AN ACT TO AMEND SECTION 27-31-45, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT EMBEDDED COMPUTER SOFTWARE THAT PERMANENTLY RESIDES IN THE INTERNAL MEMORY OF A COMPUTER OR OTHER ELECTRONIC EQUIPMENT, WHICH IS NORMALLY INSTALLED BY THE MANUFACTURER AND WITHOUT WHICH THE COMPUTER OR OTHER EQUIPMENT WILL NOT FUNCTION AS INTENDED, SHALL NOT BE EXEMPT FROM AD VALOREM TAXATION; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-31-45, Mississippi Code of 1972, is amended as follows:

27-31-45. Computer software shall be exempt from ad valorem taxation. For purposes of this section, computer software shall not include embedded software.

As used in this section, the term "embedded software" means software that permanently resides in the internal memory of a computer or other electronic equipment, though it may be subject to upgrades, which is normally installed by the manufacturer or assembler of such computer or other electronic equipment and without which the computer or other electronic equipment will not function as intended. The term "embedded software" does not include application programs that cause the computer or other electronic equipment to perform other specific tasks.

SECTION 2. This act shall take effect and be in force from and after its passage.