

By: Representative Eubanks

To: Ways and Means

HOUSE BILL NO. 39

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 OR SERVICES TO A CHURCH THAT IS EXEMPT FROM FEDERAL INCOME  
 4 TAXATION UNDER THE UNITED STATES INTERNAL REVENUE CODE FOR USE  
 5 SOLELY IN THE PROPAGATION OF ITS CREED OR CARRYING ON ITS  
 6 CUSTOMARY NONPROFIT RELIGIOUS ACTIVITIES; AND FOR RELATED  
 7 PURPOSES.

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

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

11 27-65-111. The exemptions from the provisions of this  
 12 chapter which are not industrial, agricultural or governmental, or  
 13 which do not relate to utilities or taxes, or which are not  
 14 properly classified as one (1) of the exemption classifications of  
 15 this chapter, shall be confined to persons or property exempted by  
 16 this section or by the Constitution of the United States or the  
 17 State of Mississippi. No exemptions as now provided by any other  
 18 section, except the classified exemption sections of this chapter  
 19 set forth herein, shall be valid as against the tax herein levied.



20 Any subsequent exemption from the tax levied hereunder, except as  
21 indicated above, shall be provided by amendments to this section.

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

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

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

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

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

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

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

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



45 by a religious denomination, fraternal nonprofit organization or  
46 other nonprofit organization.

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



119           (1) Sales of tangible personal property or services to  
120 the Institute for Technology Development.

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

172           (bb) Retail sales of an article of clothing or footwear  
173 designed to be worn on or about the human body if the sales price  
174 of the article is less than One Hundred Dollars (\$100.00) and the  
175 sale takes place during a period beginning at 12:01 a.m. on the  
176 last Friday in July and ending at 12:00 midnight the following  
177 Saturday. This paragraph (bb) shall not apply to:

178                   (i) Accessories including jewelry, handbags,  
179 luggage, umbrellas, wallets, watches, backpacks, briefcases,  
180 garment bags and similar items carried on or about the human body,  
181 without regard to whether worn on the body in a manner  
182 characteristic of clothing;

183                   (ii) The rental of clothing or footwear; and

184                   (iii) Skis, swim fins, roller blades, skates and  
185 similar items worn on the foot.

186           From and after January 1, 2010, the governing authorities of  
187 a municipality, for retail sales occurring within the corporate  
188 limits of the municipality, may suspend the application of the  
189 exemption provided for in this paragraph (bb) by adoption of a  
190 resolution to that effect stating the date upon which the  
191 suspension shall take effect. A certified copy of the resolution





192 shall be furnished to the Department of Revenue at least ninety  
193 (90) days prior to the date upon which the municipality desires  
194 such suspension to take effect.

195 (cc) The gross proceeds of sales of tangible personal  
196 property made for the sole purpose of raising funds for a school  
197 or an organization affiliated with a school.

198 As used in this paragraph (cc), "school" means any public or  
199 private school that teaches courses of instruction to students in  
200 any grade from kindergarten through Grade 12.

201 (dd) Sales of durable medical equipment and home  
202 medical supplies when ordered or prescribed by a licensed  
203 physician for medical purposes of a patient. As used in this  
204 paragraph (dd), "durable medical equipment" and "home medical  
205 supplies" mean equipment, including repair and replacement parts  
206 for the equipment or supplies listed under Title XVIII of the  
207 Social Security Act or under the state plan for medical assistance  
208 under Title XIX of the Social Security Act, prosthetics,  
209 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
210 oxygen and oxygen equipment. Payment does not have to be made, in  
211 whole or in part, by any particular person to be eligible for this  
212 exemption. Purchases of home medical equipment and supplies by a  
213 provider of home health services or a provider of hospice services  
214 are eligible for this exemption if the purchases otherwise meet  
215 the requirements of this paragraph.



216 (ee) Sales of tangible personal property or services to  
217 Mississippi Blood Services.

