

By: Senator(s) Fillingane

To: Finance

SENATE BILL NO. 2934  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,  
2 AS AMENDED BY HOUSE BILL NO. 1555, 2014 REGULAR SESSION, TO EXEMPT  
3 FROM SALES TAXATION RETAIL SALES OF TRUCK-TRACTORS AND  
4 SEMITRAILERS USED IN INTERSTATE COMMERCE AND REGISTERED UNDER THE  
5 INTERNATIONAL REGISTRATION PLAN (IRP) OR ANY SIMILAR RECIPROCITY  
6 AGREEMENT OR COMPACT RELATING TO THE PROPORTIONAL REGISTRATION OF  
7 COMMERCIAL VEHICLES; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE  
8 OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-65-101, Mississippi Code of 1972, as  
11 amended by House Bill No. 1555, 2014 Regular Session, is amended  
12 as follows:

13 27-65-101. (1) The exemptions from the provisions of this  
14 chapter which are of an industrial nature or which are more  
15 properly classified as industrial exemptions than any other  
16 exemption classification of this chapter shall be confined to  
17 those persons or property exempted by this section or by the  
18 provisions of the Constitution of the United States or the State  
19 of Mississippi. No industrial exemption as now provided by any  
20 other section except Section 57-3-33 shall be valid as against the  
21 tax herein levied. Any subsequent industrial exemption from the



22 tax levied hereunder shall be provided by amendment to this  
23 section. No exemption provided in this section shall apply to  
24 taxes levied by Section 27-65-15 or 27-65-21.

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

27 (a) Sales of boxes, crates, cartons, cans, bottles and  
28 other packaging materials to manufacturers and wholesalers for use  
29 as containers or shipping materials to accompany goods sold by  
30 said manufacturers or wholesalers where possession thereof will  
31 pass to the customer at the time of sale of the goods contained  
32 therein and sales to anyone of containers or shipping materials  
33 for use in ships engaged in international commerce.

34 (b) Sales of raw materials, catalysts, processing  
35 chemicals, welding gases or other industrial processing gases  
36 (except natural gas) to a manufacturer for use directly in  
37 manufacturing or processing a product for sale or rental or  
38 repairing or reconditioning vessels or barges of fifty (50) tons  
39 load displacement and over. For the purposes of this exemption,  
40 electricity used directly in the electrolysis process in the  
41 production of sodium chlorate shall be considered a raw material.  
42 This exemption shall not apply to any property used as fuel except  
43 to the extent that such fuel comprises by-products which have no  
44 market value.

45 (c) The gross proceeds of sales of dry docks, offshore  
46 drilling equipment for use in oil or natural gas exploration or



47 production, vessels or barges of fifty (50) tons load displacement  
48 and over, when the vessels or barges are sold by the manufacturer  
49 or builder thereof. In addition to other types of equipment,  
50 offshore drilling equipment for use in oil or natural gas  
51 exploration or production shall include aircraft used  
52 predominately to transport passengers or property to or from  
53 offshore oil or natural gas exploration or production platforms or  
54 vessels, and engines, accessories and spare parts for such  
55 aircraft.

56 (d) Sales to commercial fishermen of commercial fishing  
57 boats of over five (5) tons load displacement and not more than  
58 fifty (50) tons load displacement as registered with the United  
59 States Coast Guard and licensed by the Mississippi Commission on  
60 Marine Resources.

61 (e) The gross income from repairs to vessels and barges  
62 engaged in foreign trade or interstate transportation.

63 (f) Sales of petroleum products to vessels or barges  
64 for consumption in marine international commerce or interstate  
65 transportation businesses.

66 (g) Sales and rentals of rail rolling stock (and  
67 component parts thereof) for ultimate use in interstate commerce  
68 and gross income from services with respect to manufacturing,  
69 repairing, cleaning, altering, reconditioning or improving such  
70 rail rolling stock (and component parts thereof).



71           (h) Sales of raw materials, catalysts, processing  
72 chemicals, welding gases or other industrial processing gases  
73 (except natural gas) used or consumed directly in manufacturing,  
74 repairing, cleaning, altering, reconditioning or improving such  
75 rail rolling stock (and component parts thereof). This exemption  
76 shall not apply to any property used as fuel.

