

By: Senator(s) Hickman

To: Finance

SENATE BILL NO. 2317

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

105 "Hospital," as used in this paragraph (h), shall have the
106 meaning ascribed to it in Section 41-9-3, Mississippi Code of
107 1972.

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

188 2. The rental of clothing or footwear; and



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

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

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



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



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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

316 (* * *an) 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 (* * *ao) Sales of tangible personal property or
322 services to the University of Mississippi Medical Center Research
323 Development Foundation.

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

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

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

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

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



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

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

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

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

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

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

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

358 (* * *ba) unless 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 (bb) Retail sales of groceries during the month of
380 August. For purposes of this paragraph, "groceries" means food or
381 drink for human consumption eligible for purchase with food stamps
382 issued by the United States Department of Agriculture or other
383 federal agency.

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

