

1 HB417  
2 206320-1  
3 By Representative Grimsley  
4 RFD: Ways and Means Education  
5 First Read: 10-MAR-20

SYNOPSIS: Under existing law, the gross proceeds from the sale of insecticides, medicine, and prepared dog food purchased by dog vendors are not exempt from sales and use tax.

This bill would provide that gross proceeds from the sale of insecticides, medicine and prepared dog food from the sales and use tax purchased by a dog vendor whose primary business is to resell dogs would be exempt from sales and use tax.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Sections 40-23-4, as last amended by Act 2019-444, 2019 Regular Session, Code of Alabama 1975, relating to sales and use tax exemptions, to exempt the gross proceeds from the sales of insecticides, medicine, and prepared dog food purchased by dog vendors from sales and use taxes.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 40-23-4, as last amended by Act  
3 2019-444, 2019 Regular Session, Code of Alabama 1975, is  
4 amended to read as follows:

5 "§40-23-4.

6 "(a) There are exempted from the provisions of this  
7 division and from the computation of the amount of the tax  
8 levied, assessed, or payable under this division the  
9 following:

10 "(1) The gross proceeds of the sales of lubricating  
11 oil and gasoline as defined in Sections 40-17-30 and 40-17-170  
12 and the gross proceeds from those sales of lubricating oil  
13 destined for out-of-state use which are transacted in a manner  
14 whereby an out-of-state purchaser takes delivery of such oil  
15 at a distributor's plant within this state and transports it  
16 out-of-state, which are otherwise taxed.

17 "(2) The gross proceeds of the sale, or sales, of  
18 fertilizer when used for agricultural purposes. The word  
19 "fertilizer" shall not be construed to include cottonseed  
20 meal, when not in combination with other materials.

21 "(3) The gross proceeds of the sale, or sales, of  
22 seeds for planting purposes and baby chicks and poults.  
23 Nothing herein shall be construed to exempt or exclude from  
24 the computation of the tax levied, assessed, or payable, the  
25 gross proceeds of the sale or sales of plants, seedlings,  
26 nursery stock, or floral products.

1           "(4) The gross proceeds of sales of insecticides and  
2 fungicides and medicine when used for agricultural purposes or  
3 by a dog vendor or when used by persons properly permitted by  
4 the Department of Agriculture and Industries or any applicable  
5 local or state governmental authority for structural pest  
6 control work and feed for livestock and poultry, but not  
7 including prepared food for dogs and cats unless the purchase  
8 is made by a dog vendor. For purposes of this subdivision the  
9 term "dog vendor" means any person, business, or other entity  
10 whose primary business is to sell, adopt, or transfer  
11 ownership of dogs provided the person, business, or other  
12 entity collects sales tax on the retail sale, transfer, or  
13 adoption of the dogs.

14           "(5) The gross proceeds of sales of all livestock by  
15 whomsoever sold, and also the gross proceeds of poultry and  
16 other products of the farm, dairy, grove, or garden, when in  
17 the original state of production or condition of preparation  
18 for sale, when such sale or sales are made by the producer or  
19 members of his immediate family or for him by those employed  
20 by him to assist in the production thereof. Nothing herein  
21 shall be construed to exempt or exclude from the measure or  
22 computation of the tax levied, assessed, or payable hereunder,  
23 the gross proceeds of sales of poultry or poultry products  
24 when not products of the farm.

25           "(6) Cottonseed meal exchanged for cottonseed at or  
26 by cotton gins.

1           "(7) The gross receipts from the business on which,  
2           or for engaging in which, a license or privilege tax is levied  
3           by or under the provisions of Sections 40-21-50, 40-21-53, and  
4           40-21-56 through 40-21-60; provided, that nothing contained in  
5           this subdivision shall be construed to exempt or relieve the  
6           person or persons operating the business enumerated in said  
7           sections from the payments of the tax levied by this division  
8           upon or measured by the gross proceeds of sales of any  
9           tangible personal property, except gas and water, the gross  
10          receipts from the sale of which are the measure of the tax  
11          levied by said Section 40-21-50, merchandise or other tangible  
12          commodities sold at retail by said persons, unless the gross  
13          proceeds of sale thereof are otherwise specifically exempted  
14          by the provisions of this division.

