

By: Representatives Arnold, Carpenter,
Williamson

To: Ways and Means

HOUSE BILL NO. 1558

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL PROPERTY
3 OR SERVICES TO LOCAL CHAPTERS OR AFFILIATES OF LIONS CLUB
4 INTERNATIONAL; TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE
5 PERSONAL PROPERTY OR SERVICES TO A CHURCH THAT IS EXEMPT FROM
6 FEDERAL INCOME TAXATION UNDER THE UNITED STATES INTERNAL REVENUE
7 CODE FOR USE SOLELY IN THE PROPAGATION OF ITS CREED OR CARRYING ON
8 ITS CUSTOMARY NONPROFIT RELIGIOUS ACTIVITIES; AND FOR RELATED
9 PURPOSES.

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

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

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



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

24 No exemption provided in this section shall apply to taxes
25 levied by Section 27-65-15 or 27-65-21.

26 The tax levied by this chapter shall not apply to the
27 following:

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

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

36 (b) Sales of daily or weekly newspapers, and
37 periodicals or publications of scientific, literary or educational
38 organizations exempt from federal income taxation under Section
39 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
40 March 31, 1975, and subscription sales of all magazines.

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

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

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



47 by a religious denomination, fraternal nonprofit organization or
48 other nonprofit organization.

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

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

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

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

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



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

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

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

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



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

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

104 The exemption provided in this paragraph (h) shall not apply
105 to medical cannabis sold in accordance with the provisions of the
106 Mississippi Medical Cannabis Act and in compliance with rules and
107 regulations adopted thereunder.

108 "Hospital," as used in this paragraph (h), shall have the
109 meaning ascribed to it in Section 41-9-3, Mississippi Code of
110 1972.

111 Insulin furnished by a registered pharmacist to a person for
112 treatment of diabetes as directed by a physician shall be deemed
113 to be dispensed on prescription within the meaning of this
114 paragraph (h).

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

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



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

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

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

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

132 (o) Retail sales of food for human consumption
133 purchased with food stamps issued by the United States Department
134 of Agriculture, or other federal agency, from and after October 1,
135 1987, or from and after the expiration of any waiver granted
136 pursuant to federal law, the effect of which waiver is to permit
137 the collection by the state of tax on such retail sales of food
138 for human consumption purchased with food stamps.

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

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



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

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

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

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

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

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

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

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



168 (z) Sales of tangible personal property to nonprofit
169 organizations that provide foster care, adoption services and
170 temporary housing for unwed mothers and their children if the
171 organization is exempt from federal income taxation under Section
172 501(c) (3) of the Internal Revenue Code.

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

178 (bb) (i) Retail sales of an article of clothing or
179 footwear designed to be worn on or about the human body and retail
180 sales of school supplies if the sales price of the article of
181 clothing or footwear or school supply is less than One Hundred
182 Dollars (\$100.00) and the sale takes place during a period
183 beginning at 12:01 a.m. on the last Friday in July and ending at
184 12:00 midnight the following Saturday. This paragraph (bb) shall
185 not apply to:

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

191 2. The rental of clothing or footwear; and



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

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

- 197 1. Backpacks;
- 198 2. Binder pockets;
- 199 3. Binders;
- 200 4. Blackboard chalk;
- 201 5. Book bags;
- 202 6. Calculators;
- 203 7. Cellophane tape;
- 204 8. Clays and glazes;
- 205 9. Compasses;
- 206 10. Composition books;
- 207 11. Crayons;
- 208 12. Dictionaries and thesauruses;
- 209 13. Dividers;
- 210 14. Erasers;
- 211 15. Folders: expandable, pocket, plastic and
212 manila;
- 213 16. Glue, paste and paste sticks;
- 214 17. Highlighters;
- 215 18. Index card boxes;
- 216 19. Index cards;



- 217 20. Legal pads;
218 21. Lunch boxes;
219 22. Markers;
220 23. Notebooks;
221 24. Paintbrushes for artwork;
222 25. Paints: acrylic, tempera and oil;
223 26. Paper: loose-leaf ruled notebook paper,
224 copy paper, graph paper, tracing paper, manila paper, colored
225 paper, poster board and construction paper;
226 27. Pencil boxes and other school supply
227 boxes;
228 28. Pencil sharpeners;
229 29. Pencils;
230 30. Pens;
231 31. Protractors;
232 32. Reference books;
233 33. Reference maps and globes;
234 34. Rulers;
235 35. Scissors;
236 36. Sheet music;
237 37. Sketch and drawing pads;
238 38. Textbooks;
239 39. Watercolors;
240 40. Workbooks; and
241 41. Writing tablets.



