

By: Representative Parker

To: Ways and Means

HOUSE BILL NO. 604

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION RETAIL SALES OF ELECTRICAL
3 GENERATING EQUIPMENT, EMERGENCY LIGHTING EQUIPMENT AND SIMILAR
4 ITEMS FOR USE DURING AN EMERGENCY OR DISASTER WHICH MAY INTERRUPT
5 OR RESULT IN AN OUTAGE OF ELECTRICAL POWER, WEATHER RADIOS AND
6 SIMILAR ITEMS FOR USE DURING AN EMERGENCY OR DISASTER; TO PROVIDE
7 THAT IN ORDER FOR SUCH EXEMPTION TO APPLY, THE SALE MUST TAKE
8 PLACE DURING THE MONTH OF JUNE; TO PROVIDE THAT THE MISSISSIPPI
9 EMERGENCY MANAGEMENT AGENCY SHALL DEVELOP A LIST OF ITEMS TO WHICH
10 THE EXEMPTION APPLIES AND SHALL DEVELOP GUIDELINES FOR
11 ADMINISTERING THE EXEMPTION; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-65-111, Mississippi Code of 1972, is
14 amended as follows:

15 27-65-111. The exemptions from the provisions of this
16 chapter which are not industrial, agricultural or governmental, or
17 which do not relate to utilities or taxes, or which are not
18 properly classified as one of the exemption classifications of
19 this chapter, shall be confined to persons or property exempted by
20 this section or by the Constitution of the United States or the
21 State of Mississippi. No exemptions as now provided by any other
22 section, except the classified exemption sections of this chapter
23 set forth herein, shall be valid as against the tax herein levied.
24 Any subsequent exemption from the tax levied hereunder, except as
25 indicated above, shall be provided by amendments to this section.

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

28 The tax levied by this chapter shall not apply to the
29 following:

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

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

35 Only sales of tangible personal property or services which
36 are ordinary and necessary to the operation of such hospitals and
37 infirmaries are exempted from tax.

38 (b) Sales of daily or weekly newspapers, and
39 periodicals or publications of scientific, literary or educational
40 organizations exempt from federal income taxation under Section
41 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
42 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

57 (g) Sales to elementary and secondary grade schools,
58 junior and senior colleges owned and operated by a corporation or
59 association in which no part of the net earnings inures to the
60 benefit of any private shareholder, group or individual, and which
61 are exempt from state income taxation, provided that this
62 exemption does not apply to sales of property or services which
63 are not to be used in the ordinary operation of the school, or
64 which are to be resold to the students or the public.

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

67 (i) Prescribed for the treatment of a human being
68 by a person authorized to prescribe the medicines, and dispensed
69 or prescription filled by a registered pharmacist in accordance
70 with law; or

71 (ii) Furnished by a licensed physician, surgeon,
72 dentist or podiatrist to his own patient for treatment of the
73 patient; or

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

77 (iv) Sold to a licensed physician, surgeon,
78 podiatrist, dentist or hospital for the treatment of a human
79 being; or

80 (v) Sold to this state or any political
81 subdivision or municipal corporation thereof, for use in the
82 treatment of a human being or furnished for the treatment of a
83 human being by a medical facility or clinic maintained by this
84 state or any political subdivision or municipal corporation
85 thereof.

86 "Medicines," as used in this paragraph (h), shall mean and
87 include any substance or preparation intended for use by external
88 or internal application to the human body in the diagnosis, cure,
89 mitigation, treatment or prevention of disease and which is
90 commonly recognized as a substance or preparation intended for
91 such use; provided that "medicines" do not include any auditory,
92 prosthetic, ophthalmic or ocular device or appliance, any dentures
93 or parts thereof or any artificial limbs or their replacement
94 parts, articles which are in the nature of splints, bandages,
95 pads, compresses, supports, dressings, instruments, apparatus,
96 contrivances, appliances, devices or other mechanical, electronic,
97 optical or physical equipment or article or the component parts

98 and accessories thereof, or any alcoholic beverage or any other
99 drug or medicine not commonly referred to as a prescription drug.

100 Notwithstanding the preceding sentence of this paragraph (h),
101 "medicines" as used in this paragraph (h), shall mean and include
102 sutures, whether or not permanently implanted, bone screws, bone
103 pins, pacemakers and other articles permanently implanted in the
104 human body to assist the functioning of any natural organ, artery,
105 vein or limb and which remain or dissolve in the body.

106 "Hospital," as used in this paragraph (h), shall have the
107 meaning ascribed to it in Section 41-9-3, Mississippi Code of
108 1972.

109 Insulin furnished by a registered pharmacist to a person for
110 treatment of diabetes as directed by a physician shall be deemed
111 to be dispensed on prescription within the meaning of this
112 paragraph (h).

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

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

118 (k) From July 1, 1985, through December 31, 1992,
119 retail sales of "alcohol blended fuel" as such term is defined in
120 Section 75-55-5. The gasoline-alcohol blend or the straight
121 alcohol eligible for this exemption shall not contain alcohol
122 distilled outside the State of Mississippi.

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

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

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

130 (o) Retail sales of food for human consumption
131 purchased with food stamps issued by the United States Department
132 of Agriculture, or other federal agency, from and after October 1,
133 1987, or from and after the expiration of any waiver granted
134 pursuant to federal law, the effect of which waiver is to permit
135 the collection by the state of tax on such retail sales of food
136 for human consumption purchased with food stamps.

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

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

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

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

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

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

151 (v) Retail sales of food for human consumption
152 purchased with food instruments issued the Mississippi Band of
153 Choctaw Indians under the Women, Infants and Children Program
154 (WIC) funded by the United States Department of Agriculture.

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

159 (x) The gross collections from the operation of
160 self-service, coin-operated car washing equipment and sales of the
161 service of washing motor vehicles with portable high-pressure
162 washing equipment on the premises of the customer.

163 (y) Sales of tangible personal property or services to
164 the Mississippi Technology Alliance.

165 (z) Sales of tangible personal property to nonprofit
166 organizations that provide foster care, adoption services and
167 temporary housing for unwed mothers and their children if the
168 organization is exempt from federal income taxation under Section
169 501(c)(3) of the Internal Revenue Code.

170 (aa) Sales of tangible personal property to nonprofit
171 organizations that provide residential rehabilitation for persons
172 with alcohol and drug dependencies if the organization is exempt
173 from federal income taxation under Section 501(c)(3) of the
174 Internal Revenue Code.

175 (bb) Retail sales of electrical generating equipment,
176 emergency lighting equipment and similar items for use during an
177 emergency or disaster which may interrupt or result in an outage
178 of electrical power, weather radios and similar items for use
179 during an emergency or disaster. For the purposes of this
180 paragraph (bb), "electrical generating equipment" includes
181 electrical generators, batteries, wiring and other equipment,
182 supplies or accessories necessary to make an electrical generator
183 functional. In order for the exemption provided in this paragraph
184 (bb) to apply, the sale must take place during the month of June.
185 This paragraph (bb) shall not apply to food or other perishable
186 items or items that are customarily used as building materials or
187 supplies. The Mississippi Emergency Management Agency shall
188 develop a list of items to which the exemption provided in this
189 paragraph (bb) applies.

190 **SECTION 2.** This act shall take effect and be in force from
191 and after its passage.