

By: Senator(s) Moffatt, Robertson,
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To: Environment Prot,
Cons and Water Res;
Finance

SENATE BILL NO. 3105
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
2 EXEMPT FROM AD VALOREM TAXATION PROPERTY OWNED BY NONPROFIT
3 CORPORATIONS CREATED IN RESPONSE TO THE OIL POLLUTION ACT OF 1990
4 TO ENGAGE PRIMARILY IN PROGRAMS TO CONTAIN, CLEAN UP AND OTHERWISE
5 MITIGATE SPILLS OF OIL OR OTHER SUBSTANCES OCCURRING IN THE
6 COASTAL WATERS OF THE UNITED STATES; TO AMEND SECTION 27-65-101,
7 MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES TAXATION SALES OF
8 MACHINERY OR EQUIPMENT TO SUCH CORPORATIONS; AND FOR RELATED
9 PURPOSES.

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

11 SECTION 1. Section 27-31-1, Mississippi Code of 1972, is
12 amended as follows:

13 27-31-1. The following shall be exempt from taxation:

14 (a) All cemeteries used exclusively for burial
15 purposes.

16 (b) All property, real or personal, belonging to the
17 State of Mississippi or any of its political subdivisions, except
18 property of a municipality not being used for a proper municipal
19 purpose and located outside the county or counties in which such
20 municipality is located. A proper municipal purpose within the
21 meaning of this section shall be any authorized governmental or
22 corporate function of a municipality.

23 (c) All property, real or personal, owned by units of
24 the Mississippi National Guard, or title to which is vested in
25 trustees for the benefit of any unit of the Mississippi National
26 Guard; provided such property is used exclusively for such unit,
27 or for public purposes, and not for profit.

28 (d) All property, real or personal, belonging to any
29 religious society, or ecclesiastical body, or any congregation

30 thereof, or to any charitable society, or to any historical or
31 patriotic association or society, or to any garden or pilgrimage
32 club or association and used exclusively for such society or
33 association and not for profit; not exceeding, however, the amount
34 of land which such association or society may own as provided in
35 Section 79-11-33. All property, real or personal, belonging to
36 any rural waterworks system or rural sewage disposal system
37 incorporated under the provisions of Section 79-11-1. All
38 property, real or personal, belonging to any college or
39 institution for the education of youths, used directly and
40 exclusively for such purposes, provided that no such college or
41 institution for the education of youths shall have exempt from
42 taxation more than six hundred forty (640) acres of land;
43 provided, however, this exemption shall not apply to commercial
44 schools and colleges or trade institutions or schools where the
45 profits of same inure to individuals, associations or
46 corporations. All property, real or personal, belonging to an
47 individual, institution or corporation and used for the operation
48 of a grammar school, junior high school, high school or military
49 school. All property, real or personal, owned and occupied by a
50 fraternal and benevolent organization, when used by such
51 organization, and from which no rentals or other profits accrue to
52 the organization, but any part rented or from which revenue is
53 received shall be taxed.

54 (e) All property, real or personal, held and occupied
55 by trustees of public schools, and school lands of the respective
56 townships for the use of public schools, and all property kept in
57 storage for the convenience and benefit of the State of
58 Mississippi in warehouses owned or leased by the State of
59 Mississippi, wherein said property is to be sold by the Alcoholic
60 Beverage Control Division of the State Tax Commission of the State
61 of Mississippi.

62 (f) All property, real or personal, whether belonging
63 to religious or charitable or benevolent organizations, which is
64 used for hospital purposes, and nurses' homes where a part
65 thereof, and which maintain one or more charity wards that are for
66 charity patients, and where all the income from said hospitals and

67 nurses' homes is used entirely for the purposes thereof and no
68 part of the same for profit.

69 (g) The wearing apparel of every person; and also
70 jewelry and watches kept by the owner for personal use to the
71 extent of One Hundred Dollars (\$100.00) in value for each owner.

72 (h) Provisions on hand for family consumption.

73 (i) All farm products grown in this state for a period
74 of two (2) years after they are harvested, when in the possession
75 of or the title to which is in the producer, except the tax of
76 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
77 levied by the Board of Commissioners of the Mississippi Levee
78 District; and lint cotton for five (5) years, and cottonseed,
79 soybeans, oats, rice and wheat for one (1) year regardless of
80 ownership.

81 (j) All guns and pistols kept by the owner for private
82 use.

83 (k) All poultry in the hands of the producer.

84 (l) Household furniture, including all articles kept in
85 the home by the owner for his own personal or family use; but this
86 shall not apply to hotels, rooming houses or rented or leased
87 apartments.

88 (m) All cattle and oxen.

89 (n) All sheep, goats and hogs.

90 (o) All horses, mules and asses.

91 (p) Farming tools, implements and machinery, when used
92 exclusively in the cultivation or harvesting of crops or timber.

93 (q) All property of agricultural and mechanical
94 associations and fairs used for promoting their objects, and where
95 no part of the proceeds is used for profit.

96 (r) The libraries of all persons.

97 (s) All pictures and works of art, not kept for or
98 offered for sale as merchandise.

