

By: Senator(s) Kirby

To: Finance

SENATE BILL NO. 2210

1 AN ACT TO AMEND SECTIONS 27-65-15, 27-65-17, 27-65-19,
2 27-65-22, 27-65-23 AND 27-65-25, MISSISSIPPI CODE OF 1972, TO
3 REDUCE THE SALES TAX ON ALL ITEMS CURRENTLY TAXED AT 7% TO 6%; TO
4 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO INCREASE THE
5 AMOUNT OF THE SALES TAX DIVERSION TO MUNICIPALITIES AND THE
6 EDUCATION ENHANCEMENT FUND; TO AMEND SECTION 27-65-111,
7 MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES TAX THE SALES OF
8 TANGIBLE PERSONAL PROPERTY OR SERVICES TO, AND SALES OF LITERATURE
9 PUBLISHED BY, CERTAIN RELIGIOUS ORGANIZATIONS OR ASSOCIATIONS; AND
10 FOR RELATED PURPOSES.

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

12 SECTION 1. Section 27-65-15, Mississippi Code of 1972, is
13 amended as follows:

14 27-65-15. Upon every person engaging or continuing within
15 this state in the business of mining, quarrying, drilling or
16 otherwise producing, or causing to be produced for sale, profit,
17 or commercial use, limestone, sand, gravel, dirt, coal, lignite or
18 other mineral or natural resource products, except timber, oil,
19 natural gas and salt, there is hereby levied and assessed and
20 shall be collected taxes as follows:

21 (a) Sales to consumers within this state shall be taxed
22 under Section 27-65-17 or Section 27-65-19, as the case may be.

23 (b) Sales defined as wholesale or exempt, used by the
24 producers as a component material of a contract taxable under
25 Section 27-65-21, as a raw material of a manufactured product, or
26 delivered outside this state, shall be taxed at six percent (6%)
27 of the gross proceeds of sales, exclusive of delivery charges, or
28 value when converted to use, whichever is greater, but not to
29 exceed Five Cents (5¢) per ton with respect to sand, gravel, dirt,
30 clay or limestone.

31 The commission shall prescribe equitable and uniform rules
32 for ascertaining value.

33 All privilege taxes levied upon persons engaged in the
34 production of natural resource products by this chapter shall be a
35 lien upon all such products so produced and such lien shall be
36 entitled to preference over all judgments, executions,
37 encumbrances or liens, whensoever created. All persons to or
38 through whom the title to such products pass shall be jointly and
39 severally liable for such tax until the same is paid in full.

40 The tax imposed in this section shall be collected by the
41 commissioner from the person in charge of the production
42 operations, and the commissioner is hereby authorized to make such
43 investigations and inspections of the production operations, from
44 time to time, as he may deem necessary for the purpose of
45 ascertaining the correct amount of tax due.

46 SECTION 2. Section 27-65-17, Mississippi Code of 1972, is
47 amended as follows:

48 27-65-17. (1) Upon every person engaging or continuing
49 within this state in the business of selling any tangible personal
50 property whatsoever there is hereby levied, assessed and shall be
51 collected a tax equal to six percent (6%) of the gross proceeds of
52 the retail sales of the business, except as otherwise provided
53 herein.

54 Retail sales of farm tractors shall be taxed at the rate of
55 one percent (1%) when made to farmers for agricultural purposes.

56 Retail sales of farm implements sold to farmers and used
57 directly in the production of poultry, ratite, domesticated fish
58 as defined in Section 69-7-501, livestock, livestock products,
59 agricultural crops or ornamental plant crops or used for other
60 agricultural purposes shall be taxed at the rate of three percent
61 (3%) when used on the farm. The three percent (3%) rate shall
62 also apply to all equipment used in logging, pulpwood operations
63 or tree farming which is either (a) self-propelled or which is (b)

64 mounted so that it is (i) permanently attached to other equipment
65 which is self-propelled or (ii) permanently attached to other
66 equipment drawn by a vehicle which is self-propelled.

67 Retail sales of aircraft, automobiles, trucks,
68 truck-tractors, semitrailers and mobile homes shall be taxed at
69 the rate of three percent (3%).

70 Sales of manufacturing machinery or manufacturing machine
71 parts when made to a manufacturer or custom processor for plant
72 use only when said machinery and machine parts will be used
73 exclusively and directly within this state in manufacturing a
74 commodity for sale, rental or in processing for a fee shall be
75 taxed at the rate of one and one-half percent (1-1/2%).

76 Sales of materials for use in track and track structures to a
77 railroad whose rates are fixed by the Interstate Commerce
78 Commission or the Mississippi Public Service Commission shall be
79 taxed at the rate of three percent (3%).

80 Sales of tangible personal property to electric power
81 associations for use in the ordinary and necessary operation of
82 their generating or distribution systems shall be taxed at the
83 rate of one percent (1%).

84 Wholesale sales of beer shall be taxed at the rate of six
85 percent (6%), and the retailer shall file a return and compute the
86 retail tax on retail sales but may take credit for the amount of
87 the tax paid to the wholesaler on said return covering the
88 subsequent sales of same property, provided adequate invoices and
89 records are maintained to substantiate the credit.

90 Wholesale sales of food and drink for human consumption to
91 full service vending machine operators to be sold through vending
92 machines located apart from and not connected with other taxable
93 businesses shall be taxed at the rate of eight percent (8%).

94 A manufacturer selling at retail in this state shall be
95 required to make returns of the gross proceeds of such sales and
96 pay the tax imposed in this section.

97 Any person exercising any privilege taxable under Section
98 27-65-15 and selling his natural resource products at wholesale or
99 to exempt persons shall pay the tax levied by said section in lieu
100 of the tax levied by this section.

101 (2) From and after January 1, 1995, retail sales of private
102 carriers of passengers and light carriers of property, as defined
103 in Section 27-51-101, shall be taxed an additional two percent
104 (2%).

105 SECTION 3. Section 27-65-19, Mississippi Code of 1972, is
106 amended as follows:

107 27-65-19. (1) (a) Except as otherwise provided in this
108 subsection, upon every person selling to consumers, electricity,
109 current, power, potable water, steam, coal, natural gas, liquefied
110 petroleum gas or other fuel, there is hereby levied, assessed and
111 shall be collected a tax equal to six percent (6%) of the gross
112 income of the business. Provided, gross income from sales to
113 consumers of electricity, current, power, natural gas, liquefied
114 petroleum gas or other fuel for residential heating, lighting or
115 other residential noncommercial or nonagricultural use, and sales
116 of potable water for residential, noncommercial or nonagricultural
117 use shall be excluded from taxable gross income of the business.
118 Provided further, upon every such seller using electricity,
119 current, power, potable water, steam, coal, natural gas, liquefied
120 petroleum gas or other fuel for nonindustrial purposes, there is
121 hereby levied, assessed and shall be collected a tax equal to six
122 percent (6%) of the cost or value of the product or service used.

