<http://www.mtrules.org/gateway/ruleno.asp?RN=42.4.4115>).

For additional information, contact:  
Garrett Martin  
406-444-6582

For CO2 pipelines and enhanced oil recovery equipment, contact:  
Dave Aguirre  
(406)782-2689, Ext. 205  
[daguirre@mt.gov](mailto:daguirre@mt.gov)

AC Transmission Line Certification Form (<http://deq.mt.gov/Portals/112/Energy/EnergizeMT/Conservation/TaxCredits/CleanGreenACTransmissionLineClassiForm.pdf?ver=2015-12-15-150459-117>)

CO2 Pipeline Tax Certification Form (<http://deq.mt.gov/Portals/112/Energy/EnergizeMT/Conservation/TaxCredits/CO2PipelineTaxCertForm.pdf?ver=2015-12-15-150617-337>)

Closed-Loop Enhanced Oil Recovery Tax Certification Form  
(<http://deq.mt.gov/Portals/112/Energy/EnergizeMT/Conservation/TaxCredits/Closed-LoopEnhancedOilRecTaxCertiForm.pdf?ver=2015-12-15-150540-333>)

Clean and Green Certification Form (<http://deq.mt.gov/Portals/112/Energy/EnergizeMT/Conservation/TaxCredits/CleanGreenAbatementCertForm.pdf?ver=2015-12-15-150423-830>)

#### **Types of Facilities that May Qualify for “Clean and Green” Incentives**

- Biodiesel production facility
- Biogas production facility
- Biomass gasification facility
- Coal gasification facility that sequesters carbon dioxide
- Ethanol production facility
- Geothermal generating facility
- Integrated gasification combined cycle facility that sequesters carbon dioxide
- A natural gas combined cycle facility
- Transmission lines and associated equipment and structures, including interconnections and converter stations
- Equipment used to capture and to prepare for transport carbon dioxide that will be sequestered or injected for the purpose of enhancing the recovery of oil and gas
- Carbon dioxide pipelines for the transportation of carbon dioxide for the purposes of sequestration or for use in closed-loop enhanced oil recovery operations
- Carbon sequestration equipment
- Equipment used in closed-loop enhanced oil recovery operations
- Qualified pipelines, including pumping and compression equipment, carrying “green” fuels
- All property or a portion of the property of a renewable energy manufacturing facility
- Research and development equipment for clean advanced coal or renewable energy technologies

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## About Us

The Montana Department of Environmental Quality is charged with protecting a clean and healthy environment as guaranteed to our citizens by our State Constitution. Our ultimate goal is to protect public health and to maintain Montana's high quality of life for current and future generations.

## Latest News

## Opencut Mining Application Near Laurel Open... (<http://deq.mt.gov/Public/PressRelease/opencut-mining-application-near-laurel-open-for-public-comment>)

*Open house planned for Wednesday, April 26, 2017*

READ MORE (<HTTP://DEQ.MT.GOV/PUBLIC/PRESSRELEASE/OPENCUT-MINING-APPLICATION-NEAR-LAUREL-OPEN-FOR-PUBLIC-COMMENT>)

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[Home](#) » Property Tax Abatement for Production and Manufacturing Facilities

# PROPERTY TAX ABATEMENT FOR PRODUCTION AND MANUFACTURING FACILITIES

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## PROGRAM INFO

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### ELIGIBILITY

Commercial,  
Industrial

### SAVINGS

### CATEGORY

Solar Water Heat,  
Solar Space Heat,  
Geothermal  
Electric,  
Solar Thermal  
Electric,  
Solar Thermal  
Process Heat,  
Solar Photovoltaics,  
Wind (All),  
Biomass,  
Hydrogen,  
Municipal Solid  
Waste,  
Combined Heat &  
Power,  
Landfill Gas,  
Solar Pool Heating,  
Wind (Small),  
Anaerobic  
Digestion,  
Fuel Cells using  
Renewable Fuels

### SECTOR NAME

State

### ADMINISTRATOR

Montana Department of Revenue

### WEBSITE

<http://deq.mt.gov/Energy/PropertyTaxIncentives.mcpx>

### STATE

Montana

### PROGRAM TYPE

Industry Recruitment/Support

### REBATE AMOUNT

50% tax abatement

### SUMMARY

In May 2007, Montana enacted legislation (H.B. 3) that allows a property tax abatement for new renewable energy production facilities, new renewable energy manufacturing facilities, and renewable energy research and development equipment. Eligible facilities and equipment are assessed at 50% of their taxable value.

