

By: Senator(s) Carmichael, Browning,  
Mettetal

To: Finance

SENATE BILL NO. 2048

1 AN ACT TO AMEND SECTION 27-33-67, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT HOMEOWNERS WHO HAVE BEEN HONORABLY DISCHARGED FROM  
3 ACTIVE SERVICE IN ANY BRANCH OF THE ARMED FORCES OF THE UNITED  
4 STATES OR MISSISSIPPI NATIONAL GUARD AND HAVE A COMBAT-RELATED  
5 VETERANS ADMINISTRATION DISABILITY RATING OF 100% AND THE  
6 DISABILITY IS PERMANENT SHALL BE EXEMPT FROM AD VALOREM TAXES ON  
7 THEIR HOMESTEAD; TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF  
8 1972, TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL  
9 PROPERTY OR SERVICES TO PERSONS WHO HAVE BEEN HONORABLY DISCHARGED  
10 FROM ACTIVE SERVICE IN ANY BRANCH OF THE ARMED FORCES OF THE  
11 UNITED STATES OR THE MISSISSIPPI NATIONAL GUARD AND WHO HAVE A  
12 COMBAT-RELATED VETERANS ADMINISTRATION DISABILITY RATING OF 100%  
13 AND THE DISABILITY IS PERMANENT; TO LIMIT THE TOTAL SALES AMOUNT  
14 TO WHICH SUCH EXEMPTION IS APPLICABLE; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 27-33-67, Mississippi Code of 1972, is  
17 amended as follows:

18 27-33-67. (1) Each qualified homeowner under sixty-five  
19 (65) years of age on January 1 of the year for which the exemption  
20 is claimed, and who is not totally disabled as herein defined  
21 shall be exempt from ad valorem taxes in the amount prescribed in  
22 Section 27-33-69, 27-33-71, 27-33-73 or 27-33-75, whichever is  
23 applicable to the year for which the exemption is claimed.

24 (2) Except as otherwise provided in subsection (3) of this  
25 section, each qualified homeowner who has reached sixty-five (65)  
26 years of age on or before January 1 of the year for which the  
27 exemption is claimed or who is totally disabled as herein defined  
28 shall be exempt from ad valorem taxes in the manner prescribed in  
29 Section 27-33-69, 27-33-71, 27-33-73 or 27-33-75, whichever is  
30 applicable to the year for which the exemption is claimed.

31 To qualify for the exemptions provided for in this subsection  
32 because of disability, the homeowner must present proper proof of  
33 any of the following:

34 (a) Service-connected, total disability as an American  
35 veteran who has been honorably discharged from military service.

36 (b) Classification as totally disabled under the  
37 Federal Social Security Act (42 USCA Section 416(i)), the Railroad  
38 Retirement Act or any other federal act approved by the State Tax  
39 Commission.

40 (i) If a person is eligible for classification as  
41 totally disabled under the federal acts referred to in this  
42 subsection (2)(b), but does not qualify to receive benefits  
43 thereunder because his annual income exceeds an amount set as the  
44 maximum allowed in qualifying to receive the benefits, then he is  
45 eligible for the disability exemptions specified in this article.  
46 Proper proof of such eligibility shall be determined by the State  
47 Tax Commission.

48 (ii) If a person is eligible for classification as  
49 totally disabled under the Federal Social Security Act (42 USCA  
50 Section 416(i)), but does not qualify to receive benefits  
51 thereunder only because he has not made the necessary social  
52 security contributions, then he is eligible for the disability  
53 exemptions specified in this article. Proper proof of such  
54 eligibility shall be determined by the State Tax Commission. The  
55 provisions of this subparagraph (ii) shall apply to any homeowner  
56 filing for the disability exemption on or after January 1, 1992.

57 (c) Classification as totally disabled under the  
58 provisions of a retirement plan that is considered to be qualified  
59 under the United States Internal Revenue Code. The determination  
60 of whether or not a retirement plan is so qualified shall be made  
61 by the State Tax Commission.

62 (d) Classification as totally disabled as determined by  
63 the State Tax Commission pursuant to rules and regulations adopted  
64 by the State Tax Commission.

65 (3) Each qualified homeowner who has been honorably  
66 discharged from active service in any branch of the Armed Forces

67 of the United States or Mississippi National Guard and who has a  
68 combat-related Veterans Administration disability rating of one  
69 hundred percent (100%) and the disability is permanent shall be  
70 exempt from ad valorem taxes on his homestead.

71 To qualify for the exemption provided for in this subsection,  
72 the homeowner must present proper proof that:

73 (a) He has been honorably discharged from any branch of  
74 the Armed Forces of the United states or Mississippi National  
75 Guard;

76 (b) He has a combat-related Veterans Administration  
77 disability rating of one hundred percent (100%); and

78 (c) The disability is permanent.

79 (4) Proper proof of classification as totally disabled as  
80 required in subsections (2) and (3) of this section, including  
81 proof of the total disability and of eligibility to qualify to  
82 receive benefits under the relevant federal act or qualified  
83 retirement plan, shall be determined by the State Tax Commission.

84 (5) The property owned jointly by husband and wife and  
85 property owned in fee simple by either spouse, if either spouse  
86 shall fulfill the age or disability requirement, shall be eligible  
87 for the exemption allowed in this article in full. On all other  
88 jointly owned property, the amount of the allowable exemption  
89 shall be determined on the basis of each individual joint owner's  
90 qualifications and pro rata share of the property.

91 (6) Those homeowners described in subsections (2) and (3) of  
92 this section and who qualify for the exemptions under this article  
93 shall also be exempt from the forest acreage tax authorized by  
94 Section 49-19-115 applicable to property included in the  
95 homestead.

