

By: Representatives Gunn, Stamps, Boyd
(19th)

To: Ways and Means

HOUSE BILL NO. 1702
(As Passed the House)

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 SALES OF BOOKS AT CERTAIN
6 BOOKSTORES IN THIS STATE IF SOLD DURING A PERIOD CORRESPONDING
7 WITH THE MISSISSIPPI BOOK FESTIVAL AND BEGINNING AT 9:00 A.M. ON
8 FRIDAY DURING THE FESTIVAL AND ENDING AT 12:00 NOON THE FOLLOWING
9 SUNDAY; TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL
10 PROPERTY OR SERVICES TO VETERANS OUTREACH; AND FOR RELATED
11 PURPOSES.

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

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

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



23 set forth herein, shall be valid as against the tax herein levied.
24 Any subsequent exemption from the tax levied hereunder, except as
25 indicated above, shall be provided by amendments to this section.

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

28 The tax levied by this chapter shall not apply to the
29 following:

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

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

38 (b) Sales of daily or weekly newspapers, and
39 periodicals or publications of scientific, literary or educational
40 organizations exempt from federal income taxation under Section
41 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
42 March 31, 1975, and subscription sales of all magazines.

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

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



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

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

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

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

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



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

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

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

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

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



96 contrivances, appliances, devices or other mechanical, electronic,
97 optical or physical equipment or article or the component parts
98 and accessories thereof, or any alcoholic beverage or any other
99 drug or medicine not commonly referred to as a prescription drug.

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

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

110 "Hospital," as used in this paragraph (h), shall have the
111 meaning ascribed to it in Section 41-9-3, Mississippi Code of
112 1972.

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

170 (z) Sales of tangible personal property to nonprofit
171 organizations that provide foster care, adoption services and
172 temporary housing for unwed mothers and their children if the
173 organization is exempt from federal income taxation under Section
174 501(c) (3) of the Internal Revenue Code.

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

180 (bb) (i) Retail sales of an article of clothing or
181 footwear designed to be worn on or about the human body and retail
182 sales of school supplies if the sales price of the article of
183 clothing or footwear or school supply is less than One Hundred
184 Dollars (\$100.00) and the sale takes place during a period
185 beginning at 12:01 a.m. on the last Friday in July and ending at
186 12:00 midnight the following Saturday. This paragraph (bb) shall
187 not apply to:

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



193 2. The rental of clothing or footwear; and

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

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

199 1. Backpacks;

200 2. Binder pockets;

201 3. Binders;

202 4. Blackboard chalk;

203 5. Book bags;

204 6. Calculators;

205 7. Cellophane tape;

206 8. Clays and glazes;

207 9. Compasses;

208 10. Composition books;

209 11. Crayons;

210 12. Dictionaries and thesauruses;

211 13. Dividers;

212 14. Erasers;

213 15. Folders: expandable, pocket, plastic and
214 manila;

215 16. Glue, paste and paste sticks;

216 17. Highlighters;

217 18. Index card boxes;



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



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

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

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

259 (dd) Sales of durable medical equipment and home
260 medical supplies when ordered or prescribed by a licensed
261 physician for medical purposes of a patient. As used in this
262 paragraph (dd), "durable medical equipment" and "home medical
263 supplies" mean equipment, including repair and replacement parts
264 for the equipment or supplies listed under Title XVIII of the
265 Social Security Act or under the state plan for medical assistance
266 under Title XIX of the Social Security Act, prosthetics,
267 orthotics, hearing aids, hearing devices, prescription eyeglasses,



268 oxygen and oxygen equipment. Payment does not have to be made, in
269 whole or in part, by any particular person to be eligible for this
270 exemption. Purchases of home medical equipment and supplies by a
271 provider of home health services or a provider of hospice services
272 are eligible for this exemption if the purchases otherwise meet
273 the requirements of this paragraph.

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

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

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

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

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



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

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

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

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

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

306 (kk) Sales of tangible personal property or services to
307 the Hattiesburg Zoo.

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

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



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

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

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

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

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

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

336 (tt) Sales exempt under the Facilitating Business Rapid
337 Response to State Declared Disasters Act of 2015 (Sections
338 27-113-1 through 27-113-9).

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



341 (vv) Sales of tangible personal property or services to
342 the Mississippi's Toughest Kids Foundation for use in the
343 construction, furnishing and equipping of buildings and related
344 facilities and infrastructure at Camp Kamassa in Copiah County,
345 Mississippi. This paragraph (vv) shall stand repealed on July 1,
346 2025.

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

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

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

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

356 (aaa) (i) Sales of books at the Mississippi Book
357 Festival if sold during a period beginning at 9:00 a.m. on Friday
358 during the festival and ending at 12:00 noon the following Sunday;
359 and

360 (ii) Sales of books by any new bookstore in this
361 state at such a bookstore if sold during a period corresponding
362 with the Mississippi Book Festival and beginning at 9:00 a.m. on
363 Friday during the festival and ending at 12:00 noon the following
364 Sunday. For the purposes of this subparagraph (ii), the term "new



365 bookstore" means a business that sells physical books and other
366 merchandise and for which:

367 1. The inventory of physical books and all
368 other merchandise consists of more than sixty percent (60%) new
369 physical books, and

370 2. The inventory of physical books consists
371 of more than sixty percent (60%) new physical books.

372 (bbb) Sales of tangible personal property or services
373 to Veterans Outreach.

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

