

*****Not Germane*****

AMENDMENT No. 1 TO AMENDMENT No. 1 PROPOSED TO

House Bill NO. 756

By Senator(s) Michel

1 **AMEND by adding the following after line 123 and renumbering**
2 **the subsequent section:**

3 SECTION *. Section 27-65-111, Mississippi Code of 1972, is
4 amended as follows:

5 27-65-111. The exemptions from the provisions of this
6 chapter which are not industrial, agricultural or governmental, or
7 which do not relate to utilities or taxes, or which are not
8 properly classified as one of the exemption classifications of
9 this chapter, shall be confined to persons or property exempted by
10 this section or by the Constitution of the United States or the
11 State of Mississippi. No exemptions as now provided by any other
12 section, except the classified exemption sections of this chapter
13 set forth herein, shall be valid as against the tax herein levied.
14 Any subsequent exemption from the tax levied hereunder, except as
15 indicated above, shall be provided by amendments to this section.

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

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

20 (a) Sales of tangible personal property and services to

21 hospitals or infirmaries owned and operated by a corporation or
22 association in which no part of the net earnings inures to the
23 benefit of any private shareholder, group or individual, and which
24 are subject to and governed by Sections 41-7-123 through 41-7-127.

25 Only sales of tangible personal property or services which
26 are ordinary and necessary to the operation of such hospitals and
27 infirmaries are exempted from tax.

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

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

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

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

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

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

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

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

57 (i) Prescribed for the treatment of a human being
58 by a person authorized to prescribe the medicines, and dispensed
59 or prescription filled by a registered pharmacist in accordance
60 with law; or

61 (ii) Furnished by a licensed physician, surgeon,
62 dentist or podiatrist to his own patient for treatment of the
63 patient; or

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

67 (iv) Sold to a licensed physician, surgeon,
68 podiatrist, dentist or hospital for the treatment of a human
69 being; or

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

76 "Medicines," as used in this paragraph (h), shall mean and
77 include any substance or preparation intended for use by external
78 or internal application to the human body in the diagnosis, cure,
79 mitigation, treatment or prevention of disease and which is
80 commonly recognized as a substance or preparation intended for

81 such use; provided that "medicines" do not include any auditory,
82 prosthetic, ophthalmic or ocular device or appliance, any dentures
83 or parts thereof or any artificial limbs or their replacement
84 parts, articles which are in the nature of splints, bandages,
85 pads, compresses, supports, dressings, instruments, apparatus,
86 contrivances, appliances, devices or other mechanical, electronic,
87 optical or physical equipment or article or the component parts
88 and accessories thereof, or any alcoholic beverage or any other
89 drug or medicine not commonly referred to as a prescription drug.

90 Notwithstanding the preceding sentence of this paragraph (h),
91 "medicines" as used in this paragraph (h), shall mean and include
92 sutures, whether or not permanently implanted, bone screws, bone
93 pins, pacemakers and other articles permanently implanted in the
94 human body to assist the functioning of any natural organ, artery,
95 vein or limb and which remain or dissolve in the body.

96 "Hospital," as used in this paragraph (h), shall have the
97 meaning ascribed to it in Section 41-9-3, Mississippi Code of
98 1972.

99 Insulin furnished by a registered pharmacist to a person for
100 treatment of diabetes as directed by a physician shall be deemed
101 to be dispensed on prescription within the meaning of this
102 paragraph (h).

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

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

108 (k) From July 1, 1985, through December 31, 1992,
109 retail sales of "alcohol blended fuel" as such term is defined in
110 Section 75-55-5. The gasoline-alcohol blend or the straight

111 alcohol eligible for this exemption shall not contain alcohol
112 distilled outside the State of Mississippi.

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

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

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

120 (o) Retail sales of food for human consumption
121 purchased with food stamps issued by the United States Department
122 of Agriculture, or other federal agency, from and after October 1,
123 1987, or from and after the expiration of any waiver granted
124 pursuant to federal law, the effect of which waiver is to permit
125 the collection by the state of tax on such retail sales of food
126 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

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

153 (y) From and after July 1, 2001, retail sales of an
154 article of clothing or footwear designed to be worn on or about
155 the human body if the sales price of the article is less than One
156 Hundred Dollars (\$100.00) and the sale takes place during a period
157 beginning at 12:01 a.m. on the first Friday in August and ending
158 at 11:59 p.m. the following Saturday. This paragraph (y) shall
159 not apply to:

160 (i) Accessories including jewelry, handbags,
161 luggage, umbrellas, wallets, watches, backpacks, briefcases,
162 garment bags and similar items carried on or about the human body,
163 without regard to whether worn on the body in a manner
164 characteristic of clothing;

165 (ii) The rental of clothing or footwear; and

166 (iii) Skis, swim fins, roller blades, skates and
167 similar items worn on the foot.

168 From and after January 1, 2002, the governing authorities of
169 a municipality, for retail sales occurring within the corporate
170 limits of the municipality, or the board of supervisors of a

171 county, for retail sales occurring in the county outside the
172 corporate limits of a municipality, may suspend the application of
173 the exemption provided for in this paragraph (y) by adoption of a
174 resolution to that effect stating the date upon which the
175 suspension shall take effect. A certified copy of the resolution
176 shall be furnished to the State Tax Commission at least thirty
177 (30) days prior to the date upon which the municipality or county
178 desires such suspension to take effect.

179 **FURTHER, AMEND line 4 of the title by inserting the following**
180 **after the semicolon:**

181 TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT
182 FROM SALES TAXATION THE RETAIL SALES OF CERTAIN ARTICLES OF
183 CLOTHING FRIDAY AND SATURDAY IN AUGUST; TO ALLOW LOCAL GOVERNMENTS
184 TO SUSPEND THE APPLICATION OF SUCH EXEMPTION FROM AND AFTER
185 JANUARY 1, 2002;