

By: Smith

To: Finance

SENATE BILL NO. 2875

1 AN ACT TO AUTHORIZE COUNTIES TO IMPOSE A SALES TAX ON THE
2 GROSS PROCEEDS OF ALL SALES OR GROSS INCOME OF BUSINESSES IN THE
3 UNINCORPORATED AREAS OF THE COUNTY FROM ACTIVITIES TAXED AT THE
4 RATE OF SEVEN PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX LAW;
5 TO AUTHORIZE MUNICIPALITIES TO IMPOSE A SALES TAX ON THE GROSS
6 PROCEEDS OF ALL SALES OR GROSS INCOME OF BUSINESSES IN THE
7 MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF SEVEN
8 PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE
9 METHODS TO DISCONTINUE SUCH SALES TAX; AND FOR RELATED PURPOSES.

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

11 SECTION 1. (1) The board of supervisors of any county may
12 impose upon all persons as a privilege for engaging or continuing
13 in business or doing business within the unincorporated areas of
14 such county a sales tax at the rate of not more than two percent
15 (2%) of the gross proceeds of sales or gross income of the
16 business, as the case may be, derived from any of the activities
17 taxed at the rate of seven percent (7%) or more under the
18 Mississippi Sales Tax Law, Section 27-65-1 et seq. The tax levied
19 by this section shall apply to every person making sales, delivery
20 or installations of tangible personal property or services within
21 the unincorporated areas of any county which has adopted the levy
22 herein authorized but shall not apply to sales exempted by
23 Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107,
24 27-65-109 and 27-65-111 of the Mississippi Sales Tax Law.

25 (2) The tax authorized herein shall not be levied unless
26 approved by a majority of those persons voting in an election to
27 be called and held for that purpose. Notice of such election
28 shall be given, the election shall be held and the result thereof
29 determined, as far as is practicable, in the same manner as other

30 elections are held in the county. If an election results in favor
31 of the levy, the board of supervisors shall adopt a resolution
32 declaring that it has qualified for the levy and collection of the
33 tax provided in this section and shall set the first day of the
34 second month following the date of such adoption as the effective
35 date of the tax levy. A certified copy of this resolution
36 together with the result of the election shall be furnished the
37 State Tax Commission not less than thirty (30) days prior to the
38 effective date of the tax levy. Any county having held an
39 election to adopt the tax with a resulting unfavorable vote may
40 not hold another election on such proposition for a period of one
41 (1) year from the date of the last election.

42 (3) All county sales taxes authorized in this section shall
43 be collected by the State Tax Commission, shall be accounted for
44 separately from the amount of sales tax collected for the state in
45 the county, and shall be paid to the county in which collected.
46 Payments to the counties shall be made by the State Tax Commission
47 on or before the fifteenth day of the month following the month in
48 which the tax was collected. Such payments shall be deposited
49 into the county general fund.

50 (4) All provisions of the Mississippi Sales Tax Law
51 applicable to filing of returns, discounts to the taxpayer,
52 remittances to the State Tax Commission, enforced collection,
53 rights of taxpayers, recovery of improper taxes, refunds of
54 overpaid taxes or other provisions of law providing for imposition
55 and collection of the state sales tax shall apply to the county
56 sales tax authorized by this section, except where there is a
57 conflict, in which case the provisions of this section shall
58 control. Any damages, penalties or interest collected for the
59 nonpayment of taxes imposed hereunder, or for noncompliance with
60 the provisions of this section, shall be paid to the county in
61 which such damages were collected on the same basis and in the
62 same manner as the tax proceeds. Any overpayment of tax for any
63 reason that has been disbursed to any county or any payment of the
64 tax to any county in error may be adjusted by the State Tax
65 Commission on any subsequent payment to such county pursuant to
66 the provisions of the Mississippi Sales Tax Law. The State Tax

67 Commission may, from time to time, make such rules and regulations
68 not inconsistent with this section as may be deemed necessary to
69 carry out its provisions, and such rules and regulations shall
70 have the full force and effect of law.

71 (5) The board of supervisors of a county may discontinue the
72 collection of the county sales tax by adopting a resolution to
73 that effect. Such tax levy shall be discontinued on the first day
74 of a month designated in the resolution, and the tax levy shall
75 not apply to sales made on and after that date. A certified copy
76 of the resolution shall be furnished to the State Tax Commission
77 at least thirty (30) days prior to the effective date of the
78 discontinuance.