123 (b) There is hereby levied, assessed and shall be
124 collected a tax equal to one and one-half percent (1-1/2%) of the
125 gross income of the business when the electricity, current, power,
126 steam, coal, natural gas, liquefied petroleum gas or other fuel is
127 sold to or used by a manufacturer, custom processor or public
128 service company for industrial purposes, which shall include that
129 used to generate electricity, to operate an electrical

130 distribution or transmission system, to operate pipeline
131 compressor or pumping stations or to operate railroad locomotives;
132 provided, however, that:

133 (i) From and after July 1, 2000, through June 30,
134 2001, sales of fuel used to produce electric power by a company
135 primarily engaged in the business of producing, generating or
136 distributing electric power for sale shall be taxed at the rate of
137 one and one-eighth percent (1.125%);

138 (ii) From and after July 1, 2001, through June 30,
139 2002, sales of fuel used to produce electric power by a company
140 primarily engaged in the business of producing, generating or
141 distributing electric power for sale shall be taxed at the rate of
142 three-fourths of one percent (0.75%);

143 (iii) From and after July 1, 2002, through June
144 30, 2003, sales of fuel used to produce electric power by a
145 company primarily engaged in the business of producing, generating
146 or distributing electric power for sale shall be taxed at the rate
147 of three-eighths of one percent (0.375%);

148 (iv) From and after July 1, 2003, sales of fuel
149 used to produce electric power by a company primarily engaged in
150 the business of producing, generating or distributing electric
151 power for sale shall be exempt from sales tax as provided in
152 Section 27-65-107.

153 (c) The one and one-half percent (1-1/2%) industrial
154 rate provided for in this subsection shall also apply when the
155 electricity, current, power, steam, coal, natural gas, liquefied
156 petroleum gas or other fuel is sold to a producer or processor for
157 use directly in the production of poultry or poultry products, the
158 production of livestock and livestock products, the production of
159 plants or food by commercial horticulturists, the processing of
160 milk and milk products, the processing of poultry and livestock
161 feed, and the irrigation of farm crops.

162 (d) The one and one-half percent (1-1/2%) rate provided

163 for in this subsection shall not apply to sales of fuel for
164 automobiles, trucks, truck-tractors, buses, farm tractors or
165 airplanes.

166 (e) Upon every person operating a telegraph or
167 telephone business for the transmission of messages or
168 conversations between points within this state, there is hereby
169 levied, assessed and shall be collected, a tax equal to six
170 percent (6%) of the gross income of such business, with no
171 deduction or allowance for any part of an intrastate rate charge
172 because of routing across a state line. However, any sale of a
173 prepaid telephone calling card or prepaid authorization number, or
174 both, shall be deemed to be the sale of tangible personal property
175 subject only to such taxes imposed by law on the sale of tangible
176 personal property. If the sale of a prepaid telephone calling
177 card or prepaid authorization number does not take place at the
178 vendor's place of business, it shall be conclusively determined to
179 take place at the customer's shipping address. The
180 reauthorization of a prepaid telephone calling card or a prepaid
181 authorization number shall be conclusively determined to take
182 place at the customer's billing address.

183 (2) Persons making sales to consumers of electricity,
184 current, power, natural gas, liquefied petroleum gas or other fuel
185 for residential heating, lighting or other residential
186 noncommercial or nonagricultural use or sales of potable water for
187 residential, noncommercial or nonagricultural use shall indicate
188 on each statement rendered to customers that such charges are
189 exempt from sales taxes.

190 (3) There is hereby levied, assessed and shall be paid on
191 transportation charges on shipments moving between points within
192 this state when paid directly by the consumer, a tax equal to the
193 rate applicable to the sale of the property being transported.
194 Such tax shall be reported and paid directly to the State Tax
195 Commission by the consumer.

196 SECTION 4. Section 27-65-22, Mississippi Code of 1972, is
197 amended as follows:

198 27-65-22. (1) Upon every person engaging or continuing in
199 any amusement business or activity, which shall include all manner
200 and forms of entertainment and amusement, all forms of diversion,
201 sport, recreation or pastime, shows, exhibitions, contests,
202 displays, games or any other and all methods of obtaining
203 admission charges, donations, contributions or monetary charges of
204 any character, from the general public or a limited or selected
205 number thereof, directly or indirectly in return for other than
206 tangible property or specific personal or professional services,
207 whether such amusement is held or conducted in a public or private
208 building, hotel, tent, pavilion, lot or resort, enclosed or in the
209 open, there is hereby levied, assessed and shall be collected a
210 tax equal to six percent (6%) of the gross income received as
211 admission, except as otherwise provided herein. In lieu of the
212 rate set forth above, there is hereby imposed, levied and
213 assessed, to be collected as hereinafter provided, a tax of three
214 percent (3%) of gross revenue derived from sales of admission to
215 publicly owned enclosed coliseums and auditoriums (except
216 admissions to athletic contests between colleges and
217 universities). There is hereby imposed, levied and assessed a tax
218 of six percent (6%) of gross revenue derived from sales of
219 admission to events conducted on property managed by the
220 Mississippi Veterans Memorial Stadium, which tax shall be
221 administered in the manner prescribed in this chapter, subject,
222 however, to the provisions of Sections 55-23-3 through 55-23-11.

223 (2) The operator of any place of amusement in this state
224 shall collect the tax imposed by this section, in addition to the
225 price charged for admission to any place of amusement, and under
226 all circumstances the person conducting the amusement shall be
227 liable for, and pay the tax imposed based upon the actual charge
228 for such admission. Where permits are obtained for conducting

229 temporary amusements by persons who are not the owners, lessees or
230 custodians of the buildings, lots or places where the amusements
231 are to be conducted, or where such temporary amusement is
232 permitted by the owner, lessee or custodian of any place to be
233 conducted without the procurement of a permit as required by this
234 chapter, the tax imposed by this chapter shall be paid by the
235 owner, lessee or custodian of such place where such temporary
236 amusement is held or conducted, unless paid by the person
237 conducting the amusement, and the applicant for such temporary
238 permit shall furnish with the application therefor, the name and
239 address of the owner, lessee or custodian of the premises upon
240 which such amusement is to be conducted, and such owner, lessee or
241 custodian shall be notified by the commission of the issuance of
242 such permit, and of the joint liability for such tax.

