

By: Minor

To: Finance

SENATE BILL NO. 3226

1 AN ACT TO AMEND SECTION 27-65-3, MISSISSIPPI CODE OF 1972, TO
2 EXEMPT FROM SALES TAXATION MEALS GIVEN TO EMPLOYEES BY THEIR
3 EMPLOYERS WHEN CONSUMED ON THE PREMISES OF THE EMPLOYER; AND FOR
4 RELATED PURPOSES.

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

6 SECTION 1. Section 27-65-3, Mississippi Code of 1972, is
7 amended as follows:[WAN1]

8 27-65-3. The words, terms and phrases, when used in this
9 chapter, shall have the meanings ascribed to them herein.

10 (a) "Tax Commission" means the State Tax Commission of
11 the State of Mississippi.

12 (b) "Commissioner" means the Chairman of the State Tax
13 Commission.

14 (c) "Person" means and includes any individual, firm,
15 copartnership, joint venture, association, corporation, estate,
16 trust or other group or combination acting as a unit, and includes
17 the plural as well as the singular in number. "Person" shall
18 include husband or wife or both where joint benefits are derived
19 from the operation of a business taxed hereunder. "Person" shall
20 also include any state, county, municipal or other agency or
21 association engaging in a business taxable under this chapter.

22 (d) "Tax year" or "taxable year" means either the
23 calendar year or the taxpayer's fiscal year.

24 (e) "Taxpayer" means any person liable for or having
25 paid any tax to the State of Mississippi under the provisions of
26 this chapter.

27 (f) "Sale" or "sales" includes the barter or exchange

28 of property as well as the sale thereof for money or other
29 consideration, and every closed transaction by which the title to
30 taxable property passes shall constitute a taxable event.

31 "Sale" shall also include the passing of title to property
32 for a consideration of coupons, trading stamps or by any other
33 means when redemption is subsequent to the original sale by which
34 the coupon, stamp or other obligation was created.

35 The situs of a sale for the purpose of distributing taxes to
36 municipalities shall be the same as the location of the business
37 from which the sale is made except that:

38 (i) Retail sales along a route from a vehicle or
39 otherwise by a transient vendor shall take the situs of delivery
40 to the customer.

41 (ii) The situs of wholesale sales of tangible
42 personal property taxed at wholesale rates, the amount of which is
43 allowed as a credit against the sales tax liability of the
44 retailer, shall be the same as the location of the business of the
45 retailer receiving the credit.

46 (iii) The situs of wholesale sales of tangible
47 personal property taxed at wholesale rates, the amount of which is
48 not allowed as a credit against the sales tax liability of the
49 retailer, shall have a rural situs.

50 (iv) Income received from the renting or leasing
51 of property used for transportation purposes between cities or
52 counties shall have a rural situs.

53 (g) "Delivery charges" shall mean and include any
54 expenses incurred by a seller in acquiring merchandise for sale in
55 the regular course of business commonly known as "freight-in" or
56 "transportation costs-in." "Delivery charges" also include any
57 charges made by the seller for delivery of property sold to the
58 purchaser.

59 (h) "Gross proceeds of sales" means the value
60 proceeding or accruing from the full sale price of tangible

61 personal property, including installation charges, carrying
62 charges, or any other addition to the selling price on account of
63 deferred payments by the purchaser, without any deduction for
64 delivery charges, cost of property sold, other expenses or losses,
65 or taxes of any kind except those expressly exempt by this
66 chapter.

67 Where a trade-in is taken as part payment on tangible
68 personal property sold, "gross proceeds of sales" shall include
69 only the difference received between the selling price of the
70 tangible personal property and the amount allowed for a trade-in
71 of property of the same kind. When the trade-in is subsequently
72 sold, the selling price thereof shall be included in "gross
73 proceeds of sales."

74 "Gross proceeds of sales" shall include the value of any
75 goods, wares, merchandise or property purchased at wholesale or
76 manufactured, and any mineral or natural resources produced which
77 are excluded from the tax levied by Section 27-65-15, which are
78 withdrawn or used from an established business or from the stock
79 in trade for consumption or any other use in the business or by
80 the owner.

81 "Gross proceeds of sales" shall not include bad check or
82 draft service charges as provided for in Section 97-19-57.

