

By: Senator(s) DeBar

To: Finance

SENATE BILL NO. 2570

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM THE STATE SALES TAX RETAIL SALES OF FOOD OR DRINK
3 FOR HUMAN CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS
4 ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER
5 FEDERAL AGENCY; TO CLARIFY THAT THIS EXEMPTION FROM THE STATE
6 SALES TAX SHALL NOT AFFECT A SALES TAX LEVIED BY A MUNICIPALITY
7 UNDER THIS ACT; TO AUTHORIZE ANY MUNICIPALITY TO LEVY A TAX OF NO
8 MORE THAN 1% ON RETAIL SALES OF FOOD OR DRINK FOR HUMAN
9 CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS ISSUED BY THE
10 UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER FEDERAL AGENCY,
11 BUT ONLY WHEN SUCH FOOD OR DRINK IS PURCHASED WITHOUT THE USE OF
12 FOOD STAMPS ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE
13 OR OTHER FEDERAL AGENCY; TO GRANT THE MUNICIPALITY THE DISCRETION
14 TO LEVY THE TAX EITHER BY THE AUTHORITY OF ITS RESOLUTION OR BY
15 CALLING AN ELECTION ON THE QUESTION; TO GRANT THE MUNICIPALITY THE
16 SAME DISCRETION IN ADJUSTING THE RATE OF THE TAX AND IN REPEALING
17 THE TAX, REGARDLESS OF WHICH METHOD IT USED FOR THE INITIAL LEVY;
18 TO AMEND SECTION 27-65-241, MISSISSIPPI CODE OF 1972, IN
19 CONFORMITY TO THE ABOVE; AND FOR RELATED PURPOSES.

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

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

23 27-65-111. The exemptions from the provisions of this
24 chapter which are not industrial, agricultural or governmental, or
25 which do not relate to utilities or taxes, or which are not
26 properly classified as one (1) of the exemption classifications of



27 this chapter, shall be confined to persons or property exempted by
28 this section or by the Constitution of the United States or the
29 State of Mississippi. No exemptions as now provided by any other
30 section, except the classified exemption sections of this chapter
31 set forth herein, shall be valid as against the tax herein levied.
32 Any subsequent exemption from the tax levied hereunder, except as
33 indicated above, shall be provided by amendments to this section.

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

36 The tax levied by this chapter shall not apply to the
37 following:

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

43 Only sales of tangible personal property or services which
44 are ordinary and necessary to the operation of such hospitals and
45 infirmaries are exempted from tax.

46 (b) Sales of daily or weekly newspapers, and
47 periodicals or publications of scientific, literary or educational
48 organizations exempt from federal income taxation under Section
49 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
50 March 31, 1975, and subscription sales of all magazines.



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

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

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

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

65 (g) Sales to elementary and secondary grade schools,
66 junior and senior colleges owned and operated by a corporation or
67 association in which no part of the net earnings inures to the
68 benefit of any private shareholder, group or individual, and which
69 are exempt from state income taxation, provided that this
70 exemption does not apply to sales of property or services which
71 are not to be used in the ordinary operation of the school, or
72 which are to be resold to the students or the public.

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



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

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

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

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

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

"Medicines," as used in this paragraph (h), shall mean and include any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease and which is commonly recognized as a substance or preparation intended for such use; provided that "medicines" do not include any auditory,



100 prosthetic, ophthalmic or ocular device or appliance, any dentures
101 or parts thereof or any artificial limbs or their replacement
102 parts, articles which are in the nature of splints, bandages,
103 pads, compresses, supports, dressings, instruments, apparatus,
104 contrivances, appliances, devices or other mechanical, electronic,
105 optical or physical equipment or article or the component parts
106 and accessories thereof, or any alcoholic beverage or any other
107 drug or medicine not commonly referred to as a prescription drug.

108 Notwithstanding the preceding sentence of this paragraph (h),
109 "medicines" as used in this paragraph (h), shall mean and include
110 sutures, whether or not permanently implanted, bone screws, bone
111 pins, pacemakers and other articles permanently implanted in the
112 human body to assist the functioning of any natural organ, artery,
113 vein or limb and which remain or dissolve in the body.

