

Rural Economic Development Tax Credit

Rural Economic Development (RED) Credits are credits that can be used to reduce Mississippi corporate income tax. These credits are available to companies using industrial revenue bonds issued by the Mississippi Business Finance Corporation (MBFC) and are based on the amount of bond-related debt service paid on MBFC-issued industrial revenue bonds.

PROGRAM FACTS

RED credits are equal to the debt service on qualified industrial revenue bonds. Eligible businesses using industrial revenue bonds issued by the MBFC may use RED credits to offset up to 80 percent of their state corporate income tax liability each year for the life of the bonds. Unused RED credits may be carried forward for three years.

Businesses that qualify for RED Credits include:

- Manufacturers
- Telecommunications enterprises that create 20 or more full-time direct jobs and invest at least \$5,000,000 or that create 50 or more full-time direct jobs and have capital investments of at least \$2,000,000
- Data and information processing facilities that create 20 or more full-time direct jobs and invest at least \$5,000,000 or create 50 or more full-time direct jobs and make capital investments of \$2,000,000 or more
- Distribution and warehouse facilities that employ at least 50 people in full-time, direct jobs or that employ at least 20 employees in full-time, direct jobs and have a capital investment of at least \$5,000,000
- National or regional headquarters creating a minimum of 35 new, full-time jobs and a minimum capital investment of at least \$2,000,000
- Research and development facilities creating a minimum of 10 new full-time jobs paying 150 percent of the state average wage and having capital investments of at least \$2,000,000
- Technology-intensive enterprises creating a minimum of 10 new full-time jobs earning at least 150 percent of the average state wage and having a minimum capital investment of \$2,000,000

Businesses interested in utilizing Industrial Revenue bonds and receiving RED credits should contact the Mississippi Business Finance Corporation at 601.355.6232. For more information, visit www.msbusinessfinance.com or view the Mississippi Tax Incentives, Exemptions, and Credits guidelines on the Mississippi Department of Revenue website at <https://www.dor.ms.gov/docs/2013IncentiveBook-pdffinal.pdf>.

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Contact the Mississippi Development Authority's Financial Resources Division
at 601.359.3552 or financial@mississippi.org to learn more.