

By: Representatives Ryan, Compretta,
Peranich

To: Ways and Means

HOUSE BILL NO. 1570

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE A SALES TAX EXEMPTION FOR SALES OF CERTAIN EQUIPMENT TO
3 COMMERCIAL SALTWATER FISHERMEN; AND FOR RELATED PURPOSES.

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

5 SECTION 1. Section 27-65-101, Mississippi Code of 1972, is
6 amended as follows:

7 27-65-101. (1) The exemptions from the provisions of this
8 chapter which are of an industrial nature or which are more
9 properly classified as industrial exemptions than any other
10 exemption classification of this chapter shall be confined to
11 those persons or property exempted by this section or by the
12 provisions of the Constitution of the United States or the State
13 of Mississippi. No industrial exemption as now provided by any
14 other section except Section 57-3-33 shall be valid as against the
15 tax herein levied. Any subsequent industrial exemption from the
16 tax levied hereunder shall be provided by amendment to this
17 section. No exemption provided in this section shall apply to
18 taxes levied by Section 27-65-15 or 27-65-21.

19 The tax levied by this chapter shall not apply to the
20 following:

21 (a) Sales of boxes, crates, cartons, cans, bottles and
22 other packaging materials to manufacturers and wholesalers for use
23 as containers or shipping materials to accompany goods sold by
24 said manufacturers or wholesalers where possession thereof will
25 pass to the customer at the time of sale of the goods contained
26 therein and sales to anyone of containers or shipping materials

27 for use in ships engaged in international commerce.

28 (b) Sales of raw materials, catalysts, processing
29 chemicals, welding gases or other industrial processing gases
30 (except natural gas) to a manufacturer for use directly in
31 manufacturing or processing a product for sale or rental or
32 repairing or reconditioning vessels or barges of fifty (50) tons
33 load displacement and over. This exemption shall not apply to any
34 property used as fuel except to the extent that such fuel
35 comprises by-products which have no market value.

36 (c) The gross proceeds of sales of dry docks, offshore
37 drilling equipment for use in oil exploitation or production,
38 vessels or barges of fifty (50) tons load displacement and over,
39 when sold by the manufacturer or builder thereof.

40 (d) Sales to commercial fishermen of commercial fishing
41 boats of over five (5) tons load displacement and not more than
42 fifty (50) tons load displacement as registered with the U.S.
43 Coast Guard and licensed by the Mississippi Marine Conservation
44 Commission.

45 (e) The gross income from repairs to vessels and barges
46 engaged in foreign trade or interstate transportation.

47 (f) Sales of petroleum products to vessels or barges
48 for consumption in marine international commerce or interstate
49 transportation businesses.

50 (g) Sales and rentals of rail rolling stock (and
51 component parts thereof) for ultimate use in interstate commerce
52 and gross income from services with respect to manufacturing,
53 repairing, cleaning, altering, reconditioning or improving such
54 rail rolling stock (and component parts thereof).

55 (h) Sales of raw materials, catalysts, processing
56 chemicals, welding gases or other industrial processing gases
57 (except natural gas) used or consumed directly in manufacturing,
58 repairing, cleaning, altering, reconditioning or improving such
59 rail rolling stock (and component parts thereof). This exemption
60 shall not apply to any property used as fuel.

61 (i) Machinery or tools or repair parts therefor or
62 replacements thereof, fuel or supplies used directly in
63 manufacturing, converting or repairing ships of three thousand

64 (3,000) tons load displacement and over, but not to include office
65 and plant supplies or other equipment not directly used on the
66 ship being built, converted or repaired.

67 (j) Sales of tangible personal property to persons
68 operating ships in international commerce for use or consumption
69 on board such ships. This exemption shall be limited to cases in
70 which procedures satisfactory to the commissioner, ensuring
71 against use in this state other than on such ships, are
72 established.

73 (k) Sales of materials used in the construction of a
74 building, or any addition or improvement thereon, and sales of any
75 machinery and equipment not later than three (3) months after the
76 completion of construction of the building, or any addition
77 thereon, to be used therein, to qualified businesses, as defined
78 in Section 57-51-5, which are located in a county or portion
79 thereof designated as an enterprise zone pursuant to Sections
80 57-51-1 through 57-51-15.

81 (l) Sales of materials used in the construction of a
82 building, or any addition or improvement thereon, and sales of any
83 machinery and equipment not later than three (3) months after the
84 completion of construction of the building, or any addition
85 thereon, to be used therein, to qualified businesses, as defined
86 in Section 57-54-5.

87 (m) Income from storage and handling of perishable
88 goods by a public storage warehouse.

