

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 3177

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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

12 27-31-1. The following shall be exempt from taxation:

13 (a) All cemeteries used exclusively for burial
14 purposes.

15 (b) All property, real or personal, belonging to the
16 State of Mississippi or any of its political subdivisions, except
17 property of a municipality not being used for a proper municipal
18 purpose and located outside the county or counties in which such
19 municipality is located. A proper municipal purpose within the
20 meaning of this section shall be any authorized governmental or
21 corporate function of a municipality.

22 (c) All property, real or personal, owned by units of
23 the Mississippi National Guard, or title to which is vested in
24 trustees for the benefit of any unit of the Mississippi National
25 Guard; provided such property is used exclusively for such unit,
26 or for public purposes, and not for profit.

27 (d) All property, real or personal, belonging to any
28 religious society, or ecclesiastical body, or any congregation

29 thereof, or to any charitable society, or to any historical or
30 patriotic association or society, or to any garden or pilgrimage
31 club or association and used exclusively for such society or
32 association and not for profit; not exceeding, however, the amount
33 of land which such association or society may own as provided in
34 Section 79-11-33. All property, real or personal, belonging to
35 any rural waterworks system or rural sewage disposal system
36 incorporated under the provisions of Section 79-11-1. All
37 property, real or personal, belonging to any college or
38 institution for the education of youths, used directly and
39 exclusively for such purposes, provided that no such college or
40 institution for the education of youths shall have exempt from
41 taxation more than six hundred forty (640) acres of land;
42 provided, however, this exemption shall not apply to commercial
43 schools and colleges or trade institutions or schools where the
44 profits of same inure to individuals, associations or
45 corporations. All property, real or personal, belonging to an
46 individual, institution or corporation and used for the operation
47 of a grammar school, junior high school, high school or military
48 school. All property, real or personal, owned and occupied by a
49 fraternal and benevolent organization, when used by such
50 organization, and from which no rentals or other profits accrue to
51 the organization, but any part rented or from which revenue is
52 received shall be taxed.

53 (e) All property, real or personal, held and occupied
54 by trustees of public schools, and school lands of the respective
55 townships for the use of public schools, and all property kept in
56 storage for the convenience and benefit of the State of
57 Mississippi in warehouses owned or leased by the State of
58 Mississippi, wherein said property is to be sold by the Alcoholic
59 Beverage Control Division of the State Tax Commission of the State
60 of Mississippi.

61 (f) All property, real or personal, whether belonging
62 to religious or charitable or benevolent organizations, which is
63 used for hospital purposes, and nurses' homes where a part
64 thereof, and which maintain one or more charity wards that are for
65 charity patients, and where all the income from said hospitals and
66 nurses' homes is used entirely for the purposes thereof and no
67 part of the same for profit.

68 (g) The wearing apparel of every person; and also
69 jewelry and watches kept by the owner for personal use to the
70 extent of One Hundred Dollars (\$100.00) in value for each owner.

71 (h) Provisions on hand for family consumption.

72 (i) All farm products grown in this state for a period
73 of two (2) years after they are harvested, when in the possession
74 of or the title to which is in the producer, except the tax of
75 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
76 levied by the Board of Commissioners of the Mississippi Levee
77 District; and lint cotton for five (5) years, and cottonseed,
78 soybeans, oats, rice and wheat for one (1) year regardless of
79 ownership.

80 (j) All guns and pistols kept by the owner for private
81 use.

82 (k) All poultry in the hands of the producer.

83 (l) Household furniture, including all articles kept in
84 the home by the owner for his own personal or family use; but this
85 shall not apply to hotels, rooming houses or rented or leased
86 apartments.

87 (m) All cattle and oxen.

88 (n) All sheep, goats and hogs.

89 (o) All horses, mules and asses.

90 (p) Farming tools, implements and machinery, when used
91 exclusively in the cultivation or harvesting of crops or timber.

92 (q) All property of agricultural and mechanical
93 associations and fairs used for promoting their objects, and where
94 no part of the proceeds is used for profit.

95 (r) The libraries of all persons.

96 (s) All pictures and works of art, not kept for or
97 offered for sale as merchandise.

98 (t) The tools of any mechanic necessary for carrying on
99 his trade.

100 (u) All state, county, municipal, levee, drainage and
101 all school bonds or other governmental obligations, and all bonds
102 and/or evidences of debts issued by any church or church
103 organization in this state, and all notes and evidences of
104 indebtedness which bear a rate of interest not greater than the
105 maximum rate per annum applicable under the law; and all money
106 loaned at a rate of interest not exceeding the maximum rate per
107 annum applicable under the law; and all stock in or bonds of
108 foreign corporations or associations shall be exempt from all ad
109 valorem taxes.

110 (v) All lands and other property situated or located
111 between the Mississippi River and the levee shall be exempt from
112 the payment of any and all road taxes levied or assessed under any
113 road laws of this state.

114 (w) Any and all money on deposit in either national
115 banks, state banks or trust companies, on open account, savings
116 account or time deposit.