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

118 "Hospital," as used in this paragraph (h), shall have the
119 meaning ascribed to it in Section 41-9-3, Mississippi Code of
120 1972.

121 Insulin furnished by a registered pharmacist to a person for
122 treatment of diabetes as directed by a physician shall be deemed
123 to be dispensed on prescription within the meaning of this
124 paragraph (h).



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

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

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

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

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

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

(o) * * * Retail sales of food or drink for human consumption eligible for purchase with food stamps issued by the United States Department of Agriculture or other federal agency. This exemption shall not affect a sales tax levied by a municipality under Section 2 of this act when such food or drink is purchased without the use of food stamps issued by the United States Department of Agriculture or other federal agency.



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

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

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

156 (s) Sales of tangible personal property or services to
157 National Association of Junior Auxiliaries, Inc., and chapters of
158 the National Association of Junior Auxiliaries, Inc.

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

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

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

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

172 (x) The gross collections from the operation of
173 self-service, coin-operated car washing equipment and sales of the



174 service of washing motor vehicles with portable high-pressure
175 washing equipment on the premises of the customer.

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

178 (z) Sales of tangible personal property to nonprofit
179 organizations that provide foster care, adoption services and
180 temporary housing for unwed mothers and their children if the
181 organization is exempt from federal income taxation under Section
182 501(c) (3) of the Internal Revenue Code.

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

188 (ab) (i) Retail sales of an article of clothing or
189 footwear designed to be worn on or about the human body and retail
190 sales of school supplies if the sales price of the article of
191 clothing or footwear or school supply is less than One Hundred
192 Dollars (\$100.00) and the sale takes place during a period
193 beginning at 12:01 a.m. on the second Friday in July and ending at
194 12:00 midnight the following Sunday. This paragraph (ab) shall
195 not apply to:

196 1. Accessories including jewelry, handbags,
197 luggage, umbrellas, wallets, watches, briefcases, garment bags and
198 similar items carried on or about the human body, without regard



199 to whether worn on the body in a manner characteristic of
200 clothing;

201 2. The rental of clothing or footwear; and

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

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

207 1. Backpacks;

208 2. Binder pockets;

209 3. Binders;

210 4. Blackboard chalk;

211 5. Book bags;

212 6. Calculators;

213 7. Cellophane tape;

214 8. Clays and glazes;

215 9. Compasses;

216 10. Composition books;

217 11. Crayons;

218 12. Dictionaries and thesauruses;

219 13. Dividers;

220 14. Erasers;

221 15. Folders: expandable, pocket, plastic and
222 manila;

223 16. Glue, paste and paste sticks;



224 17. Highlighters;
225 18. Index card boxes;
226 19. Index cards;
227 20. Legal pads;
228 21. Lunch boxes;
229 22. Markers;
230 23. Notebooks;
231 24. Paintbrushes for artwork;
232 25. Paints: acrylic, tempera and oil;
233 26. Paper: loose-leaf ruled notebook paper,
234 copy paper, graph paper, tracing paper, manila paper, colored
235 paper, poster board and construction paper;
236 27. Pencil boxes and other school supply
237 boxes;
238 28. Pencil sharpeners;
239 29. Pencils;
240 30. Pens;
241 31. Protractors;
242 32. Reference books;
243 33. Reference maps and globes;
244 34. Rulers;
245 35. Scissors;
246 36. Sheet music;
247 37. Sketch and drawing pads;
248 38. Textbooks;



249 39. Watercolors;
250 40. Workbooks; and
251 41. Writing tablets.

252 (iii) From and after January 1, 2010, the
253 governing authorities of a municipality, for retail sales
254 occurring within the corporate limits of the municipality, may
255 suspend the application of the exemption provided for in this
256 paragraph (ab) by adoption of a resolution to that effect stating
257 the date upon which the suspension shall take effect. A certified
258 copy of the resolution shall be furnished to the Department of
259 Revenue at least ninety (90) days prior to the date upon which the
260 municipality desires such suspension to take effect.

