

By: Representative Bourdeaux

To: Ways and Means

HOUSE BILL NO. 420

1 AN ACT TO AMEND SECTION 27-65-105, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE A SALES TAX EXEMPTION FOR CERTAIN SALES BY MISSISSIPPI
3 COMPANIES TO GOVERNMENTAL ENTITIES OF ANOTHER STATE THAT BORDERS
4 ON THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. Section 27-65-105, Mississippi Code of 1972, is
7 amended as follows:

8 27-65-105. The exemption from the provisions of this chapter
9 which are of a governmental nature or which are more properly
10 classified as governmental exemptions than any other exemption
11 classification of this chapter shall be confined to those persons
12 or property exempted by this section or by provisions of the
13 Constitutions of the United States or the State of Mississippi.
14 No governmental exemption as now provided by any other section
15 shall be valid as against the tax herein levied. Any subsequent
16 governmental exemption from the tax levied hereunder shall be
17 provided by amendment to this section.

18 No exemption provided in this section shall apply to taxes
19 levied by Section 27-65-15 or 27-65-21, except as provided by
20 subsection (f) of this section.

21 The tax levied by this chapter shall not apply to the
22 following:

23 (a) Sales of property, labor or services taxable under
24 Sections 27-65-17, 27-65-19 and 27-65-23, when sold to and billed
25 directly to and payment therefor is made directly by the United
26 States Government, the State of Mississippi and its departments,
27 institutions, counties and municipalities or departments or school

28 districts of said counties and municipalities.

29 The exemption from the tax imposed under this chapter shall
30 not apply to sales of tangible personal property, labor or
31 services to contractors purchasing in the performance of contracts
32 with the United States, the State of Mississippi, counties and
33 municipalities.

34 (b) Sales to schools, when such schools are supported
35 wholly or in part by funds provided by the State of Mississippi,
36 provided that this exemption does not apply to sales of property
37 which is not to be used in the ordinary operation of the school,
38 or which is to be resold to the students or the public.

39 (c) Amounts received from the sale of school textbooks
40 to students.

41 (d) Sales to the Mississippi Band of Choctaw Indians,
42 but not to Indians individually.

43 (e) Sales of fire fighting equipment to governmental
44 fire departments or volunteer fire departments for their use.

45 (f) Sales of any gas from any project, as defined in
46 the Municipal Gas Authority of Mississippi Law, to any
47 municipality shall not be subject to sales, use or other tax.

48 (g) Sales of property, labor or services taxable under
49 Sections 27-65-17, 27-65-19 and 27-65-23, when such sales are made
50 directly to, billed directly to and payment therefor is made
51 directly by a governmental entity of another state bordering on
52 the State of Mississippi, if such sales to such governmental
53 entities by companies located in the neighboring state are exempt
54 from sales tax in that state. This exemption shall not apply to
55 sales of tangible personal property, labor or services to
56 contractors who are purchasing in the performance of contracts
57 with the governmental entity of the neighboring state.

58 SECTION 2. Nothing in this act shall affect or defeat any
59 claim, assessment, appeal, suit, right or cause of action for
60 taxes due or accrued under the sales tax laws before the date on
61 which this act becomes effective, whether such claims,
62 assessments, appeals, suits or actions have been begun before the
63 date on which this act becomes effective or are begun thereafter;
64 and the provisions of the sales tax laws are expressly continued

65 in full force, effect and operation for the purpose of the
66 assessment, collection and enrollment of liens for any taxes due
67 or accrued and the execution of any warrant under such laws before
68 the date on which this act becomes effective, and for the
69 imposition of any penalties, forfeitures or claims for failure to
70 comply with such laws.

71 SECTION 3. This act shall take effect and be in force from
72 and after July 1, 1999.