

By: Senator(s) Smith

To: Finance

SENATE BILL NO. 2166

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 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO  
 5 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 7% OR  
 8 MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE METHODS TO  
 9 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 to  
37 the State Tax Commission not less than thirty (30) days prior to  
38 the 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.