15          "(8) The gross proceeds of sales or gross receipts  
16          of or by any person, firm, or corporation, from the sale of  
17          transportation, gas, water, or electricity, of the kinds and  
18          natures, the rates and charges for which, when sold by public  
19          utilities, are customarily fixed and determined by the Public  
20          Service Commission of Alabama or like regulatory bodies.

21          "(9) The gross proceeds of the sale, or sales of  
22          wood residue, coal, or coke to manufacturers, electric power  
23          companies, and transportation companies for use or consumption  
24          in the production of by-products, or the generation of heat or  
25          power used in manufacturing tangible personal property for  
26          sale, for the generation of electric power or energy for use  
27          in manufacturing tangible personal property for sale or for

1 resale, or for the generation of motive power for  
2 transportation.

3 "(10) The gross proceeds from the sale or sales of  
4 fuel and supplies for use or consumption aboard ships,  
5 vessels, towing vessels, or barges, or drilling ships, rigs or  
6 barges, or seismic or geophysical vessels, or other watercraft  
7 (herein for purposes of this exemption being referred to as  
8 "vessels") engaged in foreign or international commerce or in  
9 interstate commerce; provided, that nothing in this division  
10 shall be construed to exempt or exclude from the measure of  
11 the tax herein levied the gross proceeds of sale or sales of  
12 material and supplies to any person for use in fulfilling a  
13 contract for the painting, repair, or reconditioning of  
14 vessels, barges, ships, other watercraft, and commercial  
15 fishing vessels of over five tons load displacement as  
16 registered with the U.S. Coast Guard and licensed by the State  
17 of Alabama Department of Conservation and Natural Resources.

18 "For purposes of this subdivision, it shall be  
19 presumed that vessels engaged in the transportation of cargo  
20 between ports in the State of Alabama and ports in foreign  
21 countries or possessions or territories of the United States  
22 or between ports in the State of Alabama and ports in other  
23 states are engaged in foreign or international commerce or  
24 interstate commerce, as the case may be. For the purposes of  
25 this subdivision, the engaging in foreign or international  
26 commerce or interstate commerce shall not require that the  
27 vessel involved deliver cargo to or receive cargo from a port

1 in the State of Alabama. For purposes of this subdivision,  
2 vessels carrying passengers for hire, and no cargo, between  
3 ports in the State of Alabama and ports in foreign countries  
4 or possessions or territories of the United States or between  
5 ports in the State of Alabama and ports in other states shall  
6 be engaged in foreign or international commerce or interstate  
7 commerce, as the case may be, if, and only if, both of the  
8 following conditions are met: (i) The vessel in question is a  
9 vessel of at least 100 gross tons; and (ii) the vessel in  
10 question has an unexpired certificate of inspection issued by  
11 the United States Coast Guard or by the proper authority of a  
12 foreign country for a foreign vessel, which certificate is  
13 recognized as acceptable under the laws of the United States.  
14 Vessels that are engaged in foreign or international commerce  
15 or interstate commerce shall be deemed for the purposes of  
16 this subdivision to remain in such commerce while awaiting or  
17 under repair in a port of the State of Alabama if such vessel  
18 returns after such repairs are completed to engaging in  
19 foreign or international commerce or interstate commerce. For  
20 purposes of this subdivision, seismic or geophysical vessels  
21 which are engaged either in seismic or geophysical tests or  
22 evaluations exclusively in offshore federal waters or in  
23 traveling to or from conducting such tests or evaluations  
24 shall be deemed to be engaged in international or foreign  
25 commerce. For purposes of this subdivision, proof that fuel  
26 and supplies purchased are for use or consumption aboard  
27 vessels engaged in foreign or international commerce or in

