

By: Tollison

To: Finance

SENATE BILL NO. 2404

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT RETAIL SALES OF MOTORCYCLES, ALL-TERRAIN CYCLES  
3 AND MOTOR HOMES SHALL BE TAXED AT THE RATE OF 3%; AND FOR RELATED  
4 PURPOSES.

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

6 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is  
7 amended as follows:[JU1]

8 27-65-17. (1) Upon every person engaging or continuing  
9 within this state in the business of selling any tangible personal  
10 property whatsoever there is hereby levied, assessed and shall be  
11 collected a tax equal to seven percent (7%) of the gross proceeds  
12 of the retail sales of the business, except as otherwise provided  
13 herein.

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

16 Retail sales of farm implements sold to farmers and used  
17 directly in the production of poultry, ratite, domesticated fish  
18 as defined in Section 69-7-501, livestock, livestock products,  
19 agricultural crops or ornamental plant crops or used for other  
20 agricultural purposes shall be taxed at the rate of three percent  
21 (3%) when used on the farm. The three percent (3%) rate shall  
22 also apply to all equipment used in logging, pulpwood operations

23 or tree farming which is either (a) self-propelled or which is (b)  
24 mounted so that it is (i) permanently attached to other equipment  
25 which is self-propelled or (ii) permanently attached to other  
26 equipment drawn by a vehicle which is self-propelled.

27 Except as otherwise provided in subsection (3) of this  
28 section, retail sales of aircraft, automobiles, trucks,  
29 truck-tractors, semitrailers, mobile homes, motorcycles,  
30 all-terrain cycles and motor homes shall be taxed at the rate of  
31 three percent (3%).

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

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

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

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

52 Wholesale sales of food and drink for human consumption to  
53 full service vending machine operators to be sold through vending

54 machines located apart from and not connected with other taxable  
55 businesses shall be taxed at the rate of eight percent (8%).

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

59 Any person exercising any privilege taxable under Section  
60 27-65-15 and selling his natural resource products at wholesale or  
61 to exempt persons shall pay the tax levied by said section in lieu  
62 of the tax levied by this section.

63 (2) From and after January 1, 1995, retail sales of private  
64 carriers of passengers and light carriers of property, as defined  
65 in Section 27-51-101, shall be taxed an additional two percent  
66 (2%).

67 (3) In lieu of the tax levied in subsection (1) of this  
68 section, there is levied on retail sales of truck-tractors and  
69 semitrailers used in interstate commerce and registered under the  
70 International Registration Plan (IRP) or any similar reciprocity  
71 agreement or compact relating to the proportional registration of  
72 commercial vehicles entered into as provided for in Section  
73 27-19-143, a tax at the rate of three percent (3%) of the portion  
74 of the sale that is attributable to the usage of such  
75 truck-tractor or semitrailer in Mississippi. The portion of the  
76 retail sale that is attributable to the usage of such  
77 truck-tractor or semitrailer in Mississippi is the retail sales  
78 price of the truck-tractor or semitrailer multiplied by the  
79 percentage of the total miles traveled by the vehicle that are  
80 traveled in Mississippi. The tax levied pursuant to this  
81 subsection (3) shall be collected by the State Tax Commission from

82 the purchaser of such truck-tractor or semitrailer at the time of  
83 registration of such truck-tractor or semitrailer.

84 SECTION 2. This act shall take effect and be in force from  
85 and after July 1, 2000.