

By: Representative Snowden

To: Ways and Means

HOUSE BILL NO. 1687  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE SALES TAX EXEMPTION FOR DURABLE MEDICAL  
3 EQUIPMENT AND HOME MEDICAL SUPPLIES SHALL INCLUDE THE SAME TYPE OF  
4 EQUIPMENT LISTED UNDER THE MEDICARE AND MEDICAID PROGRAMS AND  
5 CERTAIN OTHER EQUIPMENT AND TO CLARIFY FROM WHOM PAYMENTS FOR HOME  
6 MEDICAL EQUIPMENT AND HOME MEDICAL SUPPLIES MAY BE MADE IN ORDER  
7 FOR THE SALE TO BE EXEMPT FROM SALES TAXATION; TO CHANGE THE DATE  
8 OF THE SALES TAX EXEMPTION FOR RETAIL SALES OF FIREARMS,  
9 AMMUNITION AND HUNTING SUPPLIES FROM THE FIRST WEEKEND IN  
10 SEPTEMBER TO THE LAST WEEKEND IN AUGUST; TO EXEMPT FROM SALES  
11 TAXATION SALES OF TANGIBLE PERSONAL PROPERTY OR SERVICES TO ANY  
12 SUBSIDIARY OR AFFILIATE OF THE MISSISSIPPI CHILDREN'S MUSEUM  
13 OPERATING A SATELLITE OR BRANCH MUSEUM IN THIS STATE; AND FOR  
14 RELATED PURPOSES.

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

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

18 27-65-111. The exemptions from the provisions of this  
19 chapter which are not industrial, agricultural or governmental, or  
20 which do not relate to utilities or taxes, or which are not  
21 properly classified as one (1) of the exemption classifications of  
22 this chapter, shall be confined to persons or property exempted by  
23 this section or by the Constitution of the United States or the  
24 State of Mississippi. No exemptions as now provided by any other



25 section, except the classified exemption sections of this chapter  
26 set forth herein, shall be valid as against the tax herein levied.  
27 Any subsequent exemption from the tax levied hereunder, except as  
28 indicated above, shall be provided by amendments to this section.

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

31 The tax levied by this chapter shall not apply to the  
32 following:

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

38 Only sales of tangible personal property or services which  
39 are ordinary and necessary to the operation of such hospitals and  
40 infirmaries are exempted from tax.

41 (b) Sales of daily or weekly newspapers, and  
42 periodicals or publications of scientific, literary or educational  
43 organizations exempt from federal income taxation under Section  
44 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
45 March 31, 1975, and subscription sales of all magazines.

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

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



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

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

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

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

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



74 (ii) Furnished by a licensed physician, surgeon,  
75 dentist or podiatrist to his own patient for treatment of the  
76 patient; or

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

80 (iv) Sold to a licensed physician, surgeon,  
81 podiatrist, dentist or hospital for the treatment of a human  
82 being; or

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

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



99 contrivances, appliances, devices or other mechanical, electronic,  
100 optical or physical equipment or article or the component parts  
101 and accessories thereof, or any alcoholic beverage or any other  
102 drug or medicine not commonly referred to as a prescription drug.

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

109 "Hospital," as used in this paragraph (h), shall have the  
110 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
111 1972.

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

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

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

121 (k) From July 1, 1985, through December 31, 1992,  
122 retail sales of "alcohol blended fuel" as such term is defined in  
123 Section 75-55-5. The gasoline-alcohol blend or the straight



124 alcohol eligible for this exemption shall not contain alcohol  
125 distilled outside the State of Mississippi.

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

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

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

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

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

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

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



147           (s) Sales of tangible personal property or services to  
148 National Association of Junior Auxiliaries, Inc., and chapters of  
149 the National Association of Junior Auxiliaries, Inc.

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

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

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

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

163           (x) The gross collections from the operation of  
164 self-service, coin-operated car washing equipment and sales of the  
165 service of washing motor vehicles with portable high-pressure  
166 washing equipment on the premises of the customer.