243 (3) The tax imposed by this section shall not be levied or
244 collected upon:

245 (a) Any admissions charged at any place of amusement
246 operated by a religious, charitable or educational organization,
247 or by a nonprofit civic club or fraternal organization (i) when
248 the net proceeds of such admissions do not inure to any one or
249 more individuals within such organization and are to be used
250 solely for religious, charitable, educational or civic purposes;
251 or (ii) when the entire net proceeds are used to defray the normal
252 operating expenses of such organization, such as loan payments,
253 maintenance costs, repairs and other operating expenses;

254 (b) Any admissions charged to hear gospel singing when
255 promoted by a duly constituted local, bona fide nonprofit
256 charitable or religious organization, irrespective of the fact
257 that the performers and promoters are paid out of the proceeds of
258 admissions collected, provided the program is composed entirely of
259 gospel singing and not generally mixed with hillbilly or popular
260 singing;

261 (c) Any admissions charged at any athletic games or

262 contests between high schools or between grammar schools;

263 (d) Any admissions or tickets to or for baseball games
264 between teams operated under a professional league franchise;

265 (e) Any admissions to county, state or community fairs,
266 or any admissions to entertainments presented in community homes
267 or houses which are publicly owned and controlled, and the
268 proceeds of which do not inure to any individual or individuals;

269 (f) Any admissions or tickets to organized garden
270 pilgrimages and to antebellum and historic houses when sponsored
271 by an organized civic or garden club;

272 (g) Any admissions to any golf tournament held under
273 the auspices of the Professional Golf Association or United States
274 Golf Association wherein touring professionals compete, if such
275 tournament is sponsored by a nonprofit association incorporated
276 under the laws of the State of Mississippi where no dividends are
277 declared and the proceeds do not inure to any individual or group;

278 (h) Any admissions to university or community college
279 conference, state, regional or national playoffs or championships;

280 (i) Any admissions or fees charged by any county or
281 municipally owned and operated swimming pools, golf courses and
282 tennis courts other than sales or rental of tangible personal
283 property;

284 (j) Any admissions charged for the performance of
285 symphony orchestras, operas, vocal or instrumental artists in
286 which professional or amateur performers are compensated out of
287 the proceeds of such admissions, when sponsored by local music or
288 charity associations, or amateur dramatic performances or
289 professional dramatic productions when sponsored by a children's
290 dramatic association, where no dividends are declared, profits
291 received, nor any salary or compensation paid to any of the
292 members of such associations, or to any person for procuring or
293 producing such performance; and

294 (k) Any admissions or tickets to or for hockey games

295 between teams operated under a professional league franchise.

296 SECTION 5. Section 27-65-23, Mississippi Code of 1972, is
297 amended as follows:

298 27-65-23. Upon every person engaging or continuing in any of
299 the following businesses or activities there is hereby levied,
300 assessed and shall be collected a tax equal to six percent (6%) of
301 the gross income of the business, except as otherwise provided:

302 Air conditioning installation or repairs;

303 Automobile, aircraft, motorcycle, boat or any other
304 vehicle repairing or servicing;

305 Billiards, pool or domino parlors;

306 Bowling or tenpin alleys;

307 Burglar and fire alarm systems or services;

308 Car washing--automatic, self-service, or manual;

309 Computer software sales and services;

310 Cotton compresses or cotton warehouses;

311 Custom creosoting or treating, custom planing, custom
312 sawing;

313 Custom meat processing;

314 Electricians, electrical work, wiring, all repairs or
315 installation of electrical equipment;

316 Elevator or escalator installing, repairing or servicing;

317 Film developing or photo finishing;

318 Foundries, machine or general repairing;

319 Furniture repairing or upholstering;

320 Grading, excavating, ditching, dredging or landscaping;

321 Hotels, motels, tourist courts or camps, trailer parks;

322 Insulating services or repairs;

323 Jewelry or watch repairing;

324 Laundering, cleaning, pressing or dyeing;

325 Marina services;

326 Mattress renovating;

327 Office and business machine repairing;

328 Parking garages and lots;
329 Plumbing or pipe fitting;
330 Public storage warehouses;
331 Refrigerating equipment repairs;
332 Radio or television installing, repairing or servicing;
333 Renting or leasing personal property used within this
334 state;
335 Services performed in connection with geophysical
336 surveying, exploring, developing, drilling, producing,
337 distributing, or testing of oil, gas, water and other mineral
338 resources;
339 Shoe repairing;
340 Storage lockers;
341 Telephone answering or paging services;
342 Termite or pest control services;
343 Tin and sheet metal shops;
344 TV cable systems, subscription TV services, and other
345 similar activities;
346 Vulcanizing, repairing or recapping of tires or tubes;
347 Welding; and
348 Woodworking or wood turning shops.

349 Income from services taxed herein performed for electric
350 power associations in the ordinary and necessary operation of
351 their generating or distribution systems shall be taxed at the
352 rate of one percent (1%).

353 Income from services taxed herein performed on materials for
354 use in track or track structures to a railroad whose rates are
355 fixed by the Interstate Commerce Commission or the Mississippi
356 Public Service Commission shall be taxed at the rate of three
357 percent (3%).

358 Income from renting or leasing tangible personal property
359 used within this state shall be taxed at the same rates as sales
360 of the same property.

361 Persons doing business in this state who rent transportation
362 equipment with a situs within or without the state to common,
363 contract or private commercial carriers are taxed on that part of
364 the income derived from use within this state. If specific
365 accounting is impracticable, a formula may be used with approval
366 of the commissioner.

367 A lessor may deduct from the tax computed on the rental
368 income from tangible personal property a credit for sales or use
369 tax paid to this state at the time of purchase of the specific
370 personal property being leased or rented until such credit has
371 been exhausted.

372 Charges for custom processing and repairing services may be
373 excluded from gross taxable income when the property on which the
374 service was performed is delivered to the customer in another
375 state either by common carrier or in the seller's equipment.

