

By: Representatives Ketchings, Robertson

To: Ways and Means

HOUSE BILL NO. 103

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN
3 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
4 EXEMPT FROM SALES TAX IF SUCH FOOD WAS PURCHASED WITH FOOD STAMPS;
5 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 Except as otherwise provided in subsection (3) of this
29 section, retail sales of aircraft, automobiles, trucks,
30 truck-tractors, semitrailers and mobile homes shall be taxed at
31 the rate of three percent (3%).

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

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

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

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

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

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

59 Any person exercising any privilege taxable under Section
60 27-65-15 and selling his natural resource products at wholesale or



61 to exempt persons shall pay the tax levied by said section in lieu
62 of the tax levied by this section.

63 (2) From and after January 1, 1995, retail sales of private
64 carriers of passengers and light carriers of property, as defined
65 in Section 27-51-101, shall be taxed an additional two percent
66 (2%).

67 (3) In lieu of the tax levied in subsection (1) of this
68 section, there is levied on retail sales of truck-tractors and
69 semitrailers used in interstate commerce and registered under the
70 International Registration Plan (IRP) or any similar reciprocity
71 agreement or compact relating to the proportional registration of
72 commercial vehicles entered into as provided for in Section
73 27-19-143, a tax at the rate of three percent (3%) of the portion
74 of the sale that is attributable to the usage of such
75 truck-tractor or semitrailer in Mississippi. The portion of the
76 retail sale that is attributable to the usage of such
77 truck-tractor or semitrailer in Mississippi is the retail sales
78 price of the truck-tractor or semitrailer multiplied by the
79 percentage of the total miles traveled by the vehicle that are
80 traveled in Mississippi. The tax levied pursuant to this
81 subsection (3) shall be collected by the State Tax Commission from
82 the purchaser of such truck-tractor or semitrailer at the time of
83 registration of such truck-tractor or semitrailer.

84 (4) From and after July 1, 2002, in lieu of the tax levied
85 in subsection (1) of this section, retail sales of food for human
86 consumption not purchased with food stamps issued by the United
87 States Department of Agriculture, or other federal agency, but
88 which would be exempt under Section 27-65-111(o) from the taxes
89 imposed by this chapter if the food was purchased with food
90 stamps, shall be taxed as follows:

91 (a) From and after July 1, 2002, through June 30, 2003,
92 such sales shall be taxed at the rate of six percent (6%);



93 (b) From and after July 1, 2003, through June 30, 2004,
94 such sales shall be taxed at the rate of five percent (5%); and

95 (c) From and after July 1, 2004, such sales shall be
96 taxed at the rate of four percent (4%).

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

110 **SECTION 3.** This act shall take effect and be in force from
111 and after July 1, 2002.

