

*****Not Germane*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 897

By Senator(s) Michel

1 **AMEND by adding the following after line 109:**

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

4 27-65-111. The exemptions from the provisions of this
5 chapter which are not industrial, agricultural or governmental, or
6 which do not relate to utilities or taxes, or which are not
7 properly classified as one of the exemption classifications of
8 this chapter, shall be confined to persons or property exempted by
9 this section or by the Constitution of the United States or the
10 State of Mississippi. No exemptions as now provided by any other
11 section, except the classified exemption sections of this chapter
12 set forth herein, shall be valid as against the tax herein levied.
13 Any subsequent exemption from the tax levied hereunder, except as
14 indicated above, shall be provided by amendments to this section.

15 No exemption provided in this section shall apply to taxes
16 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

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

19 (a) Sales of tangible personal property and services to
20 hospitals or infirmaries owned and operated by a corporation or

21 association in which no part of the net earnings inures to the
22 benefit of any private shareholder, group or individual, and which
23 are subject to and governed by Sections 41-7-123 through 41-7-127.

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

27 (b) Sales of daily or weekly newspapers, and
28 periodicals or publications of scientific, literary or educational
29 organizations exempt from federal income taxation under Section
30 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
31 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

46 (g) Sales to elementary and secondary grade schools,
47 junior and senior colleges owned and operated by a corporation or
48 association in which no part of the net earnings inures to the
49 benefit of any private shareholder, group or individual, and which
50 are exempt from state income taxation, provided that this

51 exemption does not apply to sales of property or services which
52 are not to be used in the ordinary operation of the school, or
53 which are to be resold to the students or the public.

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

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

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

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

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

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

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

81 prosthetic, ophthalmic or ocular device or appliance, any dentures
82 or parts thereof or any artificial limbs or their replacement
83 parts, articles which are in the nature of splints, bandages,
84 pads, compresses, supports, dressings, instruments, apparatus,
85 contrivances, appliances, devices or other mechanical, electronic,
86 optical or physical equipment or article or the component parts
87 and accessories thereof, or any alcoholic beverage or any other
88 drug or medicine not commonly referred to as a prescription drug.

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

95 "Hospital," as used in this paragraph (h), shall have the
96 meaning ascribed to it in Section 41-9-3, Mississippi Code of
97 1972.

98 Insulin furnished by a registered pharmacist to a person for
99 treatment of diabetes as directed by a physician shall be deemed
100 to be dispensed on prescription within the meaning of this
101 paragraph (h).

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

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

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

111 distilled outside the State of Mississippi.

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

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

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

119 (o) Retail sales of food for human consumption
120 purchased with food stamps issued by the United States Department
121 of Agriculture, or other federal agency, from and after October 1,
122 1987, or from and after the expiration of any waiver granted
123 pursuant to federal law, the effect of which waiver is to permit
124 the collection by the state of tax on such retail sales of food
125 for human consumption purchased with food stamps.

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

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

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

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

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

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

140 (v) Retail sales of food for human consumption

141 purchased with food instruments issued the Mississippi Band of
142 Choctaw Indians under the Women, Infants and Children Program
143 (WIC) funded by the United States Department of Agriculture.

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

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

152 (y) From and after July 1, 2001, retail sales of an
153 article of clothing or footwear designed to be worn on or about
154 the human body if the sales price of the article is less than One
155 Hundred Dollars (\$100.00) and the sale takes place during a period
156 beginning at 12:01 a.m. on the first Friday in August and ending
157 at 11:59 p.m. the following Saturday. This paragraph (y) shall
158 not apply to:

159 (i) Accessories including jewelry, handbags,
160 luggage, umbrellas, wallets, watches, backpacks, briefcases,
161 garment bags and similar items carried on or about the human body,
162 without regard to whether worn on the body in a manner
163 characteristic of clothing;

164 (ii) The rental of clothing or footwear; and

165 (iii) Skis, swim fins, roller blades, skates and
166 similar items worn on the foot.

167 From and after January 1, 2002, the governing authorities of
168 a municipality, for retail sales occurring within the corporate
169 limits of the municipality, or the board of supervisors of a
170 county, for retail sales occurring in the county outside the

171 corporate limits of a municipality, may suspend the application of
172 the exemption provided for in this paragraph (y) by adoption of a
173 resolution to that effect stating the date upon which the
174 suspension shall take effect. A certified copy of the resolution
175 shall be furnished to the State Tax Commission at least thirty
176 (30) days prior to the date upon which the municipality or county
177 desires such suspension to take effect.

178 **FURTHER, AMEND line 4 of the title by inserting the following**
179 **after the semicolon:**

180 TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT
181 FROM SALES TAXATION THE RETAIL SALES OF CERTAIN ARTICLES OF
182 CLOTHING FRIDAY AND SATURDAY IN AUGUST; TO ALLOW LOCAL GOVERNMENTS
183 TO SUSPEND THE APPLICATION OF SUCH EXEMPTION FROM AND AFTER
184 JANUARY 1, 2002;