

Senate Amendments to House Bill No. 1687

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

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

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

5 27-65-111. The exemptions from the provisions of this
6 chapter which are not industrial, agricultural or governmental, or
7 which do not relate to utilities or taxes, or which are not
8 properly classified as one (1) of the exemption classifications of
9 this chapter, shall be confined to persons or property exempted by
10 this section or by the Constitution of the United States or the
11 State of Mississippi. No exemptions as now provided by any other
12 section, except the classified exemption sections of this chapter
13 set forth herein, shall be valid as against the tax herein levied.
14 Any subsequent exemption from the tax levied hereunder, except as
15 indicated above, shall be provided by amendments to this section.

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

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

20 (a) Sales of tangible personal property and services to
21 hospitals or infirmaries owned and operated by a corporation or
22 association in which no part of the net earnings inures to the
23 benefit of any private shareholder, group or individual, and which
24 are subject to and governed by Sections 41-7-123 through 41-7-127.

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

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

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

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

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

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

45 inures to the benefit of any private shareholder, group or
46 individual.

47 (g) Sales to elementary and secondary grade schools,
48 junior and senior colleges owned and operated by a corporation or
49 association in which no part of the net earnings inures to the
50 benefit of any private shareholder, group or individual, and which
51 are exempt from state income taxation, provided that this
52 exemption does not apply to sales of property or services which
53 are not to be used in the ordinary operation of the school, or
54 which are to be resold to the students or the public.

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

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

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

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

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

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

76 "Medicines," as used in this paragraph (h), shall mean and
77 include any substance or preparation intended for use by external
78 or internal application to the human body in the diagnosis, cure,
79 mitigation, treatment or prevention of disease and which is
80 commonly recognized as a substance or preparation intended for
81 such use; provided that "medicines" do not include any auditory,
82 prosthetic, ophthalmic or ocular device or appliance, any dentures
83 or parts thereof or any artificial limbs or their replacement
84 parts, articles which are in the nature of splints, bandages,
85 pads, compresses, supports, dressings, instruments, apparatus,
86 contrivances, appliances, devices or other mechanical, electronic,
87 optical or physical equipment or article or the component parts
88 and accessories thereof, or any alcoholic beverage or any other
89 drug or medicine not commonly referred to as a prescription drug.

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

96 "Hospital," as used in this paragraph (h), shall have the
97 meaning ascribed to it in Section 41-9-3, Mississippi Code of
98 1972.

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

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

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

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

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

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

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

120 (o) Retail sales of food for human consumption
121 purchased with food stamps issued by the United States Department

122 of Agriculture, or other federal agency, from and after October 1,
123 1987, or from and after the expiration of any waiver granted
124 pursuant to federal law, the effect of which waiver is to permit
125 the collection by the state of tax on such retail sales of food
126 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

146 (w) Sales of tangible personal property or services to
147 a private company, as defined in Section 57-61-5, which is making

148 such purchases with proceeds of bonds issued under Section 57-61-1
149 et seq., the Mississippi Business Investment Act.

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

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

156 (z) Sales of tangible personal property to nonprofit
157 organizations that provide foster care, adoption services and
158 temporary housing for unwed mothers and their children if the
159 organization is exempt from federal income taxation under Section
160 501(c) (3) of the Internal Revenue Code.

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

166 (bb) Retail sales of an article of clothing or footwear
167 designed to be worn on or about the human body if the sales price
168 of the article is less than One Hundred Dollars (\$100.00) and the
169 sale takes place during a period beginning at 12:01 a.m. on the
170 last Friday in July and ending at 12:00 midnight the following
171 Saturday. This paragraph (bb) shall not apply to:

172 (i) Accessories including jewelry, handbags,
173 luggage, umbrellas, wallets, watches, backpacks, briefcases,

174 garment bags and similar items carried on or about the human body,
175 without regard to whether worn on the body in a manner
176 characteristic of clothing;

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

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

180 From and after January 1, 2010, the governing authorities of
181 a municipality, for retail sales occurring within the corporate
182 limits of the municipality, may suspend the application of the
183 exemption provided for in this paragraph (bb) by adoption of a
184 resolution to that effect stating the date upon which the
185 suspension shall take effect. A certified copy of the resolution
186 shall be furnished to the Department of Revenue at least ninety
187 (90) days prior to the date upon which the municipality desires
188 such suspension to take effect.

189 (cc) The gross proceeds of sales of tangible personal
190 property made for the sole purpose of raising funds for a school
191 or an organization affiliated with a school.

192 As used in this paragraph (cc), "school" means any public or
193 private school that teaches courses of instruction to students in
194 any grade from Kindergarten through Grade 12.

195 (dd) Sales of durable medical equipment and home
196 medical supplies when ordered or prescribed by a licensed
197 physician for medical purposes of a patient. As used in this
198 paragraph (dd), "durable medical equipment" and "home medical
199 supplies" * * * mean equipment, including repair and replacement

200 parts for the equipment * * * or supplies listed under Title XVIII
201 of the Social Security Act or under the state plan for medical
202 assistance under Title XIX of the Social Security Act,
203 prosthetics, orthotics, hearing aids, hearing devices,
204 prescription eyeglasses, oxygen and oxygen equipment. Payment
205 does not have to be made in whole or in part by any particular
206 person to be eligible for this exemption. Purchases of home
207 medical equipment and supplies by a provider of home health
208 services or a provider of hospice services are eligible for this
209 exemption if the purchases otherwise meet the requirements of this
210 paragraph.

