

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1512

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN 1% ON
3 THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES
4 IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF
5 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT
6 THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY A
7 MAJORITY OF THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH
8 PURPOSE; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES
9 TAX; AND FOR RELATED PURPOSES.

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

11 SECTION 1. (1) The governing authorities of any
12 municipality are authorized to impose upon all persons as a
13 privilege for engaging or continuing in business or doing business
14 within such municipality, a special sales tax at the rate of not
15 more than one percent (1%) of the gross proceeds of sales or gross
16 income of the business, as the case may be, derived from any of
17 the activities taxed at the rate of seven percent (7%) or more
18 under the Mississippi Sales Tax Law, Section 27-65-1 et seq., as
19 provided hereinafter. The tax levied by this section shall apply
20 to every person making sales, delivery or installations of
21 tangible personal property or services within any municipality
22 which has adopted the levy herein authorized but shall not apply
23 to sales exempted by Sections 27-65-19, 27-65-101, 27-65-103,
24 27-65-105, 27-65-107, 27-65-109 and 27-65-111 of the Mississippi
25 Sales Tax Law.

26 (2) The tax levy authorized herein shall not be made unless
27 authorized by a majority of the votes cast at an election to be
28 called and held for that purpose. Notice of such election shall
29 be given, the election shall be held and the result thereof

30 determined, as far as is practicable, in the same manner as other
31 elections are held in the municipality. At such election, all
32 qualified electors of the municipality may vote. The ballots used
33 at such election shall have printed thereon a brief description of
34 the sales tax, the amount of the sales tax levy and the words "FOR
35 THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the
36 voter shall vote by placing a cross (X) or check mark () opposite
37 his choice on the proposition. When the results of the election
38 have been canvassed by the election commissioners of the
39 municipality and certified by them to the governing authorities,
40 it shall be the duty of such governing authorities to determine
41 and adjudicate whether a majority of the qualified electors who
42 voted in such election voted in favor of the tax. If an election
43 results in favor of the levy, the governing authorities shall
44 adopt a resolution declaring the levy and collection of the tax
45 provided in this act and shall set the first day of the second
46 month following the date of such adoption as the effective date of
47 the tax levy. A certified copy of this resolution together with
48 the result of the election shall be furnished the State Tax
49 Commission not less than thirty (30) days before the effective
50 date of the levy.

51 (3) All municipal sales taxes herein authorized shall be
52 collected by the State Tax Commission, shall be accounted for
53 separately from the amount of sales tax collected for the state in
54 the municipality and shall be paid to the municipality in which
55 collected. Payments to the municipalities shall be made by the
56 State Tax Commission on or before the fifteenth day of the month
57 following the month in which the tax was collected. Such payments
58 may be used and expended by the municipality for any purpose for
59 which the municipality is authorized by law to expend funds.

60 (4) All provisions of the Mississippi Sales Tax Law
61 applicable to filing of returns, discounts to the taxpayer,
62 remittances to the State Tax Commission, enforced collection,
63 rights of taxpayers, recovery of improper taxes, refunds of
64 overpaid taxes or other provisions of law providing for imposition
65 and collection of the state sales tax shall apply to the municipal
66 sales tax authorized by this section except where there is a

67 conflict, in which case the provisions of this section shall
68 control. Any damages, penalties or interest collected for the
69 nonpayment of taxes imposed hereunder, or for noncompliance with
70 the provisions of this section, shall be paid to the municipality
71 in which such damages were collected on the same basis and in the
72 same manner as the tax proceeds. Any overpayment of tax for any
73 reason that has been disbursed to any municipality or any payment
74 of the tax to any municipality in error may be adjusted by the
75 State Tax Commission on any subsequent payment to the municipality
76 involved pursuant to the provisions of the Mississippi Sales Tax
77 Law. The State Tax Commission may, from time to time, make such
78 rules and regulations not inconsistent with this section as may be
79 deemed necessary to carry out its provisions, and such rules and
80 regulations shall have the full force and effect of law.

81 (5) The governing authorities of any municipality may
82 discontinue the collection of the special sales tax by the
83 adoption of a resolution to that effect. Such tax levy shall be
84 discontinued by the governing authorities of the municipality on
85 the first day of a month designated in the resolution, and the tax
86 levy shall not apply to sales made on or after that date. A
87 certified copy of the resolution shall be furnished to the State
88 Tax Commission at least thirty (30) days before the date the tax
89 levy is discontinued.

90 SECTION 2. This act shall take effect and be in force from
91 and after passage.