

By: Senator(s) DeBar, Polk

To: Finance

SENATE BILL NO. 2210

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,  
 2 TO EXEMPT FROM THE STATE SALES TAX RETAIL SALES OF FOOD OR DRINK  
 3 FOR HUMAN CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS  
 4 ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER  
 5 FEDERAL AGENCY; TO CLARIFY THAT THIS EXEMPTION FROM THE STATE  
 6 SALES TAX SHALL NOT AFFECT A SALES TAX LEVIED BY A MUNICIPALITY  
 7 UNDER THIS ACT; TO AUTHORIZE ANY MUNICIPALITY TO LEVY A TAX OF NO  
 8 MORE THAN 1% ON RETAIL SALES OF FOOD OR DRINK FOR HUMAN  
 9 CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS ISSUED BY THE  
 10 UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER FEDERAL AGENCY,  
 11 BUT ONLY WHEN SUCH FOOD OR DRINK IS PURCHASED WITHOUT THE USE OF  
 12 FOOD STAMPS ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE  
 13 OR OTHER FEDERAL AGENCY; TO GRANT THE MUNICIPALITY THE DISCRETION  
 14 TO LEVY THE TAX EITHER BY THE AUTHORITY OF ITS RESOLUTION OR BY  
 15 CALLING AN ELECTION ON THE QUESTION; TO GRANT THE MUNICIPALITY THE  
 16 SAME DISCRETION IN ADJUSTING THE RATE OF THE TAX AND IN REPEALING  
 17 THE TAX, REGARDLESS OF WHICH METHOD IT USED FOR THE INITIAL LEVY;  
 18 TO AMEND SECTION 27-65-241, MISSISSIPPI CODE OF 1972, IN  
 19 CONFORMITY TO THE ABOVE; AND FOR RELATED PURPOSES.

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

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

23 27-65-111. The exemptions from the provisions of this  
 24 chapter which are not industrial, agricultural or governmental, or  
 25 which do not relate to utilities or taxes, or which are not  
 26 properly classified as one (1) of the exemption classifications of



27 this chapter, shall be confined to persons or property exempted by  
28 this section or by the Constitution of the United States or the  
29 State of Mississippi. No exemptions as now provided by any other  
30 section, except the classified exemption sections of this chapter  
31 set forth herein, shall be valid as against the tax herein levied.  
32 Any subsequent exemption from the tax levied hereunder, except as  
33 indicated above, shall be provided by amendments to this section.

34 No exemption provided in this section shall apply to taxes  
35 levied by Section 27-65-15 or 27-65-21.

36 The tax levied by this chapter shall not apply to the  
37 following:

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

43 Only sales of tangible personal property or services which  
44 are ordinary and necessary to the operation of such hospitals and  
45 infirmaries are exempted from tax.

46 (b) Sales of daily or weekly newspapers, and  
47 periodicals or publications of scientific, literary or educational  
48 organizations exempt from federal income taxation under Section  
49 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
50 March 31, 1975, and subscription sales of all magazines.



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

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

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

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

65 (g) Sales to elementary and secondary grade schools,  
66 junior and senior colleges owned and operated by a corporation or  
67 association in which no part of the net earnings inures to the  
68 benefit of any private shareholder, group or individual, and which  
69 are exempt from state income taxation, provided that this  
70 exemption does not apply to sales of property or services which  
71 are not to be used in the ordinary operation of the school, or  
72 which are to be resold to the students or the public.

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



75 (i) Prescribed for the treatment of a human being  
76 by a person authorized to prescribe the medicines, and dispensed  
77 or prescription filled by a registered pharmacist in accordance  
78 with law; or

79 (ii) Furnished by a licensed physician, surgeon,  
80 dentist or podiatrist to his own patient for treatment of the  
81 patient; or

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

85 (iv) Sold to a licensed physician, surgeon,  
86 podiatrist, dentist or hospital for the treatment of a human  
87 being; or

88 (v) Sold to this state or any political  
89 subdivision or municipal corporation thereof, for use in the  
90 treatment of a human being or furnished for the treatment of a  
91 human being by a medical facility or clinic maintained by this  
92 state or any political subdivision or municipal corporation  
93 thereof.