211 (ee) Sales of tangible personal property or services to
212 Mississippi Blood Services.

213 (ff) (i) Subject to the provisions of this paragraph
214 (ff), retail sales of firearms, ammunition and hunting supplies if
215 sold during the annual Mississippi Second Amendment Weekend
216 holiday beginning at 12:01 a.m. on the * * * last Friday in * * *
217 August and ending at 12:00 midnight the following Sunday. For the
218 purposes of this paragraph (ff), "hunting supplies" means tangible
219 personal property used for hunting, including, and limited to,
220 archery equipment, firearm and archery cases, firearm and archery
221 accessories, hearing protection, holsters, belts and slings.
222 Hunting supplies does not include animals used for hunting.

223 (ii) This paragraph (ff) shall apply only if one
224 or more of the following occur:

225 1. Title to and/or possession of an eligible
226 item is transferred from a seller to a purchaser; and/or

227 2. A purchaser orders and pays for an
228 eligible item and the seller accepts the order for immediate
229 shipment, even if delivery is made after the time period provided
230 in subparagraph (i) of this paragraph (ff), provided that the
231 purchaser has not requested or caused the delay in shipment.

232 (gg) Sales of nonperishable food items to charitable
233 organizations that are exempt from federal income taxation under
234 Section 501(c)(3) of the Internal Revenue Code and operate a food
235 bank or food pantry or food lines.

236 (hh) Sales of tangible personal property or services to
237 The United Way of the Pine Belt Region, Inc.

238 (ii) Sales of tangible personal property or services to
239 the Mississippi Children's Museum or any subsidiary or affiliate
240 thereof operating a satellite or branch museum within this state.

241 (jj) Sales of tangible personal property or services to
242 the Jackson Zoological Park.

243 (kk) Sales of tangible personal property or services to
244 the Hattiesburg Zoo.

245 (ll) Gross proceeds from sales of food, merchandise or
246 other concessions at an event held solely for religious or
247 charitable purposes at livestock facilities, agriculture
248 facilities or other facilities constructed, renovated or expanded
249 with funds for the grant program authorized under Section 18,
250 Chapter 530, Laws of 1995.

251 (mm) Sales of tangible personal property and services
252 to the Diabetes Foundation of Mississippi and the Mississippi
253 Chapter of the Juvenile Diabetes Research Foundation.

254 (nn) Sales of potting soil, mulch, or other soil
255 amendments used in growing ornamental plants which bear no fruit
256 of commercial value when sold to commercial plant nurseries that
257 operate exclusively at wholesale and where no retail sales can be
258 made.

259 (oo) Sales of tangible personal property or services to
260 the University of Mississippi Medical Center Research Development
261 Foundation.

262 (pp) Sales of tangible personal property or services to
263 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
264 Mississippi Beautiful, Inc.

265 (qq) Sales of tangible personal property or services to
266 the Friends of Children's Hospital.

267 (rr) Sales of tangible personal property or services to
268 the Pinecrest Weekend Backpacks for Kids located in Corinth,
269 Mississippi.

270 (ss) Sales of hearing aids when ordered or prescribed
271 by a licensed physician, audiologist or hearing aid specialist for
272 the medical purposes of a patient.

273 (tt) Sales exempt under the Facilitating Business Rapid
274 Response to State Declared Disasters Act of 2015 (Sections
275 27-113-1 through 27-113-9).

276 **SECTION 2.** This act shall take effect and be in force from
277 and after July 1, 2016.

278 **Further amend by striking the title in its entirety and**
279 **insert in lieu thereof the following:**

280 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
281 TO PROVIDE THAT THE SALES TAX EXEMPTION FOR DURABLE MEDICAL
282 EQUIPMENT AND HOME MEDICAL SUPPLIES SHALL INCLUDE THE SAME TYPE OF
283 EQUIPMENT LISTED UNDER THE MEDICARE AND MEDICAID PROGRAMS AND
284 CERTAIN OTHER EQUIPMENT AND TO CLARIFY FROM WHOM PAYMENTS FOR HOME
285 MEDICAL EQUIPMENT AND HOME MEDICAL SUPPLIES MAY BE MADE IN ORDER
286 FOR THE SALE TO BE EXEMPT FROM SALES TAXATION; TO CHANGE THE DATE
287 OF THE SALES TAX EXEMPTION FOR RETAIL SALES OF FIREARMS,
288 AMMUNITION AND HUNTING SUPPLIES FROM THE FIRST WEEKEND IN
289 SEPTEMBER TO THE LAST WEEKEND IN AUGUST; TO EXEMPT FROM SALES
290 TAXATION SALES OF TANGIBLE PERSONAL PROPERTY OR SERVICES TO ANY
291 SUBSIDIARY OR AFFILIATE OF THE MISSISSIPPI CHILDREN'S MUSEUM
292 OPERATING A SATELLITE OR BRANCH MUSEUM IN THIS STATE; AND FOR
293 RELATED PURPOSES.

SS01\HB1687A.J

Liz Welch

Secretary of the Senate