

By: Representative Sanford

To: Ways and Means

HOUSE BILL NO. 324

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 VETERANS OUTREACH; AND FOR RELATED PURPOSES.

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

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

7 27-65-111. The exemptions from the provisions of this
8 chapter which are not industrial, agricultural or governmental, or
9 which do not relate to utilities or taxes, or which are not
10 properly classified as one (1) of the exemption classifications of
11 this chapter, shall be confined to persons or property exempted by
12 this section or by the Constitution of the United States or the
13 State of Mississippi. No exemptions as now provided by any other
14 section, except the classified exemption sections of this chapter
15 set forth herein, shall be valid as against the tax herein levied.
16 Any subsequent exemption from the tax levied hereunder, except as
17 indicated above, shall be provided by amendments to this section.



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

20 The tax levied by this chapter shall not apply to the
21 following:

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

27 Only sales of tangible personal property or services which
28 are ordinary and necessary to the operation of such hospitals and
29 infirmaries are exempted from tax.

30 (b) Sales of daily or weekly newspapers, and
31 periodicals or publications of scientific, literary or educational
32 organizations exempt from federal income taxation under Section
33 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
34 March 31, 1975, and subscription sales of all magazines.

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

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

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



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

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

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

59 (i) Prescribed for the treatment of a human being
60 by a person authorized to prescribe the medicines, and dispensed
61 or prescription filled by a registered pharmacist in accordance
62 with law; or

63 (ii) Furnished by a licensed physician, surgeon,
64 dentist or podiatrist to his own patient for treatment of the
65 patient; or



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

69 (iv) Sold to a licensed physician, surgeon,
70 podiatrist, dentist or hospital for the treatment of a human
71 being; or

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

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



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

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

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

102 "Hospital," as used in this paragraph (h), shall have the
103 meaning ascribed to it in Section 41-9-3, Mississippi Code of
104 1972.

105 Insulin furnished by a registered pharmacist to a person for
106 treatment of diabetes as directed by a physician shall be deemed
107 to be dispensed on prescription within the meaning of this
108 paragraph (h).

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

185 2. The rental of clothing or footwear; and



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

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

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



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



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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

298 (kk) Sales of tangible personal property or services to
299 the Hattiesburg Zoo.

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

306 (mm) Sales of tangible personal property and services
307 to the Diabetes Foundation of Mississippi and the Mississippi
308 Chapter of the Juvenile Diabetes Research Foundation.



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

314 (oo) Sales of tangible personal property or services to
315 the University of Mississippi Medical Center Research Development
316 Foundation.

317 (pp) Sales of tangible personal property or services to
318 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
319 Mississippi Beautiful, Inc.

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

322 (rr) Sales of tangible personal property or services to
323 the Pinecrest Weekend Backpacks for Kids located in Corinth,
324 Mississippi.

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

328 (tt) Sales exempt under the Facilitating Business Rapid
329 Response to State Declared Disasters Act of 2015 (Sections
330 27-113-1 through 27-113-9).

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



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

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

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

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

345 (zz) Sales of tangible personal property and services
346 to the Goldring/Woldenberg Institute of Southern Jewish Life
347 (ISJL).

348 (aaa) Sales of coins, currency, and bullion. For the
349 purposes of this paragraph (aaa), the following words and phrases
350 shall have the meanings ascribed in this paragraph (aaa) unless
351 the context clearly indicates otherwise:

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

353 1. Manufactured, in whole or in part, of
354 gold, silver, platinum, or palladium;

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



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

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

362 1. Manufactured, in whole or in part, of
363 gold, silver, other metal, or paper;

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

367 3. Sold based on the intrinsic value of the
368 coin or currency as a precious metal or collectible item rather
369 than its form or representative value as a medium of exchange.
370 "Coin or currency" does not include a coin or currency that has
371 been incorporated into jewelry.

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

374 **SECTION 2.** Nothing in this act shall affect or defeat any
375 claim, assessment, appeal, suit, right or cause of action for
376 taxes due or accrued under the sales tax laws before the date on
377 which this act becomes effective, whether such claims,
378 assessments, appeals, suits or actions have been begun before the
379 date on which this act becomes effective or are begun thereafter;
380 and the provisions of the sales tax laws are expressly continued
381 in full force, effect and operation for the purpose of the
382 assessment, collection and enrollment of liens for any taxes due



383 or accrued and the execution of any warrant under such laws before
384 the date on which this act becomes effective, and for the
385 imposition of any penalties, forfeitures or claims for failure to
386 comply with such laws.

387 **SECTION 3.** This act shall take effect and be in force from
388 and after July 1, 2024.