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

98 27-65-111. The exemptions from the provisions of this  
99 chapter which are not industrial, agricultural or governmental, or

100 which do not relate to utilities or taxes, or which are not  
101 properly classified as one of the exemption classifications of  
102 this chapter, shall be confined to persons or property exempted by  
103 this section or by the Constitution of the United States or the  
104 State of Mississippi. No exemptions as now provided by any other  
105 section, except the classified exemption sections of this chapter  
106 set forth herein, shall be valid as against the tax herein levied.  
107 Any subsequent exemption from the tax levied hereunder, except as  
108 indicated above, shall be provided by amendments to this section.

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

111 The tax levied by this chapter shall not apply to the  
112 following:

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

118 Only sales of tangible personal property or services which  
119 are ordinary and necessary to the operation of such hospitals and  
120 infirmaries are exempted from tax.

121 (b) Sales of daily or weekly newspapers, and  
122 periodicals or publications of scientific, literary or educational  
123 organizations exempt from federal income taxation under Section  
124 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
125 March 31, 1975, and subscription sales of all magazines.

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

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

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

132 by a religious denomination, fraternal nonprofit organization or  
133 other nonprofit organization.

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

140 (g) Sales to elementary and secondary grade schools,  
141 junior and senior colleges owned and operated by a corporation or  
142 association in which no part of the net earnings inures to the  
143 benefit of any private shareholder, group or individual, and which  
144 are exempt from state income taxation, provided that this  
145 exemption does not apply to sales of property or services which  
146 are not to be used in the ordinary operation of the school, or  
147 which are to be resold to the students or the public.

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

150 (i) Prescribed for the treatment of a human being  
151 by a person authorized to prescribe the medicines, and dispensed  
152 or prescription filled by a registered pharmacist in accordance  
153 with law; or

154 (ii) Furnished by a licensed physician, surgeon,  
155 dentist or podiatrist to his own patient for treatment of the  
156 patient; or

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

160 (iv) Sold to a licensed physician, surgeon,  
161 podiatrist, dentist or hospital for the treatment of a human  
162 being; or

163 (v) Sold to this state or any political  
164 subdivision or municipal corporation thereof, for use in the

165 treatment of a human being or furnished for the treatment of a  
166 human being by a medical facility or clinic maintained by this  
167 state or any political subdivision or municipal corporation  
168 thereof.

169 "Medicines," as used in this paragraph (h), shall mean and  
170 include any substance or preparation intended for use by external  
171 or internal application to the human body in the diagnosis, cure,  
172 mitigation, treatment or prevention of disease and which is  
173 commonly recognized as a substance or preparation intended for  
174 such use; provided that "medicines" do not include any auditory,  
175 prosthetic, ophthalmic or ocular device or appliance, any dentures  
176 or parts thereof or any artificial limbs or their replacement  
177 parts, articles which are in the nature of splints, bandages,  
178 pads, compresses, supports, dressings, instruments, apparatus,  
179 contrivances, appliances, devices or other mechanical, electronic,  
180 optical or physical equipment or article or the component parts  
181 and accessories thereof, or any alcoholic beverage or any other  
182 drug or medicine not commonly referred to as a prescription drug.

183 Notwithstanding the preceding sentence of this paragraph (h),  
184 "medicines" as used in this paragraph (h), shall mean and include  
185 sutures, whether or not permanently implanted, bone screws, bone  
186 pins, pacemakers and other articles permanently implanted in the  
187 human body to assist the functioning of any natural organ, artery,  
188 vein or limb and which remain or dissolve in the body.

189 "Hospital," as used in this paragraph (h), shall have the  
190 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
191 1972.

192 Insulin furnished by a registered pharmacist to a person for  
193 treatment of diabetes as directed by a physician shall be deemed  
194 to be dispensed on prescription within the meaning of this  
195 paragraph (h).

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

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

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

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

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

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

213           (o) Retail sales of food for human consumption  
214 purchased with food stamps issued by the United States Department  
215 of Agriculture, or other federal agency, from and after October 1,  
216 1987, or from and after the expiration of any waiver granted  
217 pursuant to federal law, the effect of which waiver is to permit  
218 the collection by the state of tax on such retail sales of food  
219 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

242 (x) The gross collections from the operation of  
243 self-service, coin-operated car washing equipment and sales of the  
244 service of washing motor vehicles with portable high-pressure  
245 washing equipment on the premises of the customer.

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

248 (z) Sales of tangible personal property to nonprofit  
249 organizations that provide foster care, adoption services and  
250 temporary housing for unwed mothers and their children if the  
251 organization is exempt from federal income taxation under Section  
252 501(c)(3) of the Internal Revenue Code.

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

258 (bb) Sales of tangible personal property or services to  
259 persons who have been honorably discharged from active service in  
260 any branch of the Armed Forces of the United States or the  
261 Mississippi National Guard and who have a combat-related Veterans



262 Administration disability rating of one hundred percent (100%) and  
263 the disability is permanent. Sales qualifying for this exemption  
264 shall not exceed Twenty-five Thousand Dollars (\$25,000.00) per  
265 year per individual. Upon request of the State Tax Commission, a  
266 person asserting or claiming the exemption authorized by this  
267 paragraph shall provide a statement, executed under oath, that the  
268 total sales amount for which the exemption is applicable have not  
269 exceeded Twenty-five Thousand Dollars (\$25,000.00) per year. If  
270 the amount of such exempt sales exceeds Twenty-five Thousand  
271 Dollars (\$25,000.00) per year, the sales tax in excess of the  
272 authorized amount shall be treated as a direct sales tax liability  
273 and may be recovered by the State Tax Commission.

274       **SECTION 3.** This act shall take effect and be in force from  
275 and after July 1, 2007.