Qualifying renewable energy manufacturing facilities are those that (1) produce materials, components or systems to convert solar, wind, geothermal, biomass, biogas or waste heat resources into useful energy, and (2) whose annual production of renewable energy equipment makes up at least half of the facility's total production. Fuel cells and components of fuel cells that generate energy using non-fossil fuels are also eligible. Qualifying renewable energy production facilities include biomass gasification, biomass, biogas and geothermal facilities. Qualifying renewable energy research and development equipment is considered to be

equipment used primarily for research and development of the efficient use of renewable energy sources.

Under this policy, these facilities are assessed at 50% of their taxable value\* for the construction period and the first 15 years after the facility commences operation, not to exceed 19 years. To qualify for the tax abatement, facilities must begin construction after June 1, 2007. Additionally, all renewable energy research and development equipment up to \$1 million in value may qualify for a 50% property tax abatement if it is placed into service after June 30, 2007. The portion of the equipment used for renewable energy research and development in excess of \$1 million in value does not qualify for the abatement. All production facilities, manufacturing facilities, and research and development equipment must be approved by the Montana Department of Environmental Quality in order to qualify for the abatement.

For the purposes of this policy, "renewable energy" is defined as energy from solar, wind, geothermal, biomass, biogas, non petroleum-based fuel cells, and waste heat sources. "Biomass" means any renewable organic matter, including dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, municipal wastes, and other organic waste materials.

\*These types of facilities are categorized as "Class 14" property, which is taxed at 3% of the property's market value. A facility that qualifies for the 50% property tax abatement is therefore subject to property tax equal to 1.5% of the property's market value.

#### SOURCE

<http://programs.dsireusa.org/system/program/detail/2789>

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## **§ 27-31-101 -- [Eff. until 7-1-2022.] Enumeration of new enterprises which may be exempted.**

**CAUTION:** Sec. 27-31-101 below is eff. until 7-1-2022. See also next version.

**[Through June 30, 2022, this section shall read as follows:]**

 (1) County boards of supervisors and municipal authorities are hereby authorized and empowered, in their discretion, to grant exemptions from ad valorem taxation, except state ad valorem taxation; however, such governing authorities shall not exempt ad valorem taxes for school district purposes on tangible property used in, or necessary to, the operation of the manufacturers and other new enterprises enumerated by classes in this section, except to the extent authorized in Sections 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem taxes the products of the manufacturers or other new enterprises or automobiles and trucks belonging to the manufacturers or other new enterprises operating on and over the highways of the State of Mississippi. The time of such exemption shall be for a period not to exceed a total of ten (10) years which shall begin on the date of completion of the new enterprise for which the exemption is granted; however, boards of supervisors and municipal authorities, in lieu of granting the exemption for one (1) period of ten (10) years, may grant the exemption in a period of less than ten (10) years. When the initial exemption period granted is less than ten (10) years, the boards of supervisors and municipal authorities may grant a subsequent consecutive period or periods to follow the initial period of exemption, provided that the total of all periods of exemption shall not exceed ten (10) years. The date of completion of the new enterprise, from which the initial period of exemption shall begin, shall be the date on which operations of the new enterprise begin. The initial request for an exemption must be made in writing by June 1 of the year immediately following the year in which the date of completion of a new enterprise occurs. If the initial request for the exemption is not timely made, the board of supervisors or municipal authorities may grant a subsequent request for the exemption and, in such case, the exemption shall begin on the anniversary date of completion of the enterprise in the year in which the request is made and may be for a period of time extending not more than ten (10) years from the date of completion of the new enterprise. Any subsequent request for the exemption must be made in writing by June 1 of the year in which it is granted.

 **(2)** Any board of supervisors or municipal authority which has granted an exemption for a period of less than ten (10) years may grant subsequent periods of exemption to run consecutively with the initial exemption period, or a subsequently granted exemption period, but in no case shall the total of the exemption periods granted for a new enterprise exceed ten (10) years. Any consecutive period of exemption shall be granted by entry of an order by the board or the authority granting the consecutive exemption on its minutes, reflecting the granting of the consecutive exemption period and the dates upon which such consecutive exemption period begins and expires. The entry of this order granting the consecutive period of exemption shall be made before the expiration of the exemption period immediately preceding the consecutive exemption period being granted.