1 interstate commerce may be accomplished by the merchant or  
2 seller securing the duly signed certificate of the vessel  
3 owner, operator, or captain or their respective agent, on a  
4 form prescribed by the department, that the fuel and supplies  
5 purchased are for use or consumption aboard vessels engaged in  
6 foreign or international commerce or in interstate commerce.  
7 Any person filing a false certificate shall be guilty of a  
8 misdemeanor and upon conviction shall be fined not less than  
9 \$25 nor more than \$500 for each offense. Each false  
10 certificate filed shall constitute a separate offense. Any  
11 person filing a false certificate shall be liable to the  
12 department for all taxes imposed by this division upon the  
13 merchant or seller, together with any interest or penalties  
14 thereon, by reason of the sale or sales of fuel and supplies  
15 applicable to such false certificate. If a merchant or seller  
16 of fuel and supplies secures the certificate herein mentioned,  
17 properly completed, such merchant or seller shall not be  
18 liable for the taxes imposed by this division, if such  
19 merchant or seller had no knowledge that such certificate was  
20 false when it was filed with such merchant or seller.

21 "(11) The gross proceeds of sales of tangible  
22 personal property to the State of Alabama, to the counties  
23 within the state and to incorporated municipalities of the  
24 State of Alabama.

25 "(12) The gross proceeds of the sale or sales of  
26 railroad cars, vessels, barges, and commercial fishing vessels  
27 of over five tons load displacement as registered with the



1 U.S. Coast Guard and licensed by the State of Alabama  
2 Department of Conservation and Natural Resources, when sold by  
3 the manufacturers or builders thereof.

4 "(13) The gross proceeds of the sale or sales of  
5 materials, equipment, and machinery that, at any time, enter  
6 into and become a component part of ships, vessels, towing  
7 vessels or barges, or drilling ships, rigs or barges, or  
8 seismic or geophysical vessels, other watercraft and  
9 commercial fishing vessels of over five tons load displacement  
10 as registered with the U.S. Coast Guard and licensed by the  
11 State of Alabama Department of Conservation and Natural  
12 Resources. Additionally, the gross proceeds from the sale or  
13 sales of lifeboats, personal flotation devices, ring life  
14 buoys, survival craft equipment, distress signals, EPIRB's,  
15 fire extinguishers, injury placards, waste management plans  
16 and logs, marine sanitation devices, navigation rulebooks,  
17 navigation lights, sound signals, navigation day shapes, oil  
18 placard cards, garbage placards, FCC SSL, stability  
19 instructions, first aid equipment, compasses, anchor and radar  
20 reflectors, general alarm systems, bilge pumps, piping, and  
21 discharge and electronic position fixing devices which are  
22 used on the aforementioned watercraft.

23 "(14) The gross proceeds of the sale or sales of  
24 fuel oil purchased as fuel for kiln use in manufacturing  
25 establishments.

26 "(15) The gross proceeds of the sale or sales of  
27 tangible personal property to county and city school boards

1 within the State of Alabama, independent school boards within  
2 the State of Alabama, all educational institutions and  
3 agencies of the State of Alabama, the counties within the  
4 state, or any incorporated municipalities of the State of  
5 Alabama, and private educational institutions operating within  
6 the State of Alabama offering conventional and traditional  
7 courses of study, such as those offered by public schools,  
8 colleges, or universities within the State of Alabama; but not  
9 including nurseries, day care centers, and home schools.

10 "(16) The gross proceeds from the sale of all  
11 devices or facilities, and all identifiable components  
12 thereof, or materials for use therein, acquired primarily for  
13 the control, reduction, or elimination of air or water  
14 pollution and the gross proceeds from the sale of all  
15 identifiable components of, or materials used or intended for  
16 use in, structures built primarily for the control, reduction,  
17 or elimination of air and water pollution.

18 "(17) The gross proceeds of sales of tangible  
19 personal property or the gross receipts of any business which  
20 the state is prohibited from taxing under the Constitution or  
21 laws of the United States or under the Constitution of this  
22 state.

