

By: Representative Green (96th)

To: Ways and Means

HOUSE BILL NO. 305

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO REDUCE THE SALES TAX ON SALES OF FOOD ITEMS FROM SEVEN PERCENT
3 TO FIVE PERCENT; AND FOR RELATED PURPOSES.

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

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

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

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

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

26 Retail sales of aircraft, automobiles, trucks,
27 truck-tractors, semitrailers and mobile homes shall be taxed at

28 the rate of three percent (3%).

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

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

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

43 From and after July 1, 1999, retail sales of food for human
44 consumption not purchased with food stamps issued by the United
45 States Department of Agriculture, or other federal agency, but
46 which would be exempt under Section 27-65-111(o) from the taxes
47 imposed by this chapter if the food items were purchased with food
48 stamps shall be taxed as follows: from and after July 1, 1999,
49 through June 30, 2000, at the rate of six percent (6%), and from
50 and after July 1, 2000, at the rate of five percent (5%).

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

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

61 A manufacturer selling at retail in this state shall be

62 required to make returns of the gross proceeds of such sales and
63 pay the tax imposed in this section.

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

68 (2) From and after January 1, 1995, retail sales of private
69 carriers of passengers and light carriers of property, as defined
70 in Section 27-51-101, shall be taxed an additional two percent
71 (2%).

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

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