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3 SENATE AGRICULTURE, CONSERVATION AND FORESTRY COMMITTEE
4 SUBSTITUTE FOR SB418

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9 SYNOPSIS: Under existing law, an exemption from the
10 state sales tax is provided for the sale of fruit
11 or agricultural products by a person or corporation
12 that planted, cultivated, and harvested the fruit
13 or agricultural product.

14 This bill would specify that the exemption
15 would apply to the sale of fruit or agricultural
16 products by the person or corporation that planted
17 or cultivated and harvested the fruit or
18 agricultural product. In addition, the gross
19 receipts derived from the sale of pine straw
20 products by the person that harvested the product
21 would be exempt from sales tax.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

1 To amend Section 40-23-4 of the Code of Alabama
2 1975, relating to the state sales tax, to specify that the
3 exemption for the sale of fruit or agricultural products
4 includes sales of fruit or agricultural products by a person
5 or corporation that planted or cultivated and harvested the
6 fruit or agricultural products; and to exempt the gross
7 receipts from pine straw products by the person that harvested
8 the product.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 40-23-4 of the Code of Alabama
11 1975, is amended to read as follows:

12 "§40-23-4.

13 "(a) There are exempted from the provisions of this
14 division and from the computation of the amount of the tax
15 levied, assessed, or payable under this division the
16 following:

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

24 "(2) The gross proceeds of the sale, or sales, of
25 fertilizer when used for agricultural purposes. The word

1 "fertilizer" shall not be construed to include cottonseed
2 meal, when not in combination with other materials.

3 "(3) The gross proceeds of the sale, or sales, of
4 seeds for planting purposes and baby chicks and poults.
5 Nothing herein shall be construed to exempt or exclude from
6 the computation of the tax levied, assessed, or payable, the
7 gross proceeds of the sale or sales of plants, seedlings,
8 nursery stock, or floral products.

9 "(4) The gross proceeds of sales of insecticides and
10 fungicides when used for agricultural purposes or when used by
11 persons properly permitted by the Department of Agriculture
12 and Industries or any applicable local or state governmental
13 authority for structural pest control work and feed for
14 livestock and poultry, but not including prepared food for
15 dogs and cats.

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

1 "(6) Cottonseed meal exchanged for cottonseed at or
2 by cotton gins.

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

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

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

1 power used in manufacturing tangible personal property for
2 sale, for the generation of electric power or energy for use
3 in manufacturing tangible personal property for sale or for
4 resale, or for the generation of motive power for
5 transportation.

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

21 "For purposes of this subdivision, it shall be
22 presumed that vessels engaged in the transportation of cargo
23 between ports in the State of Alabama and ports in foreign
24 countries or possessions or territories of the United States
25 or between ports in the State of Alabama and ports in other
26 states are engaged in foreign or international commerce or

1 interstate commerce, as the case may be. For the purposes of
2 this subdivision, the engaging in foreign or international
3 commerce or interstate commerce shall not require that the
4 vessel involved deliver cargo to or receive cargo from a port
5 in the State of Alabama. For purposes of this subdivision,
6 vessels carrying passengers for hire, and no cargo, between
7 ports in the State of Alabama and ports in foreign countries
8 or possessions or territories of the United States or between
9 ports in the State of Alabama and ports in other states shall
10 be engaged in foreign or international commerce or interstate
11 commerce, as the case may be, if, and only if, both of the
12 following conditions are met: (i) The vessel in question is a
13 vessel of at least 100 gross tons; and (ii) the vessel in
14 question has an unexpired certificate of inspection issued by
15 the United States Coast Guard or by the proper authority of a
16 foreign country for a foreign vessel, which certificate is
17 recognized as acceptable under the laws of the United States.
18 Vessels which are engaged in foreign or international commerce
19 or interstate commerce shall be deemed for the purposes of
20 this subdivision to remain in such commerce while awaiting or
21 under repair in a port of the State of Alabama if such vessel
22 returns after such repairs are completed to engaging in
23 foreign or international commerce or interstate commerce. For
24 purposes of this subdivision, seismic or geophysical vessels
25 which are engaged either in seismic or geophysical tests or
26 evaluations exclusively in offshore federal waters or in

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

1 "(11) The gross proceeds of sales of tangible
2 personal property to the State of Alabama, to the counties
3 within the state and to incorporated municipalities of the
4 State of Alabama.

5 "(12) The gross proceeds of the sale or sales of
6 railroad cars, vessels, barges, and commercial fishing vessels
7 of over five tons load displacement as registered with the
8 U.S. Coast Guard and licensed by the State of Alabama
9 Department of Conservation and Natural Resources, when sold by
10 the manufacturers or builders thereof.

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

1 reflectors, general alarm systems, bilge pumps, piping, and
2 discharge and electronic position fixing devices which are
3 used on the aforementioned watercraft.