77           (i) Sales of machinery or tools or repair parts  
78 therefor or replacements thereof, fuel or supplies used directly  
79 in manufacturing, converting or repairing ships, vessels or barges  
80 of three thousand (3,000) tons load displacement and over, but not  
81 to include office and plant supplies or other equipment not  
82 directly used on the ship, vessel or barge being built, converted  
83 or repaired. For purposes of this exemption, "ships, vessels or  
84 barges" shall not include floating structures described in Section  
85 27-65-18.

86           (j) Sales of tangible personal property to persons  
87 operating ships in international commerce for use or consumption  
88 on board such ships. This exemption shall be limited to cases in  
89 which procedures satisfactory to the commissioner, ensuring  
90 against use in this state other than on such ships, are  
91 established.

92           (k) Sales of materials used in the construction of a  
93 building, or any addition or improvement thereon, and sales of any  
94 machinery and equipment not later than three (3) months after the  
95 completion of construction of the building, or any addition



96 thereon, to be used therein, to qualified businesses, as defined  
97 in Section 57-51-5, which are located in a county or portion  
98 thereof designated as an enterprise zone pursuant to Sections  
99 57-51-1 through 57-51-15.

100 (l) Sales of materials used in the construction of a  
101 building, or any addition or improvement thereon, and sales of any  
102 machinery and equipment not later than three (3) months after the  
103 completion of construction of the building, or any addition  
104 thereon, to be used therein, to qualified businesses, as defined  
105 in Section 57-54-5.

106 (m) Income from storage and handling of perishable  
107 goods by a public storage warehouse.

108 (n) The value of natural gas lawfully injected into the  
109 earth for cycling, repressuring or lifting of oil, or lawfully  
110 vented or flared in connection with the production of oil;  
111 however, if any gas so injected into the earth is sold for such  
112 purposes, then the gas so sold shall not be exempt.

113 (o) The gross collections from self-service commercial  
114 laundering, drying, cleaning and pressing equipment.

115 (p) Sales of materials used in the construction of a  
116 building, or any addition or improvement thereon, and sales of any  
117 machinery and equipment not later than three (3) months after the  
118 completion of construction of the building, or any addition  
119 thereon, to be used therein, to qualified companies, certified as



120 such by the Mississippi Development Authority under Section  
121 57-53-1.

122 (q) Sales of component materials used in the  
123 construction of a building, or any addition or improvement  
124 thereon, sales of machinery and equipment to be used therein, and  
125 sales of manufacturing or processing machinery and equipment which  
126 is permanently attached to the ground or to a permanent foundation  
127 and which is not by its nature intended to be housed within a  
128 building structure, not later than three (3) months after the  
129 initial start-up date, to permanent business enterprises engaging  
130 in manufacturing or processing in Tier Three areas (as such term  
131 is defined in Section 57-73-21), which businesses are certified by  
132 the Department of Revenue as being eligible for the exemption  
133 granted in this paragraph (q).

134 (r) (i) Sales of component materials used in the  
135 construction of a building, or any addition or improvement  
136 thereon, and sales of any machinery and equipment not later than  
137 three (3) months after the completion of the building, addition or  
138 improvement thereon, to be used therein, for any company  
139 establishing or transferring its national or regional headquarters  
140 from within or outside the State of Mississippi and creating a  
141 minimum of twenty (20) jobs at the new headquarters in this state.  
142 The Department of Revenue shall establish criteria and prescribe  
143 procedures to determine if a company qualifies as a national or



144 regional headquarters for the purpose of receiving the exemption  
145 provided in this subparagraph (i).

146 (ii) Sales of component materials used in the  
147 construction of a building, or any addition or improvement  
148 thereon, and sales of any machinery and equipment not later than  
149 three (3) months after the completion of the building, addition or  
150 improvement thereon, to be used therein, for any company expanding  
151 or making additions after January 1, 2013, to its national or  
152 regional headquarters within the State of Mississippi and creating  
153 a minimum of twenty (20) new jobs at the headquarters as a result  
154 of the expansion or additions. The Department of Revenue shall  
155 establish criteria and prescribe procedures to determine if a  
156 company qualifies as a national or regional headquarters for the  
157 purpose of receiving the exemption provided in this subparagraph  
158 (ii).

