

By: Representative Rotenberry

To: Ways and Means

HOUSE BILL NO. 381

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; TO PROVIDE
5 THAT THE SALES TAX EXEMPTION SHALL APPLY TO SUCH SALES REGARDLESS
6 OF THE MANNER IN WHICH THE ITEMS ARE SOLD; AND FOR RELATED
7 PURPOSES.

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

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

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

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

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

- 25 (a) The gross proceeds of sales of lint cotton, seed
26 cotton, baled cotton, whether compressed or not, and cottonseed
27 and soybeans in their original condition. Retail sales of seeds,
28 livestock feed, poultry feed, fish feed and fertilizers. Sales of
29 defoliants, insecticides, fungicides, herbicides and baby chicks

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

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

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

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

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

61 (f) Sales of tractors or farm implements, or both, when
62 sold by a farmer who is not a dealer engaged in the business of

63 selling tractors or farm implements. This exemption shall apply
64 to such sales regardless of the manner in which the items are
65 sold.

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

79 **SECTION 3.** This act shall take effect and be in force from
80 and after July 1, 2005.