218 (ff) (i) Subject to the provisions of this paragraph  
219 (ff), retail sales of firearms, ammunition and hunting supplies if  
220 sold during the annual Mississippi Second Amendment Weekend  
221 holiday beginning at 12:01 a.m. on the last Friday in August and  
222 ending at 12:00 midnight the following Sunday. For the purposes  
223 of this paragraph (ff), "hunting supplies" means tangible personal  
224 property used for hunting, including, and limited to, archery  
225 equipment, firearm and archery cases, firearm and archery  
226 accessories, hearing protection, holsters, belts and slings.  
227 Hunting supplies does not include animals used for hunting.

228 (ii) This paragraph (ff) shall apply only if one  
229 or more of the following occur:

230 1. Title to and/or possession of an eligible  
231 item is transferred from a seller to a purchaser; and/or

232 2. A purchaser orders and pays for an  
233 eligible item and the seller accepts the order for immediate  
234 shipment, even if delivery is made after the time period provided  
235 in subparagraph (i) of this paragraph (ff), provided that the  
236 purchaser has not requested or caused the delay in shipment.

237 (gg) Sales of nonperishable food items to charitable  
238 organizations that are exempt from federal income taxation under  
239 Section 501(c)(3) of the Internal Revenue Code and operate a food  
240 bank or food pantry or food lines.



241 (hh) Sales of tangible personal property or services to  
242 the United Way of the Pine Belt Region, Inc.

243 (ii) Sales of tangible personal property or services to  
244 the Mississippi Children's Museum or any subsidiary or affiliate  
245 thereof operating a satellite or branch museum within this state.

246 (jj) Sales of tangible personal property or services to  
247 the Jackson Zoological Park.

248 (kk) Sales of tangible personal property or services to  
249 the Hattiesburg Zoo.

250 (ll) Gross proceeds from sales of food, merchandise or  
251 other concessions at an event held solely for religious or  
252 charitable purposes at livestock facilities, agriculture  
253 facilities or other facilities constructed, renovated or expanded  
254 with funds for the grant program authorized under Section 18,  
255 Chapter 530, Laws of 1995.

256 (mm) Sales of tangible personal property and services  
257 to the Diabetes Foundation of Mississippi and the Mississippi  
258 Chapter of the Juvenile Diabetes Research Foundation.

259 (nn) Sales of potting soil, mulch, or other soil  
260 amendments used in growing ornamental plants which bear no fruit  
261 of commercial value when sold to commercial plant nurseries that  
262 operate exclusively at wholesale and where no retail sales can be  
263 made.



264 (oo) Sales of tangible personal property or services to  
265 the University of Mississippi Medical Center Research Development  
266 Foundation.

267 (pp) Sales of tangible personal property or services to  
268 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
269 Mississippi Beautiful, Inc.

270 (qq) Sales of tangible personal property or services to  
271 the Friends of Children's Hospital.

272 (rr) Sales of tangible personal property or services to  
273 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
274 Mississippi.

275 (ss) Sales of hearing aids when ordered or prescribed  
276 by a licensed physician, audiologist or hearing aid specialist for  
277 the medical purposes of a patient.

278 (tt) Sales exempt under the Facilitating Business Rapid  
279 Response to State Declared Disasters Act of 2015 (Sections  
280 27-113-1 through 27-113-9).

281 (uu) Sales of tangible personal property or services to  
282 a church that is exempt from federal income taxation under 26 USCS  
283 Section 501(c)(3) for use solely in the propagation of its creed  
284 or carrying on its customary nonprofit religious activities.

285 **SECTION 2.** Nothing in this act shall affect or defeat any  
286 claim, assessment, appeal, suit, right or cause of action for  
287 taxes due or accrued under the sales tax laws before the date on  
288 which this act becomes effective, whether such claims,



289 assessments, appeals, suits or actions have been begun before the  
290 date on which this act becomes effective or are begun thereafter;  
291 and the provisions of the sales tax laws are expressly continued  
292 in full force, effect and operation for the purpose of the  
293 assessment, collection and enrollment of liens for any taxes due  
294 or accrued and the execution of any warrant under such laws before  
295 the date on which this act becomes effective, and for the  
296 imposition of any penalties, forfeitures or claims for failure to  
297 comply with such laws.

298         **SECTION 3.** This act shall take effect and be in force from  
299 and after July 1, 2018.

