

By: Representative Powell

To: Ways and Means

HOUSE BILL NO. 63

1 AN ACT TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972,
 2 TO EXEMPT FROM SALES TAXATION SALES OF ELECTRICITY TO A
 3 HOMEOWNERS' ASSOCIATION IF THE ELECTRICITY IS USED BY THE
 4 ASSOCIATION SOLELY IN THE OPERATION OF STREET LIGHTS AND SECURITY
 5 EQUIPMENT FOR THE PURPOSE OF PROVIDING OR ENHANCING SAFETY AND
 6 SECURITY MEASURES WITHIN THE AREA COMPRISING THE BOUNDARIES OF THE
 7 ASSOCIATION; TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
 8 TO EXEMPT FROM SALES TAXATION SALES OF STREET LIGHTS AND SECURITY
 9 EQUIPMENT TO A HOMEOWNERS' ASSOCIATION WHEN USED BY THE
 10 ASSOCIATION SOLELY FOR THE PURPOSE OF PROVIDING OR ENHANCING
 11 SAFETY AND SECURITY MEASURES WITHIN THE AREA COMPRISING THE
 12 BOUNDARIES OF THE ASSOCIATION; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** Section 27-65-19, Mississippi Code of 1972, is
 15 amended as follows:

16 27-65-19. (1) (a) (i) Except as otherwise provided in
 17 this subsection, upon every person selling to consumers,
 18 electricity, current, power, potable water, steam, coal, natural
 19 gas, liquefied petroleum gas or other fuel, there is hereby
 20 levied, assessed and shall be collected a tax equal to seven
 21 percent (7%) of the gross income of the business. Provided, gross
 22 income from sales to consumers of electricity, current, power,
 23 natural gas, liquefied petroleum gas or other fuel for residential



24 heating, lighting or other residential noncommercial or
25 nonagricultural use, and sales of potable water for residential,
26 noncommercial or nonagricultural use shall be excluded from
27 taxable gross income of the business. Provided further, upon
28 every such seller using electricity, current, power, potable
29 water, steam, coal, natural gas, liquefied petroleum gas or other
30 fuel for nonindustrial purposes, there is hereby levied, assessed
31 and shall be collected a tax equal to seven percent (7%) of the
32 cost or value of the product or service used.

33 (ii) Gross income from sales to a church that is
34 exempt from federal income taxation under 26 USCS Section
35 501(c)(3) of electricity, current, power, natural gas, liquefied
36 petroleum gas or other fuel for heating, lighting or other use,
37 and sales of potable water to such a church shall be excluded from
38 taxable gross income of the business if the electricity, current,
39 power, natural gas, liquefied petroleum gas or potable water is
40 utilized on property that is primarily used for religious or
41 educational purposes.

42 (iii) Gross income from sales of electricity to a
43 homeowners' association shall be excluded from taxable gross
44 income of the business if the electricity is used by the
45 homeowners' association solely in the operation of street lights
46 and/or security equipment for the purpose of providing or
47 enhancing safety and security measures within the area comprising
48 the boundaries of the association. For the purposes of this



49 subparagraph (iii), "security equipment" includes, but is not
50 limited to, alarm systems, cameras, video equipment and other
51 types of monitoring, recording or surveillance equipment.

52 (b) (i) There is hereby levied, assessed and shall be
53 collected a tax equal to one and one-half percent (1-1/2%) of the
54 gross income of the business from the sale of naturally occurring
55 carbon dioxide and anthropogenic carbon dioxide lawfully injected
56 into the earth for:

57 1. Use in an enhanced oil recovery project,
58 including, but not limited to, use for cycling, repressuring or
59 lifting of oil; or

60 2. Permanent sequestration in a geological
61 formation.

62 (ii) The one and one-half percent (1-1/2%) rate
63 provided for in this subsection shall apply to electricity,
64 current, power, steam, coal, natural gas, liquefied petroleum gas
65 or other fuel that is sold to a producer of oil and gas for use
66 directly in enhanced oil recovery using carbon dioxide and/or the
67 permanent sequestration of carbon dioxide in a geological
68 formation.

