

By: Representatives Hopkins, Criswell

To: Ways and Means

HOUSE BILL NO. 518

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION SALES OF COINS, CURRENCY AND
3 BULLION; AND FOR RELATED PURPOSES.

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

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

7 27-65-111. The exemptions from the provisions of this
8 chapter which are not industrial, agricultural or governmental, or
9 which do not relate to utilities or taxes, or which are not
10 properly classified as one (1) of the exemption classifications of
11 this chapter, shall be confined to persons or property exempted by
12 this section or by the Constitution of the United States or the
13 State of Mississippi. No exemptions as now provided by any other
14 section, except the classified exemption sections of this chapter
15 set forth herein, shall be valid as against the tax herein levied.
16 Any subsequent exemption from the tax levied hereunder, except as
17 indicated above, shall be provided by amendments to this section.



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

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

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

27 Only sales of tangible personal property or services which
28 are ordinary and necessary to the operation of such hospitals and
29 infirmaries are exempted from tax.

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

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

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

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



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

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

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

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

63 (ii) Furnished by a licensed physician, surgeon,
64 dentist or podiatrist to his own patient for treatment of the
65 patient; or



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

69 (iv) Sold to a licensed physician, surgeon,
70 podiatrist, dentist or hospital for the treatment of a human
71 being; or

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

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



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

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

98 "Hospital," as used in this paragraph (h), shall have the
99 meaning ascribed to it in Section 41-9-3, Mississippi Code of
100 1972.

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

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

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

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



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

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

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

122 (o) Retail sales of food for human consumption
123 purchased with food stamps issued by the United States Department
124 of Agriculture, or other federal agency, from and after October 1,
125 1987, or from and after the expiration of any waiver granted
126 pursuant to federal law, the effect of which waiver is to permit
127 the collection by the state of tax on such retail sales of food
128 for human consumption purchased with food stamps.

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

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

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

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



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

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

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

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

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

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

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



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

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

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

181 2. The rental of clothing or footwear; and

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

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

187 1. Backpacks;



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



213 26. Paper: loose-leaf ruled notebook paper,
214 copy paper, graph paper, tracing paper, manila paper, colored
215 paper, poster board and construction paper;

216 27. Pencil boxes and other school supply
217 boxes;

218 28. Pencil sharpeners;

219 29. Pencils;

220 30. Pens;

221 31. Protractors;

222 32. Reference books;

223 33. Reference maps and globes;

224 34. Rulers;

225 35. Scissors;

226 36. Sheet music;

227 37. Sketch and drawing pads;

228 38. Textbooks;

229 39. Watercolors;

230 40. Workbooks; and

231 41. Writing tablets.

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



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

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

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

247 (dd) Sales of durable medical equipment and home
248 medical supplies when ordered or prescribed by a licensed
249 physician for medical purposes of a patient. As used in this
250 paragraph (dd), "durable medical equipment" and "home medical
251 supplies" mean equipment, including repair and replacement parts
252 for the equipment or supplies listed under Title XVIII of the
253 Social Security Act or under the state plan for medical assistance
254 under Title XIX of the Social Security Act, prosthetics,
255 orthotics, hearing aids, hearing devices, prescription eyeglasses,
256 oxygen and oxygen equipment. Payment does not have to be made, in
257 whole or in part, by any particular person to be eligible for this
258 exemption. Purchases of home medical equipment and supplies by a
259 provider of home health services or a provider of hospice services
260 are eligible for this exemption if the purchases otherwise meet
261 the requirements of this paragraph.



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

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

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

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

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

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



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

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

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

294 (kk) Sales of tangible personal property or services to
295 the Hattiesburg Zoo.

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

302 (mm) Sales of tangible personal property and services
303 to the Diabetes Foundation of Mississippi and the Mississippi
304 Chapter of the Juvenile Diabetes Research Foundation.

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



310 (oo) Sales of tangible personal property or services to
311 the University of Mississippi Medical Center Research Development
312 Foundation.

313 (pp) Sales of tangible personal property or services to
314 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
315 Mississippi Beautiful, Inc.

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

318 (rr) Sales of tangible personal property or services to
319 the Pinecrest Weekend Backpacks for Kids located in Corinth,
320 Mississippi.

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

324 (tt) Sales exempt under the Facilitating Business Rapid
325 Response to State Declared Disasters Act of 2015 (Sections
326 27-113-1 through 27-113-9).

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

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



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

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

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

341 (zz) Sales of tangible personal property and services
342 to the Goldring/Woldenberg Institute of Southern Jewish Life
343 (ISJL).

344 (aaa) Sales of coins, currency, and bullion. For the
345 purposes of this paragraph (aaa), the following words and phrases
346 shall have the meanings ascribed in this paragraph (aaa) unless
347 the context clearly indicates otherwise:

348 (i) "Bullion" means a bar, ingot, or coin:

349 1. Manufactured in whole or in part of gold,
350 silver, platinum, or palladium;

351 2. That was or is used solely as a medium of
352 exchange, security, or commodity by any state, the United States
353 Government, or a foreign nation; and

354 3. Sold based on the intrinsic value of the
355 bar, ingot, or coin as a precious metal or collectible item rather
356 than its form or representative value as a medium of exchange.

357 (ii) "Coin or currency" means a coin or currency:

358 1. Manufactured in whole or in part of gold,
359 silver, other metal, or paper;



360 2. That was or is used solely as a medium of
361 exchange, security, or commodity by any state, the United States
362 Government, or a foreign nation; and

363 3. Sold based on the intrinsic value of the
364 coin or currency as a precious metal or collectible item rather
365 than its form or representative value as a medium of exchange.
366 The term "coin or currency" does not include a coin or currency
367 that has been incorporated into jewelry.

368 **SECTION 2.** Nothing in this act shall affect or defeat any
369 claim, assessment, appeal, suit, right or cause of action for
370 taxes due or accrued under the sales tax laws before the date on
371 which this act becomes effective, whether such claims,
372 assessments, appeals, suits or actions have been begun before the
373 date on which this act becomes effective or are begun thereafter;
374 and the provisions of the sales tax laws are expressly continued
375 in full force, effect and operation for the purpose of the
376 assessment, collection and enrollment of liens for any taxes due
377 or accrued and the execution of any warrant under such laws before
378 the date on which this act becomes effective, and for the
379 imposition of any penalties, forfeitures or claims for failure to
380 comply with such laws.

381 **SECTION 3.** This act shall take effect and be in force from
382 and after July 1, 2022.

