

Rural Economic Development (RED) Income Tax Credits

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

Businesses that qualify for RED Credits are:

- Manufacturers;
- Telecommunications companies, Data information and processing facilities, and distribution and warehouse facilities with 50 employees, or 20 employees and a minimum capital investment of \$5,000,000;
- National or Regional Headquarters with 35 jobs and a minimum capital investment of \$2,000,000; and
- Research and Development or technology intensive enterprises with a minimum of 10 employees earning at least 150% of the average state wage and a minimum capital investment of \$2,000,000.

Program Facts

A credit equal to the debt service on qualified industrial revenue bonds is available to eligible businesses. These RED credits can be used to offset up to 80% of the state corporate income tax liability each year for the life of the bonds. Unused RED credits may be carried forward for three years.