69 (c) The one and one-half percent (1-1/2%) rate provided
70 for in this subsection shall not apply to sales of fuel for
71 automobiles, trucks, truck-tractors, buses, farm tractors or
72 airplanes.



73 (d) (i) Upon every person providing services in this
74 state, there is hereby levied, assessed and shall be collected:

75 1. A tax equal to seven percent (7%) of the
76 gross income received from all charges for intrastate
77 telecommunications services.

78 2. A tax equal to seven percent (7%) of the
79 gross income received from all charges for interstate
80 telecommunications services.

81 3. A tax equal to seven percent (7%) of the
82 gross income received from all charges for international
83 telecommunications services.

84 4. A tax equal to seven percent (7%) of the
85 gross income received from all charges for ancillary services.

86 5. A tax equal to seven percent (7%) of the
87 gross income received from all charges for products delivered
88 electronically, including, but not limited to, software, music,
89 games, reading materials or ring tones.

90 (ii) A person, upon proof that he has paid a tax
91 in another state on an event described in subparagraph (i) of this
92 paragraph (d), shall be allowed a credit against the tax imposed
93 in this paragraph (d) on interstate telecommunications service
94 charges to the extent that the amount of such tax is properly due
95 and actually paid in such other state and to the extent that the
96 rate of sales tax imposed by and paid in such other state does not
97 exceed the rate of sales tax imposed by this paragraph (d).



98 (iii) Charges by one (1) telecommunications
99 provider to another telecommunications provider holding a permit
100 issued under Section 27-65-27 for services that are resold by such
101 other telecommunications provider, including, but not limited to,
102 access charges, shall not be subject to the tax levied pursuant to
103 this paragraph (d).

104 (iv) For purposes of this paragraph (d):

105 1. "Telecommunications service" means the
106 electronic transmission, conveyance or routing of voice, data,
107 audio, video or any other information or signals to a point, or
108 between points. The term "telecommunications service" includes
109 such transmission, conveyance or routing in which computer
110 processing applications are used to act on the form, code or
111 protocol of the content for purposes of transmission, conveyance
112 or routing without regard to whether such service is referred to
113 as voice over Internet protocol services or is classified by the
114 Federal Communications Commission as enhanced or value added. The
115 term "telecommunications service" shall not include:

116 a. Data processing and information
117 services that allow data to be generated, acquired, stored,
118 processed or retrieved and delivered by an electronic transmission
119 to a purchaser where such purchaser's primary purpose for the
120 underlying transaction is the processed data or information;

121 b. Installation or maintenance of wiring
122 or equipment on a customer's premises;



- 123 c. Tangible personal property;
- 124 d. Advertising, including, but not
125 limited to, directory advertising;
- 126 e. Billing and collection services
127 provided to third parties;
- 128 f. Internet access service;
- 129 g. Radio and television audio and video
130 programming services regardless of the medium, including the
131 furnishing of transmission, conveyance and routing of such
132 services by the programming service provider. Radio and
133 television audio and video programming services shall include, but
134 not be limited to, cable service as defined in 47 USCS 522(6) and
135 audio and video programming services delivered by commercial
136 mobile radio service providers, as defined in 47 CFR 20.3;
- 137 h. Ancillary services; or
- 138 i. Digital products delivered
139 electronically, including, but not limited to, software, music,
140 video, reading materials or ring tones.

141 2. "Ancillary services" means services that
142 are associated with or incidental to the provision of
143 telecommunications services, including, but not limited to,
144 detailed telecommunications billing, directory assistance,
145 vertical service and voice mail service.

146 a. "Conference bridging" means an
147 ancillary service that links two (2) or more participants of an



148 audio or video conference call and may include the provision of a
149 telephone number. Conference bridging does not include the
150 telecommunications services used to reach the conference bridge.

151 b. "Detailed telecommunications billing
152 service" means an ancillary service of separately stating
153 information pertaining to individual calls on a customer's billing
154 statement.