261 (ac) The gross proceeds of sales of tangible personal
262 property made for the sole purpose of raising funds for a school
263 or an organization affiliated with a school.

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

267 (ad) Sales of durable medical equipment and home
268 medical supplies when ordered or prescribed by a licensed
269 physician for medical purposes of a patient. As used in this
270 paragraph (ad), "durable medical equipment" and "home medical
271 supplies" mean equipment, including repair and replacement parts
272 for the equipment or supplies listed under Title XVIII of the
273 Social Security Act or under the state plan for medical assistance



under Title XIX of the Social Security Act, prosthetics, orthotics, hearing aids, hearing devices, prescription eyeglasses, oxygen and oxygen equipment. Payment does not have to be made, in whole or in part, by any particular person to be eligible for this exemption. Purchases of home medical equipment and supplies by a provider of home health services or a provider of hospice services are eligible for this exemption if the purchases otherwise meet the requirements of this paragraph.

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

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

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

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



298 2. A purchaser orders and pays for an
299 eligible item and the seller accepts the order for immediate
300 shipment, even if delivery is made after the time period provided
301 in subparagraph (i) of this paragraph (af), provided that the
302 purchaser has not requested or caused the delay in shipment.

303 (ag) Sales of nonperishable food items to charitable
304 organizations that are exempt from federal income taxation under
305 Section 501(c)(3) of the Internal Revenue Code and operate a food
306 bank or food pantry or food lines.

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

309 (ai) Sales of tangible personal property or services to
310 the Mississippi Children's Museum or any subsidiary or affiliate
311 thereof operating a satellite or branch museum within this state.

312 (aj) Sales of tangible personal property or services to
313 the Jackson Zoological Park.

314 (ak) Sales of tangible personal property or services to
315 the Hattiesburg Zoo.

316 (al) Gross proceeds from sales of food, merchandise or
317 other concessions at an event held solely for religious or
318 charitable purposes at livestock facilities, agriculture
319 facilities or other facilities constructed, renovated or expanded
320 with funds for the grant program authorized under Section 18,
321 Chapter 530, Laws of 1995.



322 (am) Sales of tangible personal property and services
323 to the Diabetes Foundation of Mississippi and the Mississippi
324 Chapter of the Juvenile Diabetes Research Foundation.

325 (an) Sales of potting soil, mulch, or other soil
326 amendments used in growing ornamental plants which bear no fruit
327 of commercial value when sold to commercial plant nurseries that
328 operate exclusively at wholesale and where no retail sales can be
329 made.

330 (ao) Sales of tangible personal property or services to
331 the University of Mississippi Medical Center Research Development
332 Foundation.

333 (ap) Sales of tangible personal property or services to
334 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
335 Mississippi Beautiful, Inc.

336 (aq) Sales of tangible personal property or services to
337 the Friends of Children's Hospital.

338 (ar) Sales of tangible personal property or services to
339 the Pinecrest Weekend Backpacks for Kids located in Corinth,
340 Mississippi.

341 (as) Sales of hearing aids when ordered or prescribed
342 by a licensed physician, audiologist or hearing aid specialist for
343 the medical purposes of a patient.

344 (at) Sales exempt under the Facilitating Business Rapid
345 Response to State Declared Disasters Act of 2015 (Sections
346 27-113-1 through 27-113-9).



347 (au) Sales of tangible personal property or services to
348 the Junior League of Jackson.

349 (av) Sales of tangible personal property or services to
350 the Mississippi's Toughest Kids Foundation for use in the
351 construction, furnishing and equipping of buildings and related
352 facilities and infrastructure at Camp Kamassa in Copiah County,
353 Mississippi. This paragraph (av) shall stand repealed on July 1,
354 2025.

355 (aw) Sales of tangible personal property or services to
356 MS Gulf Coast Buddy Sports, Inc.

357 (ax) Sales of tangible personal property or services to
358 Biloxi Lions, Inc.

