

By: Senator(s) Moffatt, Robertson,
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To: Finance

SENATE BILL NO. 3218

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

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

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

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

23 The tax levied by this chapter shall not apply to the
24 following:

25 (a) Sales of boxes, crates, cartons, cans, bottles and
26 other packaging materials to manufacturers and wholesalers for use
27 as containers or shipping materials to accompany goods sold by
28 said manufacturers or wholesalers where possession thereof will

29 pass to the customer at the time of sale of the goods contained
30 therein and sales to anyone of containers or shipping materials
31 for use in ships engaged in international commerce.

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

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

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

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

51 (f) Sales of petroleum products to vessels or barges
52 for consumption in marine international commerce or interstate
53 transportation businesses.

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

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

65 (i) Machinery or tools or repair parts therefor or

66 replacements thereof, fuel or supplies used directly in
67 manufacturing, converting or repairing ships of three thousand
68 (3,000) tons load displacement and over, but not to include office
69 and plant supplies or other equipment not directly used on the
70 ship being built, converted or repaired.

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

77 (k) Sales of materials used in the construction of a
78 building, or any addition or improvement thereon, and sales of any
79 machinery and equipment not later than three (3) months after the
80 completion of construction of the building, or any addition
81 thereon, to be used therein, to qualified businesses, as defined
82 in Section 57-51-5, which are located in a county or portion
83 thereof designated as an enterprise zone pursuant to Sections
84 57-51-1 through 57-51-15.

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

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

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

98 (o) The gross collections from self-service commercial

99 laundering, drying, cleaning and pressing equipment.

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

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

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

131 (s) The gross proceeds from the sale of semitrailers,

132 trailers, boats, travel trailers, motorcycles and all-terrain
133 cycles if exported from this state within forty-eight (48) hours
134 and registered and first used in another state.

135 (t) Gross income from the storage and handling of
136 natural gas in underground salt domes and in other underground
137 reservoirs, caverns, structures and formations suitable for such
138 storage.

139 (u) Sales of machinery and equipment to nonprofit
140 organizations if the organization: (i) is tax-exempt pursuant to
141 Section 501(c)(4) of the Internal Revenue Code of 1986, as
142 amended; (ii) assists in the implementation of the national
143 contingency plan or area contingency plan, and which is created in
144 response to the requirements of Title IV, Subtitle B of the Oil
145 Pollution Act of 1990, P.L. 101-380; and (iii) engages primarily
146 in programs to contain, clean up and otherwise mitigate spills of
147 oil or other substances occurring in the United States coastal and
148 tidal waters. For purposes of this exemption, "machinery and
149 equipment" means any ocean-going vessels, barges, booms, skimmers
150 and other capital equipment used primarily in the operations of
151 nonprofit organizations referred to herein.

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. This act shall take effect and be in force from
167 and after July 1, 1999.