99 (t) The tools of any mechanic necessary for carrying on

100 his trade.

101 (u) All state, county, municipal, levee, drainage and
102 all school bonds or other governmental obligations, and all bonds
103 and/or evidences of debts issued by any church or church
104 organization in this state, and all notes and evidences of
105 indebtedness which bear a rate of interest not greater than the
106 maximum rate per annum applicable under the law; and all money
107 loaned at a rate of interest not exceeding the maximum rate per
108 annum applicable under the law; and all stock in or bonds of
109 foreign corporations or associations shall be exempt from all ad
110 valorem taxes.

111 (v) All lands and other property situated or located
112 between the Mississippi River and the levee shall be exempt from
113 the payment of any and all road taxes levied or assessed under any
114 road laws of this state.

115 (w) Any and all money on deposit in either national
116 banks, state banks or trust companies, on open account, savings
117 account or time deposit.

118 (x) All wagons, carts, drays, carriages and other horse
119 drawn vehicles, kept for the use of the owner.

120 (y) (1) Boats, seines and fishing equipment used in
121 fishing and shrimping operations and in the taking or catching of
122 oysters.

123 (2) All towboats, tugboats and barges documented
124 under the laws of the United States, except watercraft of every
125 kind and character used in connection with gaming operations.

126 (z) All materials used in the construction and/or
127 conversion of vessels in this state; vessels while under
128 construction and/or conversion; vessels while in the possession of
129 the manufacturer, builder or converter, for a period of twelve
130 (12) months after completion of construction and/or conversion,
131 and as used herein the term "vessel" shall include ships, offshore
132 drilling equipment, dry docks, boats and barges, except watercraft

133 of every kind and character used in connection with gaming
134 operations.

135 (aa) Sixty-six and two-thirds percent (66-2/3%) of
136 nuclear fuel and reprocessed, recycled or residual nuclear fuel
137 by-products, fissionable or otherwise, used or to be used in
138 generation of electricity by persons defined as public utilities
139 in Section 77-3-3.

140 (bb) All growing nursery stock.

141 (cc) A semitrailer used in interstate commerce.

142 (dd) All property, real or personal, used exclusively
143 for the housing of and provision of services to elderly persons,
144 disabled persons, mentally impaired persons or as a nursing home,
145 which is owned, operated and managed by a not-for-profit
146 corporation, qualified under Section 501(c)(3) of the Internal
147 Revenue Code, whose membership or governing body is appointed or
148 confirmed by a religious society or ecclesiastical body or any
149 congregation thereof.

150 (ee) All vessels while in the hands of bona fide
151 dealers as merchandise and which are not being operated upon the
152 waters of this state shall be exempt from ad valorem taxes. As
153 used in this paragraph the terms "vessel" and "waters of this
154 state" shall have the meaning ascribed to such terms in Section
155 59-21-3.

156 (ff) All property, real or personal, owned by a
157 nonprofit organization that: (i) is qualified as tax exempt under
158 Section 501(c)(4) of the Internal Revenue Code of 1986, as
159 amended; (ii) assists in the implementation of the national
160 contingency plan or area contingency plan, and which is created in
161 response to the requirements of Title IV, Subtitle B of the Oil
162 Pollution Act of 1990, P.L. 101-380; (iii) engages primarily in
163 programs to contain, clean up and otherwise mitigate spills of oil
164 or other substances occurring in the United States coastal or
165 tidal waters; and (iv) is used for the purposes of the

166 organization.

167 SECTION 2. Section 27-65-101, Mississippi Code of 1972, is
168 amended as follows:

169 27-65-101. (1) The exemptions from the provisions of this
170 chapter which are of an industrial nature or which are more
171 properly classified as industrial exemptions than any other
172 exemption classification of this chapter shall be confined to
173 those persons or property exempted by this section or by the
174 provisions of the Constitution of the United States or the State
175 of Mississippi. No industrial exemption as now provided by any
176 other section except Section 57-3-33 shall be valid as against the
177 tax herein levied. Any subsequent industrial exemption from the
178 tax levied hereunder shall be provided by amendment to this
179 section. No exemption provided in this section shall apply to
180 taxes levied by Section 27-65-15 or 27-65-21.

181 The tax levied by this chapter shall not apply to the
182 following:

183 (a) Sales of boxes, crates, cartons, cans, bottles and
184 other packaging materials to manufacturers and wholesalers for use
185 as containers or shipping materials to accompany goods sold by
186 said manufacturers or wholesalers where possession thereof will
187 pass to the customer at the time of sale of the goods contained
188 therein and sales to anyone of containers or shipping materials
189 for use in ships engaged in international commerce.

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

198 (c) The gross proceeds of sales of dry docks, offshore

199 drilling equipment for use in oil exploitation or production,
200 vessels or barges of fifty (50) tons load displacement and over,
201 when sold by the manufacturer or builder thereof.

202 (d) Sales to commercial fishermen of commercial fishing
203 boats of over five (5) tons load displacement and not more than
204 fifty (50) tons load displacement as registered with the U.S.
205 Coast Guard and licensed by the Mississippi Marine Conservation
206 Commission.