23 "(18) When dealers or distributors use parts taken  
24 from stocks owned by them in making repairs without charge for  
25 such parts to the owner of the property repaired pursuant to  
26 warranty agreements entered into by manufacturers, such use  
27 shall not constitute taxable sales to the manufacturers,

1 distributors, or to the dealers, under this division or under  
2 any county sales tax law.

3 "(19) The gross proceeds received from the sale or  
4 furnishing of food, including potato chips, candy, fruit and  
5 similar items, soft drinks, tobacco products, and stationery  
6 and other similar or related articles by hospital canteens  
7 operated by Alabama state hospitals at Bryce Hospital and  
8 Partlow State School for Mental Deficients at Tuscaloosa,  
9 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
10 benefit of the patients therein.

11 "(20) The gross proceeds of the sale, or sales, of  
12 wrapping paper and other wrapping materials when used in  
13 preparing poultry or poultry products for delivery, shipment,  
14 or sale by the producer, processor, packer, or seller of such  
15 poultry or poultry products, including pallets used in  
16 shipping poultry and egg products, paper or other materials  
17 used for lining boxes or other containers in which poultry or  
18 poultry products are packed together with any other materials  
19 placed in such containers for the delivery, shipment, or sale  
20 of poultry or poultry products.

21 "(21) The gross proceeds of the sales of all  
22 antibiotics, hormones and hormone preparations, drugs,  
23 medicines or medications, vitamins, minerals or other  
24 nutrients, and all other feed ingredients including  
25 concentrates, supplements, and other feed ingredients when  
26 such substances are used as ingredients in mixing and  
27 preparing feed for fish raised to be sold on a commercial

1 basis, livestock, and poultry. Such exemption herein granted  
2 shall be in addition to exemptions now provided by law for  
3 feed for fish raised to be sold on a commercial basis,  
4 livestock, and poultry, but not including prepared foods for  
5 dogs or cats.

6 "(22) The gross proceeds of the sale, or sales, of  
7 seedlings, plants, shoots, and slips which are to be used for  
8 planting vegetable gardens or truck farms and other  
9 agricultural purposes. Nothing herein shall be construed to  
10 exempt, or exclude from the computation of the tax levied,  
11 assessed, or payable, the gross proceeds of the sale, or the  
12 use of plants, seedlings, shoots, slips, nursery stock, and  
13 floral products, except as hereinabove exempted.

14 "(23) The gross proceeds of the sale, or sales, of  
15 fabricated steel tube sections, when produced and fabricated  
16 in this state by any person, firm, or corporation for any  
17 vehicular tunnel for highway vehicular traffic, when sold by  
18 the manufacturer or fabricator thereof, and also the gross  
19 proceeds of the sale, or sales, of steel which enters into and  
20 becomes a component part of such fabricated steel tube  
21 sections of said tunnel.

22 "(24) The gross proceeds from sales of admissions to  
23 any theatrical production, symphonic or other orchestral  
24 concert, ballet, or opera production when such concert or  
25 production is presented by any society, association, guild, or  
26 workshop group, organized within this state, whose members or  
27 some of whose members regularly and actively participate in

1 such concerts or productions for the purposes of providing a  
2 creative outlet for the cultural and educational interests of  
3 such members, and of promoting such interests for the  
4 betterment of the community by presenting such productions to  
5 the general public for an admission charge. The employment of  
6 a paid director or conductor to assist in any such  
7 presentation described in this subdivision shall not be  
8 construed to prohibit the exemptions herein provided.

9           "(25) The gross proceeds of sales of herbicides for  
10 agricultural uses by whomsoever sold. The term herbicides, as  
11 used in this subdivision, means any substance or mixture of  
12 substances intended to prevent, destroy, repel, or retard the  
13 growth of weeds or plants. It shall include preemergence  
14 herbicides, postemergence herbicides, lay-by herbicides,  
15 pasture herbicides, defoliant herbicides, and desiccant  
16 herbicides.