155 c. "Directory assistance" means an
156 ancillary service of providing telephone number information and/or
157 address information.

158 d. "Vertical service" means an ancillary
159 service that is offered in connection with one or more
160 telecommunications services, which offers advanced calling
161 features that allow customers to identify callers and to manage
162 multiple calls and call connections, including conference bridging
163 services.

164 e. "Voice mail service" means an
165 ancillary service that enables the customer to store, send or
166 receive recorded messages. Voice mail service does not include
167 any vertical services that the customer may be required to have in
168 order to utilize the voice mail service.

169 3. "Intrastate" means telecommunications
170 service that originates in one (1) United States state or United
171 States territory or possession, and terminates in the same United
172 States state or United States territory or possession.



173 4. "Interstate" means a telecommunications
174 service that originates in one (1) United States state or United
175 States territory or possession, and terminates in a different
176 United States state or United States territory or possession.

177 5. "International" means a telecommunications
178 service that originates or terminates in the United States and
179 terminates or originates outside the United States, respectively.

180 (v) For purposes of paragraph (d), the following
181 sourcing rules shall apply:

182 1. Except for the defined telecommunications
183 services in item 3 of this subparagraph, the sales of
184 telecommunications services sold on a call-by-call basis shall be
185 sourced to:

186 a. Each level of taxing jurisdiction
187 where the call originates and terminates in that jurisdiction, or

188 b. Each level of taxing jurisdiction
189 where the call either originates or terminates and in which the
190 service address is also located.

191 2. Except for the defined telecommunications
192 services in item 3 of this subparagraph, a sale of
193 telecommunications services sold on a basis other than a
194 call-by-call basis, is sourced to the customer's place of primary
195 use.



196 3. The sale of the following
197 telecommunications services shall be sourced to each level of
198 taxing jurisdiction as follows:

199 a. A sale of mobile telecommunications
200 services other than air-to-ground radiotelephone service and
201 prepaid calling service is sourced to the customer's place of
202 primary use as required by the Mobile Telecommunication Sourcing
203 Act.

204 A. A home service provider shall be
205 responsible for obtaining and maintaining the customer's place of
206 primary use. The home service provider shall be entitled to rely
207 on the applicable residential or business street address supplied
208 by such customer, if the home service provider's reliance is in
209 good faith; and the home service provider shall be held harmless
210 from liability for any additional taxes based on a different
211 determination of the place of primary use for taxes that are
212 customarily passed on to the customer as a separate itemized
213 charge. A home service provider shall be allowed to treat the
214 address used for purposes of the tax levied by this chapter for
215 any customer under a service contract in effect on August 1, 2002,
216 as that customer's place of primary use for the remaining term of
217 such service contract or agreement, excluding any extension or
218 renewal of such service contract or agreement. Month-to-month
219 services provided after the expiration of a contract shall be
220 treated as an extension or renewal of such contract or agreement.



221 B. If the commissioner determines
222 that the address used by a home service provider as a customer's
223 place of primary use does not meet the definition of the term
224 "place of primary use" as defined in subitem a.A. of this item 3,
225 the commissioner shall give binding notice to the home service
226 provider to change the place of primary use on a prospective basis
227 from the date of notice of determination; however, the customer
228 shall have the opportunity, prior to such notice of determination,
229 to demonstrate that such address satisfies the definition.

230 C. The department has the right to
231 collect any taxes due directly from the home service provider's
232 customer that has failed to provide an address that meets the
233 definition of the term "place of primary use" which resulted in a
234 failure of tax otherwise due being remitted.

235 b. A sale of postpaid calling service is
236 sourced to the origination point of the telecommunications signal
237 as first identified by either:

238 A. The seller's telecommunications
239 system; or

240 B. Information received by the
241 seller from its service provider, where the system used to
242 transport such signals is not that of the seller.

243 c. A sale of a prepaid calling service
244 or prepaid wireless calling service shall be subject to the tax
245 imposed by this paragraph if the sale takes place in this state.



