

By: Representatives Gunn, Stamps

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1702

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION SALES OF BOOKS AT THE MISSISSIPPI
3 BOOK FESTIVAL IF SOLD DURING A PERIOD BEGINNING AT 9:00 A.M. ON
4 FRIDAY DURING THE FESTIVAL AND ENDING AT 12:00 NOON THE FOLLOWING
5 SUNDAY; TO EXEMPT FROM SALES TAXATION THE RETAIL SALES OF CERTAIN
6 COMPUTERS DURING THE LAST WEEKEND IN JULY; AND FOR RELATED
7 PURPOSES.

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

189 2. The rental of clothing or footwear; and



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

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

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



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



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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

302 (kk) Sales of tangible personal property or services to
303 the Hattiesburg Zoo.

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

352 (aaa) Sales of books at the Mississippi Book Festival
353 if sold during a period beginning at 9:00 a.m. on Friday during
354 the festival and ending at 12:00 noon the following Sunday.

355 (bbb) Retail sales of computers if the sales price is
356 One Thousand Five Hundred Dollars (\$1,500.00) or less per item and
357 the sale takes place during a period beginning at 12:01 a.m. on
358 the last Friday in July and ending at 12:00 midnight the following
359 Saturday. For purposes of this paragraph (bbb), "computer" means
360 a central processing unit for personal use and any peripherals



361 sold with it and any computer software installed at the time of
362 purchase.

363 **SECTION 2.** This act shall take effect and be in force from
364 and after July 1, 2023, and shall stand repealed on June 30, 2023.