376 When a taxpayer performs unitary services covered by this
377 section, which are performed both in intrastate and interstate
378 commerce, the commissioner is hereby invested with authority to
379 formulate in each particular case and to fix for such taxpayer in
380 each instance formulae of apportionment which will apportion to
381 this state, for taxation, that portion of the services which are
382 performed within the State of Mississippi.

383 SECTION 6. Section 27-65-25, Mississippi Code of 1972, is
384 amended as follows:

385 27-65-25. Upon every person engaging or continuing within
386 this state in the business of selling alcoholic beverages, the
387 sales of which are legal under the provisions of Chapter 1 of
388 Title 67, Mississippi Code of 1972, there is hereby levied,
389 assessed and shall be collected a tax equal to six percent (6%) of
390 the gross proceeds of the retail sales of the business. All sales
391 at wholesale to retailers shall be taxed at the same rate as
392 provided in this section for retail sales. A retailer in
393 computing the tax on sales may take credit for the amount of the

394 tax paid to the wholesaler at the rates provided herein and remit
395 the difference to the commissioner, provided adequate records and
396 all invoices are maintained to substantiate the credit claimed.

397 SECTION 7. Section 27-65-75, Mississippi Code of 1972, is
398 amended as follows:

399 **[Until July 1, 2002, this section reads as follows:]**

400 27-65-75. On or before the fifteenth day of each month, the
401 revenue collected under the provisions of this chapter during the
402 preceding month shall be paid and distributed as follows:

403 (1) On or before August 15, 1992, and each succeeding month
404 thereafter through July 15, 1993, eighteen percent (18%) of the
405 total sales tax revenue collected during the preceding month under
406 the provisions of this chapter, except that collected under the
407 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
408 business activities within a municipal corporation shall be
409 allocated for distribution to such municipality and paid to such
410 municipal corporation. On or before August 15, 1993, and each
411 succeeding month through July 15, 1999, eighteen and one-half
412 percent (18-1/2%) of the total sales tax revenue collected during
413 the preceding month under the provisions of this chapter, except
414 that collected under the provisions of Sections 27-65-15,
415 27-65-19(3) and 27-65-21, on business activities within a
416 municipal corporation shall be allocated for distribution to such
417 municipality and paid to such municipal corporation. On or before
418 August 15, 1999, and each succeeding month thereafter, twenty and
419 one-half percent (20-1/2%) of the total sales tax revenue
420 collected during the preceding month under the provisions of this
421 chapter, except that collected under the provisions of Sections
422 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
423 a municipal corporation shall be allocated for distribution to
424 such municipality and paid to such municipal corporation.

425 A municipal corporation, for the purpose of distributing the
426 tax under this subsection, shall mean and include all incorporated

427 cities, towns and villages.

428 Monies allocated for distribution and credited to a municipal
429 corporation under this subsection may be pledged as security for
430 any loan received by the municipal corporation for the purpose of
431 capital improvements as authorized under Section 57-1-303, or
432 loans as authorized under Section 57-44-7, or water systems
433 improvements as authorized under Section 41-3-16.

434 In any county having a county seat which is not an
435 incorporated municipality, the distribution provided hereunder
436 shall be made as though the county seat was an incorporated
437 municipality; however, the distribution to such municipality shall
438 be paid to the county treasury wherein the municipality is located
439 and such funds shall be used for road, bridge and street
440 construction or maintenance therein.

441 (2) On or before September 15, 1987, and each succeeding
442 month thereafter, from the revenue collected under this chapter
443 during the preceding month One Million One Hundred Twenty-five
444 Thousand Dollars (\$1,125,000.00) shall be allocated for
445 distribution to municipal corporations as defined under subsection
446 (1) of this section in the proportion that the number of gallons
447 of gasoline and diesel fuel sold by distributors to consumers and
448 retailers in each such municipality during the preceding fiscal
449 year bears to the total gallons of gasoline and diesel fuel sold
450 by distributors to consumers and retailers in municipalities
451 statewide during the preceding fiscal year. The State Tax
452 Commission shall require all distributors of gasoline and diesel
453 fuel to report to the commission monthly the total number of
454 gallons of gasoline and diesel fuel sold by them to consumers and
455 retailers in each municipality during the preceding month. The
456 State Tax Commission shall have the authority to promulgate such
457 rules and regulations as is necessary to determine the number of
458 gallons of gasoline and diesel fuel sold by distributors to
459 consumers and retailers in each municipality. In determining the

460 percentage allocation of funds under this subsection for the
461 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
462 State Tax Commission may consider gallons of gasoline and diesel
463 fuel sold for a period of less than one (1) fiscal year. For the
464 purposes of this subsection, the term "fiscal year" means the
465 fiscal year beginning July 1 of a year.

466 (3) On or before September 15, 1987, and on or before the
467 fifteenth day of each succeeding month, until the date specified
468 in Section 65-39-35, the proceeds derived from contractors' taxes
469 levied under Section 27-65-21 on contracts for the construction or
470 reconstruction of highways designated under the Four-Lane Highway
471 Program created under Section 65-3-97 shall be deposited into the
472 State Treasury to the credit of the State Highway Fund to be used
473 to fund such Four-Lane Highway Program. The Mississippi
474 Department of Transportation shall provide to the State Tax
475 Commission such information as is necessary to determine the
476 amount of proceeds to be distributed under this subsection.

477 (4) On or before August 15, 1994, and on or before the
478 fifteenth day of each succeeding month, from the proceeds of
479 gasoline, diesel fuel or kerosene taxes as provided in Section
480 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
481 deposited in the State Treasury to the credit of a special fund
482 designated as the "State Aid Road Fund," created by Section
483 65-9-17. Such funds shall be pledged to pay the principal of and
484 interest on state aid road bonds heretofore issued under Sections
485 19-9-51 through 19-9-77, in lieu of and in substitution for the
486 funds heretofore allocated to counties under this section. Such
487 funds may not be pledged for the payment of any state aid road
488 bonds issued after April 1, 1981; however, this prohibition
489 against the pledging of any such funds for the payment of bonds
490 shall not apply to any bonds for which intent to issue such bonds
491 has been published, for the first time, as provided by law prior
492 to March 29, 1981. From the amount of taxes paid into the special

493 fund pursuant to this subsection and subsection (9) of this
494 section, there shall be first deducted and paid the amount
495 necessary to pay the expenses of the Office of State Aid Road
496 Construction, as authorized by the Legislature for all other
497 general and special fund agencies. The remainder of the fund
498 shall be allocated monthly to the several counties in accordance
499 with the following formula:

500 (a) One-third (1/3) shall be allocated to all counties
501 in equal shares;

502 (b) One-third (1/3) shall be allocated to counties
503 based on the proportion that the total number of rural road miles
504 in a county bears to the total number of rural road miles in all
505 counties of the state; and

506 (c) One-third (1/3) shall be allocated to counties
507 based on the proportion that the rural population of the county
508 bears to the total rural population in all counties of the state,
509 according to the latest federal decennial census.