246 If the customer physically purchases a prepaid calling service or
247 prepaid wireless calling service at the vendor's place of
248 business, the sale is deemed to take place at the vendor's place
249 of business. If the customer does not physically purchase the
250 service at the vendor's place of business, the sale of a prepaid
251 calling card or prepaid wireless calling card is deemed to take
252 place at the first of the following locations that applies to the
253 sale:

254 A. The customer's shipping address,
255 if the sale involves a shipment;

256 B. The customer's billing address;

257 C. Any other address of the
258 customer that is known by the vendor; or

259 D. The address of the vendor, or
260 alternatively, in the case of a prepaid wireless calling service,
261 the location associated with the mobile telephone number.

262 4. A sale of a private communication service
263 is sourced as follows:

264 a. Service for a separate charge related
265 to a customer channel termination point is sourced to each level
266 of jurisdiction in which such customer channel termination point
267 is located.

268 b. Service where all customer
269 termination points are located entirely within one (1)
270 jurisdiction or levels of jurisdiction is sourced in such



271 jurisdiction in which the customer channel termination points are
272 located.

273 c. Service for segments of a channel
274 between two (2) customer channel termination points located in
275 different jurisdictions and which segments of a channel are
276 separately charged is sourced fifty percent (50%) in each level of
277 jurisdiction in which the customer channel termination points are
278 located.

279 d. Service for segments of a channel
280 located in more than one (1) jurisdiction or levels of
281 jurisdiction and which segments are not separately billed is
282 sourced in each jurisdiction based on the percentage determined by
283 dividing the number of customer channel termination points in such
284 jurisdiction by the total number of customer channel termination
285 points.

286 5. A sale of ancillary services is sourced to
287 the customer's place of primary use.

288 (vi) For purposes of subparagraph (v) of this
289 paragraph (d):

290 1. "Air-to-ground radiotelephone service"
291 means a radio service, as that term is defined in 47 CFR 22.99, in
292 which common carriers are authorized to offer and provide radio
293 telecommunications service for hire to subscribers in aircraft.



294 2. "Call-by-call basis" means any method of
295 charging for telecommunications services where the price is
296 measured by individual calls.

297 3. "Communications channel" means a physical
298 or virtual path of communications over which signals are
299 transmitted between or among customer channel termination points.

300 4. "Customer" means the person or entity that
301 contracts with the seller of telecommunications services. If the
302 end user of telecommunications services is not the contracting
303 party, the end user of the telecommunications service is the
304 customer of the telecommunications service. Customer does not
305 include a reseller of telecommunications service or for mobile
306 telecommunications service of a serving carrier under an agreement
307 to serve the customer outside the home service provider's licensed
308 service area.

309 5. "Customer channel termination point" means
310 the location where the customer either inputs or receives the
311 communications.

312 6. "End user" means the person who utilizes
313 the telecommunications service. In the case of an entity, "end
314 user" means the individual who utilizes the service on behalf of
315 the entity.

316 7. "Home service provider" has the meaning
317 ascribed to such term in Section 124(5) of Public Law 106-252
318 (Mobile Telecommunications Sourcing Act).



319 8. "Mobile telecommunications service" has
320 the meaning ascribed to such term in Section 124(7) of Public Law
321 106-252 (Mobile Telecommunications Sourcing Act).

322 9. "Place of primary use" means the street
323 address representative of where the customer's use of the
324 telecommunications service primarily occurs, which must be the
325 residential street address or the primary business street address
326 of the customer. In the case of mobile telecommunications
327 services, the place of primary use must be within the licensed
328 service area of the home service provider.

329 10. "Post-paid calling service" means the
330 telecommunications service obtained by making a payment on a
331 call-by-call basis either through the use of a credit card or
332 payment mechanism such as a bank card, travel card, credit card or
333 debit card, or by charge made to a telephone number which is not
334 associated with the origination or termination of the
335 telecommunications service. A post-paid calling service includes
336 a telecommunications service, except a prepaid wireless calling
337 service that would be a prepaid calling service except it is not
338 exclusively a telecommunications service.