117 (x) All wagons, carts, drays, carriages and other horse
118 drawn vehicles, kept for the use of the owner.

119 (y) (1) Boats, seines and fishing equipment used in
120 fishing and shrimping operations and in the taking or catching of
121 oysters.

122 (2) All towboats, tugboats and barges documented
123 under the laws of the United States, except watercraft of every
124 kind and character used in connection with gaming operations.

125 (z) All materials used in the construction and/or
126 conversion of vessels in this state; vessels while under
127 construction and/or conversion; vessels while in the possession of
128 the manufacturer, builder or converter, for a period of twelve
129 (12) months after completion of construction and/or conversion,
130 and as used herein the term "vessel" shall include ships, offshore
131 drilling equipment, dry docks, boats and barges, except watercraft
132 of every kind and character used in connection with gaming
133 operations.

134 (aa) Sixty-six and two-thirds percent (66-2/3%) of
135 nuclear fuel and reprocessed, recycled or residual nuclear fuel
136 by-products, fissionable or otherwise, used or to be used in
137 generation of electricity by persons defined as public utilities
138 in Section 77-3-3.

139 (bb) All growing nursery stock.

140 (cc) A semitrailer used in interstate commerce.

141 (dd) All property, real or personal, used exclusively
142 for the housing of and provision of services to elderly persons,
143 disabled persons, mentally impaired persons or as a nursing home,
144 which is owned, operated and managed by a not-for-profit
145 corporation, qualified under Section 501(c)(3) of the Internal
146 Revenue Code, whose membership or governing body is appointed or
147 confirmed by a religious society or ecclesiastical body or any
148 congregation thereof.

149 (ee) All vessels while in the hands of bona fide
150 dealers as merchandise and which are not being operated upon the
151 waters of this state shall be exempt from ad valorem taxes. As
152 used in this paragraph, the terms "vessel" and "waters of this

153 state" shall have the meaning ascribed to such terms in Section
154 59-21-3.

155 (ff) All property, real or personal, owned by a
156 nonprofit organization that: (i) is qualified as tax exempt under
157 Section 501(c)(4) of the Internal Revenue Code of 1986, as
158 amended; (ii) assists in the implementation of the national
159 contingency plan or area contingency plan, and which is created in
160 response to the requirements of Title IV, Subtitle B of the Oil
161 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily
162 in programs to contain, clean up and otherwise mitigate spills of
163 oil or other substances occurring in the United States coastal or
164 tidal waters; and (iv) is used for the purposes of the
165 organization.

166 (gg) If a municipality changes its boundaries so as to
167 include within the boundaries of such municipality the project
168 site of any project as defined in Section 57-75-5(f)(iv)1, all
169 real and personal property located on the project site within the
170 boundaries of such municipality that is owned by a business
171 enterprise operating such project, shall be exempt from ad valorem
172 taxation for a period of time not to exceed thirty (30) years upon
173 receiving approval for such exemption by the Mississippi Major
174 Economic Impact Authority. The provisions of this subsection
175 shall not be construed to authorize a breach of any agreement
176 entered into pursuant to Section 21-1-59.

177 (hh) All leases, lease contracts or lease agreements
178 (including, but not limited to, subleases, sublease contracts and
179 sublease agreements), and leaseholds or leasehold interests
180 (including, but not limited to, subleaseholds and subleasehold
181 interests), of or with respect to any and all property (real,
182 personal or mixed) constituting all or any part of a facility for
183 the manufacture, production, generation, transmission and/or
184 distribution of electricity, and any real property related

185 thereto, shall be exempt from ad valorem taxation during the
186 period as the United States is both the title owner of the
187 property and a sublessee of or with respect to the property;
188 however, the exemption authorized by this paragraph (hh) shall not
189 apply to any entity to whom the United States sub-subleases its
190 interest in the property nor to any entity to whom the United
191 States assigns its sublease interest in the property. As used in
192 this paragraph, the term "United States" includes an agency or
193 instrumentality of the United States of America. This paragraph
194 (hh) shall apply to all assessments for ad valorem taxation for
195 the 2003 calendar year and each calendar year thereafter.

196 (ii) All property, real, personal or mixed, including
197 fixtures and leaseholds, used by Mississippi nonprofit entities
198 qualified under Section 501(c)(3) of the Internal Revenue Code to
199 provide support and operate technology incubators for research and
200 development start-up companies, telecommunication start-up
201 companies and/or other technology start-up companies, utilizing
202 technology spun-off from research and development activities of
203 the public colleges and universities of this state, State of
204 Mississippi governmental research or development activities
205 resulting therefrom located within the State of Mississippi.

206 (jj) All property, real, personal or mixed, including
207 fixtures and leaseholds, of start-up companies (as described in
208 paragraph (ii) of this section) for the period of time, not to
209 exceed five (5) years, that the start-up company remains a tenant
210 of a technology incubator (as described in paragraph (ii) of this
211 section).

