

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3118

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
 2 TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL PROPERTY
 3 TO NONPROFIT ORGANIZATIONS THAT PROVIDE FOSTER CARE, ADOPTION
 4 SERVICES AND TEMPORARY HOUSING FOR UNWED MOTHERS AND THEIR
 5 CHILDREN, AND TO NONPROFIT ORGANIZATIONS THAT PROVIDE RESIDENTIAL
 6 REHABILITATION FOR PERSONS WITH ALCOHOL AND DRUG DEPENDENCIES, IF
 7 THE ORGANIZATIONS ARE EXEMPT FROM FEDERAL INCOME TAXATION UNDER
 8 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE; AND FOR RELATED
 9 PURPOSES.

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

11 **SECTION 1.** Section 27-65-111, Mississippi Code of 1972, is
 12 amended as follows:

13 27-65-111. The exemptions from the provisions of this
 14 chapter which are not industrial, agricultural or governmental, or
 15 which do not relate to utilities or taxes, or which are not
 16 properly classified as one of the exemption classifications of
 17 this chapter, shall be confined to persons or property exempted by
 18 this section or by the Constitution of the United States or the
 19 State of Mississippi. No exemptions as now provided by any other
 20 section, except the classified exemption sections of this chapter
 21 set forth herein, shall be valid as against the tax herein levied.
 22 Any subsequent exemption from the tax levied hereunder, except as
 23 indicated above, shall be provided by amendments to this section.

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

26 The tax levied by this chapter shall not apply to the
 27 following:

- 28 (a) Sales of tangible personal property and services to
- 29 hospitals or infirmaries owned and operated by a corporation or
- 30 association in which no part of the net earnings inures to the

31 benefit of any private shareholder, group or individual, and which
32 are subject to and governed by Sections 41-7-123 through 41-7-127.

33 Only sales of tangible personal property or services which
34 are ordinary and necessary to the operation of such hospitals and
35 infirmaries are exempted from tax.

36 (b) Sales of daily or weekly newspapers, and
37 periodicals or publications of scientific, literary or educational
38 organizations exempt from federal income taxation under Section
39 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
40 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

55 (g) Sales to elementary and secondary grade schools,
56 junior and senior colleges owned and operated by a corporation or
57 association in which no part of the net earnings inures to the
58 benefit of any private shareholder, group or individual, and which
59 are exempt from state income taxation, provided that this
60 exemption does not apply to sales of property or services which
61 are not to be used in the ordinary operation of the school, or
62 which are to be resold to the students or the public.

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

65 (i) Prescribed for the treatment of a human being
66 by a person authorized to prescribe the medicines, and dispensed
67 or prescription filled by a registered pharmacist in accordance
68 with law; or

69 (ii) Furnished by a licensed physician, surgeon,
70 dentist or podiatrist to his own patient for treatment of the
71 patient; or

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

75 (iv) Sold to a licensed physician, surgeon,
76 podiatrist, dentist or hospital for the treatment of a human
77 being; or

78 (v) Sold to this state or any political
79 subdivision or municipal corporation thereof, for use in the
80 treatment of a human being or furnished for the treatment of a
81 human being by a medical facility or clinic maintained by this
82 state or any political subdivision or municipal corporation
83 thereof.

84 "Medicines," as used in this paragraph (h), shall mean and
85 include any substance or preparation intended for use by external
86 or internal application to the human body in the diagnosis, cure,
87 mitigation, treatment or prevention of disease and which is
88 commonly recognized as a substance or preparation intended for
89 such use; provided that "medicines" do not include any auditory,
90 prosthetic, ophthalmic or ocular device or appliance, any dentures
91 or parts thereof or any artificial limbs or their replacement
92 parts, articles which are in the nature of splints, bandages,
93 pads, compresses, supports, dressings, instruments, apparatus,
94 contrivances, appliances, devices or other mechanical, electronic,
95 optical or physical equipment or article or the component parts

96 and accessories thereof, or any alcoholic beverage or any other
97 drug or medicine not commonly referred to as a prescription drug.

98 Notwithstanding the preceding sentence of this paragraph (h),
99 "medicines" as used in this paragraph (h), shall mean and include
100 sutures, whether or not permanently implanted, bone screws, bone
101 pins, pacemakers and other articles permanently implanted in the
102 human body to assist the functioning of any natural organ, artery,
103 vein or limb and which remain or dissolve in the body.

104 "Hospital," as used in this paragraph (h), shall have the
105 meaning ascribed to it in Section 41-9-3, Mississippi Code of
106 1972.

107 Insulin furnished by a registered pharmacist to a person for
108 treatment of diabetes as directed by a physician shall be deemed
109 to be dispensed on prescription within the meaning of this
110 paragraph (h).

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

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

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

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

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

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

128 (o) Retail sales of food for human consumption
129 purchased with food stamps issued by the United States Department
130 of Agriculture, or other federal agency, from and after October 1,
131 1987, or from and after the expiration of any waiver granted
132 pursuant to federal law, the effect of which waiver is to permit
133 the collection by the state of tax on such retail sales of food
134 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

157 (x) The gross collections from the operation of
158 self-service, coin-operated car washing equipment and sales of the
159 service of washing motor vehicles with portable high-pressure
160 washing equipment on the premises of the customer.

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

163 (z) Sales of tangible personal property to nonprofit
164 organizations that provide foster care, adoption services and
165 temporary housing for unwed mothers and their children if the
166 organization is exempt from federal income taxation under Section
167 501(c)(3) of the Internal Revenue Code.

168 (aa) Sales of tangible personal property to nonprofit
169 organizations that provide residential rehabilitation for persons
170 with alcohol and drug dependencies if the organization is exempt
171 from federal income taxation under Section 501(c)(3) of the
172 Internal Revenue Code.

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