4 "(14) The gross proceeds of the sale or sales of
5 fuel oil purchased as fuel for kiln use in manufacturing
6 establishments.

7 "(15) The gross proceeds of the sale or sales of
8 tangible personal property to county and city school boards
9 within the State of Alabama, independent school boards within
10 the State of Alabama, all educational institutions and
11 agencies of the State of Alabama, the counties within the
12 state, or any incorporated municipalities of the State of
13 Alabama, and private educational institutions operating within
14 the State of Alabama offering conventional and traditional
15 courses of study, such as those offered by public schools,
16 colleges, or universities within the State of Alabama; but not
17 including nurseries, day care centers, and home schools.

18 "(16) The gross proceeds from the sale of all
19 devices or facilities, and all identifiable components
20 thereof, or materials for use therein, acquired primarily for
21 the control, reduction, or elimination of air or water
22 pollution and the gross proceeds from the sale of all
23 identifiable components of or materials used or intended for
24 use in structures built primarily for the control, reduction,
25 or elimination of air and water pollution.

1 "(17) The gross proceeds of sales of tangible
2 personal property or the gross receipts of any business which
3 the state is prohibited from taxing under the Constitution or
4 laws of the United States or under the Constitution of this
5 state.

6 "(18) When dealers or distributors use parts taken
7 from stocks owned by them in making repairs without charge for
8 such parts to the owner of the property repaired pursuant to
9 warranty agreements entered into by manufacturers, such use
10 shall not constitute taxable sales to the manufacturers,
11 distributors, or to the dealers, under this division or under
12 any county sales tax law.

13 "(19) The gross proceeds received from the sale or
14 furnishing of food, including potato chips, candy, fruit and
15 similar items, soft drinks, tobacco products, and stationery
16 and other similar or related articles by hospital canteens
17 operated by Alabama state hospitals at Bryce Hospital and
18 Partlow State School for Mental Deficients at Tuscaloosa,
19 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the
20 benefit of the patients therein.

21 "(20) The gross proceeds of the sale, or sales, of
22 wrapping paper and other wrapping materials when used in
23 preparing poultry or poultry products for delivery, shipment,
24 or sale by the producer, processor, packer, or seller of such
25 poultry or poultry products, including pallets used in
26 shipping poultry and egg products, paper or other materials

1 used for lining boxes or other containers in which poultry or
2 poultry products are packed together with any other materials
3 placed in such containers for the delivery, shipment, or sale
4 of poultry or poultry products.

5 "(21) The gross proceeds of the sales of all
6 antibiotics, hormones and hormone preparations, drugs,
7 medicines or medications, vitamins, minerals or other
8 nutrients, and all other feed ingredients including
9 concentrates, supplements, and other feed ingredients when
10 such substances are used as ingredients in mixing and
11 preparing feed for fish raised to be sold on a commercial
12 basis, livestock, and poultry. Such exemption herein granted
13 shall be in addition to exemptions now provided by law for
14 feed for fish raised to be sold on a commercial basis,
15 livestock, and poultry, but not including prepared foods for
16 dogs or cats.

17 "(22) The gross proceeds of the sale, or sales, of
18 seedlings, plants, shoots, and slips which are to be used for
19 planting vegetable gardens or truck farms and other
20 agricultural purposes. Nothing herein shall be construed to
21 exempt, or exclude from the computation of the tax levied,
22 assessed, or payable, the gross proceeds of the sale, or the
23 use of plants, seedlings, shoots, slips, nursery stock, and
24 floral products, except as hereinabove exempted.

25 "(23) The gross proceeds of the sale, or sales, of
26 fabricated steel tube sections, when produced and fabricated

1 in this state by any person, firm, or corporation for any
2 vehicular tunnel for highway vehicular traffic, when sold by
3 the manufacturer or fabricator thereof, and also the gross
4 proceeds of the sale, or sales, of steel which enters into and
5 becomes a component part of such fabricated steel tube
6 sections of said tunnel.

7 "(24) The gross proceeds from sales of admissions to
8 any theatrical production, symphonic or other orchestral
9 concert, ballet, or opera production when such concert or
10 production is presented by any society, association, guild, or
11 workshop group, organized within this state, whose members or
12 some of whose members regularly and actively participate in
13 such concerts or productions for the purposes of providing a
14 creative outlet for the cultural and educational interests of
15 such members, and of promoting such interests for the
16 betterment of the community by presenting such productions to
17 the general public for an admission charge. The employment of
18 a paid director or conductor to assist in any such
19 presentation described in this subdivision shall not be
20 construed to prohibit the exemptions herein provided.

