

By: Representative Stringer

To: Ways and Means

HOUSE BILL NO. 439

1 AN ACT TO AMEND SECTION 27-65-103, MISSISSIPPI CODE OF 1972,  
2 TO CREATE AN AGRICULTURAL SALES TAX EXEMPTION FOR SALES OF  
3 TRACTORS OR FARM IMPLEMENTS WHEN SOLD BY A FARMER WHO IS NOT A  
4 DEALER ENGAGED IN THE BUSINESS OF SELLING SUCH ITEMS REGARDLESS OF  
5 THE MANNER IN WHICH SOLD; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-65-103, Mississippi Code of 1972, is  
8 amended as follows:

9 27-65-103. The exemptions from the provisions of this  
10 chapter which are of an agricultural nature or which are more  
11 properly classified as agricultural exemptions than any other  
12 exemption classification of this chapter shall be confined to  
13 those persons or property exempted by this section or by  
14 provisions of the Constitution of the United States or the State  
15 of Mississippi. No agricultural exemption as now provided by any  
16 other section shall be valid as against the tax herein levied.  
17 Any subsequent agricultural exemption from the tax levied  
18 hereunder shall be provided by amendment to this section.

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

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

23 (a) The gross proceeds of sales of lint cotton, seed  
24 cotton, baled cotton, whether compressed or not, and cottonseed  
25 and soybeans in their original condition. Retail sales of seeds,  
26 livestock feed, poultry feed, fish feed and fertilizers. Sales of  
27 defoliants, insecticides, fungicides, herbicides and baby chicks  
28 used in growing agricultural products for market. Bagging and



29 ties for baling cotton, hay baling wire and twine, boxes, bags and  
30 cans used in growing or preparing agricultural products for market  
31 when possession thereof will pass to the customer at the time of  
32 sale of the product contained therein. Sales of ice to commercial  
33 fishermen purchased for use in the preservation of seafood or to  
34 producers for use in the refrigeration of vegetables for market.

35 (b) The sales by producers of livestock, poultry, fish  
36 or other products of farm, grove or garden when such products are  
37 sold in the original state or condition of preparation for sale  
38 before such products are subjected to any other process within a  
39 class of business or sold by a producer through an established  
40 store, as defined in the Privilege Tax Law. Provided, however,  
41 that this exemption shall not apply to ornamental plants which  
42 bear no fruit of commercial value. All sales by agricultural  
43 cooperative associations organized under Article 9 of Chapter 7 of  
44 Title 69, or under Chapters 17 or 19 of Title 79, Mississippi Code  
45 of 1972, of agricultural products produced by members for market  
46 before such products are subjected to any manufacturing process.

47 (c) The gross proceeds of retail sales of mules, horses  
48 and other livestock.

49 (d) Income from grading, excavating, ditching, dredging  
50 or landscaping activities performed for a farmer on a farm for  
51 agricultural or soil erosion purposes.

52 (e) The gross proceeds of sales of all antibiotics,  
53 hormones and hormone preparations, drugs, medicines and other  
54 medications including serums and vaccines, vitamins, minerals or  
55 other nutrients for use in the production and growing of fish,  
56 livestock and poultry by whomever sold. Such exemption shall be  
57 in addition to the exemption provided in this section for feed for  
58 fish, livestock and poultry.

59 (f) Sales of tractors or farm implements when sold by a  
60 farmer who is not a dealer engaged in the business of selling



61 tractors or farm implements. This exemption shall apply to such  
62 sales regardless of the manner in which the items are sold.

63         **SECTION 2.** Nothing in this act shall affect or defeat any  
64 claim, assessment, appeal, suit, right or cause of action for  
65 taxes due or accrued under the sales tax laws before the date on  
66 which this act becomes effective, whether such claims,  
67 assessments, appeals, suits or actions have been begun before the  
68 date on which this act becomes effective or are begun thereafter;  
69 and the provisions of the sales tax laws are expressly continued  
70 in full force, effect and operation for the purpose of the  
71 assessment, collection and enrollment of liens for any taxes due  
72 or accrued and the execution of any warrant under such laws before  
73 the date on which this act becomes effective, and for the  
74 imposition of any penalties, forfeitures or claims for failure to  
75 comply with such laws.

76         **SECTION 3.** This act shall take effect and be in force from  
77 and after July 1, 2003.