159 (s) The gross proceeds from the sale of semitrailers,  
160 trailers, boats, travel trailers, motorcycles and all-terrain  
161 cycles if exported from this state within forty-eight (48) hours  
162 and registered and first used in another state.

163 (t) Gross income from the storage and handling of  
164 natural gas in underground salt domes and in other underground  
165 reservoirs, caverns, structures and formations suitable for such  
166 storage.

167 (u) Sales of machinery and equipment to nonprofit  
168 organizations if the organization:



169 (i) Is tax exempt pursuant to Section 501(c)(4) of  
170 the Internal Revenue Code of 1986, as amended;

171 (ii) Assists in the implementation of the  
172 contingency plan or area contingency plan, and which is created in  
173 response to the requirements of Title IV, Subtitle B of the Oil  
174 Pollution Act of 1990, Public Law 101-380; and

175 (iii) Engages primarily in programs to contain,  
176 clean up and otherwise mitigate spills of oil or other substances  
177 occurring in the United States coastal and tidal waters.

178 For purposes of this exemption, "machinery and equipment"  
179 means any ocean-going vessels, barges, booms, skimmers and other  
180 capital equipment used primarily in the operations of nonprofit  
181 organizations referred to herein.

182 (v) Sales or leases of materials and equipment to  
183 approved business enterprises as provided under the Growth and  
184 Prosperity Act.

185 (w) From and after July 1, 2001, sales of pollution  
186 control equipment to manufacturers or custom processors for  
187 industrial use. For the purposes of this exemption, "pollution  
188 control equipment" means equipment, devices, machinery or systems  
189 used or acquired to prevent, control, monitor or reduce air, water  
190 or groundwater pollution, or solid or hazardous waste as required  
191 by federal or state law or regulation.

192 (x) Sales or leases to a manufacturer of motor vehicles  
193 or powertrain components operating a project that has been





194 certified by the Mississippi Major Economic Impact Authority as a  
195 project as defined in Section 57-75-5(f)(iv)1, Section  
196 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
197 equipment; special tooling such as dies, molds, jigs and similar  
198 items treated as special tooling for federal income tax purposes;  
199 or repair parts therefor or replacements thereof; repair services  
200 thereon; fuel, supplies, electricity, coal and natural gas used  
201 directly in the manufacture of motor vehicles or motor vehicle  
202 parts or used to provide climate control for manufacturing areas.

203 (y) Sales or leases of component materials, machinery  
204 and equipment used in the construction of a building, or any  
205 addition or improvement thereon to an enterprise operating a  
206 project that has been certified by the Mississippi Major Economic  
207 Impact Authority as a project as defined in Section  
208 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
209 or Section 57-75-5(f)(xxviii) and any other sales or leases  
210 required to establish or operate such project.

211 (z) Sales of component materials and equipment to a  
212 business enterprise as provided under Section 57-64-33.

213 (aa) The gross income from the stripping and painting  
214 of commercial aircraft engaged in foreign or interstate  
215 transportation business.

216 (bb) [Repealed]

217 (cc) Sales or leases to an enterprise owning or  
218 operating a project that has been designated by the Mississippi



219 Major Economic Impact Authority as a project as defined in Section  
220 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
221 as dies, molds, jigs and similar items treated as special tooling  
222 for federal income tax purposes; or repair parts therefor or  
223 replacements thereof; repair services thereon; fuel, supplies,  
224 electricity, coal and natural gas used directly in the  
225 manufacturing/production operations of the project or used to  
226 provide climate control for manufacturing/production areas.

227 (dd) Sales or leases of component materials, machinery  
228 and equipment used in the construction of a building, or any  
229 addition or improvement thereon to an enterprise owning or  
230 operating a project that has been designated by the Mississippi  
231 Major Economic Impact Authority as a project as defined in Section  
232 57-75-5(f) (xviii) and any other sales or leases required to  
233 establish or operate such project.

234 (ee) Sales of parts used in the repair and servicing of  
235 aircraft not registered in Mississippi engaged exclusively in the  
236 business of foreign or interstate transportation to businesses  
237 engaged in aircraft repair and maintenance.

