

By: Representative Bourdeaux

To: Ways and Means

HOUSE BILL NO. 420  
(As Passed the House)

1 AN ACT TO AMEND SECTION 27-65-105, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE A SALES TAX EXEMPTION FOR CERTAIN SALES BY MISSISSIPPI  
3 COMPANIES TO GOVERNMENTAL ENTITIES OF ANOTHER STATE THAT BORDERS  
4 ON THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 27-65-105, Mississippi Code of 1972, is  
7 amended as follows:

8 27-65-105. The exemption from the provisions of this chapter  
9 which are of a governmental nature or which are more properly  
10 classified as governmental exemptions than any other exemption  
11 classification of this chapter shall be confined to those persons  
12 or property exempted by this section or by provisions of the  
13 Constitutions of the United States or the State of Mississippi.  
14 No governmental exemption as now provided by any other section  
15 shall be valid as against the tax herein levied. Any subsequent  
16 governmental exemption from the tax levied hereunder shall be  
17 provided by amendment to this section.

18 No exemption provided in this section shall apply to taxes  
19 levied by Section 27-65-15 or 27-65-21, except as provided by  
20 subsection (f) of this section.

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

23 (a) Sales of property, labor or services taxable under  
24 Sections 27-65-17, 27-65-19 and 27-65-23, when sold to and billed  
25 directly to and payment therefor is made directly by the United  
26 States Government, the State of Mississippi and its departments,  
27 institutions, counties and municipalities or departments or school

28 districts of said counties and municipalities.

29       The exemption from the tax imposed under this chapter shall  
30 not apply to sales of tangible personal property, labor or  
31 services to contractors purchasing in the performance of contracts  
32 with the United States, the State of Mississippi, counties and  
33 municipalities.

34           (b) Sales to schools, when such schools are supported  
35 wholly or in part by funds provided by the State of Mississippi,  
36 provided that this exemption does not apply to sales of property  
37 which is not to be used in the ordinary operation of the school,  
38 or which is to be resold to the students or the public.

39           (c) Amounts received from the sale of school textbooks  
40 to students.

41           (d) Sales to the Mississippi Band of Choctaw Indians,  
42 but not to Indians individually.

43           (e) Sales of fire fighting equipment to governmental  
44 fire departments or volunteer fire departments for their use.

45           (f) Sales of any gas from any project, as defined in  
46 the Municipal Gas Authority of Mississippi Law, to any  
47 municipality shall not be subject to sales, use or other tax.

48           (g) Sales of property, labor or services taxable under  
49 Sections 27-65-17, 27-65-19 and 27-65-23, when such sales are made  
50 directly to, billed directly to and payment therefor is made  
51 directly by a governmental entity of another state bordering on  
52 the State of Mississippi, if such sales to such governmental  
53 entities by companies located in the neighboring state are exempt  
54 from sales tax in that state. This exemption shall not apply to  
55 sales of tangible personal property, labor or services to  
56 contractors who are purchasing in the performance of contracts  
57 with the governmental entity of the neighboring state.

58       SECTION 2. Nothing in this act shall affect or defeat any  
59 claim, assessment, appeal, suit, right or cause of action for  
60 taxes due or accrued under the sales tax laws before the date on  
61 which this act becomes effective, whether such claims,  
62 assessments, appeals, suits or actions have been begun before the  
63 date on which this act becomes effective or are begun thereafter;  
64 and the provisions of the sales tax laws are expressly continued

65 in full force, effect and operation for the purpose of the  
66 assessment, collection and enrollment of liens for any taxes due  
67 or accrued and the execution of any warrant under such laws before  
68 the date on which this act becomes effective, and for the  
69 imposition of any penalties, forfeitures or claims for failure to  
70 comply with such laws.

71 SECTION 3. This act shall take effect and be in force from  
72 and after July 1, 1999.