

By: Representatives Wallace, West

To: Ways and Means

HOUSE BILL NO. 1466

1 AN ACT TO AMEND SECTION 27-3-31, MISSISSIPPI CODE OF 1972, TO  
 2 REQUIRE THE STATE TAX COMMISSION TO DESIGN AND ISSUE  
 3 IDENTIFICATION CARDS VERIFYING ELIGIBILITY FOR AN EXEMPTION FROM  
 4 SALES TAX ON FOOD ITEMS TO CITIZENS OF THE STATE WHO ARE  
 5 SIXTY-FIVE YEARS OF AGE OR OLDER OR WHO ARE TOTALLY DISABLED; TO  
 6 AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM  
 7 SALES TAX FOOD ITEMS SOLD TO CITIZENS OF THE STATE WHO SHOW AN  
 8 IDENTIFICATION CARD ISSUED BY THE STATE TAX COMMISSION VERIFYING  
 9 THAT THEY ARE SIXTY-FIVE YEARS OF AGE OR OLDER OR ARE TOTALLY  
 10 DISABLED; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 27-3-31, Mississippi Code of 1972, is  
 13 amended as follows:

14 27-3-31. It shall specifically be the duty of the State Tax  
 15 Commission, and it shall have power and authority:

16 (a) To adopt, amend or repeal those rules or  
 17 regulations necessary to implement the duties assigned to the  
 18 commission in this section.

19 (b) Each commissioner and authorized agent, and the  
 20 secretary of the commission is empowered to administer and certify  
 21 oaths.

22 (c) To confer with and advise assessing officers,  
 23 boards of supervisors and other county officers as to their duties  
 24 relative to taxation under the law; and to advise them in the  
 25 collection, filing and preservation of data relative to matters of  
 26 assessment.

27 (d) To prepare and have printed in pamphlet form full  
 28 instructions governing the duties of and the application of the  
 29 revenue laws of the state to county tax assessors, the clerk and  
 30 members of the boards of supervisors, and to promptly advise such  
 31 officers of all decisions of the Supreme Court relating to matters



32 of revenue and taxation when such decisions affect the duties of  
33 such officers.

34 (e) To become familiar with property values and general  
35 conditions in the counties of the state and to direct the  
36 collection and preservation of data and information pertaining to  
37 the quantity and value of property in each county in the state,  
38 subject to assessment, necessary to enable the commission to  
39 determine the assessed value of classes of property and whether  
40 assessments comply with acceptable performance standards as  
41 required by Section 27-35-113.

42 (f) To direct the collection, preparation and  
43 preservation of data and information pertaining to the quantity,  
44 value and location of property belonging to railroads, persons,  
45 corporations and associations which is required to be assessed by  
46 the State Tax Commission.

47 (g) To supervise and direct the preparation of forms  
48 for the assessment of property of railroads and public service  
49 corporations assessed by the commission, and the filing of their  
50 rolls or schedules of assessment.

51 (h) To determine the location of all property subject  
52 to assessment by the commission in the various counties of the  
53 state, the municipalities and taxing districts therein, and to  
54 ascertain and report as far as practicable the value and ownership  
55 of all such property.

56 (i) To keep informed of the work of the assessors and  
57 supervisors of the various counties of the state as required by  
58 Section 27-3-51, and to have charge of the details necessary to  
59 the equalization by the commission of assessments among the  
60 various counties pursuant to Section 27-35-113.

61 (j) To prepare all forms for tax lists, assessment  
62 rolls and perform other duties relating thereto.



63           (k) To prepare data and statistics relating to property  
64 assessments which are deemed advisable for publication or which  
65 may be required by the Legislature.

66           (l) To confer with assessors, supervisors and other  
67 local taxing officials who may have business with the commission.

68           (m) To consider and approve or disapprove all orders of  
69 boards of supervisors making increases and decreases in  
70 assessments and orders of boards of supervisors granting homestead  
71 exemptions.

72           (n) To have jurisdiction of all taxpayer appeals from  
73 decisions of the chairman of the commission to the entire  
74 commission, to arrange the time and place of hearingsg and appeals,  
75 and to provide for the preparation and presentation to the full  
76 commission of all evidence, documents and other matters necessary  
77 and proper for a decision on the matters and questions involved in  
78 the appeal.

79           (o) To direct and supervise the preparation of any  
80 record to be filed in any court of the state.

81           (p) To attend to all appeals from decisions of the  
82 State Tax Commission to the courts, and cooperate with the  
83 Attorney General and district attorneys to the end that the  
84 interests of the state shall be presented fairly and properly to  
85 the courts, without undue delay.

86           (q) To administer and enforce the "Local Option  
87 Alcoholic Beverage Control Law," being Section 67-1-1 et seq.,  
88 except as provided in Section 67-1-23.

89           (r) To adopt and enforce rules and regulations  
90 prescribing the manner and method by which tax returns and  
91 documents may be filed with the commission as provided under  
92 Section 27-3-83.

93           (s) To design and issue identification cards verifying  
94 eligibility for an exemption from sales tax on food items under  
95 Section 27-65-111 to citizens of the state who are sixty-five (65)



96 years of age or older or who are totally disabled. The commission  
97 shall use the criteria established in Section 27-33-67(2) to  
98 determine whether a person is totally disabled.

