

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2353

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

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

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

11 27-31-45. Computer software shall be exempt from ad valorem  
12 taxation. For purposes of this section, computer software shall  
13 not include embedded software.

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

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

