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PROPERTY TAX

Counties and municipalities levy a property tax on real and tangible personal property in Mississippi. Generally, property is assessed at 15% of true value. This assessed value is then multiplied by the millage rate to determine the annual tax liability. Each city and/or county sets its tax rate, or millage. Mississippi does not have a state property tax.

Property Tax Example

Assume the following facts:

1. A manufacturing plant is located with a municipality where the total of all taxes is 78.5 mills.
2. The true value of the taxable property is
 - Land \$ 10,000
 - Buildings \$1,500,000
 - Machinery and Equipment \$ 700,000
 - Raw Materials \$ 200,000
 - Finished Goods \$ 500,000
 - **Total** **\$2,910,000**

The assessed value is calculated by multiplying the total by 15%
 $(15\% \times \$2,910,000) = \$436,500$

The tax liability, before any exemptions, is calculated by multiplying the assessed value by the millage.
 $(\$436,500 \times .0785) = \$34,265$

Property Tax Incentives Available

Incentive	Description
10-Year Property Tax Exemptions (§27-31-101 through §27-31-115)	An exemption from property taxes on land, building, equipment, and certain inventory is available and is valid for up to 10 years. Manufacturers, Wholesalers, processors, research and development, distributor and warehouse facilities, air and transportation maintenance facilities, telecommunications companies, data and information processing companies, computer software development enterprises, recreational facilities that impact tourism, movie industry, and technology intensive facilities qualify for this credit.



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Incentive	Description
	<p>The related municipal authorities and/or the local board of supervisors must approve this incentive. The exemption may be granted on all property taxes except school taxes, finished goods, and rolling stock.</p>
<p>Property Tax Fee-in-Lieu (§ 27-31-104)</p>	<p>In instances where an addition or expansion has a true value that exceeds \$100,000,000, the local governing bodies may negotiate a fee to be paid in lieu of the calculated property tax. This negotiated fee is valid for 10 years. The fee must be at least 1/3 of the property tax levy, including the property taxes assessed for school districts.</p> <p>The related municipal authorities and/or the local board of supervisors must approve this incentive. All negotiated fees must be given final approval from MDA.</p>
<p>Industrial Revenue Bond Exemptions</p>	<p>An exemption from property taxes on land, building, equipment, and certain inventory is available and is valid for up to 10 years on property purchased with industrial revenue bond proceeds from bonds issued by the Mississippi Business Finance Corporation (MBFC).</p> <p>The related municipal authorities and/or the local board of supervisors must approve this incentive. The exemption may be granted on all property taxes except school taxes, finished goods, and rolling stock.</p>
<p>Free Port Warehouse Exemption (§27-31-51 through §27-31-61)</p>	<p>Local authorities may grant a freeport warehouse exemption on finished goods inventory leaving the state of Mississippi. The exemption may be for all property taxes and may be perpetual.</p> <p>To be eligible for this exemption, an application to operate as a free port warehouse must first be made to the local governing authorities. The related municipal authorities and/or the local board of supervisors must approve this incentive.</p> <p>To claim this exemption, an inventory of all personal property located in the warehouse as of January 1 must be provided to the local county tax assessor. At year-end, a percentage of all personal property that was shipped to a destination outside the state must be calculated and applied to the property value as of January 1. The result is the maximum exemption that can be taken for the year.</p>



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Incentive	Description
<p>In-State Inventory Exemption</p>	<p>Local authorities may grant a finished goods inventory exemption on inventory that will remain in Mississippi. The exemption may be granted on all property taxes except school taxes and may be granted for up to ten years.</p> <p>The related municipal authorities and/or the local board of supervisors must approve this incentive.</p>
<p>Broadband Technology Ad Valorem Exemption (\$57-87-7)</p>	<p>The Broadband Technology Tax Credit allows approved businesses to exempt equipment that was purchased for use in the deployment of broadband technology. Equipment eligible for the property exemption is any equipment used to transmit information at a high speed. The value of this equipment is not included in the assessed value calculation.</p> <p>The exemption is available through June 30, 2013, and must be agreed to by the local taxing authorities. The exemption applies to all property taxes except the portions assessed for school districts and fire and police protection.</p>