

By: Representative Whittington

To: Ways and Means

HOUSE BILL NO. 264

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT SALES OF TANGIBLE PERSONAL PROPERTY OR SERVICES TO  
3 MISSISSIPPI AFFILIATES OF HABITAT FOR HUMANITY INTERNATIONAL,  
4 INCORPORATED, SHALL BE EXEMPT FROM SALES TAX; AND FOR RELATED  
5 PURPOSES.

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

7 SECTION 1. Section 27-65-111, Mississippi Code of 1972, is  
8 amended as follows:

9 27-65-111. The exemptions from the provisions of this  
10 chapter which are not industrial, agricultural or governmental, or  
11 which do not relate to utilities or taxes, or which are not  
12 properly classified as one of the exemption classifications of  
13 this chapter, shall be confined to persons or property exempted by  
14 this section or by the Constitution of the United States or the  
15 State of Mississippi. No exemptions as now provided by any other  
16 section, except the classified exemption sections of this chapter  
17 set forth herein, shall be valid as against the tax herein levied.  
18 Any subsequent exemption from the tax levied hereunder, except as  
19 indicated above, shall be provided by amendments to this section.

20 No exemption provided in this section shall apply to taxes  
21 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

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

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



29           Only sales of tangible personal property or services which  
30 are ordinary and necessary to the operation of such hospitals and  
31 infirmaries are exempted from tax.

32           (b) Sales of daily or weekly newspapers, and  
33 periodicals or publications of scientific, literary or educational  
34 organizations exempt from federal income taxation under Section  
35 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
36 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

51           (g) Sales to elementary and secondary grade schools,  
52 junior and senior colleges owned and operated by a corporation or  
53 association in which no part of the net earnings inures to the  
54 benefit of any private shareholder, group or individual, and which  
55 are exempt from state income taxation, provided that this  
56 exemption does not apply to sales of property or services which  
57 are not to be used in the ordinary operation of the school, or  
58 which are to be resold to the students or the public.

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



61 (i) Prescribed for the treatment of a human being  
62 by a person authorized to prescribe the medicines, and dispensed  
63 or prescription filled by a registered pharmacist in accordance  
64 with law; or

65 (ii) Furnished by a licensed physician, surgeon,  
66 dentist or podiatrist to his own patient for treatment of the  
67 patient; or

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

71 (iv) Sold to a licensed physician, surgeon,  
72 podiatrist, dentist or hospital for the treatment of a human  
73 being; or

74 (v) Sold to this state or any political  
75 subdivision or municipal corporation thereof, for use in the  
76 treatment of a human being or furnished for the treatment of a  
77 human being by a medical facility or clinic maintained by this  
78 state or any political subdivision or municipal corporation  
79 thereof.

80 "Medicines," as used in this paragraph, shall mean and  
81 include any substance or preparation intended for use by external  
82 or internal application to the human body in the diagnosis, cure,  
83 mitigation, treatment or prevention of disease and which is  
84 commonly recognized as a substance or preparation intended for  
85 such use; provided that "medicines" do not include any auditory,  
86 prosthetic, ophthalmic or ocular device or appliance, any dentures  
87 or parts thereof or any artificial limbs or their replacement  
88 parts, articles which are in the nature of splints, bandages,  
89 pads, compresses, supports, dressings, instruments, apparatus,  
90 contrivances, appliances, devices or other mechanical, electronic,  
91 optical or physical equipment or article or the component parts  
92 and accessories thereof, or any alcoholic beverage or any other  
93 drug or medicine not commonly referred to as a prescription drug.



94 Notwithstanding the preceding sentence of this subsection,  
95 "medicines" as used in this subsection, shall mean and include  
96 sutures, whether or not permanently implanted, bone screws, bone  
97 pins, pacemakers and other articles permanently implanted in the  
98 human body to assist the functioning of any natural organ, artery,  
99 vein or limb and which remain or dissolve in the body.

100 "Hospital," as used in this paragraph, shall have the meaning  
101 ascribed to it in Section 41-9-3, Mississippi Code of 1972.

102 Insulin furnished by a registered pharmacist to a person for  
103 treatment of diabetes as directed by a physician shall be deemed  
104 to be dispensed on prescription within the meaning of this  
105 subsection.

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

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

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

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

118 (m) The gross proceeds of retail sales of food and  
119 drink for human consumption made through vending machines serviced  
120 by full line vendors from and not connected with other taxable  
121 businesses.

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

123 (o) Retail sales of food for human consumption  
124 purchased with food stamps issued by the United States Department  
125 of Agriculture, or other federal agency, from and after October 1,  
126 1987, or from and after the expiration of any waiver granted



127 pursuant to federal law, the effect of which waiver is to permit  
128 the collection by the state of tax on such retail sales of food  
129 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

152 (x) The gross collections from the operation of  
153 self-service, coin-operated car washing equipment and sales of the  
154 service of washing motor vehicles with portable high pressure  
155 washing equipment on the premises of the customer.

156 (y) Sales of tangible personal property or services to  
157 Mississippi affiliates of Habitat for Humanity International, Inc.

158 SECTION 2. Nothing in this act shall affect or defeat any  
159 claim, assessment, appeal, suit, right or cause of action for



160 taxes due or accrued under the sales tax laws before the date on  
161 which this act becomes effective, whether such claims,  
162 assessments, appeals, suits or actions have been begun before the  
163 date on which this act becomes effective or are begun thereafter;  
164 and the provisions of the sales tax laws are expressly continued  
165 in full force, effect and operation for the purpose of the  
166 assessment, collection and enrollment of liens for any taxes due  
167 or accrued and the execution of any warrant under such laws before  
168 the date on which this act becomes effective, and for the  
169 imposition of any penalties, forfeitures or claims for failure to  
170 comply with such laws.

171 SECTION 3. This act shall take effect and be in force from  
172 and after July 1, 2001.

