

By: Senator(s) Hickman

To: Finance

SENATE BILL NO. 2316

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,  
2 TO EXEMPT FROM THE STATE SALES TAX RETAIL SALES OF GROCERIES,  
3 DEFINED AS FOOD OR DRINK FOR HUMAN CONSUMPTION ELIGIBLE FOR  
4 PURCHASE WITH FOOD STAMPS ISSUED BY THE UNITED STATES DEPARTMENT  
5 OF AGRICULTURE OR OTHER FEDERAL AGENCY; AND FOR RELATED PURPOSES.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

187 2. The rental of clothing or footwear; and





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

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

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



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



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

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

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

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



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

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

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

283 (ii) This paragraph ( \* \* \*af) shall apply only if  
284 one or more of the following occur:

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



287                   2. A purchaser orders and pays for an  
288 eligible item and the seller accepts the order for immediate  
289 shipment, even if delivery is made after the time period provided  
290 in subparagraph (i) of this paragraph ( \* \* \*af), provided that  
291 the purchaser has not requested or caused the delay in shipment.

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

357 ( \* \* \*ba) unless the context clearly indicates otherwise:

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

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



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

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

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

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

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

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

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

378                   (bb) Retail sales of groceries. For purposes of this  
379 paragraph, "groceries" means food or drink for human consumption  
380 eligible for purchase with food stamps issued by the United States  
381 Department of Agriculture or other federal agency.

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