 **(3)** The new enterprises which may be exempt are enumerated as and limited to the following, as determined by the Department of Revenue:

 **(a)**

Warehouse and/or distribution centers;

 **(b)**

Manufacturing, processors and refineries;

 **(c)**

Research facilities;

 **(d)**

Corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority;

 **(e)**

Movie industry studios meeting minimum criteria established by the Mississippi Development Authority;



Air transportation and maintenance facilities meeting minimum criteria established by the Mississippi Development Authority;



Recreational facilities that impact tourism meeting minimum criteria established by the Mississippi Development Authority;



Data/information processing enterprises meeting minimum criteria established by the Mississippi Development Authority;



Technology intensive enterprises or facilities meeting criteria established by the Mississippi Development Authority;



Health care industry facilities as defined in **Section 57-117-3** and



Telecommunications enterprises meeting minimum criteria established by the Mississippi Development Authority. 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. Companies organized to do business as commercial broadcast radio stations, television stations or news organizations primarily serving in-state markets shall not be included within the definition of the term “telecommunications enterprises.”

(§ **27-31-101** Codes, 1930, § 3109; 1942, § 9703; Laws, L. 1922, c. 139; L. 1928, c. 10, c. 100; L. 1928, Ex c. 57; L. 1930, c. 67; L. 1932, c. 293; L. 1936, c. 159; L. 1936, 2nd Ex c. 17; L. 1938, Ex c. 76; L. 1942, c. 132; L. 1944, c. 135; L. 1946, c. 208, c. 448; L. 1948, c. 439; L. 1950, c. 528; L. 1952, c. 420 (§ 1), c. 422; L. 1954, c. 363, c. 382; L. 1956, c. 202 (§§ 1, 2), c. 203 (§§ 1, 2); L. 1958, c. 566 (§ 1), c. 567 (§§ 1, 2); L. 1960, c. 467; L. 1961, 2nd Ex c. 7, § 1; L. 1962, c. 269, § 1; L. 1963, 1st Ex Sess, c. 35, § 1; L. 1964, c. 520, § 1; L. 1968, c. 583, § 1; L. 1970, c. 545, § 1; L. 1972, c. 495, § 1; L. 1978, c. 514, § 4; L. 1981, c. 523, § 1; L. 1986, c. 407, § 1; L. 1987, c. 411, § 1; L. 1989, c. 524, § 15; L. 1990, c. 502, § 3; L. 1990, Ex Sess, c. 71, § 1; L. 1992, c. 518, § 2; L. 1994, c. 571, § 1; L. 1994, c. 558, § 18; L. 1995, c. 355, § 1; L. 1995, c. 527, § 1; L. 2000, c. 591, § 1; L. 2005, c. 513, § 1; L. 2005, c. 1, § 62, 3rd extraordinary session; **L. 2012, c. 520, § 7.**)

Checkpoint Contents

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Miss. Code Ann.

Title 27 TAXATION AND FINANCE

Chapter 31 AD VALOREM TAXES-GENERAL EXEMPTIONS

New Factories And Enterprises

**Miss. Code Ann. § 27-31-102 Exemption of equipment used in connection with enhanced oil recovery projects.**

## **§ 27 - 31 - 102 -- Exemption of equipment used in connection with enhanced oil recovery projects.**

Pipelines, dehydrators, compressors and other appurtenant equipment, which are used to facilitate the transportation of carbon dioxide (CO) in connection with an enhanced oil recovery project in the State of Mississippi shall be exempt from all ad valorem taxation, excepting taxes for school district purposes, for a period not to exceed ten (10) years from the date such pipelines and equipment are first placed into service.

(§ 27 -31 -102 enacted by L. 1984, c. 451, § 3; amended by L. 1990, c. 478, § 1.)

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New Factories And Enterprises

**Miss. Code Ann. § 27-31-105 Additions to or expansions of facilities or properties or replacement of equipment used in connection with certain enterprises.**

## **§ 27 - 31 - 105 -- Additions to or expansions of facilities or properties or replacement of equipment used in connection with certain enterprises.**

(1) Any person, firm or corporation who owns or operates a manufacturing or other enterprise of public utility as enumerated in **Section 27-31-101** and who makes additions to or expansions of the facilities or properties or replaces equipment used in connection with or necessary to the operation of such enterprise may be granted an exemption from ad valorem taxation, except state ad valorem taxation, upon each addition to or expansion of the facility or property or replacement of equipment, within the discretion of the county board of supervisors and municipal authorities; however, such governing authorities shall not exempt ad valorem taxes for school district purposes on such additions or expansions of the facility or property, or replacement of equipment. In order to obtain the exemptions authorized by this section, a person, firm or corporation shall follow the same procedure prescribed for obtaining an exemption on a new enterprise, except as otherwise provided in this section. For any additions, expansions or replacements with reference to any particular new enterprise, which have been completed during any calendar year, only one (1) request must be made for the exemptions sought for the additions, expansions or replacements. The time of the exemption shall commence from the date of completion of the additions, expansions or replacements, and shall extend for a period not