94 "Medicines," as used in this paragraph (h), shall mean and  
95 include any substance or preparation intended for use by external  
96 or internal application to the human body in the diagnosis, cure,  
97 mitigation, treatment or prevention of disease and which is  
98 commonly recognized as a substance or preparation intended for  
99 such use; provided that "medicines" do not include any auditory,



100 prosthetic, ophthalmic or ocular device or appliance, any dentures  
101 or parts thereof or any artificial limbs or their replacement  
102 parts, articles which are in the nature of splints, bandages,  
103 pads, compresses, supports, dressings, instruments, apparatus,  
104 contrivances, appliances, devices or other mechanical, electronic,  
105 optical or physical equipment or article or the component parts  
106 and accessories thereof, or any alcoholic beverage or any other  
107 drug or medicine not commonly referred to as a prescription drug.

108         Notwithstanding the preceding sentence of this paragraph (h),  
109 "medicines" as used in this paragraph (h), shall mean and include  
110 sutures, whether or not permanently implanted, bone screws, bone  
111 pins, pacemakers and other articles permanently implanted in the  
112 human body to assist the functioning of any natural organ, artery,  
113 vein or limb and which remain or dissolve in the body.

114         The exemption provided in this paragraph (h) shall not apply  
115 to medical cannabis sold in accordance with the provisions of the  
116 Mississippi Medical Cannabis Act and in compliance with rules and  
117 regulations adopted thereunder.

118         "Hospital," as used in this paragraph (h), shall have the  
119 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
120 1972.

121         Insulin furnished by a registered pharmacist to a person for  
122 treatment of diabetes as directed by a physician shall be deemed  
123 to be dispensed on prescription within the meaning of this  
124 paragraph (h).



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

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

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

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

137 (m) The gross proceeds of retail sales of food and  
138 drink for human consumption made through vending machines serviced  
139 by full-line vendors from and not connected with other taxable  
140 businesses.

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

142 (o) \* \* \* Retail sales of food or drink for human  
143 consumption eligible for purchase with food stamps issued by the  
144 United States Department of Agriculture or other federal agency.  
145 This exemption shall not affect a sales tax levied by a  
146 municipality under Section 1 of this act when such food or drink  
147 is purchased without the use of food stamps issued by the United  
148 States Department of Agriculture or other federal agency.



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

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

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

156           (s) Sales of tangible personal property or services to  
157 National Association of Junior Auxiliaries, Inc., and chapters of  
158 the National Association of Junior Auxiliaries, Inc.

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

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

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

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

172           (x) The gross collections from the operation of  
173 self-service, coin-operated car washing equipment and sales of the



174 service of washing motor vehicles with portable high-pressure  
175 washing equipment on the premises of the customer.

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

178 (z) Sales of tangible personal property to nonprofit  
179 organizations that provide foster care, adoption services and  
180 temporary housing for unwed mothers and their children if the  
181 organization is exempt from federal income taxation under Section  
182 501(c)(3) of the Internal Revenue Code.

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

188 ( \* \* \*ab) (i) Retail sales of an article of clothing  
189 or footwear designed to be worn on or about the human body and  
190 retail sales of school supplies if the sales price of the article  
191 of clothing or footwear or school supply is less than One Hundred  
192 Dollars (\$100.00) and the sale takes place during a period  
193 beginning at 12:01 a.m. on the last Friday in July and ending at  
194 12:00 midnight the following Saturday. This paragraph ( \* \* \*ab)  
195 shall not apply to:

196 1. Accessories including jewelry, handbags,  
197 luggage, umbrellas, wallets, watches, briefcases, garment bags and  
198 similar items carried on or about the human body, without regard





199 to whether worn on the body in a manner characteristic of  
200 clothing;

201                   2. The rental of clothing or footwear; and

202                   3. Skis, swim fins, roller blades, skates and  
203 similar items worn on the foot.

