

By: Representative Bell (21st)

To: Ways and Means

HOUSE BILL NO. 364
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-65-105, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY FROM WHOM PAYMENTS FOR HOME MEDICAL EQUIPMENT AND HOME
3 MEDICAL SUPPLIES PURCHASED UNDER THE MEDICAID OR MEDICARE PROGRAM
4 MAY BE MADE IN ORDER FOR THE SALE TO BE EXEMPT FROM SALES
5 TAXATION; TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL
6 PROPERTY, LABOR, SERVICES OR PRODUCTS TO SCHOOLS AND SCHOOL
7 DISTRICTS UNDER A PROGRAM THAT IS ADMINISTERED BY OR COORDINATED
8 WITH AN AGENCY, COMMISSION, DEPARTMENT OR OTHER INSTRUMENTALITY OF
9 THE UNITED STATES GOVERNMENT WHEN PAYMENT FOR THE TANGIBLE
10 PERSONAL PROPERTY, LABOR, SERVICES OR PRODUCTS IS MADE BY OR
11 THROUGH A NONPROFIT ORGANIZATION OR OTHER ENTITY ESTABLISHED BY OR
12 FOR THE BENEFIT OF THE AGENCY, COMMISSION, DEPARTMENT OR OTHER
13 INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT ADMINISTERING OR
14 COORDINATING SUCH PROGRAM; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 27-65-105, Mississippi Code of 1972, is
17 amended as follows:

18 27-65-105. The exemption from the provisions of this chapter
19 which are of a governmental nature or which are more properly
20 classified as governmental exemptions than any other exemption
21 classification of this chapter shall be confined to those persons
22 or property exempted by this section or by provisions of the
23 Constitutions of the United States or the State of Mississippi.
24 No governmental exemption as now provided by any other section



shall be valid as against the tax herein levied. Any subsequent governmental exemption from the tax levied hereunder shall be provided by amendment to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972, except as provided by paragraph (f) of this section.

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

(a) Sales of property, labor, services or products taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26, when sold to and billed directly to and payment therefor is made directly by the United States government, the State of Mississippi and its departments, institutions, counties and municipalities or departments or school districts of said counties and municipalities.

The exemption from the tax imposed under this chapter shall not apply to sales of tangible personal property or specified digital products, labor or services to contractors purchasing in the performance of contracts with the United States, the State of Mississippi, counties and municipalities.

(b) Sales to schools, when such schools are supported wholly or in part by funds provided by the State of Mississippi, provided that this exemption does not apply to sales of property which is not to be used in the ordinary operation of the school, or which is to be resold to the students or the public.



(c) Amounts received from the sale of school textbooks to students.

(d) Sales to the Mississippi Band of Choctaw Indians, but not to Indians individually.

(e) Sales of firefighting equipment to governmental fire departments or volunteer fire departments for their use.

(f) Sales of any gas from any project, as defined in the Municipal Gas Authority of Mississippi Law, to any municipality shall not be subject to sales, use or other tax.

(g) Sales of home medical equipment and home medical supplies listed as eligible for payment under Title XVIII of the Social Security Act or under the state plan for medical assistance under Title XIX of the Social Security Act, prosthetics, orthotics, hearing aids, hearing devices, prescription eyeglasses, oxygen and oxygen equipment, when ordered or prescribed by a licensed physician for medical purposes of a patient, and when payment for such equipment or supplies, or both, is made, in part or in whole, under the provisions of the Medicare or Medicaid program, then the entire sale shall be exempt from the taxes imposed by this chapter. Payment does not have to be made in whole or in part by any particular person to be eligible for this exemption. Purchases of home medical equipment and supplies by a provider of home health services or a provider of hospice services are eligible for this exemption if the purchases otherwise meet the requirements of this paragraph.



(h) Sales to regional educational service agencies established under Section 37-7-345.

(i) Sales of buses and other motor vehicles, and parts and labor used to maintain and/or repair such buses and motor vehicles, to an entity that (a) has entered into a contract with a school board under Section 37-41-31 for the purpose of transporting students to and from schools and (b) uses or will use the buses and other motor vehicles for such transportation purposes. This paragraph (i) shall apply to contracts entered into or renewed on or after July 1, 2010.

(j) Parking at events held solely for religious or charitable purposes at livestock facilities, agriculture facilities or other facilities constructed, renovated or expanded with funds for the grant program authorized under Section 18, Chapter 530, Laws of 1995.

(k) Sales of tangible personal property, labor, services or products to schools and school districts under a program that is administered by or coordinated with an agency, commission, department or other instrumentality of the United States government when payment for the tangible personal property, labor, services or products is made by or through a nonprofit organization or other entity established by or for the benefit of the agency, commission, department or other instrumentality of the United States government administering or coordinating such program.



100 **SECTION 2.** This act shall take effect and be in force from
101 and after July 1, 2016.