83 (i) "Gross income" means the total charges for service
84 or the total receipts (actual or accrued) derived from trades,
85 business or commerce by reason of the investment of capital in the
86 business engaged in, including the sale or rental of tangible
87 personal property, compensation for labor and services performed,
88 and including the receipts from the sales of property retained as
89 toll, without any deduction for rebates, cost of property sold,
90 cost of materials used, labor costs, interest paid, losses or any
91 expense whatever.

92 "Gross income" shall also include the cost of property given
93 as compensation when said property is consumed by a person

94 performing a taxable service for the donor, but shall not include
95 meals given to an employee by his employer when consumed on the
96 premises of the employer.

97 However, "gross income" or "gross proceeds of sales" shall
98 not be construed to include the value of goods returned by
99 customers when the total sale price is refunded either in cash or
100 by credit, or cash discounts allowed and taken on sales. Cash
101 discounts shall not include the value of trading stamps given with
102 a sale of property.

103 (j) "Tangible personal property" means personal
104 property perceptible to the human senses or by chemical analysis
105 as opposed to real property or intangibles and shall include
106 property sold on an installed basis, which may become a part of
107 real or personal property.

108 (k) "Installation charges" shall mean and include the
109 charge for the application of tangible personal property to real
110 or personal property without regard to whether or not it becomes a
111 part of the real property or retains its personal property
112 classification. It shall include, but not be limited to, sales in
113 place of roofing, tile, glass, carpets, drapes, fences, awnings,
114 window air conditioning units, gasoline pumps, window guards,
115 floor coverings, carpports, store fixtures, aluminum and plastic
116 siding, tombstones and similar personal property.

117 (l) "Newspaper" means a periodical which:

118 (i) Is not published primarily for advertising
119 purposes and has not contained more than seventy-five percent
120 (75%) advertising in more than one-half (1/2) of its issues during
121 any consecutive twelve-month period excluding separate advertising
122 supplements inserted into but separately identifiable from any
123 regular issue or issues;

124 (ii) Has been established and published
125 continuously for at least twelve (12) months;

126 (iii) Is regularly issued at stated intervals no

127 less frequently than once a week, bears a date of issue, and is
128 numbered consecutively; provided, however, that publication on
129 legal holidays of this state or of the United States and on
130 Saturdays and Sundays shall not be required, and failure to
131 publish not more than two (2) regular issues in any calendar year
132 shall not exclude a periodical from this definition;

133 (iv) Is issued from a known office of publication,
134 which shall be the principal public business office of the
135 newspaper and need not be the place at which the periodical is
136 printed and a newspaper shall be deemed to be "published" at the
137 place where its known office of publication is located;

138 (v) Is formed of printed sheets; provided,
139 however, that a periodical that is reproduced by the stencil,
140 mimeograph or hectograph process shall not be considered to be a
141 "newspaper"; and

142 (vi) Is originated and published for the
143 dissemination of current news and intelligence of varied, broad
144 and general public interest, announcements and notices, opinions
145 as editorials on a regular or irregular basis, and advertising and
146 miscellaneous reading matter.

147 The term "newspaper" shall include periodicals which are
148 designed primarily for free circulation or for circulation at
149 nominal rates as well as those which are designed for circulation
150 at more than a nominal rate.

151 The term "newspaper" shall not include a publication or
152 periodical which is published, sponsored by, is directly supported
153 financially by, or is published to further the interests of, or is
154 directed to, or has a circulation restricted in whole or in part
155 to any particular sect, denomination, labor or fraternal
156 organization or other special group or class or citizens.

157 For purposes of this paragraph, a periodical designed
158 primarily for free circulation or circulation at nominal rates
159 shall not be considered to be a newspaper unless such periodical

160 has made an application for such status to the Tax Commission in
161 the manner prescribed by the commission and has provided to the
162 Tax Commission documentation satisfactory to the commission
163 showing that such periodical meets the requirements of the
164 definition of the term "newspaper." However, if such periodical
165 has been determined to be a newspaper under action taken by the
166 State Tax Commission on or before April 11, 1996, such periodical
167 shall be considered to be a newspaper without the necessity of
168 applying for such status. A determination by the State Tax
169 Commission that a publication is a newspaper shall be limited to
170 the application of this chapter and shall not establish that the
171 publication is a newspaper for any other purpose.

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