

MISSISSIPPI BUSINESS FINANCE CORPORATION



Rural Economic Development Tax Credits

Rural Economic Development (RED) Credits are credits that can be used to reduce Mississippi corporate income tax. These credits are available to companies qualified under the Mississippi Business Finance Corporation (MBFC) Incentive Program and are based on the amount of qualified annualized debt service.

PROGRAM FACTS

RED credits are equal to the qualified annualized debt service on the project. Eligible businesses qualified under the MBFC Incentive Program may use RED credits to offset up to 80 percent of their state corporate income tax liability each year for the qualified term of the debt. Unused RED credits may be carried forward for three years.



An eligible company engaging in a **Build-To-Suit Leaseback** option with a developer will also earn RED credits on the debt portion of the lease contract to help offset up to 80 percent of their state corporate income tax liability.

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.

For more information regarding MBFC's Incentive Program, including eligibility requirements, eligible activities, and qualification process, contact MBFC at 601.355.623

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601.355.6232 <http://www.msbusinessfinance.com>