204                   (ii) For purposes of this paragraph ( \* \* \*ab),  
205 "school supplies" means items that are commonly used by a student  
206 in a course of study. The following is an all-inclusive list:

207                   1. Backpacks;

208                   2. Binder pockets;

209                   3. Binders;

210                   4. Blackboard chalk;

211                   5. Book bags;

212                   6. Calculators;

213                   7. Cellophane tape;

214                   8. Clays and glazes;

215                   9. Compasses;

216                   10. Composition books;

217                   11. Crayons;

218                   12. Dictionaries and thesauruses;

219                   13. Dividers;

220                   14. Erasers;

221                   15. Folders: expandable, pocket, plastic and  
222 manila;

223                   16. Glue, paste and paste sticks;



- 224 17. Highlighters;
- 225 18. Index card boxes;
- 226 19. Index cards;
- 227 20. Legal pads;
- 228 21. Lunch boxes;
- 229 22. Markers;
- 230 23. Notebooks;
- 231 24. Paintbrushes for artwork;
- 232 25. Paints: acrylic, tempera and oil;
- 233 26. Paper: loose-leaf ruled notebook paper,
- 234 copy paper, graph paper, tracing paper, manila paper, colored
- 235 paper, poster board and construction paper;
- 236 27. Pencil boxes and other school supply
- 237 boxes;
- 238 28. Pencil sharpeners;
- 239 29. Pencils;
- 240 30. Pens;
- 241 31. Protractors;
- 242 32. Reference books;
- 243 33. Reference maps and globes;
- 244 34. Rulers;
- 245 35. Scissors;
- 246 36. Sheet music;
- 247 37. Sketch and drawing pads;
- 248 38. Textbooks;



- 249                   39. Watercolors;  
250                   40. Workbooks; and  
251                   41. Writing tablets.

252                   (iii) From and after January 1, 2010, the  
253 governing authorities of a municipality, for retail sales  
254 occurring within the corporate limits of the municipality, may  
255 suspend the application of the exemption provided for in this  
256 paragraph ( \* \* \*ab) by adoption of a resolution to that effect  
257 stating the date upon which the suspension shall take effect. A  
258 certified copy of the resolution shall be furnished to the  
259 Department of Revenue at least ninety (90) days prior to the date  
260 upon which the municipality desires such suspension to take  
261 effect.

262                   ( \* \* \*ac) The gross proceeds of sales of tangible  
263 personal property made for the sole purpose of raising funds for a  
264 school or an organization affiliated with a school.

265                   As used in this paragraph ( \* \* \*ac), "school" means any  
266 public or private school that teaches courses of instruction to  
267 students in any grade from kindergarten through Grade 12.

268                   ( \* \* \*ad) Sales of durable medical equipment and home  
269 medical supplies when ordered or prescribed by a licensed  
270 physician for medical purposes of a patient. As used in this  
271 paragraph ( \* \* \*ad), "durable medical equipment" and "home  
272 medical supplies" mean equipment, including repair and replacement  
273 parts for the equipment or supplies listed under Title XVIII of



274 the Social Security Act or under the state plan for medical  
275 assistance under Title XIX of the Social Security Act,  
276 prosthetics, orthotics, hearing aids, hearing devices,  
277 prescription eyeglasses, oxygen and oxygen equipment. Payment  
278 does not have to be made, in whole or in part, by any particular  
279 person to be eligible for this exemption. Purchases of home  
280 medical equipment and supplies by a provider of home health  
281 services or a provider of hospice services are eligible for this  
282 exemption if the purchases otherwise meet the requirements of this  
283 paragraph.

284 ( \* \* \*ae) Sales of tangible personal property or  
285 services to Mississippi Blood Services.

286 ( \* \* \*af) (i) Subject to the provisions of this  
287 paragraph ( \* \* \*af), retail sales of firearms, ammunition and  
288 hunting supplies if sold during the annual Mississippi Second  
289 Amendment Weekend holiday beginning at 12:01 a.m. on the last  
290 Friday in August and ending at 12:00 midnight the following  
291 Sunday. For the purposes of this paragraph ( \* \* \*af), "hunting  
292 supplies" means tangible personal property used for hunting,  
293 including, and limited to, archery equipment, firearm and archery  
294 cases, firearm and archery accessories, hearing protection,  
295 holsters, belts and slings. Hunting supplies does not include  
296 animals used for hunting.

297 (ii) This paragraph ( \* \* \*af) shall apply only if  
298 one or more of the following occur:



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

301                   2. A purchaser orders and pays for an  
302 eligible item and the seller accepts the order for immediate  
303 shipment, even if delivery is made after the time period provided  
304 in subparagraph (i) of this paragraph ( \* \* \*af), provided that  
305 the purchaser has not requested or caused the delay in shipment.

306                   ( \* \* \*ag) Sales of nonperishable food items to  
307 charitable organizations that are exempt from federal income  
308 taxation under Section 501(c)(3) of the Internal Revenue Code and  
309 operate a food bank or food pantry or food lines.