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

209 (f) Sales of petroleum products to vessels or barges
210 for consumption in marine international commerce or interstate
211 transportation businesses.

212 (g) Sales and rentals of rail rolling stock (and
213 component parts thereof) for ultimate use in interstate commerce
214 and gross income from services with respect to manufacturing,
215 repairing, cleaning, altering, reconditioning or improving such
216 rail rolling stock (and component parts thereof).

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

223 (i) Machinery or tools or repair parts therefor or
224 replacements thereof, fuel or supplies used directly in
225 manufacturing, converting or repairing ships of three thousand
226 (3,000) tons load displacement and over, but not to include office
227 and plant supplies or other equipment not directly used on the
228 ship being built, converted or repaired.

229 (j) Sales of tangible personal property to persons
230 operating ships in international commerce for use or consumption
231 on board such ships. This exemption shall be limited to cases in

232 which procedures satisfactory to the commissioner, ensuring
233 against use in this state other than on such ships, are
234 established.

235 (k) Sales of materials used in the construction of a
236 building, or any addition or improvement thereon, and sales of any
237 machinery and equipment not later than three (3) months after the
238 completion of construction of the building, or any addition
239 thereon, to be used therein, to qualified businesses, as defined
240 in Section 57-51-5, which are located in a county or portion
241 thereof designated as an enterprise zone pursuant to Sections
242 57-51-1 through 57-51-15.

243 (l) Sales of materials used in the construction of a
244 building, or any addition or improvement thereon, and sales of any
245 machinery and equipment not later than three (3) months after the
246 completion of construction of the building, or any addition
247 thereon, to be used therein, to qualified businesses, as defined
248 in Section 57-54-5.

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

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

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

258 (p) Sales of materials used in the construction of a
259 building, or any addition or improvement thereon, and sales of any
260 machinery and equipment not later than three (3) months after the
261 completion of construction of the building, or any addition
262 thereon, to be used therein, to qualified companies, certified as
263 such by the Mississippi Department of Economic and Community
264 Development under Section 57-53-1.

265 (q) Sales of component materials used in the
266 construction of a building, or any addition or improvement
267 thereon, sales of machinery and equipment to be used therein, and
268 sales of manufacturing or processing machinery and equipment which
269 is permanently attached to the ground or to a permanent foundation
270 and which is not by its nature intended to be housed within a
271 building structure, not later than three (3) months after the
272 initial start-up date, to permanent business enterprises engaging
273 in manufacturing or processing in less developed areas (as such
274 term is defined in Section 57-73-5), which businesses are
275 certified by the State Tax Commission as being eligible for the
276 exemption granted in this paragraph (q).

277 (r) Sales of component materials used in the
278 construction of a building, or any addition or improvement
279 thereon, and sales of any machinery and equipment not later than
280 three (3) months after the completion of the building, addition or
281 improvement thereon, to be used therein, for any company
282 establishing or transferring its national or regional headquarters
283 from within or outside the State of Mississippi and creating a
284 minimum of thirty-five (35) jobs at the new headquarters in this
285 state. The Tax Commission shall establish criteria and prescribe
286 procedures to determine if a company qualifies as a national or
287 regional headquarters for the purpose of receiving the exemption
288 provided in this paragraph.

289 (s) The gross proceeds from the sale of semitrailers,
290 trailers, boats, travel trailers, motorcycles and all-terrain
291 cycles if exported from this state within forty-eight (48) hours
292 and registered and first used in another state.

293 (t) Gross income from the storage and handling of
294 natural gas in underground salt domes and in other underground
295 reservoirs, caverns, structures and formations suitable for such
296 storage.

297 (u) Sales of machinery and equipment to nonprofit

298 organizations if the organization: (i) is tax-exempt pursuant to
299 Section 501(c)(4) of the Internal Revenue Code of 1986, as
300 amended; (ii) assists in the implementation of the national
301 contingency plan or area contingency plan, and which is created in
302 response to the requirements of Title IV, Subtitle B of the Oil
303 Pollution Act of 1990, P.L. 101-380; and (iii) engages primarily
304 in programs to contain, clean up and otherwise mitigate spills of
305 oil or other substances occurring in the United States coastal and
306 tidal waters. For purposes of this exemption, "machinery and
307 equipment" means any ocean-going vessels, barges, booms, skimmers
308 and other capital equipment used primarily in the operations of
309 nonprofit organizations referred to herein.

310 (2) Sales of component materials used in the construction of
311 a building, or any addition or improvement thereon, sales of
312 machinery and equipment to be used therein, and sales of
313 manufacturing or processing machinery and equipment which is
314 permanently attached to the ground or to a permanent foundation
315 and which is not by its nature intended to be housed within a
316 building structure, not later than three (3) months after the
317 initial start-up date, to permanent business enterprises engaging
318 in manufacturing or processing in moderately developed areas and
319 developed areas (as such areas are designated in accordance with
320 Section 57-73-21), which businesses are certified by the State Tax
321 Commission as being eligible for the exemption granted in this
322 paragraph, shall be exempt from one-half (1/2) of the taxes
323 imposed on such transactions under this chapter.

324 SECTION 3. This act shall take effect and be in force from
325 and after its passage.