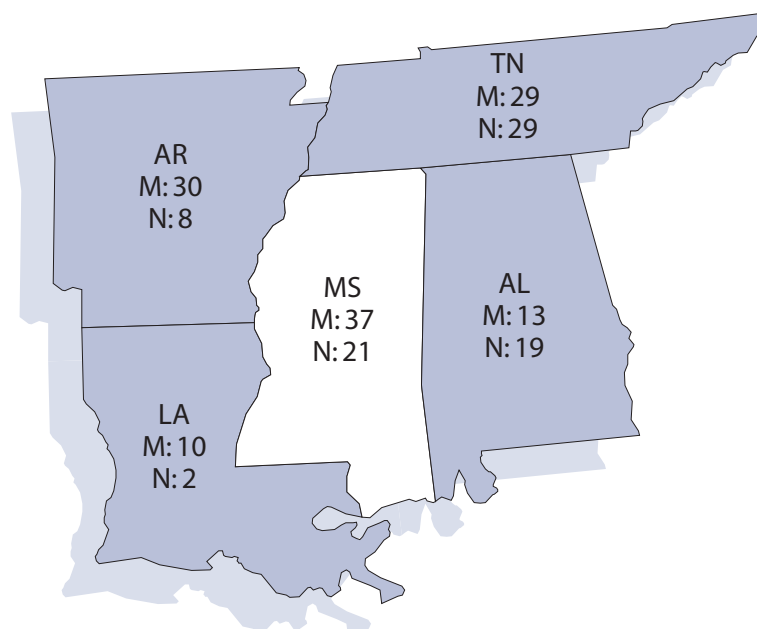


M = Rank for mature firms
N = Rank for new firms



Mississippi ranks 37th overall for mature operations and 21st for newly established operations. Specifically:

- Mississippi's ranks sixth for the newly established distribution center, which enjoys a total tax burden 37 percent below the national average. In large measure, this is due to an above-average property tax abatement, which compensates for the fact that property taxes apply to inventory and equipment in addition to buildings and land. This operation also benefits from very low unemployment insurance (UI) taxes.
- The state ranks seventh for newly established call centers with a tax burden nearly 50 percent below the national average. This operation benefits from one of the lower corporate income tax rates in the nation at 5.0 percent, as well as a generous withholding tax rebate and an investment tax credit. Again, the firm's UI tax burden is among the lowest in the nation.
- Mississippi ranks 46th for mature capital-intensive manufacturing with a total tax burden 53 percent above the national average. While this operation enjoys low UI taxes, the property taxes on inventory and equipment give it one of the higher property tax burdens in the nation.
- The state tied with Alabama for 41st for mature R&D operations with a total tax burden 21 percent above the national average. Again, the high property tax burden for this firm is a big factor, especially the property taxes on inventory and equipment. Income taxes are also well above average for this operation.

Mississippi

Corporate income tax

Main tax rate	5.000%
Applies to income over	\$10,000
Specific adjustments:	
- s.199 deduction disallowed	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Manufacturing	33.3%	33.3%	33.3%
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			IPA

Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate ^a	Land	Buildings	Equipment	Inventory
Tier 1	Jackson	7.000%	2.311%	2.311%	2.311%	2.311%
Tier 2	Gulfport	7.000%	1.763%	1.763%	1.763%	1.763%

a. Manufacturing machinery is taxed at a reduced rate of 1.5%

Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
1.15%	\$14,000	0.250%	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	5% of capital investment if in business >2 years	✓	✓					
Job creation	2.5% of new payroll x 5 years	✓	✓	✓	✓	✓	✓	
Withholdings	4% of new payroll x 5 years, with 1 year lag	✓	✓	✓	✓	✓	✓	
R&D	\$1,000 per new job requiring R&D skills x 5 years						✓	
Property tax	60% abatement x 10 years	✓	✓	✓	✓	✓	✓	
	\$5,000 credit re tax paid on inventory	✓	✓		✓			✓

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	15.2%	11.1%	12.6%	22.8%	13.8%	12.6%	36.7%		19.4%	13.4%	17.5%	28.3%	16.3%	15.5%	16.3%			
Index	133.2	95.0	50.5	63.0	85.4	85.3	112.8	89.3	152.6	115.3	83.5	92.2	103.8	120.8	96.1	109.2		
Rank	39	22	7	6	20	18	38	21	46	36	14	24	32	41	25	37		

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