

By: Representative Banks

To: Ways and Means

HOUSE BILL NO. 1524

1
 2 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,
 3 TO CREATE A SALES TAX EXEMPTION ON THE TRANSFER OF A MOTOR VEHICLE
 4 INTO A REVOCABLE TRUST AND TO CREATE A SALES TAX EXEMPTION ON THE
 5 TRANSFER OF A MOTOR VEHICLE AS A GIFT; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 27-65-201, Mississippi Code of 1972, is
 8 amended as follows:

9 27-65-201. (1) For the purposes of this section, unless the
 10 context otherwise requires, the term "motor vehicle" means a motor
 11 vehicle required to be registered or licensed by the county tax
 12 collectors pursuant to Section 27-19-43.

13 (2) Upon every person, firm or corporation purchasing other
 14 than at wholesale within this state any motor vehicle required to
 15 be registered or licensed with the tax collector of any county in
 16 this state from any person, firm or corporation which is not a
 17 licensed dealer engaged in selling motor vehicles, there shall be
 18 levied and collected a sales tax at the rate of three percent (3%)
 19 of the true value of the motor vehicle as calculated by using the
 20 most current official motor vehicle assessment schedule supplied
 21 by the State Tax Commission.

22 (3) Upon every person, firm or corporation purchasing other
 23 than at wholesale outside the state any motor vehicle required to
 24 be registered or licensed with the tax collector of any county in
 25 this state from any person, firm or corporation which is not a
 26 licensed dealer engaged in selling motor vehicles, for use,
 27 storage or other consumption within this state there is levied a

28 use tax at the rate of three percent (3%) of the true value of the
29 motor vehicle as calculated by using the most current official
30 motor vehicle assessment schedule supplied by the State Tax
31 Commission.

32 (4) Where any motor vehicle is taken in trade as a credit or
33 part payment on the sale of a motor vehicle taxable under this
34 section, the tax levied by this section shall be paid on the net
35 difference, that is, the true value of the motor vehicle sold less
36 the credit for the motor vehicle taken in trade.

37 (5) The tax levied by this section shall be collected by the
38 tax collector at the time of, and as a prerequisite to, the
39 registration of or licensing of any such motor vehicle. The tax
40 collector shall give to the person registering the vehicle a
41 receipt in a form prescribed and furnished by the State Tax
42 Commission for the amount of tax collected.

43 (6) County tax collectors shall be liable for the tax they
44 are required to collect, and taxes which are in fact collected,
45 under this section and failure to properly collect or maintain
46 proper records shall not relieve them of liability for payment to
47 the State Tax Commission. Deficiencies in collection or payment
48 shall be assessed against the tax collector, or his successor, in
49 the same manner and subject to the same penalties and provisions
50 for appeal as are deficiencies assessed against taxpayers under
51 Chapter 65, Title 27, Mississippi Code of 1972.

52 Each tax collector of the several counties shall, on or
53 before the twentieth day of each month, file a report with and pay
54 to the State Tax Commission all funds collected under the
55 provisions of this section, less a commission of three percent
56 (3%) which shall be retained by the tax collector as a commission
57 for collecting such tax, and such commission shall be deposited in
58 the county general fund. The report required to be filed shall
59 cover all collections made during the calendar month next
60 preceding the date on which the report is due and filed. All
61 funds remitted to the State Tax Commission shall be deposited to
62 the credit of the State General Fund.

63 Any error in the report and remittance to the State Tax
64 Commission may be adjusted on a subsequent report. If the error

65 was in the collection by the tax collector, it shall be adjusted
66 through the tax collector with the taxpayer before credit is
67 allowed by the State Tax Commission.

68 All information relating to the collection of this tax by tax
69 collectors and such records as the State Tax Commission may
70 require shall be preserved in the tax collector's office for a
71 period of three (3) years for audit by the State Tax Commission.

72 (7) The tax levied by this section shall not apply to the
73 following:

74 (a) Transfers of legal ownership of motor vehicles
75 between husband and wife, parent and child, or grandparents and
76 grandchildren, unless the transferor is a licensed dealer of motor
77 vehicles and the transfer of the motor vehicle is made in the
78 regular course of business.

79 (b) Transfers of legal ownership of motor vehicles
80 pursuant to a will or pursuant to any law providing for the
81 distribution of the property of one dying intestate.

82 (c) Transfers of legal ownership of motor vehicles ten
83 (10) or more years after the date of the manufacture of such
84 vehicle.

85 (d) Transfers of legal ownership of motor vehicles when
86 the transfer is made into a revocable trust pursuant to 26 USCS
87 Section 671 et seq.

88 (e) Transfers of legal ownership of motor vehicles when
89 the transfer is made as a gift.

90 SECTION 2. Nothing in this act shall affect or defeat any
91 claim, assessment, appeal, suit, right or cause of action for
92 taxes due or accrued under the sales tax laws before the date on
93 which this act becomes effective, whether such claims,
94 assessments, appeals, suits or actions have been begun before the
95 date on which this act becomes effective or are begun thereafter;
96 and the provisions of the sales tax laws are expressly continued
97 in full force, effect and operation for the purpose of the

98 assessment, collection and enrollment of liens for any taxes due
99 or accrued and the execution of any warrant under such laws before
100 the date on which this act becomes effective, and for the
101 imposition of any penalties, forfeitures or claims for failure to
102 comply with such laws.

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