310                   ( \* \* \*ah) Sales of tangible personal property or  
311 services to the United Way of the Pine Belt Region, Inc.

312                   ( \* \* \*ai) Sales of tangible personal property or  
313 services to the Mississippi Children's Museum or any subsidiary or  
314 affiliate thereof operating a satellite or branch museum within  
315 this state.

316                   ( \* \* \*aj) Sales of tangible personal property or  
317 services to the Jackson Zoological Park.

318                   ( \* \* \*ak) Sales of tangible personal property or  
319 services to the Hattiesburg Zoo.

320                   ( \* \* \*al) Gross proceeds from sales of food,  
321 merchandise or other concessions at an event held solely for  
322 religious or charitable purposes at livestock facilities,  
323 agriculture facilities or other facilities constructed, renovated



324 or expanded with funds for the grant program authorized under  
325 Section 18, Chapter 530, Laws of 1995.

326 ( \* \* \*am) Sales of tangible personal property and  
327 services to the Diabetes Foundation of Mississippi and the  
328 Mississippi Chapter of the Juvenile Diabetes Research Foundation.

329 ( \* \* \*an) Sales of potting soil, mulch, or other soil  
330 amendments used in growing ornamental plants which bear no fruit  
331 of commercial value when sold to commercial plant nurseries that  
332 operate exclusively at wholesale and where no retail sales can be  
333 made.

334 ( \* \* \*ao) Sales of tangible personal property or  
335 services to the University of Mississippi Medical Center Research  
336 Development Foundation.

337 ( \* \* \*ap) Sales of tangible personal property or  
338 services to Keep Mississippi Beautiful, Inc., and all affiliates  
339 of Keep Mississippi Beautiful, Inc.

340 ( \* \* \*aq) Sales of tangible personal property or  
341 services to the Friends of Children's Hospital.

342 ( \* \* \*ar) Sales of tangible personal property or  
343 services to the Pinecrest Weekend Backpacks for Kids located in  
344 Corinth, Mississippi.

345 ( \* \* \*as) Sales of hearing aids when ordered or  
346 prescribed by a licensed physician, audiologist or hearing aid  
347 specialist for the medical purposes of a patient.



348 ( \* \* \*at) Sales exempt under the Facilitating Business  
349 Rapid Response to State Declared Disasters Act of 2015 (Sections  
350 27-113-1 through 27-113-9).

351 ( \* \* \*au) Sales of tangible personal property or  
352 services to the Junior League of Jackson.

353 ( \* \* \*av) Sales of tangible personal property or  
354 services to the Mississippi's Toughest Kids Foundation for use in  
355 the construction, furnishing and equipping of buildings and  
356 related facilities and infrastructure at Camp Kamassa in Copiah  
357 County, Mississippi. This paragraph ( \* \* \*av) shall stand  
358 repealed on July 1, 2025.

359 ( \* \* \*aw) Sales of tangible personal property or  
360 services to MS Gulf Coast Buddy Sports, Inc.

361 ( \* \* \*ax) Sales of tangible personal property or  
362 services to Biloxi Lions, Inc.

363 ( \* \* \*ay) Sales of tangible personal property or  
364 services to Lions Sight Foundation of Mississippi, Inc.

365 ( \* \* \*az) Sales of tangible personal property and  
366 services to the Goldring/Woldenberg Institute of Southern Jewish  
367 Life (ISJL).

368 ( \* \* \*ba) Sales of coins, currency, and bullion. For  
369 the purposes of this paragraph ( \* \* \*ba), the following words and  
370 phrases shall have the meanings ascribed in this paragraph  
371 ( \* \* \*ba) unless the context clearly indicates otherwise:

372 (i) "Bullion" means a bar, ingot, or coin:



- 373                   1. Manufactured, in whole or in part, of  
374 gold, silver, platinum, or palladium;  
375                   2. That was or is used solely as a medium of  
376 exchange, security, or commodity by any state, the United States  
377 Government, or a foreign nation; and  
378                   3. Sold based on the intrinsic value of the  
379 bar, ingot, or coin as a precious metal or collectible item rather  
380 than its form or representative value as a medium of exchange.