242 (iii) From and after January 1, 2010, the
243 governing authorities of a municipality, for retail sales
244 occurring within the corporate limits of the municipality, may
245 suspend the application of the exemption provided for in this
246 paragraph (bb) by adoption of a resolution to that effect stating
247 the date upon which the suspension shall take effect. A certified
248 copy of the resolution shall be furnished to the Department of
249 Revenue at least ninety (90) days prior to the date upon which the
250 municipality desires such suspension to take effect.

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

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

257 (dd) Sales of durable medical equipment and home
258 medical supplies when ordered or prescribed by a licensed
259 physician for medical purposes of a patient. As used in this
260 paragraph (dd), "durable medical equipment" and "home medical
261 supplies" mean equipment, including repair and replacement parts
262 for the equipment or supplies listed under Title XVIII of the
263 Social Security Act or under the state plan for medical assistance
264 under Title XIX of the Social Security Act, prosthetics,
265 orthotics, hearing aids, hearing devices, prescription eyeglasses,
266 oxygen and oxygen equipment. Payment does not have to be made, in



267 whole or in part, by any particular person to be eligible for this
268 exemption. Purchases of home medical equipment and supplies by a
269 provider of home health services or a provider of hospice services
270 are eligible for this exemption if the purchases otherwise meet
271 the requirements of this paragraph.

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

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

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

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

288 2. A purchaser orders and pays for an
289 eligible item and the seller accepts the order for immediate
290 shipment, even if delivery is made after the time period provided



291 in subparagraph (i) of this paragraph (ff), provided that the
292 purchaser has not requested or caused the delay in shipment.

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

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

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

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

304 (kk) Sales of tangible personal property or services to
305 the Hattiesburg Zoo.

306 (ll) Gross proceeds from sales of food, merchandise or
307 other concessions at an event held solely for religious or
308 charitable purposes at livestock facilities, agriculture
309 facilities or other facilities constructed, renovated or expanded
310 with funds for the grant program authorized under Section 18,
311 Chapter 530, Laws of 1995.

312 (mm) Sales of tangible personal property and services
313 to the Diabetes Foundation of Mississippi and the Mississippi
314 Chapter of the Juvenile Diabetes Research Foundation.



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

320 (oo) Sales of tangible personal property or services to
321 the University of Mississippi Medical Center Research Development
322 Foundation.

323 (pp) Sales of tangible personal property or services to
324 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
325 Mississippi Beautiful, Inc.

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

328 (rr) Sales of tangible personal property or services to
329 the Pinecrest Weekend Backpacks for Kids located in Corinth,
330 Mississippi.

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

334 (tt) Sales exempt under the Facilitating Business Rapid
335 Response to State Declared Disasters Act of 2015 (Sections
336 27-113-1 through 27-113-9).

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



339 (vv) Sales of tangible personal property or services to
340 the Mississippi's Toughest Kids Foundation for use in the
341 construction, furnishing and equipping of buildings and related
342 facilities and infrastructure at Camp Kamassa in Copiah County,
343 Mississippi. This paragraph (vv) shall stand repealed on July 1,
344 2025.

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

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

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

351 (zz) Sales of tangible personal property and services
352 to the Goldring/Woldenberg Institute of Southern Jewish Life
353 (ISJL).

354 (aaa) Sales of tangible personal property or services
355 to local chapters or affiliates of Lions Club International.

356 (bbb) Sales of tangible personal property or services
357 to a church that is exempt from federal income taxation under 26
358 USCS Section 501(c)(3) for use solely in the propagation of its
359 creed or carrying on its customary nonprofit religious activities,
360 provided that payment in whole therefor is made by use of a credit
361 card, debit card or similar card issued in the name of the church
362 and/or a check or other instrument drawn on a bank account in the
363 name of the church.



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

377 **SECTION 3.** This act shall take effect and be in force from
378 and after July 1, 2023.