339 11. "Prepaid calling service" means the right
340 to access exclusively telecommunications services, which must be
341 paid for in advance and which enables the origination of calls
342 using an access number or authorization code, whether manually or



343 electronically dialed, and that is sold in predetermined units or
344 dollars of which the number declines with use in a known amount.

345 12. "Prepaid wireless calling service" means
346 a telecommunications service that provides the right to utilize
347 mobile wireless service as well as other nontelecommunications
348 services, including the download of digital products delivered
349 electronically, content and ancillary service, which must be paid
350 for in advance that is sold in predetermined units or dollars of
351 which the number declines with use in a known amount.

352 13. "Private communication service" means a
353 telecommunications service that entitles the customer to exclusive
354 or priority use of a communications channel or group of channels
355 between or among termination points, regardless of the manner in
356 which such channel or channels are connected, and includes
357 switching capacity, extension lines, stations and any other
358 associated services that are provided in connection with the use
359 of such channel or channels.

360 14. "Service address" means:

361 a. The location of the
362 telecommunications equipment to which a customer's call is charged
363 and from which the call originates or terminates, regardless of
364 where the call is billed or paid.

365 b. If the location in subitem a of this
366 item 14 is not known, the origination point of the signal of the
367 telecommunications services first identified by either the



368 seller's telecommunications system or in information received by
369 the seller from its service provider, where the system used to
370 transport such signals is not that of the seller.

371 c. If the location in subitems a and b
372 of this item 14 are not known, the location of the customer's
373 place of primary use.

374 (vii) 1. For purposes of this subparagraph (vii),
375 "bundled transaction" means a transaction that consists of
376 distinct and identifiable properties or services which are sold
377 for a single nonitemized price but which are treated differently
378 for tax purposes.

379 2. In the case of a bundled transaction that
380 includes telecommunications services, ancillary services, Internet
381 access, or audio or video programming services taxed under this
382 chapter in which the price of the bundled transaction is
383 attributable to properties or services that are taxable and
384 nontaxable, the portion of the price that is attributable to any
385 nontaxable property or service shall be subject to the tax unless
386 the provider can reasonably identify that portion from its books
387 and records kept in the regular course of business.

388 3. In the case of a bundled transaction that
389 includes telecommunications services, ancillary services, Internet
390 access, audio or video programming services subject to tax under
391 this chapter in which the price is attributable to properties or
392 services that are subject to the tax but the tax revenue from the



393 different properties or services are dedicated to different funds
394 or purposes, the provider shall allocate the price among the
395 properties or services:

396 a. By reasonably identifying the portion
397 of the price attributable to each of the properties and services
398 from its books and records kept in the regular course of business;
399 or

400 b. Based on a reasonable allocation
401 methodology approved by the department.

402 4. This subparagraph (vii) shall not create a
403 right of action for a customer to require that the provider or the
404 department, for purposes of determining the amount of tax
405 applicable to a bundled transaction, allocate the price to the
406 different portions of the transaction in order to minimize the
407 amount of tax charged to the customer. A customer shall not be
408 entitled to rely on the fact that a portion of the price is
409 attributable to properties or services not subject to tax unless
410 the provider elects, after receiving a written request from the
411 customer in the form required by the provider, to provide
412 verifiable data based upon the provider's books and records that
413 are kept in the regular course of business that reasonably
414 identifies the portion of the price attributable to the properties
415 or services not subject to the tax.

416 (2) Persons making sales to consumers of electricity,
417 current, power, natural gas, liquefied petroleum gas or other fuel



418 for residential heating, lighting or other residential
419 noncommercial or nonagricultural use or sales of potable water for
420 residential, noncommercial or nonagricultural use shall indicate
421 on each statement rendered to customers that such charges are
422 exempt from sales taxes.

