

By: Senator(s) Huggins, Minor, Canon,  
Dearing, Johnson (19th), Gordon, Frazier,  
Horhn, Smith

To: Finance

SENATE BILL NO. 3219  
(As Passed the Senate)

1 TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, TO TAX  
2 AT THE RATE OF 1-1/2% SALES MADE PRIOR TO JANUARY 1, 2002, OF  
3 DIGITAL BROADCAST EQUIPMENT TO FEDERALLY LICENSED COMMERCIAL OR  
4 PUBLIC RADIO AND TELEVISION BROADCAST STATIONS PURCHASED FOR THE  
5 PURPOSE OF ENABLING SUCH STATIONS TO COMPLY WITH THE  
6 TELECOMMUNICATIONS ACT OF 1996; AND FOR RELATED PURPOSES. BE IT  
7 ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8  
9 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is  
10 amended as follows:

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

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

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

30 Retail sales of aircraft, automobiles, trucks,  
31 truck-tractors, semitrailers and mobile homes shall be taxed at  
32 the rate of three percent (3%).

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

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

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

47 Sales made prior to January 1, 2002, of digital broadcast  
48 equipment to a federally licensed commercial or public radio  
49 broadcast station or television broadcast station for the purpose  
50 of enabling such station to comply with the Telecommunications Act  
51 of 1996, Public Law 104-104, as required by the Federal  
52 Communications Commission, shall be taxed at the rate of one and  
53 one-half percent (1-1/2%). For the purposes of this paragraph  
54 "digital broadcast equipment" means equipment purchased by a radio  
55 broadcast station or television broadcast station for the  
56 origination or integration of program materials for broadcast over  
57 the airwaves which uses or produces an electronic signal where the  
58 signal carries data generated, stored and processed as strings of  
59 binary data. The term "federally licensed commercial or public  
60 radio broadcast station or television broadcast station" means any  
61 entity or enterprise, whether commercial or noncommercial, which  
62 operates under a license granted by the Federal Communications

63 Commission for the purpose of free distribution of audio or video  
64 services, or both, when the distribution occurs by means of  
65 transmission over the public airwaves. This paragraph shall stand  
66 repealed from and after January 1, 2002.

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

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

77 A manufacturer selling at retail in this state shall be  
78 required to make returns of the gross proceeds of such sales and  
79 pay the tax imposed in this section.

80 Any person exercising any privilege taxable under Section  
81 27-65-15 and selling his natural resource products at wholesale or  
82 to exempt persons shall pay the tax levied by said section in lieu  
83 of the tax levied by this section.

84 (2) From and after January 1, 1995, retail sales of private  
85 carriers of passengers and light carriers of property, as defined  
86 in Section 27-51-101, shall be taxed an additional two percent  
87 (2%).

88 SECTION 2. This act shall take effect and be in force from  
89 and after July 1, 1999.