510 For the purposes of this subsection, the term "gasoline,
511 diesel fuel or kerosene taxes" means such taxes as defined in
512 paragraph (f) of Section 27-5-101.

513 The amount of funds allocated to any county under this
514 subsection for any fiscal year after Fiscal Year 1994 shall not be
515 less than the amount allocated to such county for Fiscal Year
516 1994. Monies allocated to a county from the State Aid Road Fund
517 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
518 amount of funds allocated to that county from the State Aid Road
519 Fund for Fiscal Year 1994, first must be expended by the county
520 for replacement or rehabilitation of bridges on the state aid road
521 system that have a sufficiency rating of less than twenty-five
522 (25), according to National Bridge Inspection standards before
523 such monies may be approved for expenditure by the State Aid Road
524 Engineer on other projects that qualify for the use of state aid
525 road funds.

526 Any reference in the general laws of this state or the
527 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
528 construed to refer and apply to subsection (4) of Section
529 27-65-75.

530 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
531 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
532 the special fund known as the "State Public School Building Fund"
533 created and existing under the provisions of Sections 37-47-1
534 through 37-47-67. Such payments into said fund are to be made on
535 the last day of each succeeding month hereafter.

536 (6) An amount each month beginning August 15, 1983, through
537 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
538 of 1983, shall be paid into the special fund known as the
539 Correctional Facilities Construction Fund created in Section 6 of
540 Chapter 542, Laws of 1983.

541 (7) On or before August 15, 1992, and each succeeding month
542 thereafter, two and two hundred sixty-six one-thousandths percent
543 (2.266%) of the total sales tax revenue collected during the
544 preceding month under the provisions of this chapter, except that
545 collected under the provisions of Section 27-65-17(2) shall be
546 deposited by the commission into the School Ad Valorem Tax
547 Reduction Fund created pursuant to Section 37-61-35.

548 (8) On or before August 15, 1992, and each succeeding month
549 through July 15, 1999, nine and seventy-three one-thousandths
550 percent (9.073%) of the total sales tax revenue collected during
551 the preceding month under the provisions of this chapter, except
552 that collected under the provisions of Section 27-65-17(2) shall
553 be deposited into the Education Enhancement Fund created pursuant
554 to Section 37-61-33. On or before August 15, 1999, and each
555 succeeding month thereafter, sixteen and six hundred sixty-six
556 one-thousandths percent (16.666%) of the total sales tax revenue
557 collected during the preceding month under the provisions of this
558 chapter, except that collected under the provisions of Section

559 27-65-17(2), shall be deposited into the Education Enhancement
560 Fund created pursuant to Section 37-61-33.

561 (9) On or before August 15, 1994, and each succeeding month
562 thereafter, from the revenue collected under this chapter during
563 the preceding month, Two Hundred Fifty Thousand Dollars
564 (\$250,000.00) shall be paid into the State Aid Road Fund.

565 (10) On or before August 15, 1994, and each succeeding month
566 thereafter through August 15, 1995, from the revenue collected
567 under this chapter during the preceding month, Two Million Dollars
568 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
569 Valorem Tax Reduction Fund established in Section 27-51-105.

570 (11) Notwithstanding any other provision of this section to
571 the contrary, on or before February 15, 1995, and each succeeding
572 month thereafter, the sales tax revenue collected during the
573 preceding month under the provisions of Section 27-65-17(2) and
574 the corresponding levy in Section 27-65-23 on the rental or lease
575 of private carriers of passengers and light carriers of property
576 as defined in Section 27-51-101 shall be deposited, without
577 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
578 established in Section 27-51-105.

579 (12) Notwithstanding any other provision of this section to
580 the contrary, on or before August 15, 1995, and each succeeding
581 month thereafter, the sales tax revenue collected during the
582 preceding month under the provisions of Section 27-65-17(1) on
583 retail sales of private carriers of passengers and light carriers
584 of property, as defined in Section 27-51-101 and the corresponding
585 levy in Section 27-65-23 on the rental or lease of these vehicles,
586 shall be deposited, after diversion, into the Motor Vehicle Ad
587 Valorem Tax Reduction Fund established in Section 27-51-105.

588 (13) On or before July 15, 1994, and on or before the
589 fifteenth day of each succeeding month thereafter, that portion of
590 the avails of the tax imposed in Section 27-65-22, which is
591 derived from activities held on the Mississippi state fairgrounds

592 complex, shall be paid into a special fund hereby created in the
593 State Treasury and shall be expended pursuant to legislative
594 appropriations solely to defray the costs of repairs and
595 renovation at such Trade Mart and Coliseum.

596 (14) On or before August 15, 1998, and each succeeding month
597 thereafter through July 15, 2005, that portion of the avails of
598 the tax imposed in Section 27-65-23 which is derived from sales by
599 cotton compresses or cotton warehouses and which would otherwise
600 be paid into the General Fund, shall be deposited in an amount not
601 to exceed Two Million Dollars (\$2,000,000.00) into the special
602 fund created pursuant to Section 69-37-39.

603 (15) The remainder of the amounts collected under the
604 provisions of this chapter shall be paid into the State Treasury
605 to the credit of the General Fund.

606 (16) It shall be the duty of the municipal officials of any
607 municipality which expands its limits, or of any community which
608 incorporates as a municipality, to notify the commissioner of such
609 action thirty (30) days before the effective date. Failure to so
610 notify the commissioner shall cause such municipality to forfeit
611 the revenue which it would have been entitled to receive during
612 this period of time when the commissioner had no knowledge of the
613 action. If any funds have been erroneously disbursed to any
614 municipality or any overpayment of tax is recovered by the
615 taxpayer, the commissioner may make correction and adjust the
616 error or overpayment with such municipality by withholding the
617 necessary funds from any subsequent payment to be made to the
618 municipality.

