

By: Representative Manning

To: Ways and Means

HOUSE BILL NO. 292

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO REDUCE THE SALES TAX IMPOSED ON RETAIL SALES OF PREVIOUSLY  
3 TITLED PRIVATE CARRIERS OF PASSENGERS AND LIGHT CARRIERS OF  
4 PROPERTY; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is  
7 amended as follows:

8 27-65-17. (1) Upon every person engaging or continuing  
9 within this state in the business of selling any tangible personal  
10 property whatsoever there is hereby levied, assessed and shall be  
11 collected a tax equal to seven percent (7%) of the gross proceeds  
12 of the retail sales of the business, except as otherwise provided  
13 herein.

14 Retail sales of farm tractors shall be taxed at the rate of  
15 one percent (1%) when made to farmers for agricultural purposes.

16 Retail sales of farm implements sold to farmers and used  
17 directly in the production of poultry, ratite, domesticated fish  
18 as defined in Section 69-7-501, livestock, livestock products,  
19 agricultural crops or ornamental plant crops or used for other  
20 agricultural purposes shall be taxed at the rate of three percent  
21 (3%) when used on the farm. The three percent (3%) rate shall  
22 also apply to all equipment used in logging, pulpwood operations  
23 or tree farming which is either (a) self-propelled or which is (b)  
24 mounted so that it is (i) permanently attached to other equipment  
25 which is self-propelled or (ii) permanently attached to other  
26 equipment drawn by a vehicle which is self-propelled.

27 Retail sales of aircraft, automobiles, trucks,

28 truck-tractors, semitrailers and mobile homes shall be taxed at  
29 the rate of three percent (3%).

30 Sales of manufacturing machinery or manufacturing machine  
31 parts when made to a manufacturer or custom processor for plant  
32 use only when said machinery and machine parts will be used  
33 exclusively and directly within this state in manufacturing a  
34 commodity for sale, rental or in processing for a fee shall be  
35 taxed at the rate of one and one-half percent (1-1/2%).

36 Sales of materials for use in track and track structures to a  
37 railroad whose rates are fixed by the Interstate Commerce  
38 Commission or the Mississippi Public Service Commission shall be  
39 taxed at the rate of three percent (3%).

40 Sales of tangible personal property to electric power  
41 associations for use in the ordinary and necessary operation of  
42 their generating or distribution systems shall be taxed at the  
43 rate of one percent (1%).

44 Wholesale sales of beer shall be taxed at the rate of seven  
45 percent (7%), and the retailer shall file a return and compute the  
46 retail tax on retail sales but may take credit for the amount of  
47 the tax paid to the wholesaler on said return covering the  
48 subsequent sales of same property, provided adequate invoices and  
49 records are maintained to substantiate the credit.

50 Wholesale sales of food and drink for human consumption to  
51 full service vending machine operators to be sold through vending  
52 machines located apart from and not connected with other taxable  
53 businesses shall be taxed at the rate of eight percent (8%).

54 A manufacturer selling at retail in this state shall be  
55 required to make returns of the gross proceeds of such sales and  
56 pay the tax imposed in this section.

57 Any person exercising any privilege taxable under Section  
58 27-65-15 and selling his natural resource products at wholesale or  
59 to exempt persons shall pay the tax levied by said section in lieu  
60 of the tax levied by this section.

61           (2) From and after January 1, 1995, retail sales of private  
62 carriers of passengers and light carriers of property, as defined  
63 in Section 27-51-101, shall be taxed an additional two percent  
64 (2%), except that from and after July 1, 1999, the additional two  
65 percent (2%) tax shall not apply to retail sales of previously  
66 titled private carriers of passengers and previously titled light  
67 carriers of property.

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

81           SECTION 3. This act shall take effect and be in force from  
82 and after July 1, 1999.