99         **SECTION 2.** Section 27-65-111, Mississippi Code of 1972, is  
100 amended as follows:

101         27-65-111. The exemptions from the provisions of this  
102 chapter which are not industrial, agricultural or governmental, or  
103 which do not relate to utilities or taxes, or which are not  
104 properly classified as one of the exemption classifications of  
105 this chapter, shall be confined to persons or property exempted by  
106 this section or by the Constitution of the United States or the  
107 State of Mississippi. No exemptions as now provided by any other  
108 section, except the classified exemption sections of this chapter  
109 set forth herein, shall be valid as against the tax herein levied.  
110 Any subsequent exemption from the tax levied hereunder, except as  
111 indicated above, shall be provided by amendments to this section.

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

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

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

121         Only sales of tangible personal property or services which  
122 are ordinary and necessary to the operation of such hospitals and  
123 infirmaries are exempted from tax.

124             (b) Sales of daily or weekly newspapers, and  
125 periodicals or publications of scientific, literary or educational  
126 organizations exempt from federal income taxation under Section  
127 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
128 March 31, 1975, and subscription sales of all magazines.



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

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

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

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

143           (g) Sales to elementary and secondary grade schools,  
144 junior and senior colleges owned and operated by a corporation or  
145 association in which no part of the net earnings inures to the  
146 benefit of any private shareholder, group or individual, and which  
147 are exempt from state income taxation, provided that this  
148 exemption does not apply to sales of property or services which  
149 are not to be used in the ordinary operation of the school, or  
150 which are to be resold to the students or the public.

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

153           (i) Prescribed for the treatment of a human being  
154 by a person authorized to prescribe the medicines, and dispensed  
155 or prescription filled by a registered pharmacist in accordance  
156 with law; or

157           (ii) Furnished by a licensed physician, surgeon,  
158 dentist or podiatrist to his own patient for treatment of the  
159 patient; or



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

163 (iv) Sold to a licensed physician, surgeon,  
164 podiatrist, dentist or hospital for the treatment of a human  
165 being; or

166 (v) Sold to this state or any political  
167 subdivision or municipal corporation thereof, for use in the  
168 treatment of a human being or furnished for the treatment of a  
169 human being by a medical facility or clinic maintained by this  
170 state or any political subdivision or municipal corporation  
171 thereof.

172 "Medicines," as used in this paragraph (h), shall mean and  
173 include any substance or preparation intended for use by external  
174 or internal application to the human body in the diagnosis, cure,  
175 mitigation, treatment or prevention of disease and which is  
176 commonly recognized as a substance or preparation intended for  
177 such use; provided that "medicines" do not include any auditory,  
178 prosthetic, ophthalmic or ocular device or appliance, any dentures  
179 or parts thereof or any artificial limbs or their replacement  
180 parts, articles which are in the nature of splints, bandages,  
181 pads, compresses, supports, dressings, instruments, apparatus,  
182 contrivances, appliances, devices or other mechanical, electronic,  
183 optical or physical equipment or article or the component parts  
184 and accessories thereof, or any alcoholic beverage or any other  
185 drug or medicine not commonly referred to as a prescription drug.

186 Notwithstanding the preceding sentence of this paragraph (h),  
187 "medicines" as used in this paragraph (h), shall mean and include  
188 sutures, whether or not permanently implanted, bone screws, bone  
189 pins, pacemakers and other articles permanently implanted in the  
190 human body to assist the functioning of any natural organ, artery,  
191 vein or limb and which remain or dissolve in the body.



192 "Hospital," as used in this paragraph (h), shall have the  
193 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
194 1972.

195 Insulin furnished by a registered pharmacist to a person for  
196 treatment of diabetes as directed by a physician shall be deemed  
197 to be dispensed on prescription within the meaning of this  
198 paragraph (h).

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

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

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

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

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

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

216 (o) Retail sales of food for human consumption  
217 purchased with food stamps issued by the United States Department  
218 of Agriculture, or other federal agency, from and after October 1,  
219 1987, or from and after the expiration of any waiver granted  
220 pursuant to federal law, the effect of which waiver is to permit  
221 the collection by the state of tax on such retail sales of food  
222 for human consumption purchased with food stamps.



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

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

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

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

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

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

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

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

245           (x) The gross collections from the operation of  
246 self-service, coin-operated car washing equipment and sales of the  
247 service of washing motor vehicles with portable high pressure  
248 washing equipment on the premises of the customer.

249           (y) Sales of food items to citizens of the state who  
250 are sixty-five (65) years of age or older or who are totally  
251 disabled as determined by the State Tax Commission. In order to  
252 receive this sales tax exemption such persons must verify their  
253 eligibility by showing an identification card issued by the State  
254 Tax Commission.





255           **SECTION 3.** Nothing in this act shall affect or defeat any  
256 claim, assessment, appeal, suit, right or cause of action for  
257 taxes due or accrued under the sales tax laws before the date on  
258 which this act becomes effective, whether such claims,  
259 assessments, appeals, suits or actions have been begun before the  
260 date on which this act becomes effective or are begun thereafter;  
261 and the provisions of the sales tax laws are expressly continued  
262 in full force, effect and operation for the purpose of the  
263 assessment, collection and enrollment of liens for any taxes due  
264 or accrued and the execution of any warrant under such laws before  
265 the date on which this act becomes effective, and for the  
266 imposition of any penalties, forfeitures or claims for failure to  
267 comply with such laws.

268           **SECTION 4.** This act shall take effect and be in force from  
269 and after July 1, 2003.