381                   (ii) "Coin or currency" means a coin or currency:

- 382                   1. Manufactured, in whole or in part, of  
383 gold, silver, other metal, or paper;  
384                   2. That was or is used solely as a medium of  
385 exchange, security, or commodity by any state, the United States  
386 Government, or a foreign nation; and  
387                   3. Sold based on the intrinsic value of the  
388 coin or currency as a precious metal or collectible item rather  
389 than its form or representative value as a medium of exchange.

390                   "Coin or currency" does not include a coin or currency that  
391 has been incorporated into jewelry.

392                   **SECTION 2.** (1) The governing authorities of any  
393 municipality are authorized, in their discretion, to levy and  
394 collect a tax, which shall be in addition to all other taxes and  
395 assessments imposed, of no more than one percent (1%) on retail  
396 sales of food or drink for human consumption eligible for purchase  
397 with food stamps issued by the United States Department of





398 Agriculture or other federal agency, but only when such food or  
399 drink is purchased without the use of food stamps issued by the  
400 United States Department of Agriculture or other federal agency.

401 (2) Persons, firms or corporations liable for the levy  
402 imposed under subsection (1) of this section shall add the amount  
403 of the levy to the sales price of the products set out in  
404 subsection (1) of this section and shall collect, insofar as is  
405 practicable, the amount of the tax due by them from the person  
406 receiving the product at the time of payment therefor.

407 (3) The tax shall be collected by and paid to the Department  
408 of Revenue on a form prescribed by the Department of Revenue in  
409 the manner that state sales taxes are computed, collected and  
410 paid; and full enforcement provisions and all other provisions of  
411 Title 27, Chapter 65, Mississippi Code of 1972, shall apply as  
412 necessary to the implementation and administration of this act.

413 (4) The proceeds of the tax, less three percent (3%) thereof  
414 which shall be retained by the Department of Revenue to defray the  
415 cost of collection, shall be paid to the governing authorities of  
416 the municipality on or before the fifteenth day of the month  
417 following the month in which collected.

418 (5) Before any tax authorized under this act may be imposed,  
419 the governing authorities of the municipality shall adopt a  
420 resolution declaring their intention to levy the tax and setting  
421 forth the amount of the tax to be imposed, the date upon which the  
422 tax shall become effective, and the municipal fund into which the



423 proceeds of the tax shall be paid. In addition, the resolution  
424 shall either specify that the tax shall become effective by the  
425 authority of the resolution, or call for an election to be held on  
426 the question. If the resolution calls for an election:

427 (a) Notice of the intention to levy the tax and of the  
428 election shall be published either:

429 (i) Once each week for at least three (3)  
430 consecutive weeks in a newspaper published or having a general  
431 circulation in the municipality, with the first publication of the  
432 notice to be made not less than twenty-one (21) days before the  
433 date fixed in the resolution for the election and the last  
434 publication to be made not more than seven (7) days before the  
435 election; or

436 (ii) On the municipality's website or, if the  
437 municipality does not have a website, its official social media  
438 webpage, to remain available to the public for the duration of the  
439 twenty-one (21) days immediately preceding the date fixed in the  
440 resolution for the election; and

441 (b) At the election, all qualified electors of the  
442 municipality may vote, and the ballots used in the election shall  
443 have printed thereon a brief statement of the amount of the tax,  
444 the date upon which the tax shall become effective, and the  
445 municipal fund into which the proceeds of the tax shall be paid,  
446 together with the words "FOR THE TAX" and, on a separate line,  
447 "AGAINST THE TAX." The voters shall vote by marking their choice



448 on the proposition. When the results of the election shall have  
449 been canvassed and certified, the municipality may levy the tax if  
450 at least sixty percent (60%) of the qualified electors who vote in  
451 the election vote in favor of the tax.

452 (6) At least thirty (30) days before the effective date of  
453 the tax provided in this section, the municipal governing  
454 authorities shall furnish to the Department of Revenue a certified  
455 copy of the resolution evidencing the tax.

456 (7) A tax imposed under this section may have its rate  
457 adjusted or may be repealed by the same procedures governing the  
458 levying of the tax in subsections (5) and (6) of this section.  
459 The municipality shall have the same discretion as to the method  
460 of effectuating the adjustment or repeal, whether by the authority  
461 of the resolution itself or by an election, as it has under  
462 subsection (5) of this section regarding the initial levy,  
463 regardless of which method it used to effectuate the initial levy.