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

169           (z) Sales of tangible personal property to nonprofit  
170 organizations that provide foster care, adoption services and  
171 temporary housing for unwed mothers and their children if the



172 organization is exempt from federal income taxation under Section  
173 501(c)(3) of the Internal Revenue Code.

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

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

185 (i) Accessories including jewelry, handbags,  
186 luggage, umbrellas, wallets, watches, backpacks, briefcases,  
187 garment bags and similar items carried on or about the human body,  
188 without regard to whether worn on the body in a manner  
189 characteristic of clothing;

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

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

193 From and after January 1, 2010, the governing authorities of  
194 a municipality, for retail sales occurring within the corporate  
195 limits of the municipality, may suspend the application of the  
196 exemption provided for in this paragraph (bb) by adoption of a





197 resolution to that effect stating the date upon which the  
198 suspension shall take effect. A certified copy of the resolution  
199 shall be furnished to the Department of Revenue at least ninety  
200 (90) days prior to the date upon which the municipality desires  
201 such suspension to take effect.

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

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

208 (dd) Sales of durable medical equipment and home  
209 medical supplies when ordered or prescribed by a licensed  
210 physician for medical purposes of a patient. As used in this  
211 paragraph (dd), "durable medical equipment" and "home medical  
212 supplies" \* \* \* mean equipment, including repair and replacement  
213 parts for the equipment \* \* \* or supplies listed under Title XVIII  
214 of the Social Security Act or under the state plan for medical  
215 assistance under Title XIX of the Social Security Act,  
216 prosthetics, orthotics, hearing aids, hearing devices,  
217 prescription eyeglasses, oxygen and oxygen equipment. Payment  
218 does not have to be made in whole or in part by any particular  
219 person to be eligible for this exemption. Purchases of home  
220 medical equipment and supplies by a provider of home health  
221 services or a provider of hospice services are eligible for this



222 exemption if the purchases otherwise meet the requirements of this  
223 paragraph.

224 (ee) Sales of tangible personal property or services to  
225 Mississippi Blood Services.

226 (ff) (i) Subject to the provisions of this paragraph  
227 (ff), retail sales of firearms, ammunition and hunting supplies if  
228 sold during the annual Mississippi Second Amendment Weekend  
229 holiday beginning at 12:01 a.m. on the \* \* \* last Friday in \* \* \*  
230 August and ending at 12:00 midnight the following Sunday. For the  
231 purposes of this paragraph (ff), "hunting supplies" means tangible  
232 personal property used for hunting, including, and limited to,  
233 archery equipment, firearm and archery cases, firearm and archery  
234 accessories, hearing protection, holsters, belts and slings.  
235 Hunting supplies does not include animals used for hunting.

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

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

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

245 (gg) Sales of nonperishable food items to charitable  
246 organizations that are exempt from federal income taxation under



247 Section 501(c) (3) of the Internal Revenue Code and operate a food  
248 bank or food pantry or food lines.

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

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

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

256 (kk) Sales of tangible personal property or services to  
257 the Hattiesburg Zoo.

258 (ll) Gross proceeds from sales of food, merchandise or  
259 other concessions at an event held solely for religious or  
260 charitable purposes at livestock facilities, agriculture  
261 facilities or other facilities constructed, renovated or expanded  
262 with funds for the grant program authorized under Section 18,  
263 Chapter 530, Laws of 1995.

264 (mm) Sales of tangible personal property and services  
265 to the Diabetes Foundation of Mississippi and the Mississippi  
266 Chapter of the Juvenile Diabetes Research Foundation.

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



272           (oo) Sales of tangible personal property or services to  
273 the University of Mississippi Medical Center Research Development  
274 Foundation.

275           (pp) Sales of tangible personal property or services to  
276 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
277 Mississippi Beautiful, Inc.

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

280           (rr) Sales of tangible personal property or services to  
281 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
282 Mississippi.

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

286           (tt) Sales exempt under the Facilitating Business Rapid  
287 Response to State Declared Disasters Act of 2015 (Sections  
288 27-113-1 through 27-113-9).

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

