HOUSE BILL NO. 439

AN ACT TO AMEND SECTION 27-65-103, MISSISSIPPI CODE OF 1972, TO CREATE AN AGRICULTURAL SALES TAX EXEMPTION FOR SALES OF TRACTORS OR FARM IMPLEMENTS WHEN SOLD BY A FARMER WHO IS NOT A DEALER ENGAGED IN THE BUSINESS OF SELLING SUCH ITEMS REGARDLESS OF THE MANNER IN WHICH SOLD; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-65-103, Mississippi Code of 1972, is amended as follows:

27-65-103. The exemptions from the provisions of this chapter which are of an agricultural nature or which are more properly classified as agricultural exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by provisions of the Constitution of the United States or the State of Mississippi. No agricultural exemption as now provided by any other section shall be valid as against the tax herein levied. Any subsequent agricultural exemption from the tax levied hereunder shall be provided by amendment to this section.

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

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

(a) The gross proceeds of sales of lint cotton, seed cotton, baled cotton, whether compressed or not, and cottonseed and soybeans in their original condition. Retail sales of seeds, livestock feed, poultry feed, fish feed and fertilizers. Sales of defoliants, insecticides, fungicides, herbicides and baby chicks used in growing agricultural products for market. Bagging and
ties for baling cotton, hay baling wire and twine, boxes, bags and
cans used in growing or preparing agricultural products for market
when possession thereof will pass to the customer at the time of
sale of the product contained therein. Sales of ice to commercial
fishermen purchased for use in the preservation of seafood or to
producers for use in the refrigeration of vegetables for market.

(b) The sales by producers of livestock, poultry, fish
or other products of farm, grove or garden when such products are
sold in the original state or condition of preparation for sale
before such products are subjected to any other process within a
class of business or sold by a producer through an established
store, as defined in the Privilege Tax Law. Provided, however,
that this exemption shall not apply to ornamental plants which
bear no fruit of commercial value. All sales by agricultural
cooperative associations organized under Article 9 of Chapter 7 of
Title 69, or under Chapters 17 or 19 of Title 79, Mississippi Code
of 1972, of agricultural products produced by members for market
before such products are subjected to any manufacturing process.

(c) The gross proceeds of retail sales of mules, horses
and other livestock.

(d) Income from grading, excavating, ditching, dredging
or landscaping activities performed for a farmer on a farm for
agricultural or soil erosion purposes.

(e) The gross proceeds of sales of all antibiotics,
hormones and hormone preparations, drugs, medicines and other
medications including serums and vaccines, vitamins, minerals or
other nutrients for use in the production and growing of fish,
livestock and poultry by whomever sold. Such exemption shall be
in addition to the exemption provided in this section for feed for
fish, livestock and poultry.

(f) Sales of tractors or farm implements when sold by a
farmer who is not a dealer engaged in the business of selling
tractors or farm implements. This exemption shall apply to such sales regardless of the manner in which the items are sold.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the sales tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the sales tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after July 1, 2003.