By: Senator(s) Williams

To: Finance

SENATE BILL NO. 2810

AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM THE STATE SALES TAX RETAIL SALES OF GROCERIES ON THE SATURDAY OR SUNDAY BEFORE THANKSGIVING; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) The gross proceeds of retail sales and the use or 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, prosthetic, ophthalmic or ocular device or appliance, any dentures or parts thereof or any artificial limbs or their replacement parts, articles which are in the nature of splints, bandages, pads, compresses, supports, dressings, instruments, apparatus, contrivances, appliances, devices or other mechanical, electronic, optical or physical equipment or article or the component parts and accessories thereof, or any alcoholic beverage or any other drug or medicine not commonly referred to as a prescription drug.

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

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

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

Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on prescription within the meaning of this 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 for human consumption purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, from and after October 1, 1987, or from and after the expiration of any waiver granted pursuant to federal law, the effect of which waiver is to permit the collection by the state of tax on such retail sales of food for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

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

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

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

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

(ab) (i) Retail sales of an article of clothing or footwear designed to be worn on or about the human body and retail sales of school supplies if the sales price of the article of clothing or footwear or school supply is less than One Hundred Dollars ($100.00) and the sale takes place *** * *** <u>at any time</u> on the second Friday in July *** * *** <u>or</u> the following <u>Saturday or</u> Sunday. This paragraph (ab) shall not apply to:

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

2. The rental of clothing or footwear; and

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

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

1. Backpacks;

2. Binder pockets;

3. Binders;

4. Blackboard chalk;

5. Book bags;

6. Calculators;

7. Cellophane tape;

8. Clays and glazes;

9. Compasses;

10. Composition books;

11. Crayons;

12. Dictionaries and thesauruses;

13. Dividers;

14. Erasers;

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

16. Glue, paste and paste sticks;

17. Highlighters;

18. Index card boxes;

19. Index cards;

20. Legal pads;

21. Lunch boxes;

22. Markers;

23. Notebooks;

24. Paintbrushes for artwork;

25. Paints: acrylic, tempera and oil;

26. Paper: loose-leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board and construction paper;

27. Pencil boxes and other school supply boxes;

28. Pencil sharpeners;

29. Pencils;

30. Pens;

31. Protractors;

32. Reference books;

33. Reference maps and globes;

34. Rulers;

35. Scissors;

36. Sheet music;

37. Sketch and drawing pads;

38. Textbooks;

39. Watercolors;

40. Workbooks; and

41. Writing tablets.

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

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

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

(ad) Sales of durable medical equipment and home medical supplies when ordered or prescribed by a licensed physician for medical purposes of a patient. As used in this paragraph (ad), "durable medical equipment" and "home medical supplies" mean equipment, including repair and replacement parts for the equipment or supplies listed under Title XVIII of the 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) *** Retail sales of firearms, ammunition and hunting supplies if sold at any time during the annual Mississippi Second Amendment Weekend holiday beginning *** on the last Friday in August and *** lasting through 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(bb) Retail sales of groceries taking place any time on the Saturday or Sunday before Thanksgiving. For purposes of this paragraph, "groceries" means food or drink for human consumption eligible for purchase with food stamps issued by the United States Department of Agriculture or other federal agency.

SECTION 2. This act shall take effect and be in force from and after July 1, 2025.