

By: Representative Reynolds

To: Ways and Means

HOUSE BILL NO. 1590

1 AN ACT TO AMEND SECTION 27-65-103, MISSISSIPPI CODE OF 1972,  
 2 TO PROVIDE A SALES TAX EXEMPTION TO ORGANIZATIONS THAT ARE EXEMPT  
 3 FROM INCOME TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL  
 4 REVENUE CODE WHOSE PRIMARY PURPOSE IS WETLAND OR WATERFOWL  
 5 PROTECTION IF THE PROPERTY OR SERVICES PURCHASED ARE UTILIZED IN  
 6 FURTHERANCE OF ITS TAX EXEMPT MISSION IN CONNECTION WITH PROJECTS  
 7 INTENDED TO CONSERVE, RESTORE, PROTECT OR ENHANCE WETLAND  
 8 ECOSYSTEMS; AND FOR RELATED PURPOSES.

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

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

12 27-65-103. The exemptions from the provisions of this  
 13 chapter which are of an agricultural nature or which are more  
 14 properly classified as agricultural exemptions than any other  
 15 exemption classification of this chapter shall be confined to  
 16 those persons or property exempted by this section or by  
 17 provisions of the Constitution of the United States or the State  
 18 of Mississippi. No agricultural exemption as now provided by any  
 19 other section shall be valid as against the tax herein levied.  
 20 Any subsequent agricultural exemption from the tax levied  
 21 hereunder shall be provided by amendment to this section.

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

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

- 26 (a) The gross proceeds of sales of lint cotton, seed  
 27 cotton, baled cotton, whether compressed or not, and cottonseed  
 28 and soybeans in their original condition. Retail sales of seeds,  
 29 livestock feed, poultry feed, fish feed and fertilizers. Sales of  
 30 defoliants, insecticides, fungicides, herbicides and baby chicks



31 used in growing agricultural products for market. Bagging and  
32 ties for baling cotton, hay baling wire and twine, boxes, bags and  
33 cans used in growing or preparing agricultural products for market  
34 when possession thereof will pass to the customer at the time of  
35 sale of the product contained therein. Sales of ice to commercial  
36 fishermen purchased for use in the preservation of seafood or to  
37 producers for use in the refrigeration of vegetables for market.

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

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

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

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

62 (f) Sales of tangible personal property or services to  
63 organizations exempt from income taxation under Section 501(c)(3)



64 of the Internal Revenue Code whose primary purpose is wetlands and  
65 waterfowl protection if the property or services are utilized in  
66 furtherance of its tax exempt mission in connection with projects  
67 intended to conserve, restore, protect or enhance wetland  
68 ecosystems.

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