17           "(26) The Alabama Chapter of the Cystic Fibrosis  
18 Research Foundation and the Jefferson Tuberculosis Sanatorium  
19 and any of their departments or agencies, heretofore or  
20 hereafter organized and existing in good faith in the State of  
21 Alabama for purposes other than for pecuniary gain and not for  
22 individual profit, shall be exempted from the computation of  
23 the tax on the gross proceeds of all sales levied, assessed,  
24 or payable.

25           "(27) The gross proceeds from the sale or sales of  
26 fuel for use or consumption aboard commercial fishing vessels  
27 are hereby exempt from the computation of all sales taxes

1 levied, assessed, or payable under the provisions of this  
2 division or levied under any county or municipal sales tax  
3 law.

4 "The words commercial fishing vessels shall mean  
5 vessels whose masters and owners are regularly and exclusively  
6 engaged in fishing as their means of livelihood.

7 "(28) The gross proceeds of sales of sawdust, wood  
8 shavings, wood chips, and other like materials sold for use as  
9 chicken litter by poultry producers and poultry processors.

10 "(29) The gross proceeds of the sales of all  
11 antibiotics, hormones and hormone preparations, drugs,  
12 medicines, and other medications including serums and  
13 vaccines, vitamins, minerals, or other nutrients for use in  
14 the production and growing of fish, livestock, and poultry by  
15 whomsoever sold. Such exemption as herein granted shall be in  
16 addition to the exemption provided by law for feed for fish,  
17 livestock, and poultry, and in addition to the exemptions  
18 provided by law for the above-enumerated substances and  
19 products when mixed and used as ingredients in fish,  
20 livestock, and poultry feed.

21 "(30) The gross proceeds of the sale or sales of all  
22 medicines prescribed by physicians for persons who are 65  
23 years of age or older, and when said prescriptions are filled  
24 by licensed pharmacists, shall be exempted under this division  
25 or under any county or municipal sales tax law. The exemption  
26 provided in this section shall not apply to any medicine  
27 purchased in any manner other than as is herein provided.

1           "For the purposes of this subdivision, proof of age  
2 may be accomplished by filing with the dispensing pharmacist  
3 any one or more of the following documents:

4           "a. The name and claim number as shown on a Medicare  
5 card issued by the United States Social Security  
6 Administration.

7           "b. A certificate executed by any adult person  
8 having knowledge of the fact that the person for whom the  
9 medicine was prescribed is not less than 65 years of age.

10          "c. An affidavit executed by any adult person having  
11 knowledge of the fact that the person for whom the medicine  
12 was prescribed is not less than 65 years of age.

13          "For the purposes of this subdivision, any person  
14 filing a false proof of age shall be guilty of a misdemeanor  
15 and upon conviction thereof shall be punished by a fine of  
16 \$100.

17          "(31) There shall be exempted from the tax levied by  
18 this division the gross receipts of sales of grass sod of all  
19 kinds and character when in the original state of production  
20 or condition of preparation for sale, when such sales are made  
21 by the producer or members of his family or for him by those  
22 employed by him to assist in the production thereof; provided,  
23 that nothing herein shall be construed to exempt sales of sod  
24 by a person engaged in the business of selling plants,  
25 seedlings, nursery stock, or floral products.

26          "(32) The gross receipts of sales of the following  
27 items or materials which are necessary in the farm-to-market

1 production of tomatoes when such items or materials are used  
2 by the producer or members of his family or for him by those  
3 employed by him to assist in the production thereof: Twine for  
4 tying tomatoes, tomato stakes, field boxes (wooden boxes used  
5 to take tomatoes from the fields to shed), and tomato boxes  
6 used in shipments to customers.

7 "(33) The gross proceeds from the sale of liquefied  
8 petroleum gas or natural gas sold to be used for agricultural  
9 purposes.

10 "(34) The gross receipts of sales from state  
11 nurseries of forest tree seedlings.

12 "(35) The gross receipts of sales of forest tree  
13 seed by the state.

14 "(36) The gross receipts of sales of Lespedeza  
15 bicolor and other species of perennial plant seed and  
16 seedlings sold for wildlife and game food production purposes  
17 by the state.