619 **[From and after July 1, 2002, this section reads as follows:]**

620 27-65-75. On or before the fifteenth day of each month, the
621 revenue collected under the provisions of this chapter during the
622 preceding month shall be paid and distributed as follows:

623 (1) On or before August 15, 1992, and each succeeding month
624 thereafter through July 15, 1993, eighteen percent (18%) of the

625 total sales tax revenue collected during the preceding month under
626 the provisions of this chapter, except that collected under the
627 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
628 business activities within a municipal corporation shall be
629 allocated for distribution to such municipality and paid to such
630 municipal corporation. On or before August 15, 1993, and each
631 succeeding month through July 15, 1999, eighteen and one-half
632 percent (18-1/2%) of the total sales tax revenue collected during
633 the preceding month under the provisions of this chapter, except
634 that collected under the provisions of Sections 27-65-15,
635 27-65-19(3) and 27-65-21, on business activities within a
636 municipal corporation shall be allocated for distribution to such
637 municipality and paid to such municipal corporation. On or before
638 August 15, 1999, and each succeeding month thereafter, twenty and
639 one-half percent (20-1/2%) of the total sales tax revenue
640 collected during the preceding month under the provisions of this
641 chapter, except that collected under the provisions of Sections
642 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
643 a municipal corporation shall be allocated for distribution to
644 such municipality and paid to such municipal corporation.

645 A municipal corporation, for the purpose of distributing the
646 tax under this subsection, shall mean and include all incorporated
647 cities, towns and villages.

648 Monies allocated for distribution and credited to a municipal
649 corporation under this subsection may be pledged as security for
650 any loan received by the municipal corporation for the purpose of
651 capital improvements as authorized under Section 57-1-303, or
652 loans as authorized under Section 57-44-7, or water systems
653 improvements as authorized under Section 41-3-16.

654 In any county having a county seat which is not an
655 incorporated municipality, the distribution provided hereunder
656 shall be made as though the county seat was an incorporated
657 municipality; however, the distribution to such municipality shall

658 be paid to the county treasury wherein the municipality is located
659 and such funds shall be used for road, bridge and street
660 construction or maintenance therein.

661 (2) On or before September 15, 1987, and each succeeding
662 month thereafter, from the revenue collected under this chapter
663 during the preceding month One Million One Hundred Twenty-five
664 Thousand Dollars (\$1,125,000.00) shall be allocated for
665 distribution to municipal corporations as defined under subsection
666 (1) of this section in the proportion that the number of gallons
667 of gasoline and diesel fuel sold by distributors to consumers and
668 retailers in each such municipality during the preceding fiscal
669 year bears to the total gallons of gasoline and diesel fuel sold
670 by distributors to consumers and retailers in municipalities
671 statewide during the preceding fiscal year. The State Tax
672 Commission shall require all distributors of gasoline and diesel
673 fuel to report to the commission monthly the total number of
674 gallons of gasoline and diesel fuel sold by them to consumers and
675 retailers in each municipality during the preceding month. The
676 State Tax Commission shall have the authority to promulgate such
677 rules and regulations as is necessary to determine the number of
678 gallons of gasoline and diesel fuel sold by distributors to
679 consumers and retailers in each municipality. In determining the
680 percentage allocation of funds under this subsection for the
681 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
682 State Tax Commission may consider gallons of gasoline and diesel
683 fuel sold for a period of less than one (1) fiscal year. For the
684 purposes of this subsection, the term "fiscal year" means the
685 fiscal year beginning July 1 of a year.

686 (3) On or before September 15, 1987, and on or before the
687 fifteenth day of each succeeding month, until the date specified
688 in Section 65-39-35, the proceeds derived from contractors' taxes
689 levied under Section 27-65-21 on contracts for the construction or
690 reconstruction of highways designated under the Four-Lane Highway

691 Program created under Section 65-3-97 shall be deposited into the
692 State Treasury to the credit of the State Highway Fund to be used
693 to fund such Four-Lane Highway Program. The Mississippi
694 Department of Transportation shall provide to the State Tax
695 Commission such information as is necessary to determine the
696 amount of proceeds to be distributed under this subsection.

697 (4) On or before August 15, 1994, and on or before the
698 fifteenth day of each succeeding month, from the proceeds of
699 gasoline, diesel fuel or kerosene taxes as provided in Section
700 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
701 deposited in the State Treasury to the credit of a special fund
702 designated as the "State Aid Road Fund," created by Section
703 65-9-17. Such funds shall be pledged to pay the principal of and
704 interest on state aid road bonds heretofore issued under Sections
705 19-9-51 through 19-9-77, in lieu of and in substitution for the
706 funds heretofore allocated to counties under this section. Such
707 funds may not be pledged for the payment of any state aid road
708 bonds issued after April 1, 1981; however, this prohibition
709 against the pledging of any such funds for the payment of bonds
710 shall not apply to any bonds for which intent to issue such bonds
711 has been published, for the first time, as provided by law prior
712 to March 29, 1981. From the amount of taxes paid into the special
713 fund pursuant to this subsection and subsection (9) of this
714 section, there shall be first deducted and paid the amount
715 necessary to pay the expenses of the Office of State Aid Road
716 Construction, as authorized by the Legislature for all other
717 general and special fund agencies. The remainder of the fund
718 shall be allocated monthly to the several counties in accordance
719 with the following formula:

720 (a) One-third (1/3) shall be allocated to all counties
721 in equal shares;

722 (b) One-third (1/3) shall be allocated to counties
723 based on the proportion that the total number of rural road miles

724 in a county bears to the total number of rural road miles in all
725 counties of the state; and

726 (c) One-third (1/3) shall be allocated to counties
727 based on the proportion that the rural population of the county
728 bears to the total rural population in all counties of the state,
729 according to the latest federal decennial census.

730 For the purposes of this subsection, the term "gasoline,
731 diesel fuel or kerosene taxes" means such taxes as defined in
732 paragraph (f) of Section 27-5-101.

733 The amount of funds allocated to any county under this
734 subsection for any fiscal year after Fiscal Year 1994 shall not be
735 less than the amount allocated to such county for Fiscal Year
736 1994. Monies allocated to a county from the State Aid Road Fund
737 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
738 amount of funds allocated to that county from the State Aid Road
739 Fund for Fiscal Year 1994, first must be expended by the county
740 for replacement or rehabilitation of bridges on the state aid road
741 system that have a sufficiency rating of less than twenty-five
742 (25), according to National Bridge Inspection standards before
743 such monies may be approved for expenditure by the State Aid Road
744 Engineer on other projects that qualify for the use of state aid
745 road funds.