359 (ay) Sales of tangible personal property or services to
360 Lions Sight Foundation of Mississippi, Inc.

361 (az) Sales of tangible personal property and services
362 to the Goldring/Woldenberg Institute of Southern Jewish Life
363 (ISJL).

364 (ba) Sales of coins, currency, and bullion. For the
365 purposes of this paragraph (ba), the following words and phrases
366 shall have the meanings ascribed in this paragraph (ba) unless the
367 context clearly indicates otherwise:

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

369 1. Manufactured, in whole or in part, of
370 gold, silver, platinum, or palladium;



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 bar, ingot, or coin as a precious metal or collectible item rather
376 than its form or representative value as a medium of exchange.

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

378 1. Manufactured, in whole or in part, of
379 gold, silver, other metal, or paper;

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

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

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

388 **SECTION 2.** (1) The governing authorities of any
389 municipality are authorized, in their discretion, to levy and
390 collect a tax, which shall be in addition to all other taxes and
391 assessments imposed, of no more than one percent (1%) on retail
392 sales of food or drink for human consumption eligible for purchase
393 with food stamps issued by the United States Department of
394 Agriculture or other federal agency, but only when such food or



395 drink is purchased without the use of food stamps issued by the
396 United States Department of Agriculture or other federal agency.

397 (2) Persons, firms or corporations liable for the levy
398 imposed under subsection (1) of this section shall add the amount
399 of the levy to the sales price of the products set out in
400 subsection (1) of this section and shall collect, insofar as is
401 practicable, the amount of the tax due by them from the person
402 receiving the product at the time of payment therefor.

403 (3) The tax shall be collected by and paid to the Department
404 of Revenue on a form prescribed by the Department of Revenue in
405 the manner that state sales taxes are computed, collected and
406 paid; and full enforcement provisions and all other provisions of
407 Title 27, Chapter 65, Mississippi Code of 1972, shall apply as
408 necessary to the implementation and administration of this act.

409 (4) The proceeds of the tax, less three percent (3%) thereof
410 which shall be retained by the Department of Revenue to defray the
411 cost of collection, shall be paid to the governing authorities of
412 the municipality on or before the fifteenth day of the month
413 following the month in which collected.

414 (5) Before any tax authorized under this act may be imposed,
415 the governing authorities of the municipality shall adopt a
416 resolution declaring their intention to levy the tax and setting
417 forth the amount of the tax to be imposed, the date upon which the
418 tax shall become effective, and the municipal fund into which the
419 proceeds of the tax shall be paid. In addition, the resolution



shall either specify that the tax shall become effective by the authority of the resolution, or call for an election to be held on the question. If the resolution calls for an election:

(a) Notice of the intention to levy the tax and of the election shall be published either:

(i) Once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the municipality, with the first publication of the notice to be made not less than twenty-one (21) days before the date fixed in the resolution for the election and the last publication to be made not more than seven (7) days before the election; or

(ii) On the municipality's website or, if the municipality does not have a website, its official social media webpage, to remain available to the public for the duration of the twenty-one (21) days immediately preceding the date fixed in the resolution for the election; and

(b) At the election, all qualified electors of the municipality may vote, and the ballots used in the election shall have printed thereon a brief statement of the amount of the tax, the date upon which the tax shall become effective, and the municipal fund into which the proceeds of the tax shall be paid, together with the words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX." The voters shall vote by marking their choice on the proposition. When the results of the election shall have



445 been canvassed and certified, the municipality may levy the tax if
446 at least sixty percent (60%) of the qualified electors who vote in
447 the election vote in favor of the tax.

448 (6) At least thirty (30) days before the effective date of
449 the tax provided in this section, the municipal governing
450 authorities shall furnish to the Department of Revenue a certified
451 copy of the resolution evidencing the tax.

452 (7) A tax imposed under this section may have its rate
453 adjusted or may be repealed by the same procedures governing the
454 levying of the tax in subsections (5) and (6) of this section.
455 The municipality shall have the same discretion as to the method
456 of effectuating the adjustment or repeal, whether by the authority
457 of the resolution itself or by an election, as it has under
458 subsection (5) of this section regarding the initial levy,
459 regardless of which method it used to effectuate the initial levy.

