

# MISSISSIPPI BUSINESS FINANCE CORPORATION

## **MBFC** Tax-Exempt Financing

Tax-Exempt bonds, also referred to as Industrial Revenue Bonds (IRBs) may be used to finance qualified manufacturing facilities, non-profit 501(c)(3) facilities and solid waste disposal facilities.

### GENERAL PARAMETERS

- Interest rate to borrower generally 70-80% of taxable rate.
- 95% of net bond proceeds must be spent on capital assets.
- Issuance costs may not exceed 2% of net bond proceeds.
- Bond maturity may not be greater than 120% of average expected economic life of asset(s) financed.
- Limited exception for expenses incurred within 60 days prior to inducement date.  
*\*Please seek advice of bond counsel*

---

*Content provided herein is for informational purposes only. MBFC is not liable for any error or omissions, or changes in applicable regulations relative to conduit bond issues. Borrower should rely on advice of bond counsel when contemplating bond financing.*

### QUALIFYING ENTERPRISES

#### NON-PROFIT ORGANIZATIONS -501(c)(3)

- No project size limitations
- No State Volume Cap Allocation required
- May refinance existing taxable debt

#### EDUCATIONAL FACILITIES

- K-12 Private Schools
- Charter Schools
- Private Colleges

#### HEALTHCARE FACILITIES

- Acute Care Hospitals
- Assisted Living Facilities

#### OTHER

- Foundations
- Museums
- Goodwill Entities
- Charities

#### SMALL ISSUE MANUFACTURING FACILITIES

- \$10MM maximum tax-exempt bond issue per project.
- \$20MM capital expenditures limit for three years prior to and three years subsequent to bond issue.
- \$40MM aggregate nationwide limit of outstanding tax-exempt bonds for any borrower.
- Subject to State Volume Cap Allocation.
- Acquisition, rehabilitation or construction of manufacturing facilities.
  - Existing structures require substantial rehabilitation of at least 15% of building cost.
- Acquisition of new equipment.
  - Used equipment may only be financed if contained in an acquired building/facility.
- Purchase of land may not exceed 25% of tax-exempt bond.

## SOLID WASTE DISPOSAL FACILITIES

Solid Waste Disposal Facilities are defined by the Internal Revenue Code rules as facilities used for the collection, storage, treatment, utilization, processing, or final disposal of solid waste.

- Subject to State Volume Cap Allocation
- Project size limited only by available volume cap allocation

### EXAMPLES

- Wood Pellet Producers
- Tire Recycling Facilities
- Metal Recycling Facilities
- Traditional Landfills
- Pollution Control Facilities
- Waste-to-Energy Facilities
- Cement Manufacturers

---

For more information regarding MBFC's Incentive Program, including eligibility requirements, eligible activities, and qualification process, contact MBFC at 601.355.6232

**LEARN MORE ABOUT MISSISSIPPI BUSINESS FINANCE CORPORATION**  
601.355.6232      <http://www.msbusinessfinance.com>