to exceed ten (10) years thereafter; however, boards of supervisors and municipal authorities, in lieu of granting the exemption for one (1) period of ten (10) years, may grant the exemption in consecutive periods of five (5) years each, but the total of such consecutive periods shall not exceed ten (10) years. The initial request for an exemption must be made in writing by June 1 of the year immediately following the year in which the additions, expansions or replacements are completed. If the initial request for the exemption is not timely made, the board of supervisors or municipal authorities may grant a subsequent request for the exemption and, in such case, the exemption shall begin on the anniversary date of completion of the additions, expansions or replacements in the year in which the request is made and may be for a period of time extending not more than ten (10) years from the date of completion of the additions, expansions or replacements. Any subsequent request for the exemption must be made in writing by June 1 of the year in which it is granted.

**(2)** For expansions of facilities or properties or replacement of equipment, county boards of supervisors and municipal authorities may grant a fee in lieu of taxes in the same manner, to the same extent, and with the same qualifying threshold as provided for projects under **Section 27-31-104, Mississippi Code** of 1972.

(§ 27 -31 -105 Codes, 1942, § 9706.5; Laws, L. 1952, c. 420, § 5; L. 1960, c. 468; L. 1961, 2nd Ex c. 5, § 1; L. 1986, c. 407, § 2; L. 1989, c. 524, § 17; L. 1992, c. 518, § 3; L. 1994, c. 571, § 2; L. 1995, c. 544, § 1; L. 2000, S2772, § 2; L. 2006, c. 459, § 1.)

## Property Tax Exemption

Personal property is exempt from taxation with the exception of certain oil and gas refineries and utilities in North Dakota. This means there is no property tax on items such as office equipment, inventory, accounts receivable or materials.

**Local taxing authorities in North Dakota control property tax rates and exemptions.** Any new or expanding business project may be granted a property tax exemption for up to five years. Two extensions are available:

- Agricultural processors may be granted a partial or full exemption for up to five additional years.
- A project located on property leased from a government entity qualifies for an exemption for up to five additional years upon annual application by the project operator.

In addition to or in lieu of a property tax exemption, a company may negotiate payments in lieu of taxes for up to 20 years from the date of commencement of project operations.

North Dakota property tax is determined by multiplying the taxable value of real property -- land and buildings -- by the local mill rate. North Dakota commercial property tax is calculated by multiplying true and full value of commercial property, which the local assessor establishes, by 50 percent to reach assessed value; then multiplying assessed value by 10 percent to reach taxable value; and then multiplying taxable value by the local mill rate.

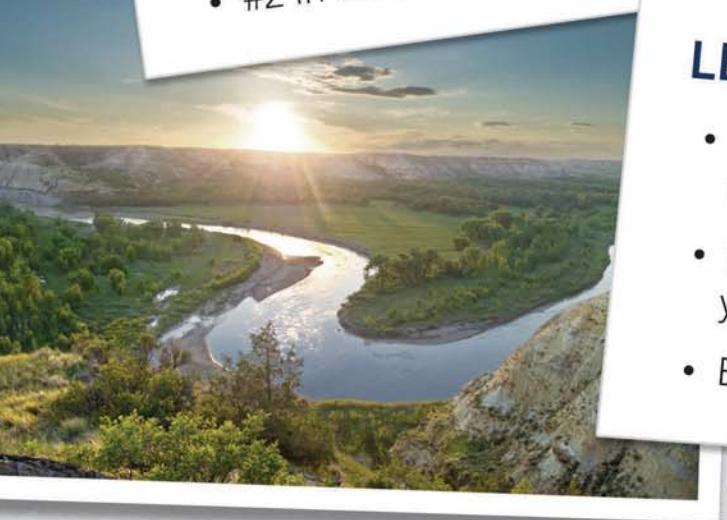
Learn more about property tax rates and exemptions from the [Office of the State Tax Commissioner](#).

