

By: Senator(s) Jordan (24th)

To: Finance

## SENATE BILL NO. 2595

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 county which has  
22 adopted the levy herein authorized but shall not apply to sales  
23 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,  
24 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax  
25 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 prior to 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 prior to 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.