18 "(37) The gross receipts of any aircraft  
19 manufactured, sold, and delivered in this state if said  
20 aircraft are not permanently domiciled in Alabama and are  
21 removed to another state.

22 "(38) The gross proceeds from the sale or sales of  
23 all diesel fuel used for off-highway agricultural purposes.

24 "(39) The gross proceeds from sales of admissions to  
25 any sporting event which:

26 "a. Takes place in the State of Alabama on or after  
27 January 1, 1984, regardless of when such sales occur; and



1            "b. Is hosted by a not-for-profit corporation  
2 organized and existing under the laws of the State of Alabama;  
3 and

4            "c. Determines a national championship of a national  
5 organization, including but not limited to the Professional  
6 Golfers Association of America, the Tournament Players  
7 Association, the United States Golf Association, the United  
8 States Tennis Association, and the National Collegiate  
9 Athletic Association; and

10           "d. Has not been held in the State of Alabama on  
11 more than one prior occasion, provided, however, that for such  
12 purpose the Professional Golfers Association Championship, the  
13 United States Open Golf Championship, the United States  
14 Amateur Golf Championship of the United States Golf  
15 Association, and the United States Open Tennis Championship  
16 shall each be treated as a separate event.

17           "(40) The gross receipts from the sale of any  
18 aircraft and replacement parts, components, systems, supplies,  
19 and sundries affixed or used on said aircraft and ground  
20 support equipment and vehicles used by or for the aircraft to  
21 or by a certificated or licensed air carrier with a hub  
22 operation within this state, for use in conducting intrastate,  
23 interstate, or foreign commerce for transporting people or  
24 property by air. For the purpose of this subdivision, the  
25 words "hub operation within this state" shall be construed to  
26 have all of the following criteria:

1           "a. There originates from the location 15 or more  
2 flight departures and five or more different first-stop  
3 destinations five days per week for six or more months during  
4 the calendar year; and

5           "b. Passengers and/or property are regularly  
6 exchanged at the location between flights of the same or a  
7 different certificated or licensed air carrier.

8           "(41) The gross receipts from the sale of hot or  
9 cold food and beverage products sold to or by a certificated  
10 or licensed air carrier with a hub operation within this  
11 state, for use in conducting intrastate, interstate, or  
12 foreign commerce for transporting people or property by air.  
13 For the purpose of this subdivision, the words "hub operation  
14 within this state" shall be construed to have all of the  
15 following criteria:

16           "a. There originates from the location 15 or more  
17 flight departures and five or more different first-stop  
18 destinations five days per week for six or more months during  
19 the calendar year; and

20           "b. Passengers and/or property are regularly  
21 exchanged at the location between flights of the same or a  
22 different certificated or licensed air carrier.

23           "(42) The gross receipts from the sale of any  
24 aviation jet fuel to a certificated or licensed air carrier  
25 purchased for use in scheduled all-cargo operations being  
26 conducted on international flights or in international

1 commerce. For purposes of this subdivision, the following  
2 words or terms shall be defined and interpreted as follows:

3 "a. Air Carrier. Any person, firm, corporation, or  
4 entity undertaking by any means, directly or indirectly, to  
5 provide air transportation.

6 "b. All-Cargo Operations. Any flight conducted by an  
7 air carrier for compensation or hire other than a passenger  
8 carrying flight, except passengers as specified in 14 C.F.R.  
9 §121.583(a) or 14 C.F.R. §135.85, as amended.

10 "c. International Commerce. Any air carrier engaged  
11 in all-cargo operations transporting goods for compensation or  
12 hire on international flights.

13 "d. International Flights. Any air carrier  
14 conducting scheduled all-cargo operations between any point  
15 within the 50 states of the United States and the District of  
16 Columbia and any point outside the 50 states of the United  
17 States and the District of Columbia, including any interim  
18 stops within the United States so long as the ultimate origin  
19 or destination of the aircraft is outside the United States  
20 and the District of Columbia.

21 "(43) The gross proceeds of the sale or sales of the  
22 following:

23 "a. Drill pipe, casing, tubing, and other pipe used  
24 for the exploration for or production of oil, gas, sulphur, or  
25 other minerals in offshore federal waters.

