

By: Representatives Bomgar, Hopkins

To: Ways and Means

HOUSE BILL NO. 978

1 AN ACT TO CREATE THE MISSISSIPPI SOUND MONEY TAX REMOVAL ACT;
2 TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT
3 FROM SALES TAXATION SALES OF PRECIOUS METALS BULLION; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** This act shall be known and may be cited as the
7 "Mississippi Sound Money Tax Removal Act".

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

10 27-65-111. The exemptions from the provisions of this
11 chapter which are not industrial, agricultural or governmental, or
12 which do not relate to utilities or taxes, or which are not
13 properly classified as one (1) of the exemption classifications of
14 this chapter, shall be confined to persons or property exempted by
15 this section or by the Constitution of the United States or the
16 State of Mississippi. No exemptions as now provided by any other
17 section, except the classified exemption sections of this chapter
18 set forth herein, shall be valid as against the tax herein levied.



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

2. The rental of clothing or footwear; and

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

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

1. Backpacks;



- 191 2. Binder pockets;
192 3. Binders;
193 4. Blackboard chalk;
194 5. Book bags;
195 6. Calculators;
196 7. Cellophane tape;
197 8. Clays and glazes;
198 9. Compasses;
199 10. Composition books;
200 11. Crayons;
201 12. Dictionaries and thesauruses;
202 13. Dividers;
203 14. Erasers;
204 15. Folders: expandable, pocket, plastic and
205 manila;
206 16. Glue, paste and paste sticks;
207 17. Highlighters;
208 18. Index card boxes;
209 19. Index cards;
210 20. Legal pads;
211 21. Lunch boxes;
212 22. Markers;
213 23. Notebooks;
214 24. Paintbrushes for artwork;
215 25. Paints: acrylic, tempera and oil;



216 26. Paper: loose-leaf ruled notebook paper,
217 copy paper, graph paper, tracing paper, manila paper, colored
218 paper, poster board and construction paper;

219 27. Pencil boxes and other school supply
220 boxes;

221 28. Pencil sharpeners;

222 29. Pencils;

223 30. Pens;

224 31. Protractors;

225 32. Reference books;

226 33. Reference maps and globes;

227 34. Rulers;

228 35. Scissors;

229 36. Sheet music;

230 37. Sketch and drawing pads;

231 38. Textbooks;

232 39. Watercolors;

233 40. Workbooks; and

234 41. Writing tablets.

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



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

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

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

(dd) Sales of durable medical equipment and home medical supplies when ordered or prescribed by a licensed physician for medical purposes of a patient. As used in this paragraph (dd), "durable medical equipment" and "home medical supplies" mean equipment, including repair and replacement parts for the equipment or supplies listed 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. 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.



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

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

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

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

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

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



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

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

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

297 (kk) Sales of tangible personal property or services to
298 the Hattiesburg Zoo.

299 (ll) Gross proceeds from sales of food, merchandise or
300 other concessions at an event held solely for religious or
301 charitable purposes at livestock facilities, agriculture
302 facilities or other facilities constructed, renovated or expanded
303 with funds for the grant program authorized under Section 18,
304 Chapter 530, Laws of 1995.

305 (mm) Sales of tangible personal property and services
306 to the Diabetes Foundation of Mississippi and the Mississippi
307 Chapter of the Juvenile Diabetes Research Foundation.

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



313 (oo) Sales of tangible personal property or services to
314 the University of Mississippi Medical Center Research Development
315 Foundation.

316 (pp) Sales of tangible personal property or services to
317 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
318 Mississippi Beautiful, Inc.

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

321 (rr) Sales of tangible personal property or services to
322 the Pinecrest Weekend Backpacks for Kids located in Corinth,
323 Mississippi.

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

327 (tt) Sales exempt under the Facilitating Business Rapid
328 Response to State Declared Disasters Act of 2015 (Sections
329 27-113-1 through 27-113-9).

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

332 (vv) Sales of tangible personal property or services to
333 the Mississippi's Toughest Kids Foundation for use in the
334 construction, furnishing and equipping of buildings and related
335 facilities and infrastructure at Camp Kamassa in Copiah County,
336 Mississippi. This paragraph (vv) shall stand repealed on July 1,
337 2022.



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

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

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

344 (zz) Sales of tangible personal property and services
345 to the Goldring/Woldenberg Institute of Southern Jewish Life
346 (ISJL).

347 (aaa) Sales of "precious metals bullion". For the
348 purposes of this paragraph (aaa), "precious metals bullion" means
349 coins, bars, or rounds minted primarily of refined gold, silver,
350 or other precious metal and (i) marked and valued by their weight,
351 purity, and content or (ii) minted by a government authority.

352 **SECTION 3.** Nothing in this act shall affect or defeat any
353 claim, assessment, appeal, suit, right or cause of action for
354 taxes due or accrued under the sales tax laws before the date on
355 which this act becomes effective, whether such claims,
356 assessments, appeals, suits or actions have been begun before the
357 date on which this act becomes effective or are begun thereafter;
358 and the provisions of the sales tax laws are expressly continued
359 in full force, effect and operation for the purpose of the
360 assessment, collection and enrollment of liens for any taxes due
361 or accrued and the execution of any warrant under such laws before
362 the date on which this act becomes effective, and for the



363 imposition of any penalties, forfeitures or claims for failure to
364 comply with such laws.

365 **SECTION 4.** This act shall take effect and be in force from
366 and after July 1, 2021.