238 (ff) Sales of component materials used in the  
239 construction of a facility, or any addition or improvement  
240 thereon, and sales or leases of machinery and equipment not later  
241 than three (3) months after the completion of construction of the  
242 facility, or any addition or improvement thereto, to be used in  
243 the building or any addition or improvement thereto, to a



244 permanent business enterprise operating a data/information  
245 enterprise in Tier Three areas (as such areas are designated in  
246 accordance with Section 57-73-21), meeting minimum criteria  
247 established by the Mississippi Development Authority.

248 (gg) Sales of component materials used in the  
249 construction of a facility, or any addition or improvement  
250 thereto, and sales of machinery and equipment not later than three  
251 (3) months after the completion of construction of the facility,  
252 or any addition or improvement thereto, to be used in the facility  
253 or any addition or improvement thereto, to technology intensive  
254 enterprises for industrial purposes in Tier Three areas (as such  
255 areas are designated in accordance with Section 57-73-21), as  
256 certified by the Department of Revenue. For purposes of this  
257 paragraph, an enterprise must meet the criteria provided for in  
258 Section 27-65-17(1)(f) in order to be considered a technology  
259 intensive enterprise.

260 (hh) Sales of component materials used in the  
261 replacement, reconstruction or repair of a building or facility  
262 that has been destroyed or sustained extensive damage as a result  
263 of a disaster declared by the Governor, sales of machinery and  
264 equipment to be used therein to replace machinery or equipment  
265 damaged or destroyed as a result of such disaster, including, but  
266 not limited to, manufacturing or processing machinery and  
267 equipment which is permanently attached to the ground or to a  
268 permanent foundation and which is not by its nature intended to be



269 housed within a building structure, to enterprises or companies  
270 that were eligible for the exemptions authorized in paragraph (q),  
271 (r), (ff) or (gg) of this subsection during initial construction  
272 of the building that was destroyed or damaged, which enterprises  
273 or companies are certified by the Department of Revenue as being  
274 eligible for the exemption granted in this paragraph.

275 (ii) Sales of software or software services transmitted  
276 by the Internet to a destination outside the State of Mississippi  
277 where the first use of such software or software services by the  
278 purchaser occurs outside the State of Mississippi.

279 (jj) Gross income of public storage warehouses derived  
280 from the temporary storage of raw materials that are to be used in  
281 an eligible facility as defined in Section 27-7-22.35.

282 (kk) Sales of component building materials and  
283 equipment for initial construction of facilities or expansion of  
284 facilities as authorized under Sections 57-113-1 through 57-113-7  
285 and Sections 57-113-21 through 57-113-27.

286 (ll) Sales and leases of machinery and equipment  
287 acquired in the initial construction to establish facilities as  
288 authorized in Sections 57-113-1 through 57-113-7.

289 (mm) Sales and leases of replacement hardware, software  
290 or other necessary technology to operate a data center as  
291 authorized under Sections 57-113-21 through 57-113-27.

292 (nn) Sales of component materials used in the  
293 construction of a building, or any addition or improvement



294 thereon, and sales or leases of machinery and equipment not later  
295 than three (3) months after the completion of the construction of  
296 the facility, to be used in the facility, to permanent business  
297 enterprises operating a facility producing renewable crude oil  
298 from biomass harvested or produced, in whole or in part, in  
299 Mississippi, which businesses meet minimum criteria established by  
300 the Mississippi Development Authority. As used in this paragraph,  
301 the term "biomass" shall have the meaning ascribed to such term in  
302 Section 57-113-1.

303 (oo) Sales of supplies, equipment and other personal  
304 property to an organization that is exempt from taxation under  
305 Section 501(c)(3) of the Internal Revenue Code and is the host  
306 organization coordinating a professional golf tournament played or  
307 to be played in this state and the supplies, equipment or other  
308 personal property will be used for purposes related to the golf  
309 tournament and related activities.

310 (pp) Sales of materials used in the construction of a  
311 health care industry facility, as defined in Section 57-117-3, or  
312 any addition or improvement thereon, and sales of any machinery  
313 and equipment not later than three (3) months after the completion  
314 of construction of the facility, or any addition thereon, to be  
315 used therein, to qualified businesses, as defined in Section  
316 57-117-3. This paragraph shall be repealed from and after July 1,  
317 2022.