1            "b. Tangible personal property exclusively used for  
2 the exploration for or production of oil, gas, sulphur, or  
3 other minerals in offshore federal waters.

4            "c. Fuel and supplies for use or consumption aboard  
5 boats, ships, aircraft, and towing vessels when used  
6 exclusively in transporting persons or property between a  
7 point in Alabama and a point or points in offshore federal  
8 waters for the exploration for or production of oil, gas,  
9 sulphur, or other minerals in offshore federal waters.

10           "d. Drilling equipment that is used for the  
11 exploration for or production of oil, gas, sulphur, or other  
12 minerals, that is built for exclusive use outside this state  
13 and that is, on completion, removed forthwith from this state.

14           "The delivery of items exempted by this subdivision  
15 to the purchaser or lessee in this state does not disqualify  
16 the purchaser or lessee from the exemption if the property is  
17 removed from the state by any means, including by the use of  
18 the purchaser's or lessee's own facilities.

19           "The shipment to a place in this state of equipment  
20 exempted by this subdivision for further assembly or  
21 fabrication does not disqualify the purchaser or lessee from  
22 the exemption if on completion of the further assembly or  
23 fabrication the equipment is removed forthwith from this  
24 state. This subdivision applies to a sale that may occur when  
25 the equipment exempted is further assembled or fabricated if  
26 on completion the equipment is removed forthwith from this  
27 state.

1           "(44) The gross receipts derived from all bingo  
2 games and operations which are conducted in compliance with  
3 validly enacted legislation authorizing the conduct of such  
4 games and operations, and which comply with the distribution  
5 requirements of the applicable local laws; provided that the  
6 exemption from sales taxation granted by this subdivision  
7 shall apply only to gross receipts taxable under subdivision  
8 (2) of Section 40-23-2. It is further provided that this  
9 exemption shall not apply to any gross receipts from the sale  
10 of tangible personal property, such as concessions, novelties,  
11 food, beverages, etc. The exemption provided for in this  
12 section shall be limited to those games and operations by  
13 organizations which have qualified for exemption under the  
14 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
15 (19), or which are defined in 26 U.S.C. § 501(d).

16           "(45) The gross receipts derived from the sale or  
17 sales of fruit or other agricultural products by the person or  
18 company, as defined in Section 40-23-1, that planted or  
19 cultivated and harvested the fruit or agricultural product,  
20 when the land is owned or leased by the seller.

21           "(46) The gross receipts derived from the sale or  
22 sales of all domestically mined or produced coal, coke, and  
23 coke by-products used in cogeneration plants.

24           "(47) The gross receipts from the sale or sales of  
25 metal, other than gold or silver, when such metal is purchased  
26 for the purpose of transferring such metal to an investment  
27 trust in exchange for shares or other units, each of which are

1 both publicly traded and represent fractional undivided  
2 beneficial interests in the trust's net assets, including  
3 metal stored in warehouses located in this state, as well as  
4 the gross proceeds from the sale or other transfer of such  
5 metal to or from such investment trust in exchange for shares  
6 or other units that are publicly traded and represent  
7 fractional undivided beneficial interests in the trust's net  
8 assets but not to the extent that metal is transferred to or  
9 from the investment trust in exchange for consideration other  
10 than such publicly traded shares or other units. For purposes  
11 of this subdivision, the term metals includes, but is not  
12 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
13 other similar metals typically used in commercial and  
14 industrial applications.

15 "(48) For the period commencing on October 1, 2012,  
16 and ending May 30, 2022, unless extended by joint resolution,  
17 the gross receipts from the sale of parts, components, and  
18 systems that become a part of a fixed or rotary wing military  
19 aircraft or certified transport category aircraft that  
20 undergoes conversion, reconfiguration, or general maintenance  
21 so long as the address of the aircraft for FAA registration is  
22 not in the state; provided, however, that this exemption shall  
23 not apply to a local sales tax unless previously exempted by  
24 local law or approved by resolution of the local governing  
25 body.