464 **SECTION 3.** Section 27-65-241, Mississippi Code of 1972, is  
465 amended as follows:

466 27-65-241. (1) As used in this section, the following terms  
467 shall have the meanings ascribed to them in this section unless  
468 otherwise clearly indicated by the context in which they are used:

469 (a) "Hotel" or "motel" means and includes a place of  
470 lodging that at any one time will accommodate transient guests on  
471 a daily or weekly basis and that is known to the trade as such.



472 Such terms shall not include a place of lodging with ten (10) or  
473 less rental units.

474 (b) "Municipality" means any municipality in the State  
475 of Mississippi with a population of one hundred fifty thousand  
476 (150,000) or more according to the most recent federal decennial  
477 census.

478 (c) "Restaurant" means and includes all places where  
479 prepared food is sold and whose annual gross proceeds of sales or  
480 gross income for the preceding calendar year equals or exceeds One  
481 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"  
482 shall not include any nonprofit organization that is exempt from  
483 federal income taxation under Section 501(c)(3) of the Internal  
484 Revenue Code. For the purpose of calculating gross proceeds of  
485 sales or gross income, the sales or income of all establishments  
486 owned, operated or controlled by the same person, persons or  
487 corporation shall be aggregated.

488 (2) (a) Subject to the provisions of this section, the  
489 governing authorities of a municipality may impose upon all  
490 persons as a privilege for engaging or continuing in business or  
491 doing business within such municipality, a special sales tax at  
492 the rate of not more than one percent (1%) of the gross proceeds  
493 of sales or gross income of the business, as the case may be,  
494 derived from any of the activities taxed at the rate of seven  
495 percent (7%) or more under the Mississippi Sales Tax Law, Section  
496 27-65-1 et seq.



497 (b) The tax levied under this section shall apply to  
498 every person making sales of tangible personal property or  
499 services within the municipality but shall not apply to:

500 (i) Sales exempted by Sections 27-65-19,  
501 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and  
502 27-65-111 of the Mississippi Sales Tax Law;

503 (ii) Gross proceeds of sales or gross income of  
504 restaurants derived from the sale of food and beverages;

505 (iii) Gross proceeds of sales or gross income of  
506 hotels and motels derived from the sale of hotel rooms and motel  
507 rooms for lodging purposes;

508 \* \* \*

509 ( \* \* \* iv) Gross income of businesses engaging or  
510 continuing in the business of TV cable systems, subscription TV  
511 services, and other similar activities, including, but not limited  
512 to, cable Internet services;

513 ( \* \* \* y) Wholesale sales of food and drink for  
514 human consumption sold to full service vending machine operators;  
515 and

516 ( \* \* \* vi) Wholesale sales of light wine, light  
517 spirit product, beer and alcoholic beverages.

518 (3) (a) Before any tax authorized under this section may be  
519 imposed, the governing authorities of the municipality shall adopt  
520 a resolution declaring its intention to levy the tax, setting  
521 forth the amount of the tax to be imposed, the purposes for which



522 the revenue collected pursuant to the tax levy may be used and  
523 expended, the date upon which the tax shall become effective, the  
524 date upon which the tax shall be repealed, and calling for an  
525 election to be held on the question. The date of the election  
526 shall be set in the resolution. Notice of the election shall be  
527 published once each week for at least three (3) consecutive weeks  
528 in a newspaper published or having a general circulation in the  
529 municipality, with the first publication of the notice to be made  
530 not less than twenty-one (21) days before the date fixed in the  
531 resolution for the election and the last publication to be made  
532 not more than seven (7) days before the election. At the  
533 election, all qualified electors of the municipality may vote.  
534 The ballots used at the election shall have printed thereon a  
535 brief description of the sales tax, the amount of the sales tax  
536 levy, a description of the purposes for which the tax revenue may  
537 be used and expended and the words "FOR THE LOCAL SALES TAX" and  
538 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing  
539 a cross (X) or check mark (✓) opposite his choice on the  
540 proposition. When the results of the election have been canvassed  
541 by the election commissioners of the municipality and certified by  
542 them to the governing authorities, it shall be the duty of such  
543 governing authorities to determine and adjudicate whether at least  
544 three-fifths (3/5) of the qualified electors who voted in the  
545 election voted in favor of the tax. If at least three-fifths  
546 (3/5) of the qualified electors who voted in the election voted in



547 favor of the tax, the governing authorities shall adopt a  
548 resolution declaring the levy and collection of the tax provided  
549 in this section and shall set the first day of the second month  
550 following the date of such adoption as the effective date of the  
551 tax levy. A certified copy of this resolution, together with the  
552 result of the election, shall be furnished to the Department of  
553 Revenue not less than thirty (30) days before the effective date  
554 of the levy.

