

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 756

1 AN ACT TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE 1-1/2% INDUSTRIAL SALES TAX RATE SHALL APPLY  
3 TO SALES OF FUEL TO A PRODUCER FOR USE DIRECTLY IN THE PRODUCTION  
4 OF DOMESTICATED FISH AND DOMESTICATED FISH PRODUCTS; AND FOR  
5 RELATED PURPOSES.

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

7 SECTION 1. Section 27-65-19, Mississippi Code of 1972, is  
8 amended as follows:

9 27-65-19. (1) (a) Except as otherwise provided in this  
10 subsection, upon every person selling to consumers, electricity,  
11 current, power, potable water, steam, coal, natural gas, liquefied  
12 petroleum gas or other fuel, there is hereby levied, assessed and  
13 shall be collected a tax equal to seven percent (7%) of the gross  
14 income of the business. Provided, gross income from sales to  
15 consumers of electricity, current, power, natural gas, liquefied  
16 petroleum gas or other fuel for residential heating, lighting or  
17 other residential noncommercial or nonagricultural use, and sales  
18 of potable water for residential, noncommercial or nonagricultural  
19 use shall be excluded from taxable gross income of the business.  
20 Provided further, upon every such seller using electricity,  
21 current, power, potable water, steam, coal, natural gas, liquefied  
22 petroleum gas or other fuel for nonindustrial purposes, there is  
23 hereby levied, assessed and shall be collected a tax equal to  
24 seven percent (7%) of the cost or value of the product or service  
25 used.

26 (b) There is hereby levied, assessed and shall be  
27 collected a tax equal to one and one-half percent (1-1/2%) of the  
28 gross income of the business when the electricity, current, power,

29 steam, coal, natural gas, liquefied petroleum gas or other fuel is  
30 sold to or used by a manufacturer, custom processor or public  
31 service company for industrial purposes, which shall include that  
32 used to generate electricity, to operate an electrical  
33 distribution or transmission system, to operate pipeline  
34 compressor or pumping stations or to operate railroad locomotives;  
35 provided, however, that:

36 (i) From and after July 1, 2000, through June 30,  
37 2001, sales of fuel used to produce electric power by a company  
38 primarily engaged in the business of producing, generating or  
39 distributing electric power for sale shall be taxed at the rate of  
40 one and one-eighth percent (1.125%);

41 (ii) From and after July 1, 2001, through June 30,  
42 2002, sales of fuel used to produce electric power by a company  
43 primarily engaged in the business of producing, generating or  
44 distributing electric power for sale shall be taxed at the rate of  
45 three-fourths of one percent (0.75%);

46 (iii) From and after July 1, 2002, through June  
47 30, 2003, sales of fuel used to produce electric power by a  
48 company primarily engaged in the business of producing, generating  
49 or distributing electric power for sale shall be taxed at the rate  
50 of three-eighths of one percent (0.375%);

51 (iv) From and after July 1, 2003, sales of fuel  
52 used to produce electric power by a company primarily engaged in  
53 the business of producing, generating or distributing electric  
54 power for sale shall be exempt from sales tax as provided in  
55 Section 27-65-107.

56 (c) The one and one-half percent (1-1/2%) industrial  
57 rate provided for in this subsection shall also apply when the  
58 electricity, current, power, steam, coal, natural gas, liquefied  
59 petroleum gas or other fuel is sold to a producer or processor for  
60 use directly in the production of poultry or poultry products, the  
61 production of livestock and livestock products, the production of

62 domesticated fish and domesticated fish products, the production  
63 of plants or food by commercial horticulturists, the processing of  
64 milk and milk products, the processing of poultry and livestock  
65 feed, and the irrigation of farm crops.

66 (d) The one and one-half percent (1-½%) rate provided  
67 for in this subsection shall not apply to sales of fuel for  
68 automobiles, trucks, truck-tractors, buses, farm tractors or  
69 airplanes.

70 (e) Upon every person operating a telegraph or  
71 telephone business for the transmission of messages or  
72 conversations between points within this state, there is hereby  
73 levied, assessed and shall be collected a tax equal to seven  
74 percent (7%) of the gross income of such business, with no  
75 deduction or allowance for any part of an intrastate rate charge  
76 because of routing across a state line. Charges by one  
77 telecommunications provider to another telecommunications provider  
78 for services that are resold by such other telecommunications  
79 provider, including, but not limited to, access charges, shall not  
80 be subject to the tax levied pursuant to this paragraph (e).  
81 However, any sale of a prepaid telephone calling card or prepaid  
82 authorization number, or both, shall be deemed to be the sale of  
83 tangible personal property subject only to such taxes imposed by  
84 law on the sale of tangible personal property. If the sale of a  
85 prepaid telephone calling card or prepaid authorization number  
86 does not take place at the vendor's place of business, it shall be  
87 conclusively determined to take place at the customer's shipping  
88 address. The reauthorization of a prepaid telephone calling card  
89 or a prepaid authorization number shall be conclusively determined  
90 to take place at the customer's billing address.

91 (f) Upon every person operating a telegraph or  
92 telecommunications business for the transmission of messages or  
93 conversations originating in this state or terminating in this  
94 state via interstate telecommunications, which are charged to the

95 customer's service address in this state, regardless of where such  
96 amount is billed or paid, there is hereby levied, assessed and  
97 shall be collected a tax equal to five and one-half percent (5.5%)  
98 of the gross income received by such business from such interstate  
99 telecommunications. However, a person, upon proof that he has  
100 paid a tax in another state on such event, shall be allowed a  
101 credit against the tax imposed in this paragraph (f) on interstate  
102 telecommunications charges to the extent that the amount of such  
103 tax is properly due and actually paid in such other state and to  
104 the extent that the rate of sales tax imposed by and paid to such  
105 other state does not exceed the rate of sales tax imposed by this  
106 paragraph (f). Charges by one telecommunications provider to  
107 another telecommunications provider for services that are resold  
108 by such other telecommunications provider, including, but not  
109 limited to, access charges, shall not be subject to the tax levied  
110 pursuant to this paragraph (f).

111 (2) Persons making sales to consumers of electricity,  
112 current, power, natural gas, liquefied petroleum gas or other fuel  
113 for residential heating, lighting or other residential  
114 noncommercial or nonagricultural use or sales of potable water for  
115 residential, noncommercial or nonagricultural use shall indicate  
116 on each statement rendered to customers that such charges are  
117 exempt from sales taxes.

118 (3) There is hereby levied, assessed and shall be paid on  
119 transportation charges on shipments moving between points within  
120 this state when paid directly by the consumer, a tax equal to the  
121 rate applicable to the sale of the property being transported.  
122 Such tax shall be reported and paid directly to the State Tax  
123 Commission by the consumer.

124 SECTION 2. This act shall take effect and be in force from  
125 and after its passage.