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

214 27-65-111. The exemptions from the provisions of this
215 chapter which are not industrial, agricultural or governmental, or
216 which do not relate to utilities or taxes, or which are not

217 properly classified as one of the exemption classifications of
218 this chapter, shall be confined to persons or property exempted by
219 this section or by the Constitution of the United States or the
220 State of Mississippi. No exemptions as now provided by any other
221 section, except the classified exemption sections of this chapter
222 set forth herein, shall be valid as against the tax herein levied.
223 Any subsequent exemption from the tax levied hereunder, except as
224 indicated above, shall be provided by amendments to this section.

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

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

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

234 Only sales of tangible personal property or services which
235 are ordinary and necessary to the operation of such hospitals and
236 infirmaries are exempted from tax.

237 (b) Sales of daily or weekly newspapers, and
238 periodicals or publications of scientific, literary or educational
239 organizations exempt from federal income taxation under Section
240 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
241 March 31, 1975, and subscription sales of all magazines.

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

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

246 (e) Sales of tangible personal property to an
247 orphanage, old men's or ladies' home, supported wholly or in part

248 by a religious denomination, fraternal nonprofit organization or
249 other nonprofit organization.

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

256 (g) Sales to elementary and secondary grade schools,
257 junior and senior colleges owned and operated by a corporation or
258 association in which no part of the net earnings inures to the
259 benefit of any private shareholder, group or individual, and which
260 are exempt from state income taxation, provided that this
261 exemption does not apply to sales of property or services which
262 are not to be used in the ordinary operation of the school, or
263 which are to be resold to the students or the public.

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

266 (i) Prescribed for the treatment of a human being
267 by a person authorized to prescribe the medicines, and dispensed
268 or prescription filled by a registered pharmacist in accordance
269 with law; or

270 (ii) Furnished by a licensed physician, surgeon,
271 dentist or podiatrist to his own patient for treatment of the
272 patient; or

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

276 (iv) Sold to a licensed physician, surgeon,
277 podiatrist, dentist or hospital for the treatment of a human
278 being; or

279 (v) Sold to this state or any political
280 subdivision or municipal corporation thereof, for use in the
281 treatment of a human being or furnished for the treatment of a
282 human being by a medical facility or clinic maintained by this
283 state or any political subdivision or municipal corporation
284 thereof.

285 "Medicines," as used in this paragraph (h), shall mean and
286 include any substance or preparation intended for use by external
287 or internal application to the human body in the diagnosis, cure,
288 mitigation, treatment or prevention of disease and which is
289 commonly recognized as a substance or preparation intended for
290 such use; provided that "medicines" do not include any auditory,
291 prosthetic, ophthalmic or ocular device or appliance, any dentures
292 or parts thereof or any artificial limbs or their replacement
293 parts, articles which are in the nature of splints, bandages,
294 pads, compresses, supports, dressings, instruments, apparatus,
295 contrivances, appliances, devices or other mechanical, electronic,
296 optical or physical equipment or article or the component parts
297 and accessories thereof, or any alcoholic beverage or any other
298 drug or medicine not commonly referred to as a prescription drug.

299 Notwithstanding the preceding sentence of this paragraph (h),
300 "medicines" as used in this paragraph (h), shall mean and include
301 sutures, whether or not permanently implanted, bone screws, bone
302 pins, pacemakers and other articles permanently implanted in the
303 human body to assist the functioning of any natural organ, artery,
304 vein or limb and which remain or dissolve in the body.

305 "Hospital," as used in this paragraph (h), shall have the
306 meaning ascribed to it in Section 41-9-3, Mississippi Code of
307 1972.

308 Insulin furnished by a registered pharmacist to a person for
309 treatment of diabetes as directed by a physician shall be deemed

310 to be dispensed on prescription within the meaning of this
311 paragraph (h).

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

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

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

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

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

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

329 (o) Retail sales of food for human consumption
330 purchased with food stamps issued by the United States Department
331 of Agriculture, or other federal agency, from and after October 1,
332 1987, or from and after the expiration of any waiver granted
333 pursuant to federal law, the effect of which waiver is to permit
334 the collection by the state of tax on such retail sales of food
335 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

358 (x) The gross collections from the operation of
359 self-service, coin-operated car washing equipment and sales of the
360 service of washing motor vehicles with portable high pressure
361 washing equipment on the premises of the customer.

362 (y) Sales of tangible personal property or services to
363 the Mississippi Technology Alliance.

364 **SECTION 3.** Section 1 of this act shall take effect and be in
365 force from and after January 1, 2004. Section 2 of this act shall
366 take effect and be in force from and after July 1, 2004.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
2 EXEMPT FROM AD VALOREM TAXATION THE PROPERTY CERTAIN MISSISSIPPI
3 NONPROFIT ENTITIES THAT OPERATE CERTAIN TECHNOLOGY INCUBATORS AND
4 THE PROPERTY OF CERTAIN START-UP COMPANIES THAT ARE TENANTS OF
5 SUCH INCUBATORS; TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF
6 1972, TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL

7 PROPERTY OR SERVICES TO THE MISSISSIPPI TECHNOLOGY ALLIANCE; AND
8 FOR RELATED PURPOSES.