89 (n) The value of natural gas lawfully injected into the
90 earth for cycling, repressuring or lifting of oil, or lawfully
91 vented or flared in connection with the production of oil;
92 however, if any gas so injected into the earth is sold for such
93 purposes, then the gas so sold shall not be exempt.

94 (o) The gross collections from self-service commercial
95 laundering, drying, cleaning and pressing equipment.

96 (p) Sales of materials used in the construction of a

97 building, or any addition or improvement thereon, and sales of any
98 machinery and equipment not later than three (3) months after the
99 completion of construction of the building, or any addition
100 thereon, to be used therein, to qualified companies, certified as
101 such by the Mississippi Department of Economic and Community
102 Development under Section 57-53-1.

103 (q) Sales of component materials used in the
104 construction of a building, or any addition or improvement
105 thereon, sales of machinery and equipment to be used therein, and
106 sales of manufacturing or processing machinery and equipment which
107 is permanently attached to the ground or to a permanent foundation
108 and which is not by its nature intended to be housed within a
109 building structure, not later than three (3) months after the
110 initial start-up date, to permanent business enterprises engaging
111 in manufacturing or processing in less developed areas (as such
112 term is defined in Section 57-73-5), which businesses are
113 certified by the State Tax Commission as being eligible for the
114 exemption granted in this paragraph (q).

115 (r) Sales of component materials used in the
116 construction of a building, or any addition or improvement
117 thereon, and sales of any machinery and equipment not later than
118 three (3) months after the completion of the building, addition or
119 improvement thereon, to be used therein, for any company
120 establishing or transferring its national or regional headquarters
121 from within or outside the State of Mississippi and creating a
122 minimum of thirty-five (35) jobs at the new headquarters in this
123 state. The Tax Commission shall establish criteria and prescribe
124 procedures to determine if a company qualifies as a national or
125 regional headquarters for the purpose of receiving the exemption
126 provided in this paragraph.

127 (s) The gross proceeds from the sale of semitrailers,
128 trailers, boats, travel trailers, motorcycles and all-terrain
129 cycles if exported from this state within forty-eight (48) hours

130 and registered and first used in another state.

131 (t) Gross income from the storage and handling of
132 natural gas in underground salt domes and in other underground
133 reservoirs, caverns, structures and formations suitable for such
134 storage.

135 (u) Sales between July 1, 1993, and June 30, 1994, of
136 machinery and equipment to corporations qualified as tax-exempt
137 organizations under Section 501(c)(4) of the Internal Revenue Code
138 and established in response to the Federal Oil Pollution Act of
139 1990 to provide a private capability to respond to major oil
140 spills. For purposes of this exemption, "machinery and equipment"
141 means property with a useful life of at least three (3) years
142 which is used primarily in the operations of the Marine Oil Spill
143 Response Corporation and shall include, without limitation,
144 vessels, barges, booms and skimmers. This paragraph shall stand
145 repealed on July 1, 1995.

146 (v) Sales of any devices or equipment used by
147 commercial saltwater fishermen which are required by any federal,
148 state or local law or regulation, which protects endangered
149 species, reduces by-catch or protects the environment. In order
150 to receive the exemption provided by this paragraph the State Tax
151 Commission must verify the installation of such equipment.

152 (2) Sales of component materials used in the construction of
153 a building, or any addition or improvement thereon, sales of
154 machinery and equipment to be used therein, and sales of
155 manufacturing or processing machinery and equipment which is
156 permanently attached to the ground or to a permanent foundation
157 and which is not by its nature intended to be housed within a
158 building structure, not later than three (3) months after the
159 initial start-up date, to permanent business enterprises engaging
160 in manufacturing or processing in moderately developed areas and
161 developed areas (as such areas are designated in accordance with
162 Section 57-73-21), which businesses are certified by the State Tax

163 Commission as being eligible for the exemption granted in this
164 paragraph, shall be exempt from one-half (1/2) of the taxes
165 imposed on such transactions under this chapter.

166 SECTION 2. Nothing in this act shall affect or defeat any
167 claim, assessment, appeal, suit, right or cause of action for
168 taxes due or accrued under the sales tax laws before the date on
169 which this act becomes effective, whether such claims,
170 assessments, appeals, suits or actions have been begun before the
171 date on which this act becomes effective or are begun thereafter;
172 and the provisions of the sales tax laws are expressly continued
173 in full force, effect and operation for the purpose of the
174 assessment, collection and enrollment of liens for any taxes due
175 or accrued and the execution of any warrant under such laws before
176 the date on which this act becomes effective, and for the
177 imposition of any penalties, forfeitures or claims for failure to
178 comply with such laws.

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