

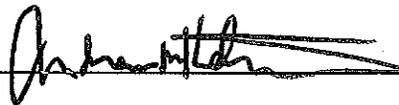
4/18/16

11:51 A.M.

Chapter No. 440
16/HR26/R902.1
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HOUSE BILL NO. 1677

Originated in House



Clerk

HOUSE BILL NO. 1677

AN ACT TO AMEND SECTION 27-65-103, MISSISSIPPI CODE OF 1972, TO CLARIFY THE AGRICULTURAL SALES TAX EXEMPTION FOR SALES OF CHRISTMAS TREES, HAY, STRAW, FRESH CUT FLOWERS AND SIMILAR PRODUCTS WHEN THE PRODUCTS ARE GROWN IN THIS STATE AND CUT, SEVERED OR OTHERWISE REMOVED FROM THE PLACE OF PRODUCTION AND FIRST SOLD FROM SUCH PLACE OF PRODUCTION IN THE ORIGINAL STATE OR CONDITION OF PREPARATION FOR SALE; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-65-103, Mississippi Code of 1972, is amended as follows:

27-65-103. The exemptions from the provisions of this chapter which are of an agricultural nature or which are more properly classified as agricultural exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by provisions of the Constitution of the United States or the State of Mississippi. No agricultural exemption as now provided by any other section shall be valid as against the tax herein levied. Any subsequent agricultural exemption from the tax levied hereunder shall be provided by amendment to this section.

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

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

(a) The gross proceeds of sales of lint cotton, seed cotton, baled cotton, whether compressed or not, and cottonseed and soybeans in their original condition. Retail sales of seeds, livestock feed, poultry feed, fish feed and fertilizers. Sales of defoliants, insecticides, fungicides, herbicides and baby chicks used in growing agricultural products for market. Bagging and ties for baling cotton, hay-baling wire and twine, boxes, bags and cans used in growing or preparing agricultural products for market when possession thereof will pass to the customer at the time of sale of the product contained therein. Sales of ice to commercial fishermen purchased for use in the preservation of seafood or to producers for use in the refrigeration of vegetables for market.

(b) The sales by producers of livestock, poultry, fish, honey bees or other products of farm, grove, apiary or garden when such products are sold in the original state or condition of preparation for sale before such products are subjected to any other process within a class of business or sold by a producer through an established store, as defined in the Privilege Tax Law. However, except as otherwise provided in this paragraph (b), this exemption shall not apply to ornamental plants which bear no fruit of commercial value. The exemption provided in this paragraph (b)

shall apply to Christmas trees, hay, straw, fresh cut flowers and similar products when (i) grown in Mississippi and (ii) cut, severed or otherwise removed from the farm, grove, garden or other place of production and first sold from such place of production in the original state or condition of preparation for sale. All sales by agricultural cooperative associations organized under Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title 79, Mississippi Code of 1972, of agricultural products produced by members for market before such products are subjected to any manufacturing process.

(c) The gross proceeds of retail sales of mules, horses, honey bees and other livestock.

(d) Income from grading, excavating, ditching, dredging or landscaping activities performed for a farmer on a farm for agricultural or soil erosion purposes.

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

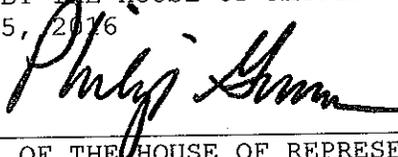
(f) Sales of food products and honey that are grown, made or processed in Mississippi and sold from farmers' markets

that have been certified by the Mississippi Department of Agriculture and Commerce.

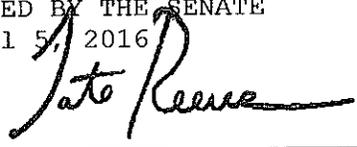
SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the sales tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the sales tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after July 1, 2016.

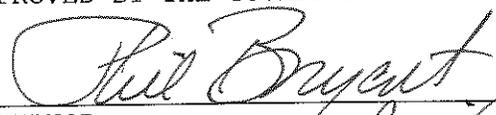
PASSED BY THE HOUSE OF REPRESENTATIVES
March 15, 2016


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 5, 2016


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

April 18, 2016
11:51 AM