

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1710**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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) (i) The gross proceeds of sales to a farmer of  
26 lint cotton, seed cotton, baled cotton, whether compressed or  
27 not, \* \* \* cottonseed and soybeans in their original condition,

28 seeds, livestock feed, poultry feed, fish feed, fertilizers,  
29 defoliant, insecticides, fungicides, herbicides and baby chicks  
30 used in growing agricultural products for market.

31 (ii) For all sales tax purposes, a "farmer" is a  
32 purchaser who possesses a farmer's permit issued by the Department  
33 of Agriculture and Commerce and who presents the permit to the  
34 seller at the time of purchase. The Department of Agriculture and  
35 Commerce, hereinafter referred to as the department, shall  
36 establish an application process for a farmer's permit to be  
37 issued. The department may require an applicant to submit proof  
38 that the applicant is a farmer. Proof that the applicant is a  
39 farmer may be made in any form required by the department and the  
40 department shall adopt rules establishing the proof that an  
41 applicant must submit in order to receive a farmer's permit.  
42 Proof may include, but not be limited to, a copy of the farmer's  
43 Schedule F (Schedule of Farm Income) filed as a part of the  
44 applicant's federal tax return for the prior year. A Farm Service  
45 Agency farm number and paid tax receipt on farm number shall be  
46 sufficient proof to receive a permit. Upon a determination that  
47 an applicant is a farmer, the department shall issue the applicant  
48 a numbered farmer's permit.

49 (b) The gross proceeds of sales of bagging and ties for  
50 baling cotton, hay baling wire and twine, boxes, bags and cans  
51 used in growing or preparing agricultural products for market when  
52 possession thereof will pass to the customer at the time of sale  
53 of the product contained therein; ice to commercial fishermen  
54 purchased for use in the preservation of seafood or to producers  
55 for use in the refrigeration of vegetables for market.

56 (c) The gross proceeds of sales by producers of  
57 livestock, poultry, fish or other products of farm, grove or  
58 garden when the products are sold in the original state or  
59 condition of preparation for sale before the products are

60 subjected to any other process within a class of business or sold  
61 by a producer through an established store, as defined in the  
62 Privilege Tax Law, except that this exemption shall not apply to  
63 ornamental plants which bear no fruit of commercial value; sales  
64 by agricultural cooperative associations organized under Article 9  
65 of Chapter 7 of Title 69, or under Chapters 17 or 19 of Title 79,  
66 Mississippi Code of 1972, of agricultural products produced by  
67 members for market before such products are subjected to any  
68 manufacturing process.

69           (d) The gross proceeds of \* \* \* sales of mules, horses  
70 and other livestock.

71           (e) The gross proceeds of sales or income derived from  
72 grading, excavating, ditching, dredging or landscaping activities  
73 performed for a farmer on a farm for agricultural or soil erosion  
74 purposes.

75           (f) The gross proceeds of sales of all antibiotics,  
76 hormones and hormone preparations, drugs, medicines and other  
77 medications including serums and vaccines, vitamins, minerals or  
78 other nutrients for use in the production and growing of fish,  
79 livestock and poultry by whomever sold. Such exemption shall be  
80 in addition to the exemption provided in this section for feed for  
81 fish, livestock and poultry.

82           **SECTION 2.** Nothing in this act shall affect or defeat any  
83 claim, assessment, appeal, suit, right or cause of action for  
84 taxes due or accrued under the sales tax laws before the date on  
85 which this act becomes effective, whether such claims,  
86 assessments, appeals, suits or actions have been begun before the  
87 date on which this act becomes effective or are begun thereafter;  
88 and the provisions of the sales tax laws are expressly continued  
89 in full force, effect and operation for the purpose of the  
90 assessment, collection and enrollment of liens for any taxes due  
91 or accrued and the execution of any warrant under such laws before

92 the date on which this act becomes effective, and for the  
93 imposition of any penalties, forfeitures or claims for failure to  
94 comply with such laws.

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1         AN ACT TO AMEND SECTION 27-65-103, MISSISSIPPI CODE OF 1972,  
2 TO REMOVE THE EXEMPTION FOR SALES OF CERTAIN AGRICULTURAL PRODUCTS  
3 TO THOSE OTHER THAN FARMERS; TO PROVIDE THAT FOR A PURCHASER TO BE  
4 CONSIDERED A FARMER FOR SALES TAX PURPOSES HE MUST POSSESS A  
5 FARMER'S PERMIT ISSUED BY THE DEPARTMENT OF AGRICULTURE AND  
6 COMMERCE; TO PROVIDE FOR THE ISSUANCE OF SUCH PERMIT; AND FOR  
7 RELATED PURPOSES.