423 (3) There is hereby levied, assessed and shall be paid on
424 transportation charges on shipments moving between points within
425 this state when paid directly by the consumer, a tax equal to the
426 rate applicable to the sale of the property being transported.
427 Such tax shall be reported and paid directly to the Department of
428 Revenue by the consumer.

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

431 27-65-111. The exemptions from the provisions of this
432 chapter which are not industrial, agricultural or governmental, or
433 which do not relate to utilities or taxes, or which are not
434 properly classified as one (1) of the exemption classifications of
435 this chapter, shall be confined to persons or property exempted by
436 this section or by the Constitution of the United States or the
437 State of Mississippi. No exemptions as now provided by any other
438 section, except the classified exemption sections of this chapter
439 set forth herein, shall be valid as against the tax herein levied.
440 Any subsequent exemption from the tax levied hereunder, except as
441 indicated above, shall be provided by amendments to this section.



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

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

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

451 Only sales of tangible personal property or services which
452 are ordinary and necessary to the operation of such hospitals and
453 infirmaries are exempted from tax.

454 (b) Sales of daily or weekly newspapers, and
455 periodicals or publications of scientific, literary or educational
456 organizations exempt from federal income taxation under Section
457 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
458 March 31, 1975, and subscription sales of all magazines.

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

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

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



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

473 (g) Sales to elementary and secondary grade schools,
474 junior and senior colleges owned and operated by a corporation or
475 association in which no part of the net earnings inures to the
476 benefit of any private shareholder, group or individual, and which
477 are exempt from state income taxation, provided that this
478 exemption does not apply to sales of property or services which
479 are not to be used in the ordinary operation of the school, or
480 which are to be resold to the students or the public.

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

483 (i) Prescribed for the treatment of a human being
484 by a person authorized to prescribe the medicines, and dispensed
485 or prescription filled by a registered pharmacist in accordance
486 with law; or

487 (ii) Furnished by a licensed physician, surgeon,
488 dentist or podiatrist to his own patient for treatment of the
489 patient; or



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

493 (iv) Sold to a licensed physician, surgeon,
494 podiatrist, dentist or hospital for the treatment of a human
495 being; or

496 (v) Sold to this state or any political
497 subdivision or municipal corporation thereof, for use in the
498 treatment of a human being or furnished for the treatment of a
499 human being by a medical facility or clinic maintained by this
500 state or any political subdivision or municipal corporation
501 thereof.

502 "Medicines," as used in this paragraph (h), shall mean and
503 include any substance or preparation intended for use by external
504 or internal application to the human body in the diagnosis, cure,
505 mitigation, treatment or prevention of disease and which is
506 commonly recognized as a substance or preparation intended for
507 such use; provided that "medicines" do not include any auditory,
508 prosthetic, ophthalmic or ocular device or appliance, any dentures
509 or parts thereof or any artificial limbs or their replacement
510 parts, articles which are in the nature of splints, bandages,
511 pads, compresses, supports, dressings, instruments, apparatus,
512 contrivances, appliances, devices or other mechanical, electronic,
513 optical or physical equipment or article or the component parts



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

516 Notwithstanding the preceding sentence of this paragraph (h),
517 "medicines" as used in this paragraph (h), shall mean and include
518 sutures, whether or not permanently implanted, bone screws, bone
519 pins, pacemakers and other articles permanently implanted in the
520 human body to assist the functioning of any natural organ, artery,
521 vein or limb and which remain or dissolve in the body.

522 "Hospital," as used in this paragraph (h), shall have the
523 meaning ascribed to it in Section 41-9-3, Mississippi Code of
524 1972.

525 Insulin furnished by a registered pharmacist to a person for
526 treatment of diabetes as directed by a physician shall be deemed
527 to be dispensed on prescription within the meaning of this
528 paragraph (h).

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

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

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



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

541 (m) The gross proceeds of retail sales of food and
542 drink for human consumption made through vending machines serviced
543 by full-line vendors from and not connected with other taxable
544 businesses.