460 **SECTION 3.** Section 27-65-241, Mississippi Code of 1972, is
461 amended as follows:

462 27-65-241. (1) As used in this section, the following terms
463 shall have the meanings ascribed to them in this section unless
464 otherwise clearly indicated by the context in which they are used:

465 (a) "Hotel" or "motel" means and includes a place of
466 lodging that at any one time will accommodate transient guests on
467 a daily or weekly basis and that is known to the trade as such.
468 Such terms shall not include a place of lodging with ten (10) or
469 less rental units.



470 (b) "Municipality" means any municipality in the State
471 of Mississippi with a population of one hundred fifty thousand
472 (150,000) or more according to the most recent federal decennial
473 census.

474 (c) "Restaurant" means and includes all places where
475 prepared food is sold and whose annual gross proceeds of sales or
476 gross income for the preceding calendar year equals or exceeds One
477 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
478 shall not include any nonprofit organization that is exempt from
479 federal income taxation under Section 501(c)(3) of the Internal
480 Revenue Code. For the purpose of calculating gross proceeds of
481 sales or gross income, the sales or income of all establishments
482 owned, operated or controlled by the same person, persons or
483 corporation shall be aggregated.

484 (2) (a) Subject to the provisions of this section, the
485 governing authorities of a municipality may impose upon all
486 persons as a privilege for engaging or continuing in business or
487 doing business within such municipality, a special sales tax at
488 the rate of not more than one percent (1%) of the gross proceeds
489 of sales or gross income of the business, as the case may be,
490 derived from any of the activities taxed at the rate of seven
491 percent (7%) or more under the Mississippi Sales Tax Law, Section
492 27-65-1 et seq.



493 (b) The tax levied under this section shall apply to
494 every person making sales of tangible personal property or
495 services within the municipality but shall not apply to:

496 (i) Sales exempted by Sections 27-65-19,
497 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
498 27-65-111 of the Mississippi Sales Tax Law;

499 (ii) Gross proceeds of sales or gross income of
500 restaurants derived from the sale of food and beverages;

501 (iii) Gross proceeds of sales or gross income of
502 hotels and motels derived from the sale of hotel rooms and motel
503 rooms for lodging purposes;

504 * * *

505 (* * *iv) Gross income of businesses engaging or
506 continuing in the business of TV cable systems, subscription TV
507 services, and other similar activities, including, but not limited
508 to, cable internet services;

509 (* * *y) Wholesale sales of food and drink for
510 human consumption sold to full service vending machine operators;
511 and

512 (* * *vi) Wholesale sales of light wine, light
513 spirit product, beer and alcoholic beverages.

514 (3) (a) Before any tax authorized under this section may be
515 imposed, the governing authorities of the municipality shall adopt
516 a resolution declaring its intention to levy the tax, setting
517 forth the amount of the tax to be imposed, the purposes for which



the revenue collected pursuant to the tax levy may be used and expended, the date upon which the tax shall become effective, the date upon which the tax shall be repealed, and calling for an election to be held on the question. The date of the election shall be set in the resolution. Notice of the election shall be published once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the municipality, with the first publication of the notice to be made not less than twenty-one (21) days before the date fixed in the resolution for the election and the last publication to be made not more than seven (7) days before the election. At the election, all qualified electors of the municipality may vote. The ballots used at the election shall have printed thereon a brief description of the sales tax, the amount of the sales tax levy, a description of the purposes for which the tax revenue may be used and expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing a cross (X) or check mark (✓) opposite his choice on the proposition. When the results of the election have been canvassed by the election commissioners of the municipality and certified by them to the governing authorities, it shall be the duty of such governing authorities to determine and adjudicate whether at least three-fifths (3/5) of the qualified electors who voted in the election voted in favor of the tax. If at least three-fifths (3/5) of the qualified electors who voted in the election voted in



543 favor of the tax, the governing authorities shall adopt a
544 resolution declaring the levy and collection of the tax provided
545 in this section and shall set the first day of the second month
546 following the date of such adoption as the effective date of the
547 tax levy. A certified copy of this resolution, together with the
548 result of the election, shall be furnished to the department * * *
549 not less than thirty (30) days before the effective date of the
550 levy.