746 Any reference in the general laws of this state or the
747 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
748 construed to refer and apply to subsection (4) of Section
749 27-65-75.

750 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
751 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
752 the special fund known as the "State Public School Building Fund"
753 created and existing under the provisions of Sections 37-47-1
754 through 37-47-67. Such payments into said fund are to be made on
755 the last day of each succeeding month hereafter.

756 (6) An amount each month beginning August 15, 1983, through

757 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
758 of 1983, shall be paid into the special fund known as the
759 Correctional Facilities Construction Fund created in Section 6 of
760 Chapter 542, Laws of 1983.

761 (7) On or before August 15, 1992, and each succeeding month
762 thereafter, two and two hundred sixty-six one-thousandths percent
763 (2.266%) of the total sales tax revenue collected during the
764 preceding month under the provisions of this chapter, except that
765 collected under the provisions of Section 27-65-17(2), not to
766 exceed the Fiscal Year 1997 appropriated level shall be deposited
767 by the commission into the School Ad Valorem Tax Reduction Fund
768 created pursuant to Section 37-61-35, with the balance to be
769 transferred to the Education Enhancement Fund created under
770 Section 37-61-33 for appropriation by the Legislature as other
771 education needs and not subject to the percentage set asides set
772 forth in Section 37-61-33.

773 (8) On or before August 15, 1992, and each succeeding month
774 through July 15, 1999, nine and seventy-three one-thousandths
775 percent (9.073%) of the total sales tax revenue collected during
776 the preceding month under the provisions of this chapter, except
777 that collected under the provisions of Section 27-65-17(2) shall
778 be deposited into the Education Enhancement Fund created pursuant
779 to Section 37-61-33. On or before August 15, 1999, and each
780 succeeding month thereafter, sixteen and six hundred sixty-six
781 one-thousandths percent (16.666%) of the total sales tax revenue
782 collected during the preceding month under the provisions of this
783 chapter, except that collected under the provisions of Section
784 27-65-17(2), shall be deposited into the Education Enhancement
785 Fund created pursuant to Section 37-61-33.

786 (9) On or before August 15, 1994, and each succeeding month
787 thereafter, from the revenue collected under this chapter during
788 the preceding month, Two Hundred Fifty Thousand Dollars
789 (\$250,000.00) shall be paid into the State Aid Road Fund.

790 (10) On or before August 15, 1994, and each succeeding month
791 thereafter through August 15, 1995, from the revenue collected
792 under this chapter during the preceding month, Two Million Dollars
793 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
794 Valorem Tax Reduction Fund established in Section 27-51-105.

795 (11) Notwithstanding any other provision of this section to
796 the contrary, on or before February 15, 1995, and each succeeding
797 month thereafter, the sales tax revenue collected during the
798 preceding month under the provisions of Section 27-65-17(2) shall
799 be deposited, without diversion, into the Motor Vehicle Ad Valorem
800 Tax Reduction Fund established in Section 27-51-105.

801 (12) Notwithstanding any other provision of this section to
802 the contrary, on or before August 15, 1995, and each succeeding
803 month thereafter, the sales tax revenue collected during the
804 preceding month under the provisions of Section 27-65-17(1) on
805 retail sales of private carriers of passengers and light carriers
806 of property, as defined in Section 27-51-101, shall be deposited,
807 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
808 Fund established in Section 27-51-105.

809 (13) On or before July 15, 1994, and on or before the
810 fifteenth day of each succeeding month thereafter, that portion of
811 the avails of the tax imposed in Section 27-65-22, which is
812 derived from activities held on the Mississippi state fairgrounds
813 complex, shall be paid into a special fund hereby created in the
814 State Treasury and shall be expended pursuant to legislative
815 appropriations solely to defray the costs of repairs and
816 renovation at such Trade Mart and Coliseum.

817 (14) On or before August 15, 1998, and each succeeding month
818 thereafter through July 15, 2005, that portion of the avails of
819 the tax imposed in Section 27-65-23 which is derived from sales by
820 cotton compresses or cotton warehouses and which would otherwise
821 be paid into the General Fund, shall be deposited in an amount not
822 to exceed Two Million Dollars (\$2,000,000.00) into the special

823 fund created pursuant to Section 69-37-39.

824 (15) The remainder of the amounts collected under the
825 provisions of this chapter shall be paid into the State Treasury
826 to the credit of the General Fund.

827 (16) It shall be the duty of the municipal officials of any
828 municipality which expands its limits, or of any community which
829 incorporates as a municipality, to notify the commissioner of such
830 action thirty (30) days before the effective date. Failure to so
831 notify the commissioner shall cause such municipality to forfeit
832 the revenue which it would have been entitled to receive during
833 this period of time when the commissioner had no knowledge of the
834 action. If any funds have been erroneously disbursed to any
835 municipality or any overpayment of tax is recovered by the
836 taxpayer, the commissioner may make correction and adjust the
837 error or overpayment with such municipality by withholding the
838 necessary funds from any subsequent payment to be made to the
839 municipality.

840 SECTION 8. Section 27-65-111, Mississippi Code of 1972, is
841 amended as follows:

842 27-65-111. The exemptions from the provisions of this
843 chapter which are not industrial, agricultural or governmental, or
844 which do not relate to utilities or taxes, or which are not
845 properly classified as one of the exemption classifications of
846 this chapter, shall be confined to persons or property exempted by
847 this section or by the Constitution of the United States or the
848 State of Mississippi. No exemptions as now provided by any other
849 section, except the classified exemption sections of this chapter
850 set forth herein, shall be valid as against the tax herein levied.
851 Any subsequent exemption from the tax levied hereunder, except as
852 indicated above, shall be provided by amendments to this section.

853 No exemption provided in this section shall apply to taxes
854 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.
855 The tax levied by this chapter shall not apply to the following:

856 (a) Sales of tangible personal property and services to
857 hospitals or infirmaries owned and operated by a corporation or
858 association in which no part of the net earnings inures to the
859 benefit of any private shareholder, group or individual, and which
860 are subject to and governed by Sections 41-7-123 through 41-7-127.

861 Only sales of tangible personal property or services which
862 are ordinary and necessary to the operation of such hospitals and
863 infirmaries are exempted from tax.

864 (b) Sales of daily or weekly newspapers, and
865 periodicals or publications of scientific, literary or educational
866 organizations exempt from federal income taxation under Section
867 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
868 March 31, 1975, sales of literature published by religious
869 organizations or associations exempt from state income taxation
870 under Section 27-7-29(3) and subscription sales of all magazines.