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

546 (o) Retail sales of food for human consumption
547 purchased with food stamps issued by the United States Department
548 of Agriculture, or other federal agency, from and after October 1,
549 1987, or from and after the expiration of any waiver granted
550 pursuant to federal law, the effect of which waiver is to permit
551 the collection by the state of tax on such retail sales of food
552 for human consumption purchased with food stamps.

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

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

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

560 (s) Sales of tangible personal property or services to
561 National Association of Junior Auxiliaries, Inc., and chapters of
562 the National Association of Junior Auxiliaries, Inc.



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

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

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

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

576 (x) The gross collections from the operation of
577 self-service, coin-operated car washing equipment and sales of the
578 service of washing motor vehicles with portable high-pressure
579 washing equipment on the premises of the customer.

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

582 (z) Sales of tangible personal property to nonprofit
583 organizations that provide foster care, adoption services and
584 temporary housing for unwed mothers and their children if the
585 organization is exempt from federal income taxation under Section
586 501(c) (3) of the Internal Revenue Code.



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

592 (bb) (i) Retail sales of an article of clothing or
593 footwear designed to be worn on or about the human body and retail
594 sales of school supplies if the sales price of the article of
595 clothing or footwear or school supply is less than One Hundred
596 Dollars (\$100.00) and the sale takes place during a period
597 beginning at 12:01 a.m. on the last Friday in July and ending at
598 12:00 midnight the following Saturday. This paragraph (bb) shall
599 not apply to:

600 1. Accessories including jewelry, handbags,
601 luggage, umbrellas, wallets, watches, briefcases, garment bags and
602 similar items carried on or about the human body, without regard
603 to whether worn on the body in a manner characteristic of
604 clothing;

605 2. The rental of clothing or footwear; and

606 3. Skis, swim fins, roller blades, skates and
607 similar items worn on the foot.

608 (ii) For purposes of this paragraph (bb), "school
609 supplies" means items that are commonly used by a student in a
610 course of study. The following is an all-inclusive list:

611 1. Backpacks;



- 612 2. Binder pockets;
- 613 3. Binders;
- 614 4. Blackboard chalk;
- 615 5. Book bags;
- 616 6. Calculators;
- 617 7. Cellophane tape;
- 618 8. Clays and glazes;
- 619 9. Compasses;
- 620 10. Composition books;
- 621 11. Crayons;
- 622 12. Dictionaries and thesauruses;
- 623 13. Dividers;
- 624 14. Erasers;
- 625 15. Folders: expandable, pocket, plastic and
- 626 manila;
- 627 16. Glue, paste and paste sticks;
- 628 17. Highlighters;
- 629 18. Index card boxes;
- 630 19. Index cards;
- 631 20. Legal pads;
- 632 21. Lunch boxes;
- 633 22. Markers;
- 634 23. Notebooks;
- 635 24. Paintbrushes for artwork;
- 636 25. Paints: acrylic, tempera and oil;



637 26. Paper: loose-leaf ruled notebook paper,
638 copy paper, graph paper, tracing paper, manila paper, colored
639 paper, poster board and construction paper;

640 27. Pencil boxes and other school supply
641 boxes;

642 28. Pencil sharpeners;

643 29. Pencils;

644 30. Pens;

645 31. Protractors;

646 32. Reference books;

647 33. Reference maps and globes;

648 34. Rulers;

649 35. Scissors;

650 36. Sheet music;

651 37. Sketch and drawing pads;

652 38. Textbooks;

653 39. Watercolors;

654 40. Workbooks; and

655 41. Writing tablets.

656 (iii) From and after January 1, 2010, the
657 governing authorities of a municipality, for retail sales
658 occurring within the corporate limits of the municipality, may
659 suspend the application of the exemption provided for in this
660 paragraph (bb) by adoption of a resolution to that effect stating
661 the date upon which the suspension shall take effect. A certified



662 copy of the resolution shall be furnished to the Department of
663 Revenue at least ninety (90) days prior to the date upon which the
664 municipality desires such suspension to take effect.