551 (b) A municipality shall not hold more than two (2)
552 elections under this subsection.

553 (4) The revenue collected pursuant to the tax levy imposed
554 under this section may be expended to pay the cost of road and
555 street repair, reconstruction and resurfacing projects based on
556 traffic patterns, need and usage, and to pay the costs of water,
557 sewer and drainage projects in accordance with a master plan
558 adopted by the commission established pursuant to subsection (7).

559 (5) (a) The special sales tax authorized by this section
560 shall be collected by the department * * *, shall be accounted for
561 separately from the amount of sales tax collected for the state in
562 the municipality and shall be paid to the municipality. The
563 department * * * may retain one percent (1%) of the proceeds of
564 such tax for the purpose of defraying the costs incurred by the
565 department in the collection of the tax. Payments to the
566 municipality shall be made by the department * * * on or before
567 the fifteenth day of the month following the month in which the



568 tax was collected. However, if a municipality fails to comply
569 with the audit, reporting and/or report filing requirements of
570 paragraph (b) of this subsection and does not remedy such
571 noncompliance within thirty (30) days after receiving written
572 notice of noncompliance, the department * * * shall withhold
573 payments otherwise payable to the municipality under this
574 paragraph (a) until the department receives written notice that
575 the municipality has complied with such requirements.

576 (b) The proceeds of the special sales tax shall be
577 placed into a special municipal fund apart from the municipal
578 general fund and any other funds of the municipality, and shall be
579 expended by the municipality solely for the purposes authorized in
580 subsection (4) of this section. The records reflecting the
581 receipts and expenditures of the revenue from the special sales
582 tax shall be provided in detail to the members of the commission
583 monthly, to include the name of the vendor and the project, and
584 the dates and amounts received and paid, and shall also be audited
585 annually by an independent certified public accountant. The
586 accountant shall make a report of his findings to the governing
587 authorities of the municipality and file a copy of his report with
588 the Secretary of the Senate and the Clerk of the House of
589 Representatives and the commission members. The audit shall be
590 made and completed as soon as practical after the close of the
591 fiscal year of the municipality, and expenses of the audit shall



be paid from the funds derived by the municipality pursuant to this section.

(c) Any expenditure from the special municipal fund defined in paragraph (b) above that was not for a project approved by the commission, or was in excess of the amount approved by the commission, shall be reimbursed by the city to the special fund.

(d) All provisions of the Mississippi Sales Tax Law applicable to filing of returns, discounts to the taxpayer, remittances to the department * * *, enforced collection, rights of taxpayers, recovery of improper taxes, refunds of overpaid taxes or other provisions of law providing for imposition and collection of the state sales tax shall apply to the special sales tax authorized by this section, except where there is a conflict, in which case the provisions of this section shall control. Any damages, penalties or interest collected for the nonpayment of taxes imposed under this section, or for noncompliance with the provisions of this section, shall be paid to the municipality on the same basis and in the same manner as the tax proceeds. Any overpayment of tax for any reason that has been disbursed to a municipality or any payment of the tax to a municipality in error may be adjusted by the department * * * on any subsequent payment to the municipality pursuant to the provisions of the Mississippi Sales Tax Law. The department * * * may, from time to time, make such rules and regulations not inconsistent with this section as may be deemed necessary to carry out the provisions of this



617 section, and such rules and regulations shall have the full force
618 and effect of law.

619 (6) If a municipality expands its corporate boundaries, the
620 governing authorities of the municipality may not impose the
621 special sales tax in the annexed area unless the tax is approved
622 at an election conducted, as far as is practicable, in the manner
623 provided in subsection (3) of this section, except that only
624 qualified electors in the annexed area may vote in the election.