555 (b) A municipality shall not hold more than two (2)  
556 elections under this subsection.

557 (4) The revenue collected pursuant to the tax levy imposed  
558 under this section may be expended to pay the cost of road and  
559 street repair, reconstruction and resurfacing projects based on  
560 traffic patterns, need and usage, and to pay the costs of water,  
561 sewer and drainage projects in accordance with a master plan  
562 adopted by the commission established pursuant to subsection (7).

563 (5) (a) The special sales tax authorized by this section  
564 shall be collected by the Department of Revenue, shall be  
565 accounted for separately from the amount of sales tax collected  
566 for the state in the municipality and shall be paid to the  
567 municipality. The Department of Revenue may retain one percent  
568 (1%) of the proceeds of such tax for the purpose of defraying the  
569 costs incurred by the department in the collection of the tax.  
570 Payments to the municipality shall be made by the Department of  
571 Revenue on or before the fifteenth day of the month following the



572 month in which the tax was collected. However, if a municipality  
573 fails to comply with the audit, reporting and/or report filing  
574 requirements of paragraph (b) of this subsection and does not  
575 remedy such noncompliance within thirty (30) days after receiving  
576 written notice of noncompliance, the Department of Revenue shall  
577 withhold payments otherwise payable to the municipality under this  
578 paragraph (a) until the department receives written notice that  
579 the municipality has complied with such requirements.

580           (b) The proceeds of the special sales tax shall be  
581 placed into a special municipal fund apart from the municipal  
582 general fund and any other funds of the municipality, and shall be  
583 expended by the municipality solely for the purposes authorized in  
584 subsection (4) of this section. The records reflecting the  
585 receipts and expenditures of the revenue from the special sales  
586 tax shall be provided in detail to the members of the commission  
587 monthly, to include the name of the vendor and the project, and  
588 the dates and amounts received and paid, and shall also be audited  
589 annually by an independent certified public accountant. The  
590 accountant shall make a report of his findings to the governing  
591 authorities of the municipality and file a copy of his report with  
592 the Secretary of the Senate and the Clerk of the House of  
593 Representatives and the commission members. The audit shall be  
594 made and completed as soon as practical after the close of the  
595 fiscal year of the municipality, and expenses of the audit shall





596 be paid from the funds derived by the municipality pursuant to  
597 this section.

598 (c) Any expenditure from the special municipal fund  
599 defined in paragraph (b) above that was not for a project approved  
600 by the commission, or was in excess of the amount approved by the  
601 commission, shall be reimbursed by the city to the special fund.

602 (d) All provisions of the Mississippi Sales Tax Law  
603 applicable to filing of returns, discounts to the taxpayer,  
604 remittances to the Department of Revenue, enforced collection,  
605 rights of taxpayers, recovery of improper taxes, refunds of  
606 overpaid taxes or other provisions of law providing for imposition  
607 and collection of the state sales tax shall apply to the special  
608 sales tax authorized by this section, except where there is a  
609 conflict, in which case the provisions of this section shall  
610 control. Any damages, penalties or interest collected for the  
611 nonpayment of taxes imposed under this section, or for  
612 noncompliance with the provisions of this section, shall be paid  
613 to the municipality on the same basis and in the same manner as  
614 the tax proceeds. Any overpayment of tax for any reason that has  
615 been disbursed to a municipality or any payment of the tax to a  
616 municipality in error may be adjusted by the Department of Revenue  
617 on any subsequent payment to the municipality pursuant to the  
618 provisions of the Mississippi Sales Tax Law. The Department of  
619 Revenue may, from time to time, make such rules and regulations  
620 not inconsistent with this section as may be deemed necessary to



621 carry out the provisions of this section, and such rules and  
622 regulations shall have the full force and effect of law.

623 (6) If a municipality expands its corporate boundaries, the  
624 governing authorities of the municipality may not impose the  
625 special sales tax in the annexed area unless the tax is approved  
626 at an election conducted, as far as is practicable, in the manner  
627 provided in subsection (3) of this section, except that only  
628 qualified electors in the annexed area may vote in the election.

