

By: Representatives Bomgar, Williamson

To: Ways and Means

HOUSE BILL NO. 729

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.



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

184 2. The rental of clothing or footwear; and

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

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

190 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



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

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

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

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



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

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

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

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

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

286 (gg) Sales of nonperishable food items to charitable  
287 organizations that are exempt from federal income taxation under  
288 Section 501(c) (3) of the Internal Revenue Code and operate a food  
289 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, 2022.