871 (c) Sales of coffins, caskets and other materials used
872 in the preparation of human bodies for burial.

873 (d) Sales of tangible personal property for immediate
874 export to a foreign country.

875 (e) Sales of tangible personal property to an
876 orphanage, old men's or ladies' home, supported wholly or in part
877 by a religious denomination, fraternal nonprofit organization or
878 other nonprofit organization.

879 (f) Sales of tangible personal property, labor or
880 services taxable under Sections 27-65-17, 27-65-19, and 27-65-23,
881 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
882 corporation or association in which no part of the net earnings
883 inures to the benefit of any private shareholder, group or
884 individual.

885 (g) Sales to elementary and secondary grade schools,
886 junior and senior colleges owned and operated by a corporation or
887 association in which no part of the net earnings inures to the
888 benefit of any private shareholder, group or individual, and which

889 are exempt from state income taxation, provided that this
890 exemption does not apply to sales of property or services which
891 are not to be used in the ordinary operation of the school, or
892 which are to be resold to the students or the public.

893 (h) The gross proceeds of retail sales and the use or
894 consumption in this state of drugs and medicines:

895 (i) Prescribed for the treatment of a human being
896 by a person authorized to prescribe the medicines, and dispensed
897 or prescription filled by a registered pharmacist in accordance
898 with law; or

899 (ii) Furnished by a licensed physician, surgeon,
900 dentist or podiatrist to his own patient for treatment of the
901 patient; or

902 (iii) Furnished by a hospital for treatment of any
903 person pursuant to the order of a licensed physician, surgeon,
904 dentist or podiatrist; or

905 (iv) Sold to a licensed physician, surgeon,
906 podiatrist, dentist or hospital for the treatment of a human
907 being; or

908 (v) Sold to this state or any political
909 subdivision or municipal corporation thereof, for use in the
910 treatment of a human being or furnished for the treatment of a
911 human being by a medical facility or clinic maintained by this
912 state or any political subdivision or municipal corporation
913 thereof.

914 "Medicines," as used in this paragraph (h), shall mean and
915 include any substance or preparation intended for use by external
916 or internal application to the human body in the diagnosis, cure,
917 mitigation, treatment or prevention of disease and which is
918 commonly recognized as a substance or preparation intended for
919 such use; provided that "medicines" do not include any auditory,
920 prosthetic, ophthalmic or ocular device or appliance, any dentures
921 or parts thereof or any artificial limbs or their replacement

922 parts, articles which are in the nature of splints, bandages,
923 pads, compresses, supports, dressings, instruments, apparatus,
924 contrivances, appliances, devices or other mechanical, electronic,
925 optical or physical equipment or article or the component parts
926 and accessories thereof, or any alcoholic beverage or any other
927 drug or medicine not commonly referred to as a prescription drug.

928 Notwithstanding the preceding sentence of this paragraph (h),
929 "medicines" as used in this paragraph (h), shall mean and include
930 sutures, whether or not permanently implanted, bone screws, bone
931 pins, pacemakers and other articles permanently implanted in the
932 human body to assist the functioning of any natural organ, artery,
933 vein or limb and which remain or dissolve in the body.

934 "Hospital," as used in this paragraph (h), shall have the
935 meaning ascribed to it in Section 41-9-3, Mississippi Code of
936 1972.

937 Insulin furnished by a registered pharmacist to a person for
938 treatment of diabetes as directed by a physician shall be deemed
939 to be dispensed on prescription within the meaning of this
940 paragraph (h).

941 (i) Retail sales of automobiles, trucks and
942 truck-tractors if exported from this state within forty-eight (48)
943 hours and registered and first used in another state.

944 (j) Sales of tangible personal property or services to
945 the Salvation Army and the Muscular Dystrophy Association, Inc.

946 (k) From July 1, 1985, through December 31, 1992,
947 retail sales of "alcohol blended fuel" as such term is defined in
948 Section 75-55-5. The gasoline-alcohol blend or the straight
949 alcohol eligible for this exemption shall not contain alcohol
950 distilled outside the State of Mississippi.

951 (l) Sales of tangible personal property or services to
952 the Institute for Technology Development.

953 (m) The gross proceeds of retail sales of food and
954 drink for human consumption made through vending machines serviced

955 by full line vendors from and not connected with other taxable
956 businesses.

957 (n) The gross proceeds of sales of motor fuel.

958 (o) Retail sales of food for human consumption
959 purchased with food stamps issued by the United States Department
960 of Agriculture, or other federal agency, from and after October 1,
961 1987, or from and after the expiration of any waiver granted
962 pursuant to federal law, the effect of which waiver is to permit
963 the collection by the state of tax on such retail sales of food
964 for human consumption purchased with food stamps.

965 (p) Sales of cookies for human consumption by the Girl
966 Scouts of America no part of the net earnings from which sales
967 inures to the benefit of any private group or individual.

968 (q) Gifts or sales of tangible personal property or
969 services to public or private nonprofit museums of art.

970 (r) Sales of tangible personal property or services to
971 alumni associations of state-supported colleges or universities.

972 (s) Sales of tangible personal property or services to
973 chapters of the National Association of Junior Auxiliaries, Inc.

974 (t) Sales of tangible personal property or services to
975 domestic violence shelters which qualify for state funding under
976 Sections 93-21-101 through 93-21-113.

977 (u) Sales of tangible personal property or services to
978 the National Multiple Sclerosis Society, Mississippi Chapter.

979 (v) Retail sales of food for human consumption
980 purchased with food instruments issued the Mississippi Band of
981 Choctaw Indians under the Women, Infants and Children Program
982 (WIC) funded by the United States Department of Agriculture.

983 (w) Sales of tangible personal property or services to
984 a private company, as defined in Section 57-61-5, which is making
985 such purchases with proceeds of bonds issued under Section 57-61-1
986 et seq., the Mississippi Business Investment Act.

987 (x) The gross collections from the operation of

988 self-service, coin-operated car washing equipment and sales of the
989 service of washing motor vehicles with portable high pressure
990 washing equipment on the premises of the customer.

991 (y) Sales of tangible personal property or services to
992 a religious organization or association that is exempt from state
993 income taxation under Section 27-7-29(3).

994 SECTION 9. This act shall take effect and be in force from
995 and after July 1, 1999.