

By: Representative Montgomery (15th)

To: Ways and Means

HOUSE BILL NO. 381

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,  
2 TO DECREASE FROM 7% TO 4% THE TAX IMPOSED ON SALES OF ALL-TERRAIN  
3 VEHICLES WHICH ARE USED FOR AGRICULTURAL PURPOSES AND WHICH ARE  
4 REGISTERED WITH THE FARM SERVICE AGENCY OF THE UNITED STATES  
5 DEPARTMENT OF AGRICULTURE; AND FOR RELATED PURPOSES.

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

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

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

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

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



28       Retail sales of all-terrain vehicles sold to farmers, which  
29 are used directly in the production of poultry, ratite,  
30 domesticated fish as defined in Section 69-7-501, livestock,  
31 livestock products, agricultural crops or ornamental plant crops  
32 or used for other agricultural purposes, and which are registered  
33 with the Farm Service Agency of the United States Department of  
34 Agriculture, shall be taxed at the rate of four percent (4%) when  
35 used on the farm. For purposes of this provision, the term  
36 "all-terrain vehicle" means any motorized vehicle manufactured and  
37 designed exclusively for off-road use that is fifty (50) inches or  
38 less in width, has an unladen dry weight of six hundred (600)  
39 pounds or less, travels on three (3), four (4) or more low  
40 pressure tires, has a seat designed to be straddled by the  
41 operator and uses handlebars for steering control.

42       Except as otherwise provided in subsection (3) of this  
43 section, retail sales of aircraft, automobiles, trucks,  
44 truck-tractors, semitrailers and mobile homes shall be taxed at  
45 the rate of three percent (3%).

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

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

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



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

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

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

73 Any person exercising any privilege taxable under Section  
74 27-65-15 and selling his natural resource products at wholesale or  
75 to exempt persons shall pay the tax levied by said section in lieu  
76 of the tax levied by this section.

77 (2) From and after January 1, 1995, retail sales of private  
78 carriers of passengers and light carriers of property, as defined  
79 in Section 27-51-101, shall be taxed an additional two percent  
80 (2%).

81 (3) In lieu of the tax levied in subsection (1) of this  
82 section, there is levied on retail sales of truck-tractors and  
83 semitrailers used in interstate commerce and registered under the  
84 International Registration Plan (IRP) or any similar reciprocity  
85 agreement or compact relating to the proportional registration of  
86 commercial vehicles entered into as provided for in Section  
87 27-19-143, a tax at the rate of three percent (3%) of the portion  
88 of the sale that is attributable to the usage of such  
89 truck-tractor or semitrailer in Mississippi. The portion of the  
90 retail sale that is attributable to the usage of such  
91 truck-tractor or semitrailer in Mississippi is the retail sales  
92 price of the truck-tractor or semitrailer multiplied by the



93 percentage of the total miles traveled by the vehicle that are  
94 traveled in Mississippi. The tax levied pursuant to this  
95 subsection (3) shall be collected by the State Tax Commission from  
96 the purchaser of such truck-tractor or semitrailer at the time of  
97 registration of such truck-tractor or semitrailer.

98 SECTION 2. Nothing in this act shall affect or defeat any  
99 claim, assessment, appeal, suit, right or cause of action for  
100 taxes due or accrued under the sales tax laws before the date on  
101 which this act becomes effective, whether such claims,  
102 assessments, appeals, suits or actions have been begun before the  
103 date on which this act becomes effective or are begun thereafter;  
104 and the provisions of the sales tax laws are expressly continued  
105 in full force, effect and operation for the purpose of the  
106 assessment, collection and enrollment of liens for any taxes due  
107 or accrued and the execution of any warrant under such laws before  
108 the date on which this act becomes effective, and for the  
109 imposition of any penalties, forfeitures or claims for failure to  
110 comply with such laws.

111 SECTION 3. This act shall take effect and be in force from  
112 and after July 1, 2001.

