

By: Representative Simpson

To: Ways and Means

HOUSE BILL NO. 1480

1 AN ACT TO AMEND SECTION 27-21-3, MISSISSIPPI CODE OF 1972, TO  
2 EXEMPT CERTAIN LOANS FROM THE FINANCE COMPANY PRIVILEGE TAX; TO  
3 AMEND SECTION 75-67-135, MISSISSIPPI CODE OF 1972, TO EXEMPT  
4 CERTAIN LOANS FROM THE SMALL LOAN REGULATORY LAW; TO AMEND SECTION  
5 75-67-241, MISSISSIPPI CODE OF 1972, TO EXEMPT CERTAIN LOANS FROM  
6 THE SMALL LOAN PRIVILEGE TAX LAW; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 27-21-3, Mississippi Code of 1972, is  
9 amended as follows:

10 27-21-3. There is hereby levied a statewide privilege tax  
11 upon every person, firm, corporation, or association, other than  
12 banks, state or national, doing business of lending money secured  
13 by mortgages, trust receipts, retained-title or purchase  
14 contracts, on motor vehicles, furniture, refrigerators containing  
15 mechanical freezing units operated by gas or electricity, or  
16 radios or any other tangible personal property, located in the  
17 State of Mississippi, or doing a business of purchasing,  
18 discounting, or otherwise acquiring notes, trust receipts, or  
19 other forms of indebtedness secured by liens, in the form of  
20 mortgages, retained-title or purchase contracts, or other liens,  
21 upon motor vehicles, furniture, refrigerators containing  
22 mechanical units operated by gas or electricity or other fuels, or  
23 radios or any other tangible personal property, located in this  
24 state (not including, however, cotton, cotton seed or agricultural  
25 products); the amount of said tax to bear a direct relationship to  
26 the value of the securities held, owned, or acquired by such  
27 person, firm, corporation or association, and exacted in return  
28 for the protection afforded by the government and laws of this

29 state in the enjoyment of such ownership and rights acquired  
30 thereby; the tax to be computed by application of the rate  
31 hereinafter set out to the total value of such securities, other  
32 than those securities representing loans for the payment of the  
33 wholesale sales price and those securities representing  
34 transactions known as "floor plan," upon which no tax is to be  
35 imposed. Provided, however, that the tax imposed in this chapter  
36 shall not apply to (a) persons, firms or corporations engaged in  
37 the general mercantile business, who make advancements of money,  
38 merchandise and supplies to their customers and who take  
39 mortgages, deeds of trust or other liens upon personal property to  
40 secure the payment of the indebtedness thus incurred; or (b) a  
41 member of an affiliated group as defined by Section 1504 of the  
42 Internal Revenue Code of 1986, as amended, on July 1, 1995, with  
43 respect to loans made by one member of the affiliated group to  
44 another and who is not otherwise engaged in the business of  
45 loaning money secured by tangible personal property; or (c) loans  
46 which are secured by mortgages, security interests, trust  
47 receipts, retained title purchase contracts or other liens when  
48 the borrower is neither a dealer in such security documents nor a  
49 dealer selling the tangible personal property which secures the  
50 monetary obligation.

51 SECTION 2. Section 75-67-135, Mississippi Code of 1972, is  
52 amended as follows:

53 75-67-135. This article shall not apply to any person, firm,  
54 partnership, corporation or association doing business under any  
55 of the laws of this state relating to banks, savings banks, trust  
56 companies, building and loan associations, insurance companies,  
57 pawnbrokers or credit unions; nor shall this article apply to any  
58 person, firm, partnership, corporation or association concerning  
59 loans made to the employees or farm tenants of such person, firm,  
60 partnership or corporation or association; nor to loans or  
61 advances made to be used in or in the furtherance of farming or  
62 agricultural operations; nor to loans insured or guaranteed by the  
63 United States or any of its agencies; nor to persons, firms,  
64 partnerships, associations or corporations making loans only  
65 secured by real estate; nor to dealers and sellers or purchasers

66 of conditional sales or retained title contracts on real or  
67 personal property; nor an occasional lender not regularly engaged  
68 in the business of lending money, but such lender shall be  
69 governed by the usury statutes of this state; nor in the case of  
70 any loan that is exempt from the federal Truth in Lending Act and  
71 Regulation Z.

72 SECTION 3. Section 75-67-241, Mississippi Code of 1972, is  
73 amended as follows:

74 75-67-241. This article shall not apply to any person, firm,  
75 partnership, corporation or association doing business under any  
76 of the laws of this state relating to banks, savings banks, trust  
77 companies, building and loan associations, insurance companies,  
78 credit unions or pawnbrokers; nor shall this article apply to any  
79 person, firm, partnership, corporation or association concerning  
80 loans made to the employees or farm tenants of such person, firm,  
81 partnership or corporation or association; nor to loans or  
82 advances made to be used in or in the furtherance of farming or  
83 agricultural operations; nor to loans insured or guaranteed by the  
84 United States or any of its agencies; nor to persons, firms,  
85 partnerships, associations or corporations making loans only  
86 secured by real estate; nor to dealers and sellers or purchasers  
87 of conditional sales or retained title contracts on real or  
88 personal property; nor a member of an affiliated group as defined  
89 by Section 1504 of the Internal Revenue Code of 1986, as amended,  
90 on May 24, 1995, with respect to loans made by one member of the  
91 affiliated group to another and who is not otherwise engaged in  
92 the business of loaning money secured by tangible personal  
93 property; nor an occasional lender not regularly engaged in the  
94 business of lending money, but such lender shall be governed by  
95 the usury statutes of this state; nor in the case of any loan that  
96 is exempt from the federal Truth in Lending Act and Regulation Z.

97 SECTION 4. This act shall take effect and be in force from  
98 and after July 1, 1999.