318 (qq) Sales or leases to a manufacturer of automotive  
319 parts operating a project that has been certified by the  
320 Mississippi Major Economic Impact Authority as a project as  
321 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;  
322 or repair parts therefor or replacements thereof; repair services  
323 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
324 gas used directly in the manufacture of automotive parts or used  
325 to provide climate control for manufacturing areas.

326 (rr) Retail sales of truck-tractors and semitrailers  
327 used in interstate commerce and registered under the International  
328 Registration Plan (IRP) or any similar reciprocity agreement or  
329 compact relating to the proportional registration of commercial  
330 vehicles entered into as provided for in Section 27-19-143.

331 (2) Sales of component materials used in the construction of  
332 a building, or any addition or improvement thereon, sales of  
333 machinery and equipment to be used therein, and sales of  
334 manufacturing or processing machinery and equipment which is  
335 permanently attached to the ground or to a permanent foundation  
336 and which is not by its nature intended to be housed within a  
337 building structure, not later than three (3) months after the  
338 initial start-up date, to permanent business enterprises engaging  
339 in manufacturing or processing in Tier Two areas and Tier One  
340 areas (as such areas are designated in accordance with Section  
341 57-73-21), which businesses are certified by the Department of  
342 Revenue as being eligible for the exemption granted in this



343 subsection, shall be exempt from one-half (1/2) of the taxes  
344 imposed on such transactions under this chapter.

345 (3) Sales of component materials used in the construction of  
346 a facility, or any addition or improvement thereon, and sales or  
347 leases of machinery and equipment not later than three (3) months  
348 after the completion of construction of the facility, or any  
349 addition or improvement thereto, to be used in the building or any  
350 addition or improvement thereto, to a permanent business  
351 enterprise operating a data/information enterprise in Tier Two  
352 areas and Tier One areas (as such areas are designated in  
353 accordance with Section 57-73-21), which businesses meet minimum  
354 criteria established by the Mississippi Development Authority,  
355 shall be exempt from one-half (1/2) of the taxes imposed on such  
356 transaction under this chapter.

357 (4) Sales of component materials used in the construction of  
358 a facility, or any addition or improvement thereto, and sales of  
359 machinery and equipment not later than three (3) months after the  
360 completion of construction of the facility, or any addition or  
361 improvement thereto, to be used in the building or any addition or  
362 improvement thereto, to technology intensive enterprises for  
363 industrial purposes in Tier Two areas and Tier One areas (as such  
364 areas are designated in accordance with Section 57-73-21), which  
365 businesses are certified by the Department of Revenue as being  
366 eligible for the exemption granted in this subsection, shall be  
367 exempt from one-half (1/2) of the taxes imposed on such



368 transactions under this chapter. For purposes of this subsection,  
369 an enterprise must meet the criteria provided for in Section  
370 27-65-17(1)(f) in order to be considered a technology intensive  
371 enterprise.

372 (5) (a) For purposes of this subsection:

373 (i) "Telecommunications enterprises" shall have  
374 the meaning ascribed to such term in Section 57-73-21;

375 (ii) "Tier One areas" mean counties designated as  
376 Tier One areas pursuant to Section 57-73-21;

377 (iii) "Tier Two areas" mean counties designated as  
378 Tier Two areas pursuant to Section 57-73-21;

379 (iv) "Tier Three areas" mean counties designated  
380 as Tier Three areas pursuant to Section 57-73-21; and

381 (v) "Equipment used in the deployment of broadband  
382 technologies" means any equipment capable of being used for or in  
383 connection with the transmission of information at a rate, prior  
384 to taking into account the effects of any signal degradation, that  
385 is not less than three hundred eighty-four (384) kilobits per  
386 second in at least one (1) direction, including, but not limited  
387 to, asynchronous transfer mode switches, digital subscriber line  
388 access multiplexers, routers, servers, multiplexers, fiber optics  
389 and related equipment.

390 (b) Sales of equipment to telecommunications  
391 enterprises after June 30, 2003, and before July 1, 2020, that is  
392 installed in Tier One areas and used in the deployment of





393 broadband technologies shall be exempt from one-half (1/2) of the  
394 taxes imposed on such transactions under this chapter.