21 "(25) The gross proceeds of sales of herbicides for
22 agricultural uses by whomsoever sold. The term herbicides, as
23 used in this subdivision, means any substance or mixture of
24 substances intended to prevent, destroy, repel, or retard the
25 growth of weeds or plants. It shall include preemergence
26 herbicides, postemergence herbicides, lay-by herbicides,

1 pasture herbicides, defoliant herbicides, and desiccant
2 herbicides.

3 "(26) The Alabama Chapter of the Cystic Fibrosis
4 Research Foundation and the Jefferson Tuberculosis Sanatorium
5 and any of their departments or agencies, heretofore or
6 hereafter organized and existing in good faith in the State of
7 Alabama for purposes other than for pecuniary gain and not for
8 individual profit, shall be exempted from the computation of
9 the tax on the gross proceeds of all sales levied, assessed,
10 or payable.

11 "(27) The gross proceeds from the sale or sales of
12 fuel for use or consumption aboard commercial fishing vessels
13 are hereby exempt from the computation of all sales taxes
14 levied, assessed, or payable under the provisions of this
15 division or levied under any county or municipal sales tax
16 law.

17 "The words commercial fishing vessels shall mean
18 vessels whose masters and owners are regularly and exclusively
19 engaged in fishing as their means of livelihood.

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

23 "(29) The gross proceeds of the sales of all
24 antibiotics, hormones and hormone preparations, drugs,
25 medicines, and other medications including serums and
26 vaccines, vitamins, minerals, or other nutrients for use in

1 the production and growing of fish, livestock, and poultry by
2 whomsoever sold. Such exemption as herein granted shall be in
3 addition to the exemption provided by law for feed for fish,
4 livestock, and poultry, and in addition to the exemptions
5 provided by law for the above-enumerated substances and
6 products when mixed and used as ingredients in fish,
7 livestock, and poultry feed.

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

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

18 "a. The name and claim number as shown on a
19 "Medicare" card issued by the United States Social Security
20 Administration.

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

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

1 "For the purposes of this subdivision, any person
2 filing a false proof of age shall be guilty of a misdemeanor
3 and upon conviction thereof shall be punished by a fine of
4 \$100.

5 "(31) There shall be exempted from the tax levied by
6 this division the gross receipts of sales of grass sod of all
7 kinds and character when in the original state of production
8 or condition of preparation for sale, when such sales are made
9 by the producer or members of his family or for him by those
10 employed by him to assist in the production thereof; provided,
11 that nothing herein shall be construed to exempt sales of sod
12 by a person engaged in the business of selling plants,
13 seedlings, nursery stock, or floral products.

14 "(32) The gross receipts of sales of the following
15 items or materials which are necessary in the farm-to-market
16 production of tomatoes when such items or materials are used
17 by the producer or members of his family or for him by those
18 employed by him to assist in the production thereof: Twine for
19 tying tomatoes, tomato stakes, field boxes (wooden boxes used
20 to take tomatoes from the fields to shed), and tomato boxes
21 used in shipments to customers.

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

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

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

3 "(36) The gross receipts of sales of Lespedeza
4 bicolor and other species of perennial plant seed and
5 seedlings sold for wildlife and game food production purposes
6 by the state.

7 "(37) The gross receipts of any aircraft
8 manufactured, sold, and delivered in this state if said
9 aircraft are not permanently domiciled in Alabama and are
10 removed to another state.

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

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

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

17 "b. Is hosted by a not-for-profit corporation
18 organized and existing under the laws of the State of Alabama;
19 and

20 "c. Determines a national championship of a national
21 organization, including but not limited to the Professional
22 Golfers Association of America, the Tournament Players
23 Association, the United States Golf Association, the United
24 States Tennis Association, and the National Collegiate
25 Athletic Association; and

1 "d. Has not been held in the State of Alabama on
2 more than one prior occasion, provided, however, that for such
3 purpose the Professional Golfers Association Championship, the
4 United States Open Golf Championship, the United States
5 Amateur Golf Championship of the United States Golf
6 Association, and the United States Open Tennis Championship
7 shall each be treated as a separate event.

8 "(40) The gross receipts from the sale of any
9 aircraft and replacement parts, components, systems, supplies,
10 and sundries affixed or used on said aircraft and ground
11 support equipment and vehicles used by or for the aircraft to
12 or by a certificated or licensed air carrier with a hub
13 operation within this state, for use in conducting intrastate,
14 interstate, or foreign commerce for transporting people or
15 property by air. For the purpose of this subdivision, the
16 words "hub operation within this state" shall be construed to
17 have all of the following criteria:

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

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

25 "(41) The gross receipts from the sale of hot or
26 cold food and beverage products sold to or by a certificated

1 or licensed air carrier with a hub operation within this
2 state, for use in conducting intrastate, interstate, or
3 foreign commerce for transporting people or property by air.
4 For the purpose of this subdivision, the words "hub operation
5 within this state" shall be construed to have all of the
6 following criteria:

7 "a. There originates from the location 15 or more
8 flight departures and five or more different first-stop
9 destinations five days per week for six or more months during
10 the calendar year; and

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

14 "(42) The gross receipts from the sale of any
15 aviation jet fuel to a certificated or licensed air carrier
16 purchased for use in scheduled all-cargo operations being
17 conducted on international flights or in international
18 commerce. For purposes of this subdivision, the following
19 words or terms shall be defined and interpreted as follows:

20 "a. Air Carrier. Any person, firm, corporation, or
21 entity undertaking by any means, directly or indirectly, to
22 provide air transportation.