625 (7) (a) Any municipality that levies the special sales tax
626 authorized under this section shall establish a commission as
627 provided for in this section. Expenditures of revenue from the
628 special sales tax authorized by this section shall be in
629 accordance with a master plan adopted by the commission pursuant
630 to this subsection.

631 (b) The commission shall be composed of ten (10) voting
632 members who shall be known as commissioners appointed as follows:

633 (i) Four (4) members representing the business
634 community in the municipality appointed by the local chamber of
635 commerce for initial terms of one (1), two (2), four (4) and five
636 (5) years respectively. The members appointed pursuant to this
637 paragraph shall be persons who represent businesses located within
638 the city limits of the municipality.

639 (ii) Three (3) members shall be appointed at large
640 by the mayor of the municipality, with the advice and consent of
641 the legislative body of the municipality, for initial terms of two



642 (2), three (3) and four (4) years respectively. All appointments
643 made by the mayor pursuant to this paragraph shall be residents of
644 the municipality.

645 (iii) One (1) member shall be appointed at large
646 by the Governor for an initial term of four (4) years. All
647 appointments made by the Governor pursuant to this paragraph shall
648 be residents of the municipality.

649 (iv) One (1) member shall be appointed at large by
650 the Lieutenant Governor for an initial term of four (4) years.
651 All appointments made by the Lieutenant Governor pursuant to this
652 paragraph shall be residents of the municipality.

653 (v) One (1) member shall be appointed at large by
654 the Speaker of the House of Representatives for a term of four (4)
655 years. All appointments made by the Speaker of the House of
656 Representatives pursuant to this paragraph shall be residents of
657 the municipality.

658 (c) The terms of all appointments made subsequent to
659 the initial appointment shall be made for five (5) years. Any
660 vacancy which may occur shall be filled in the same manner as the
661 original appointment and shall be made for the unexpired term.

662 (d) The mayor of the municipality shall designate a
663 chairman of the commission from among the membership of the
664 commission. The vice chairman and secretary shall be elected by
665 the commission from among the membership of the commission for a



term of two (2) years. The vice chairman and secretary may be reelected, and the chairman may be reappointed.

(e) The commissioners shall serve without compensation.

(f) Any commissioner shall be disqualified and shall be removed from office for either of the following reasons:

(i) Conviction of a felony in any state court or in federal court; or

(ii) Failure to attend three (3) consecutive meetings without just cause.

If a commissioner is removed for any of the above reasons, the vacancy shall be filled in the manner prescribed in this section and shall be made for the unexpired term.

(g) A quorum shall consist of six (6) voting members of the commission. The commission shall adopt such rules and regulations as may govern the time and place for holding meetings, regular and special.

(h) The commission shall, with input from the municipality, establish a master plan for road and street repair, reconstruction and resurfacing projects based on traffic patterns, need and usage, and for water, sewer and drainage projects.

Expenditures of the revenue from the tax authorized to be imposed pursuant to this section shall be made at the discretion of the governing authorities of the municipality if the expenditures comply with the master plan. The commission shall monitor the compliance of the municipality with the master plan.



691 (8) The governing authorities of any municipality that
692 levies the special sales tax authorized under this section are
693 authorized to incur debt, including bonds, notes or other
694 evidences of indebtedness, for the purpose of paying the costs of
695 road and street repair, reconstruction and resurfacing projects
696 based on traffic patterns, need and usage, and to pay the costs of
697 water, sewer and drainage projects in accordance with a master
698 plan adopted by the commission established pursuant to subsection
699 (7) of this section. Any bonds or notes issued to pay such costs
700 may be secured by the proceeds of the special sales tax levied
701 pursuant to this section or may be general obligations of the
702 municipality and shall satisfy the requirements for the issuance
703 of debt provided by Sections 21-33-313 through 21-33-323.

704 (9) This section shall stand repealed from and after July 1,
705 2035.

706 **SECTION 4.** This act shall take effect and be in force from
707 and after July 1, 2025.