26 "(49) The gross proceeds from the sale or sales  
27 within school buildings of lunches to pupils of kindergarten,

1 grammar, and high schools, either public or private, that are  
2 not sold for profit.

3 "(50) The gross proceeds of services provided by  
4 photographers, including but not limited to sitting fees and  
5 consultation fees, even when provided as part of a transaction  
6 ultimately involving the sale of one or more photographs, so  
7 long as the exempt services are separately stated to the  
8 customer on a bill of sale, invoice, or like memorialization  
9 of the transaction. For transactions occurring before October  
10 1, 2017, neither the Department of Revenue nor local tax  
11 officials may seek payment for sales tax not collected. With  
12 regard to such transactions in which sales tax was collected  
13 and remitted on services provided by photographers, neither  
14 the taxpayer nor the entity remitting sales tax shall have the  
15 right to seek refund of such tax.

16 "(51) a. For the period commencing on June 1, 2018,  
17 and ending five years thereafter, unless extended by an act of  
18 the Legislature, the gross proceeds of sales of bullion or  
19 money, as defined in Section 40-1-1(7).

20 "b. For purposes of this subdivision, the following  
21 words or terms shall be defined and interpreted as follows:

22 "1. Bullion. Gold, silver, platinum, palladium, or a  
23 combination of each precious metal, that has gone through a  
24 refining process and for which the item's value depends on its  
25 mass and purity, and not on its form, numismatic value, or  
26 other value. The term includes bullion in the form of bars,  
27 ingots, or coins that meet the requirements set forth above.

1 Qualifying bullion may contain other metals or substances,  
2 provided that the other substances are minimal in value  
3 compared with the value of the gold, silver, platinum, or  
4 palladium and the other substances do not add value to the  
5 item. For purposes of this subparagraph, "gold, silver,  
6 platinum, or palladium" does not include jewelry or works of  
7 art.

8 "2. Mass Purity. An item's mass is its weight in  
9 precious metal, and its purity is the amount of precious metal  
10 contained within the item.

11 "3. Numismatic Value. An external value above and  
12 beyond the base value of the underlying precious metal, due to  
13 the item's rarity, condition, age, or other external factor.

14 "c. In order for bullion to qualify for the sales  
15 tax exemption, gold, silver, platinum, and palladium items  
16 must meet all of the following requirements:

17 "1. Must be refined.

18 "2. Must contain at least ninety percent gold,  
19 silver, platinum, or palladium or some combination of these  
20 metals.

21 "3. The sales price of the item must fluctuate with  
22 and depend on the market price of the underlying precious  
23 metal, and not on the item's rarity, condition, age, or other  
24 external factor.

25 "(52) a. The gross proceeds of the initial retail  
26 sales of adaptive equipment that is permanently affixed to a  
27 motor vehicle.



1            "b. For the purposes of this subdivision, the  
2 following words or terms shall be defined and interpreted as  
3 follows:

4            "1. Adaptive Equipment. Equipment not generally used  
5 by persons with normal mobility that is appropriate for use in  
6 a motor vehicle and that is not normally provided by a motor  
7 vehicle manufacturer.

8            "2. Motor Vehicle. A vehicle as defined in Section  
9 40-12-240.

10           "3. Motor Vehicle Manufacturer. Every person engaged  
11 in the business of constructing or assembling vehicles or  
12 manufactured homes.

13           "c. In order to qualify for the exemption provided  
14 for herein, the adaptive equipment must be separately stated  
15 to the customer on a bill of sale, invoice, or like  
16 memorialization of the transaction.

17           "(b) Any violation of any provision of this section  
18 shall be punishable in a court of competent jurisdiction by a  
19 fine of not less than five hundred dollars (\$500) and no more  
20 than two thousand dollars (\$2,000) and imprisonment of not  
21 less than six months nor more than one year in the county  
22 jail."

23           Section 2. This act shall become effective on the  
24 first day of the third month following its passage and  
25 approval by the Governor, or its otherwise becoming law.