395 (c) Sales of equipment to telecommunications  
396 enterprises after June 30, 2003, and before July 1, 2020, that is  
397 installed in Tier Two and Tier Three areas and used in the  
398 deployment of broadband technologies shall be exempt from the  
399 taxes imposed on such transactions under this chapter.

400 (6) Sales of component materials used in the replacement,  
401 reconstruction or repair of a building that has been destroyed or  
402 sustained extensive damage as a result of a disaster declared by  
403 the Governor, sales of machinery and equipment to be used therein  
404 to replace machinery or equipment damaged or destroyed as a result  
405 of such disaster, including, but not limited to, manufacturing or  
406 processing machinery and equipment which is permanently attached  
407 to the ground or to a permanent foundation and which is not by its  
408 nature intended to be housed within a building structure, to  
409 enterprises that were eligible for the partial exemptions provided  
410 for in subsections (2), (3) and (4) of this section during initial  
411 construction of the building that was destroyed or damaged, which  
412 enterprises are certified by the Department of Revenue as being  
413 eligible for the partial exemption granted in this subsection,  
414 shall be exempt from one-half (1/2) of the taxes imposed on such  
415 transactions under this chapter.

416 **SECTION 2.** Section 27-65-17, Mississippi Code of 1972, is  
417 amended as follows:



418           27-65-17. (1) (a) Except as otherwise provided in this  
419 section, upon every person engaging or continuing within this  
420 state in the business of selling any tangible personal property  
421 whatsoever there is hereby levied, assessed and shall be collected  
422 a tax equal to seven percent (7%) of the gross proceeds of the  
423 retail sales of the business.

424           (b) Retail sales of farm tractors and parts and labor  
425 used to maintain and/or repair such tractors shall be taxed at the  
426 rate of one and one-half percent (1-1/2%) when made to farmers for  
427 agricultural purposes.

428           (c) (i) Retail sales of farm implements sold to  
429 farmers and used directly in the production of poultry, ratite,  
430 domesticated fish as defined in Section 69-7-501, livestock,  
431 livestock products, agricultural crops or ornamental plant crops  
432 or used for other agricultural purposes, and parts and labor used  
433 to maintain and/or repair such implements, shall be taxed at the  
434 rate of one and one-half percent (1-1/2%) when used on the farm.

435           (ii) The one and one-half percent (1-1/2%) rate  
436 shall also apply to all equipment used in logging, pulpwood  
437 operations or tree farming, and parts and labor used to maintain  
438 and/or repair such equipment, which is either:

- 439                           1. Self-propelled, or  
440                           2. Mounted so that it is permanently attached  
441 to other equipment which is self-propelled or permanently attached  
442 to other equipment drawn by a vehicle which is self-propelled.



443 In order to be eligible for the rate of tax provided for in  
444 this subparagraph (ii), such sales must be made to a professional  
445 logger. For the purposes of this subparagraph (ii), a  
446 "professional logger" is a person, corporation, limited liability  
447 company or other entity, or an agent thereof, who possesses a  
448 professional logger's permit issued by the \* \* \* Department of  
449 Revenue and who presents the permit to the seller at the time of  
450 purchase. The \* \* \* department shall establish an application  
451 process for a professional logger's permit to be issued, which  
452 shall include a requirement that the applicant submit a copy of  
453 documentation verifying that the applicant is certified according  
454 to Sustainable Forestry Initiative guidelines. Upon a  
455 determination that an applicant is a professional logger,  
456 the \* \* \* department shall issue the applicant a numbered  
457 professional logger's permit.

458 (d) Except as otherwise provided in subsection (3) of  
459 this section, retail sales of aircraft, automobiles, trucks,  
460 truck-tractors, semitrailers and manufactured or mobile homes  
461 shall be taxed at the rate of three percent (3%).

462 (e) Sales of manufacturing machinery or manufacturing  
463 machine parts when made to a manufacturer or custom processor for  
464 plant use only when the machinery and machine parts will be used  
465 exclusively and directly within this state in manufacturing a  
466 commodity for sale, rental or in processing for a fee shall be  
467 taxed at the rate of one and one-half percent (1-1/2%).



