

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2610

1 AN ACT TO AMEND SECTION 27-67-7, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT THE CREDIT FOR SALES OR USE TAX PAID TO ANOTHER STATE  
3 SHALL NOT APPLY ON THE PURCHASE PRICE OF TRAILERS, BOATS, TRAVEL  
4 TRAILERS, MOTORCYCLES AND ALL-TERRAIN CYCLES IMPORTED AND FIRST  
5 USED IN MISSISSIPPI; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 27-67-7, Mississippi Code of 1972, is  
8 amended as follows:

9 27-67-7. The tax levied by this article shall not be  
10 collected in the following instances:

11 (a) On the use, storage or consumption of any tangible  
12 personal property if the sale thereof has already been included in  
13 the measure of this tax or the tax imposed by Section 27-65-24 or  
14 Section 27-65-17, 27-65-19 or 27-65-25, or has already been  
15 included in the measure of a sales tax imposed by another state in  
16 which the property was sold or use tax imposed by some other state  
17 in which the property was used. If the rate of sales or use tax  
18 paid another state by the person using the property in Mississippi  
19 is not equal to or greater than the rate imposed by this article,  
20 then the user or purchaser shall apply the difference in these  
21 rates to the purchase price or value of the property and pay to  
22 the commissioner the amount of tax thus computed. Persons using  
23 business property in this state which has been used by them in  
24 other states shall be entitled to a credit for sales and/or use  
25 tax paid to other states equal to the aggregate of all such state  
26 rates multiplied by the value of the property at the time of  
27 importation into this state. Persons using business property in  
28 this state which was acquired from another person who used it in

29 other states shall be entitled to a credit equal to the applicable  
30 rate in the state of last prior use multiplied by the value of the  
31 property at the time of importation into this state. Provided,  
32 however, that credit for use tax paid to another state shall not  
33 apply on the purchase price of tangible personal property that has  
34 been only stored or warehoused in the other state and the first  
35 use of the property occurs in Mississippi. Provided, further,  
36 that credit for sales or use tax paid to another state shall not  
37 apply on the purchase price or value of automobiles, trucks,  
38 truck-tractors, semitrailers, trailers, boats, travel trailers,  
39 motorcycles and all-terrain cycles imported and first used in  
40 Mississippi.

41 Credit for sales or use tax paid to another state as provided  
42 above shall be evidenced by an invoice clearly and correctly  
43 showing the amount of such tax as a separate item, and no credit  
44 shall be allowed otherwise.

45 (b) On the use, storage or consumption of tangible  
46 personal property to the extent that sales of similar property in  
47 Mississippi are either excluded or specifically exempt from sales  
48 tax or are taxed at the wholesale rate.

49 This exemption shall be confined to the use of property the  
50 sale of which is an itemized exemption in the Mississippi Sales  
51 Tax Law, or to use by persons who are listed in said law as being  
52 exempt from sales tax.

53 (c) On the use, storage or consumption of tangible  
54 personal property brought into this state by a nonresident for his  
55 or her use or enjoyment while temporarily within the state, but  
56 not including tangible personal property brought in for use in  
57 connection with a business activity. This exemption shall not  
58 apply to property which remains situated in this state for the  
59 repeated use, storage or consumption by out-of-state visitors, or  
60 which is acquired by visitors and first used in this state.

61           (d) On the use of a motor vehicle for which a  
62 registration is required by the motor vehicle law, when such motor  
63 vehicle was purchased by a natural person for his personal or  
64 family use while such person was a bona fide resident of another  
65 state and who thereafter became a resident of this state, but not  
66 to include a motor vehicle which is transferred by the owner  
67 thereof for commercial use or for use by another person within  
68 this state.

69           (e) On the use of personal and household effects by a  
70 natural person acquired while such person was a bona fide resident  
71 of another state, and who thereafter became a resident of this  
72 state.

73           (f) On the use or rental of motion picture film,  
74 video-audio tapes and phonograph records for exhibition either by  
75 a person paying Mississippi sales tax on gross income from  
76 admissions for such exhibitions or by a person operating a  
77 television or radio broadcasting station.

78           (g) On any vehicle purchased in another state for use  
79 outside of this state by a Mississippi citizen serving in the  
80 Armed Forces and stationed in another state who elects to license  
81 the vehicle in Mississippi.

82           (h) On the cost or value and on the use, storage and  
83 consumption of rail rolling stock and component parts thereof.

84           (i) On the use, storage or consumption of literature,  
85 video tapes and photographic slides used by religious institutions  
86 for the propagation of their creeds or for carrying on their  
87 customary nonprofit religious activities, and on the use of any  
88 tangible personal property purchased and first used in another  
89 state by religious institutions for the propagation of their  
90 creeds or for carrying on their customary nonprofit religious  
91 activities. "Religious institution," for the purpose of this  
92 exemption, means any religious institution granted an exemption  
93 under 26 USCS Section 501(c)(3). Any exemption under this

94 paragraph obtained by fraud, misstatement or misrepresentation,  
95 shall be cancelled by the State Tax Commission, and the person  
96 committing the fraud, misstatement or misrepresentation shall be  
97 liable for prosecution for fraud on the assessment, and, on  
98 conviction, shall be fined not less than One Thousand Dollars  
99 (\$1,000.00), or punished by imprisonment in the State Penitentiary  
100 for a term not to exceed five (5) years, or both, within the  
101 discretion of the court.

102 (j) The tax on the cost or value of farm machinery used  
103 in the harvesting of agricultural products shall be limited to the  
104 ratio of use within this state to the life of the property.

105 (k) On the use, storage or consumption, between July 1,  
106 1993, and June 30, 1994, of machinery and equipment to  
107 corporations qualified as tax-exempt organizations under Section  
108 501(c)(4) of the Internal Revenue Code and established in response  
109 to the Federal Oil Pollution Act of 1990 to provide a private  
110 capability to respond to major oil spills. For purposes of this  
111 exemption, "machinery and equipment" means property with a useful  
112 life of at least three (3) years which is used primarily in the  
113 operations of the Marine Oil Spill Response Corporation and shall  
114 include, without limitation, vessels, barges, booms and skimmers.  
115 This paragraph shall stand repealed on July 1, 1995.

116 (l) On the use of machinery and equipment; special  
117 tooling such as dies, molds, jigs and similar items treated as  
118 special tooling for federal income tax purposes; or repair parts  
119 therefor or replacements thereof; or repair services thereon; by a  
120 taxpayer other than the manufacturer when the manufacturer still  
121 holds title to the items and the items are purchased by the  
122 manufacturer as a part of a project as defined in Section  
123 57-75-5(f)(iv)1.

124 (m) On the use, storage or consumption of utilities  
125 purchased by a manufacturer described in Section 27-65-101(x).

126 SECTION 2. Nothing in this act shall affect or defeat any  
127 claim, assessment, appeal, suit, right or cause of action for  
128 taxes due or accrued under the sales tax laws amended by this act  
129 prior to the date on which such amendments become effective  
130 whether such assessments, appeals, suits, claims or actions have  
131 been begun before the date on which such amendments become  
132 effective or begun thereafter, and the provisions of sales tax  
133 laws are expressly continued in full force, effect and operation  
134 for the purposes of the assessment, collection and enrollment of  
135 liens for any taxes due or accrued and the execution of any  
136 warrant under such laws prior to the date on which such amendments  
137 become effective, and for the imposition of any penalties,  
138 forfeitures or claims for failure to comply with such laws.

139 SECTION 3. This act shall take effect and be in force from  
140 and after its passage.