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

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

671 (dd) Sales of durable medical equipment and home
672 medical supplies when ordered or prescribed by a licensed
673 physician for medical purposes of a patient. As used in this
674 paragraph (dd), "durable medical equipment" and "home medical
675 supplies" mean equipment, including repair and replacement parts
676 for the equipment or supplies listed under Title XVIII of the
677 Social Security Act or under the state plan for medical assistance
678 under Title XIX of the Social Security Act, prosthetics,
679 orthotics, hearing aids, hearing devices, prescription eyeglasses,
680 oxygen and oxygen equipment. Payment does not have to be made, in
681 whole or in part, by any particular person to be eligible for this
682 exemption. Purchases of home medical equipment and supplies by a
683 provider of home health services or a provider of hospice services
684 are eligible for this exemption if the purchases otherwise meet
685 the requirements of this paragraph.



686 (ee) Sales of tangible personal property or services to
687 Mississippi Blood Services.

688 (ff) (i) Subject to the provisions of this paragraph
689 (ff), retail sales of firearms, ammunition and hunting supplies if
690 sold during the annual Mississippi Second Amendment Weekend
691 holiday beginning at 12:01 a.m. on the last Friday in August and
692 ending at 12:00 midnight the following Sunday. For the purposes
693 of this paragraph (ff), "hunting supplies" means tangible personal
694 property used for hunting, including, and limited to, archery
695 equipment, firearm and archery cases, firearm and archery
696 accessories, hearing protection, holsters, belts and slings.
697 Hunting supplies does not include animals used for hunting.

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

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

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

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



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

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

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

718 (kk) Sales of tangible personal property or services to
719 the Hattiesburg Zoo.

720 (ll) Gross proceeds from sales of food, merchandise or
721 other concessions at an event held solely for religious or
722 charitable purposes at livestock facilities, agriculture
723 facilities or other facilities constructed, renovated or expanded
724 with funds for the grant program authorized under Section 18,
725 Chapter 530, Laws of 1995.

726 (mm) Sales of tangible personal property and services
727 to the Diabetes Foundation of Mississippi and the Mississippi
728 Chapter of the Juvenile Diabetes Research Foundation.

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



734 (oo) Sales of tangible personal property or services to
735 the University of Mississippi Medical Center Research Development
736 Foundation.

737 (pp) Sales of tangible personal property or services to
738 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
739 Mississippi Beautiful, Inc.

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

742 (rr) Sales of tangible personal property or services to
743 the Pinecrest Weekend Backpacks for Kids located in Corinth,
744 Mississippi.

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

748 (tt) Sales exempt under the Facilitating Business Rapid
749 Response to State Declared Disasters Act of 2015 (Sections
750 27-113-1 through 27-113-9).

751 (uu) Sales of tangible personal property or services to
752 the Junior League of Jackson.

753 (vv) Sales of tangible personal property or services to
754 the Mississippi's Toughest Kids Foundation for use in the
755 construction, furnishing and equipping of buildings and related
756 facilities and infrastructure at Camp Kamassa in Copiah County,
757 Mississippi. This paragraph (vv) shall stand repealed on July 1,
758 2022.



759 (ww) Sales of tangible personal property or services to
760 MS Gulf Coast Buddy Sports, Inc.

761 (xx) Sales of tangible personal property or services to
762 Biloxi Lions, Inc.

763 (yy) Sales of tangible personal property or services to
764 Lions Sight Foundation of Mississippi, Inc.

765 (zz) Sales of tangible personal property and services
766 to the Goldring/Woldenberg Institute of Southern Jewish Life
767 (ISJL).

768 (aaa) Sales of street lights and security equipment to
769 a homeowners' association when used by the homeowners' association
770 solely for the purpose of providing or enhancing safety and
771 security measures within the area comprising the boundaries of the
772 association. For the purposes of this paragraph (aaa), "security
773 equipment" includes, but is not limited to, alarm systems,
774 cameras, video equipment and other types of monitoring, recording
775 or surveillance equipment.

776 **SECTION 3.** This act shall take effect and be in force from
777 and after July 1, 2020.

