

By: Senator(s) Carter

To: Finance

SENATE BILL NO. 2225

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 THE MISSISSIPPI AQUARIUM IN GULFPORT, MISSISSIPPI;
4 AND FOR RELATED PURPOSES.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

103 "Hospital," as used in this paragraph (h), shall have the
104 meaning ascribed to it in Section 41-9-3, Mississippi Code of
105 1972.

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

186 2. The rental of clothing or footwear; and



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

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

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



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



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

247 (* * *ac) The gross proceeds of sales of tangible
248 personal property made for the sole purpose of raising funds for a
249 school or an organization affiliated with a school.

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

253 (* * *ad) Sales of durable medical equipment and home
254 medical supplies when ordered or prescribed by a licensed
255 physician for medical purposes of a patient. As used in this
256 paragraph (* * *ad), "durable medical equipment" and "home
257 medical supplies" mean equipment, including repair and replacement
258 parts for the equipment or supplies listed under Title XVIII of
259 the Social Security Act or under the state plan for medical
260 assistance under Title XIX of the Social Security Act,
261 prosthetics, orthotics, hearing aids, hearing devices,



262 prescription eyeglasses, oxygen and oxygen equipment. Payment
263 does not have to be made, in whole or in part, by any particular
264 person to be eligible for this exemption. Purchases of home
265 medical equipment and supplies by a provider of home health
266 services or a provider of hospice services are eligible for this
267 exemption if the purchases otherwise meet the requirements of this
268 paragraph.

269 (* * *ae) Sales of tangible personal property or
270 services to Mississippi Blood Services.

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

282 (ii) This paragraph (* * *af) shall apply only if
283 one 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 (* * *af), provided that
290 the purchaser has not requested or caused the delay in shipment.

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

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

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

301 (* * *aj) Sales of tangible personal property or
302 services to the Jackson Zoological Park.

303 (* * *ak) Sales of tangible personal property or
304 services to the Hattiesburg Zoo.

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



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

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

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

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

325 (* * *aq) Sales of tangible personal property or
326 services to the Friends of Children's Hospital.

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

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

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



336 (* * *au) Sales of tangible personal property or
337 services to the Junior League of Jackson.

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

344 (* * *aw) Sales of tangible personal property or
345 services to MS Gulf Coast Buddy Sports, Inc.

346 (* * *ax) Sales of tangible personal property or
347 services to Biloxi Lions, Inc.

348 (* * *ay) Sales of tangible personal property or
349 services to Lions Sight Foundation of Mississippi, Inc.

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

353 (* * *ba) Sales of coins, currency, and bullion. For
354 the purposes of this paragraph (* * *ba), the following words and
355 phrases shall have the meanings ascribed in this paragraph

356 (* * *ba) unless the context clearly indicates otherwise:

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

358 1. Manufactured, in whole or in part, of
359 gold, silver, platinum, or palladium;



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

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

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

367 1. Manufactured, in whole or in part, of
368 gold, silver, other metal, or paper;

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

372 3. Sold based on the intrinsic value of the
373 coin or currency as a precious metal or collectible item rather
374 than its form or representative value as a medium of exchange.

375 "Coin or currency" does not include a coin or currency that has
376 been incorporated into jewelry.

377 (bb) Sales of tangible personal property or services to
378 the Mississippi Aquarium in Gulfport, Mississippi.

379 **SECTION 2.** This act shall take effect and be in force from
380 and after July 1, 2024.