468           (f) Sales of machinery and machine parts when made to a  
469 technology intensive enterprise for plant use only when the  
470 machinery and machine parts will be used exclusively and directly  
471 within this state for industrial purposes, including, but not  
472 limited to, manufacturing or research and development activities,  
473 shall be taxed at the rate of one and one-half percent (1-1/2%).  
474 In order to be considered a technology intensive enterprise for  
475 purposes of this paragraph:

476                   (i) The enterprise shall meet minimum criteria  
477 established by the Mississippi Development Authority;

478                   (ii) The enterprise shall employ at least ten (10)  
479 persons in full-time jobs;

480                   (iii) At least ten percent (10%) of the workforce  
481 in the facility operated by the enterprise shall be scientists,  
482 engineers or computer specialists;

483                   (iv) The enterprise shall manufacture plastics,  
484 chemicals, automobiles, aircraft, computers or electronics; or  
485 shall be a research and development facility, a computer design or  
486 related facility, or a software publishing facility or other  
487 technology intensive facility or enterprise as determined by the  
488 Mississippi Development Authority;

489                   (v) The average wage of all workers employed by  
490 the enterprise at the facility shall be at least one hundred fifty  
491 percent (150%) of the state average annual wage; and



492 (vi) The enterprise must provide a basic health  
493 care plan to all employees at the facility.

494 (g) Sales of materials for use in track and track  
495 structures to a railroad whose rates are fixed by the Interstate  
496 Commerce Commission or the Mississippi Public Service Commission  
497 shall be taxed at the rate of three percent (3%).

498 (h) Sales of tangible personal property to electric  
499 power associations for use in the ordinary and necessary operation  
500 of their generating or distribution systems shall be taxed at the  
501 rate of one percent (1%).

502 (i) Wholesale sales of beer shall be taxed at the rate  
503 of seven percent (7%), and the retailer shall file a return and  
504 compute the retail tax on retail sales but may take credit for the  
505 amount of the tax paid to the wholesaler on said return covering  
506 the subsequent sales of same property, provided adequate invoices  
507 and records are maintained to substantiate the credit.

508 (j) Wholesale sales of food and drink for human  
509 consumption to full-service vending machine operators to be sold  
510 through vending machines located apart from and not connected with  
511 other taxable businesses shall be taxed at the rate of eight  
512 percent (8%).

513 (k) Sales of equipment used or designed for the purpose  
514 of assisting disabled persons, such as wheelchair equipment and  
515 lifts, that is mounted or attached to or installed on a private  
516 carrier of passengers or light carrier of property, as defined in



517 Section 27-51-101, at the time when the private carrier of  
518 passengers or light carrier of property is sold shall be taxed at  
519 the same rate as the sale of such vehicles under this section.

520 (1) Sales of the factory-built components of modular  
521 homes, panelized homes and precut homes, and panel constructed  
522 homes consisting of structural insulated panels, shall be taxed at  
523 the rate of three percent (3%).

524 (m) Sales of materials used in the repair, renovation,  
525 addition to, expansion and/or improvement of buildings and related  
526 facilities used by a dairy producer shall be taxed at the rate of  
527 three and one-half percent (3-1/2%). For the purposes of this  
528 paragraph (m), "dairy producer" means any person engaged in the  
529 production of milk for commercial use.

530 (2) From and after January 1, 1995, retail sales of private  
531 carriers of passengers and light carriers of property, as defined  
532 in Section 27-51-101, shall be taxed an additional two percent  
533 (2%).

534 \* \* \*

535 ( \* \* \*3) A manufacturer selling at retail in this state  
536 shall be required to make returns of the gross proceeds of such  
537 sales and pay the tax imposed in this section.

538 **SECTION 3.** Nothing in this act shall affect or defeat any  
539 claim, assessment, appeal, suit, right or cause of action for  
540 taxes due or accrued under the sales tax laws before the date on  
541 which this act becomes effective, whether such claims,



542 assessments, appeals, suits or actions have been begun before the  
543 date on which this act becomes effective or are begun thereafter;  
544 and the provisions of the sales tax laws are expressly continued  
545 in full force, effect and operation for the purpose of the  
546 assessment, collection and enrollment of liens for any taxes due  
547 or accrued and the execution of any warrant under such laws before  
548 the date on which this act becomes effective, and for the  
549 imposition of any penalties, forfeitures or claims for failure to  
550 comply with such laws.

551         **SECTION 4.** This act shall take effect and be in force from  
552 and after July 1, 2014.