# NORTH DAKOTA: LEADING THE NATION



## STRONG ECONOMY

- #1 economic growth performer in nation since 2000
- #1 state for best economic prospect
- #2 in state competitiveness



DO BUSINESS WITH THE  
NATION'S ECONOMIC LEADER

North Dakota  
LEGENDARY



## BUSINESS FRIENDLY

- Over \$4.2 billion in tax cuts since 2009
- AA+ credit ranking from Standard & Poor's
- Best entrepreneurship environment in nation



## LEGENDARY QUALITY OF LIFE

- Best state and fastest growing for millennials
- Best run state in the nation for five years running
- Best place to raise a family



Sources: Beacon Hill Competitiveness Index, 2016; U.S. Chamber of Commerce, 2015; Business Facilities, 2013; Standard & Poor's; 24/7 Wall Street, 2016; Kauffman Index for Growth Entrepreneurship, 2016; U.S. Census Bureau; Moneyrates.com; Fastmoney.com, 2016; WalletHub, 2017.

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# STRATEGIC INCENTIVE ADVANTAGES

## Income Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business
- Investment tax credits for business investors

## Sales Tax Exemptions

- Sales and use tax exemptions on manufacturing/computer/telecommunication equipment
- Utilities are not taxed in North Dakota

## Property Tax Exemptions

- Up to five-year 100% property tax exemption
- Additional five years available for agricultural processors
- Payment in lieu of a property tax exemption, a company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years
- Personal property is not taxed, including equipment, materials in process and accounts receivable\*

## Financial Incentives

- North Dakota Development Fund — gap financing loan and equity program
- PACE Program — interest buy down program at Bank of North Dakota
- MATCH Program — loans at U.S. Treasury yield rate + 0.25%
- Research North Dakota — grant funds for conducting R&D in partnership with North Dakota universities

## Job Training Programs

- Workforce 2020 — grant program for training new technologies and processes
- New Jobs Training Program — grant program reimbursing employee withholding taxes

## Workers Compensation

- Lowest workers compensation premium rates in the nation — 2016

# COMPETITIVE BUSINESS COST ADVANTAGES

## Power

- Power offered at industrial rates at an avg. 8.52 cents/kwh — October 2016
- 56% of the electricity generated in the state is provided to interstate trade
- Supporting “green” business trend by developing renewable energy sources

## Public Policy

- Constitutionally balanced budget
- Person-to-person access to public officials
- Only state-owned bank in the nation offers unique business financing options
- Right to Work state

## Taxes

- In 2015, State Legislature lowered the top corporate income tax rate from 4.53% to 4.31%



\* All personal property exempt from property taxation with exception of certain oil and gas refineries and utilities



Glenn Hegar  
Texas Comptroller of Public Accounts

# \$ Economy

Economic Development

## Property Tax Abatement Act, Tax Code Chapter 312 Overview

A tax abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to cities, counties and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements.

1. Guidelines and Criteria: Each taxing unit that wants to consider tax abatement proposals must adopt guidelines and criteria for the creation of a reinvestment zone and must hold a public hearing.
2. Resolution: Each taxing unit that wants to consider tax abatements must also adopt a resolution indicating its intent to participate in tax abatement. The resolution must be adopted at an open meeting by a majority vote of the taxing unit's governing body.
3. Public Hearing: Seven days' written notice of the public hearing must be given to the presiding officer of each of the other taxing units that have taxing jurisdiction over real property within the zone. Notice of the hearing must also be published at least seven days before the hearing in a newspaper of general circulation in the city. At the public hearing on the reinvestment zone, the governing body must find that the improvements sought are feasible and would benefit the zone after the expiration of the agreement, and the zone meets one of the applicable criteria for reinvestment zones.
4. Designate a Reinvestment Zone: After the hearing has taken place and the guidelines and criteria have been adopted, the taxing unit may, by official action, designate a reinvestment zone. Designation of an area as an enterprise zone under Chapter 2303 of the Government Code constitutes designation of an area as a reinvestment zone without further hearing or other procedural requirements by the local taxing unit.
5. Tax Abatement Agreement: After the designation of the reinvestment zone, the governing body of a taxing unit may enter into a tax abatement agreement under this chapter if it finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the governing body under this section.
6. Written notice: of a taxing unit's intent to enter into a tax abatement agreement must be delivered to the presiding officer of each of the other taxing units in which the property is located at least seven days before the abatement is granted. The other taxing units may enter into an

abatement agreement or choose not to provide an abatement. There is no penalty for choosing not to provide an abatement.

## Need Help?

For additional information, contact the Data Analysis and Transparency Division [comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

## Disclaimer

This information should not be construed as, and is not a substitute for, legal advice.

Property owners and school districts are urged to consult the Attorney General's Economic Development Handbook and their own legal counsel for any questions or interpretations of economic development laws.