79 SECTION 2. (1) The governing authorities of any
80 municipality may impose upon all persons as a privilege for
81 engaging or continuing in business or doing business within such
82 municipality a sales tax at the rate of not more than two percent
83 (2%) of the gross proceeds of sales or gross income of the
84 business, as the case may be, derived from any of the activities
85 taxed at the rate of seven percent (7%) or more under the
86 Mississippi Sales Tax Law, Section 27-65-1 et seq. The tax levied
87 by this section shall apply to every person making sales, delivery
88 or installations of tangible personal property or services within
89 any municipality which has adopted the levy herein authorized but
90 shall not apply to sales exempted by Sections 27-65-19, 27-65-101,
91 27-65-103, 27-65-105, 27-65-107, 27-65-109 and 27-65-111 of the
92 Mississippi Sales Tax Law.

93 (2) The tax authorized herein shall not be levied unless
94 approved by a majority of those persons voting in an election to
95 be called and held for that purpose. Notice of such election
96 shall be given, the election shall be held and the result thereof
97 determined, as far as is practicable, in the same manner as other
98 elections are held in the municipality. If an election results in
99 favor of the levy, the governing authorities shall adopt a

100 resolution declaring that it has qualified for the levy and
101 collection of the tax provided in this section and shall set the
102 first day of the second month following the date of such adoption
103 as the effective date of the tax levy. A certified copy of this
104 resolution together with the result of the election shall be
105 furnished the State Tax Commission not less than thirty (30) days
106 prior to the effective date of the tax levy. Any municipality
107 having held an election to adopt the tax with a resulting
108 unfavorable vote may not hold another election on such proposition
109 for a period of one (1) year from the date of the last election.

110 (3) All municipal sales taxes authorized in this section
111 shall be collected by the State Tax Commission, shall be accounted
112 for separately from the amount of sales tax collected for the
113 state in the municipality, and shall be paid to the municipality
114 in which collected. Payments to the municipalities shall be made
115 by the State Tax Commission on or before the fifteenth day of the
116 month following the month in which the tax was collected. Such
117 payments shall be deposited into the municipal general fund.

118 (4) All provisions of the Mississippi Sales Tax Law
119 applicable to filing of returns, discounts to the taxpayer,
120 remittances to the State Tax Commission, enforced collection,
121 rights of taxpayers, recovery of improper taxes, refunds of
122 overpaid taxes or other provisions of law providing for imposition
123 and collection of the state sales tax shall apply to the county
124 sales tax authorized by this section, except where there is a
125 conflict, in which case the provisions of this section shall
126 control. Any damages, penalties or interest collected for the
127 nonpayment of taxes imposed hereunder, or for noncompliance with
128 the provisions of this section, shall be paid to the municipality
129 in which such damages were collected on the same basis and in the
130 same manner as the tax proceeds. Any overpayment of tax for any
131 reason that has been disbursed to any municipality or any payment
132 of the tax to any municipality in error may be adjusted by the

133 State Tax Commission on any subsequent payment to such
134 municipality pursuant to the provisions of the Mississippi Sales
135 Tax Law. The State Tax Commission may, from time to time, make
136 such rules and regulations not inconsistent with this section as
137 may be deemed necessary to carry out its provisions, and such
138 rules and regulations shall have the full force and effect of law.

139 (5) The governing authorities of a municipality may
140 discontinue the collection of the municipal sales tax by adopting
141 a resolution to that effect. Such tax levy shall be discontinued
142 on the first day of a month designated in the resolution, and the
143 tax levy shall not apply to sales made on and after that date. A
144 certified copy of the resolution shall be furnished to the State
145 Tax Commission at least thirty (30) days prior to the effective
146 date of the discontinuance.

147 SECTION 3. If a county or municipality imposes a special
148 sales tax levy pursuant to local and private legislation, the
149 total amount of sales tax that such county or municipality may
150 impose under this act on any items taxed under such special levy
151 shall be reduced by the amount of such special levy.

152 SECTION 4. This act shall take effect and be in force from
153 and after its passage.