629 (7) (a) Any municipality that levies the special sales tax  
630 authorized under this section shall establish a commission as  
631 provided for in this section. Expenditures of revenue from the  
632 special sales tax authorized by this section shall be in  
633 accordance with a master plan adopted by the commission pursuant  
634 to this subsection.

635 (b) The commission shall be composed of ten (10) voting  
636 members who shall be known as commissioners appointed as follows:

637 (i) Four (4) members representing the business  
638 community in the municipality appointed by the local chamber of  
639 commerce for initial terms of one (1), two (2), four (4) and five  
640 (5) years respectively. The members appointed pursuant to this  
641 paragraph shall be persons who represent businesses located within  
642 the city limits of the municipality.

643 (ii) Three (3) members shall be appointed at large  
644 by the mayor of the municipality, with the advice and consent of  
645 the legislative body of the municipality, for initial terms of two



646 (2), three (3) and four (4) years respectively. All appointments  
647 made by the mayor pursuant to this paragraph shall be residents of  
648 the municipality.

649 (iii) One (1) member shall be appointed at large  
650 by the Governor for an initial term of four (4) years. All  
651 appointments made by the Governor pursuant to this paragraph shall  
652 be residents of the municipality.

653 (iv) One (1) member shall be appointed at large by  
654 the Lieutenant Governor for an initial term of four (4) years.  
655 All appointments made by the Lieutenant Governor pursuant to this  
656 paragraph shall be residents of the municipality.

657 (v) One (1) member shall be appointed at large by  
658 the Speaker of the House of Representatives for a term of four (4)  
659 years. All appointments made by the Speaker of the House of  
660 Representatives pursuant to this paragraph shall be residents of  
661 the municipality.

662 (c) The terms of all appointments made subsequent to  
663 the initial appointment shall be made for five (5) years. Any  
664 vacancy which may occur shall be filled in the same manner as the  
665 original appointment and shall be made for the unexpired term.

666 (d) The mayor of the municipality shall designate a  
667 chairman of the commission from among the membership of the  
668 commission. The vice chairman and secretary shall be elected by  
669 the commission from among the membership of the commission for a



670 term of two (2) years. The vice chairman and secretary may be  
671 reelected, and the chairman may be reappointed.

672 (e) The commissioners shall serve without compensation.

673 (f) Any commissioner shall be disqualified and shall be  
674 removed from office for either of the following reasons:

675 (i) Conviction of a felony in any state court or  
676 in federal court; or

677 (ii) Failure to attend three (3) consecutive  
678 meetings without just cause.

679 If a commissioner is removed for any of the above reasons,  
680 the vacancy shall be filled in the manner prescribed in this  
681 section and shall be made for the unexpired term.

682 (g) A quorum shall consist of six (6) voting members of  
683 the commission. The commission shall adopt such rules and  
684 regulations as may govern the time and place for holding meetings,  
685 regular and special.

686 (h) The commission shall, with input from the  
687 municipality, establish a master plan for road and street repair,  
688 reconstruction and resurfacing projects based on traffic patterns,  
689 need and usage, and for water, sewer and drainage projects.

690 Expenditures of the revenue from the tax authorized to be imposed  
691 pursuant to this section shall be made at the discretion of the  
692 governing authorities of the municipality if the expenditures  
693 comply with the master plan. The commission shall monitor the  
694 compliance of the municipality with the master plan.



695           (8) The governing authorities of any municipality that  
696 levies the special sales tax authorized under this section are  
697 authorized to incur debt, including bonds, notes or other  
698 evidences of indebtedness, for the purpose of paying the costs of  
699 road and street repair, reconstruction and resurfacing projects  
700 based on traffic patterns, need and usage, and to pay the costs of  
701 water, sewer and drainage projects in accordance with a master  
702 plan adopted by the commission established pursuant to subsection  
703 (7) of this section. Any bonds or notes issued to pay such costs  
704 may be secured by the proceeds of the special sales tax levied  
705 pursuant to this section or may be general obligations of the  
706 municipality and shall satisfy the requirements for the issuance  
707 of debt provided by Sections 21-33-313 through 21-33-323.

708           (9) This section shall stand repealed from and after July 1,  
709 2035.

710           **SECTION 4.** This act shall take effect and be in force from  
711 and after July 1, 2024.