23 "b. All-Cargo Operations. Any flight conducted by an
24 air carrier for compensation or hire other than a passenger
25 carrying flight, except passengers as specified in 14 C.F.R.
26 §121.583(a) or 14 C.F.R. §135.85, as amended.

1 "c. International Commerce. Any air carrier engaged
2 in all-cargo operations transporting goods for compensation or
3 hire on international flights.

4 "d. International Flights. Any air carrier
5 conducting scheduled all-cargo operations between any point
6 within the 50 states of the United States and the District of
7 Columbia and any point outside the 50 states of the United
8 States and the District of Columbia, including any interim
9 stops within the United States so long as the ultimate origin
10 or destination of the aircraft is outside the United States
11 and the District of Columbia.

12 "(43) The gross proceeds of the sale or sales of the
13 following:

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

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

20 "c. Fuel and supplies for use or consumption aboard
21 boats, ships, aircraft, and towing vessels when used
22 exclusively in transporting persons or property between a
23 point in Alabama and a point or points in offshore federal
24 waters for the exploration for or production of oil, gas,
25 sulphur, or other minerals in offshore federal waters.

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

5 "The delivery of items exempted by this subdivision
6 to the purchaser or lessee in this state does not disqualify
7 the purchaser or lessee from the exemption if the property is
8 removed from the state by any means, including by the use of
9 the purchaser's or lessee's own facilities.

10 "The shipment to a place in this state of equipment
11 exempted by this subdivision for further assembly or
12 fabrication does not disqualify the purchaser or lessee from
13 the exemption if on completion of the further assembly or
14 fabrication the equipment is removed forthwith from this
15 state. This subdivision applies to a sale that may occur when
16 the equipment exempted is further assembled or fabricated if
17 on completion the equipment is removed forthwith from this
18 state.

19 "(44) The gross receipts derived from all bingo
20 games and operations which are conducted in compliance with
21 validly enacted legislation authorizing the conduct of such
22 games and operations, and which comply with the distribution
23 requirements of the applicable local laws; provided that the
24 exemption from sales taxation granted by this subdivision
25 shall apply only to gross receipts taxable under subdivision
26 (2) of Section 40-23-2. It is further provided that this

1 exemption shall not apply to any gross receipts from the sale
2 of tangible personal property, such as concessions, novelties,
3 food, beverages, etc. The exemption provided for in this
4 section shall be limited to those games and operations by
5 organizations which have qualified for exemption under the
6 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or
7 (19), or which are defined in 26 U.S.C. § 501(d).

8 "(45) The gross receipts derived from the sale or
9 sales of fruit or other agricultural products by the person or
10 corporation that planted, or cultivated, and harvested ~~such~~
11 the fruit or agricultural product.

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

15 "(47) The gross receipts from the sale or sales of
16 metal, other than gold or silver, when such metal is purchased
17 for the purpose of transferring such metal to an investment
18 trust in exchange for shares or other units, each of which are
19 both publicly traded and represent fractional undivided
20 beneficial interests in the trust's net assets, including
21 metal stored in warehouses located in this state, as well as
22 the gross proceeds from the sale or other transfer of such
23 metal to or from such investment trust in exchange for shares
24 or other units that are publicly traded and represent
25 fractional undivided beneficial interests in the trust's net
26 assets but not to the extent that metal is transferred to or

1 from the investment trust in exchange for consideration other
2 than such publicly traded shares or other units. For purposes
3 of this subdivision, the term metals includes, but is not
4 limited to, copper, aluminum, nickel, zinc, tin, lead, and
5 other similar metals typically used in commercial and
6 industrial applications.

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

18 "(49) The gross proceeds from the sale or sales
19 within school buildings of lunches to pupils of kindergarten,
20 grammar, and high schools, either public or private, that are
21 not sold for profit.

22 "(b) Any violation of any provision of this section
23 shall be punishable in a court of competent jurisdiction by a
24 fine of not less than \$500 and no more than \$2,000 and
25 imprisonment of not less than six months nor more than one
26 year in the county jail.

1 "(50) The gross receipts derived from the sale or
2 sales of pine straw products by the person or corporation that
3 harvested the product."

4 Section 2. This act shall become effective
5 immediately following its passage and approval by the
6 Governor, or its otherwise becoming law.