

By: Representative Scott

To: Ways and Means

HOUSE BILL NO. 206

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
 2 TO EXEMPT FROM SALES TAXATION THE RETAIL SALES OF CERTAIN
 3 ELECTRONIC DEVICES, EDUCATIONAL SOFTWARE, TEXTBOOKS AND OTHER
 4 SCHOOL-RELATED SUPPLIES DURING THE LAST WEEKEND IN JULY; TO
 5 PROVIDE THAT BEFORE SUCH EXEMPTION MAY TAKE EFFECT IT MUST FIRST
 6 BE AUTHORIZED BY THE GOVERNING AUTHORITIES OF A MUNICIPALITY FOR
 7 RETAIL SALES OCCURRING WITHIN THE CORPORATE LIMITS OF THE
 8 MUNICIPALITY, OR BOARD OF SUPERVISORS OF A COUNTY FOR RETAIL SALES
 9 OCCURRING IN THE COUNTY OUTSIDE THE CORPORATE LIMITS OF A
 10 MUNICIPALITY; AND FOR RELATED PURPOSES.

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

192 2. The rental of clothing or footwear; and



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

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

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



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



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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

355 (aaa) Sales of coins, currency, and bullion. For the
356 purposes of this paragraph (aaa), the following words and phrases
357 shall have the meanings ascribed in this paragraph (aaa) unless
358 the context clearly indicates otherwise:

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

360 1. Manufactured, in whole or in part, of
361 gold, silver, platinum, or palladium;

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



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

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

369 1. Manufactured, in whole or in part, of
370 gold, silver, other metal, or paper;

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

374 3. Sold based on the intrinsic value of the
375 coin or currency as a precious metal or collectible item rather
376 than its form or representative value as a medium of exchange.
377 "Coin or currency" does not include a coin or currency that has
378 been incorporated into jewelry.

379 (bbb) Retail sales of computers, printers and printer
380 supplies, and educational software, with a sales price of One
381 Thousand Five Hundred Dollars (\$1,500.00) or less per item and the
382 sale takes place during a period beginning at 12:01 a.m. on the
383 last Friday in July and ending at 12:00 midnight the following
384 Saturday. For purposes of this paragraph (bbb), "computer" means
385 a central processing unit for personal use and any peripherals
386 sold with it and any computer software installed at the time of
387 purchase.

388 From and after January 1, 2024, the governing authorities of
389 a municipality, for retail sales occurring within the corporate



390 limits of the municipality, may suspend the application of the
391 exemption provided for in these paragraphs (bb) and (bbb) by
392 adoption of a resolution to that effect stating the date upon
393 which the suspension shall take effect. A certified copy of the
394 resolution shall be furnished to the Department of Revenue at
395 least ninety (90) days before the date upon which the municipality
396 desires such suspension to take effect.

397 **SECTION 2.** This act shall take effect and be in force from
398 and after its passage.

