SENATE BILL NO. 2166

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

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

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

(2) The tax authorized herein shall not be levied unless approved by a majority of those persons voting in an election to be called and held for that purpose. Notice of such election shall be given, the election shall be held and the result thereof determined, as far as is practicable, in the same manner as other elections are held in the county. If an election results in favor
of the levy, the board of supervisors shall adopt a resolution
declaring that it has qualified for the levy and collection of the
tax provided in this section and shall set the first day of the
second month following the date of such adoption as the effective
date of the tax levy. A certified copy of this resolution, together with the result of the election, shall be furnished to
the State Tax Commission not less than thirty (30) days prior to
the effective date of the tax levy. Any county having held an
election to adopt the tax with a resulting unfavorable vote may
not hold another election on such proposition for a period of one
(1) year from the date of the last election.

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

(4) All provisions of the Mississippi Sales Tax Law
applicable to filing of returns, discounts to the taxpayer,
remittances to the State Tax Commission, enforced collection,
rights of taxpayers, recovery of improper taxes, refunds of
overpaid taxes or other provisions of law providing for imposition
and collection of the state sales tax shall apply to the county
sales tax authorized by this section, except where there is a
conflict, in which case the provisions of this section shall
control. Any damages, penalties or interest collected for the
nonpayment of taxes imposed hereunder, or for noncompliance with
the provisions of this section, shall be paid to the county in
which such damages were collected on the same basis and in the
same manner as the tax proceeds. Any overpayment of tax for any
reason that has been disbursed to any county or any payment of the
tax to any county in error may be adjusted by the State Tax
Commission on any subsequent payment to such county pursuant to
the provisions of the Mississippi Sales Tax Law. The State Tax
Commission may, from time to time, make such rules and regulations
not inconsistent with this section as may be deemed necessary to
carry out its provisions, and such rules and regulations shall
have the full force and effect of law.

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

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

(2) The tax authorized herein shall not be levied unless
approved by a majority of those persons voting in an election to
be called and held for that purpose. Notice of such election
shall be given, the election shall be held and the result thereof
determined, as far as is practicable, in the same manner as other elections are held in the municipality. If an election results in favor of the levy, the governing authorities shall adopt a resolution declaring that it has qualified for the levy and collection of the tax provided in this section and shall set the first day of the second month following the date of such adoption as the effective date of the tax levy. A certified copy of this resolution together with the result of the election shall be furnished the State Tax Commission not less than thirty (30) days prior to the effective date of the tax levy. Any municipality having held an election to adopt the tax with a resulting unfavorable vote may not hold another election on such proposition for a period of one (1) year from the date of the last election.

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

(4) All provisions of the Mississippi Sales Tax Law applicable to filing of returns, discounts to the taxpayer, remittances to the State Tax Commission, enforced collection, rights of taxpayers, recovery of improper taxes, refunds of overpaid taxes or other provisions of law providing for imposition and collection of the state sales tax shall apply to the county sales tax authorized by this section, except where there is a conflict, in which case the provisions of this section shall control. Any damages, penalties or interest collected for the nonpayment of taxes imposed hereunder, or for noncompliance with the provisions of this section, shall be paid to the municipality in which such damages were collected on the same basis and in the
same manner as the tax proceeds. Any overpayment of tax for any reason that has been disbursed to any municipality or any payment of the tax to any municipality in error may be adjusted by the State Tax Commission on any subsequent payment to such municipality pursuant to the provisions of the Mississippi Sales Tax Law. The State Tax Commission may, from time to time, make such rules and regulations not inconsistent with this section as may be deemed necessary to carry out its provisions, and such rules and regulations shall have the full force and effect of law.

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

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

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