

By: Representative Moak

To: Ways and Means

HOUSE BILL NO. 548

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,
2 TO CREATE A SALES TAX EXEMPTION ON THE TRANSFER OR SALE OF A MOTOR
3 VEHICLE FROM ONE SIBLING TO ANOTHER SIBLING; AND FOR RELATED
4 PURPOSES.

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

6 **SECTION 1.** Section 27-65-201, Mississippi Code of 1972, is
7 amended as follows:

8 27-65-201. (1) For the purposes of this section, unless the
9 context otherwise requires, the term "motor vehicle" means a motor
10 vehicle required to be registered or licensed by the county tax
11 collectors pursuant to Section 27-19-43, Mississippi Code of 1972.

12 (2) Upon every person, firm or corporation purchasing other
13 than at wholesale within this state any motor vehicle required to
14 be registered or licensed with the tax collector of any county in
15 this state from any person, firm or corporation which is not a
16 licensed dealer engaged in selling motor vehicles, there shall be
17 levied and collected a sales tax at the rate of three percent (3%)
18 of the true value of the motor vehicle as calculated by using the
19 most current official motor vehicle assessment schedule supplied
20 by the State Tax Commission.

21 (3) Upon every person, firm or corporation purchasing other
22 than at wholesale outside the state any motor vehicle required to
23 be registered or licensed with the tax collector of any county in
24 this state from any person, firm or corporation which is not a
25 licensed dealer engaged in selling motor vehicles, for use,
26 storage or other consumption within this state there is levied a
27 use tax at the rate of three percent (3%) of the true value of the
28 motor vehicle as calculated by using the most current official



29 motor vehicle assessment schedule supplied by the State Tax
30 Commission.

31 (4) Where any motor vehicle is taken in trade as a credit or
32 part payment on the sale of a motor vehicle taxable under this
33 section, the tax levied by this section shall be paid on the net
34 difference, that is, the true value of the motor vehicle sold less
35 the credit for the motor vehicle taken in trade.

36 (5) The tax levied by this section shall be collected by the
37 tax collector at the time of, and as a prerequisite to, the
38 registration of or licensing of any such motor vehicle. The tax
39 collector shall give to the person registering the vehicle a
40 receipt in a form prescribed and furnished by the State Tax
41 Commission for the amount of tax collected.

42 (6) County tax collectors shall be liable for the tax they
43 are required to collect, and taxes which are in fact collected,
44 under this section and failure to properly collect or maintain
45 proper records shall not relieve them of liability for payment to
46 the State Tax Commission. Deficiencies in collection or payment
47 shall be assessed against the tax collector, or his successor, in
48 the same manner and subject to the same penalties and provisions
49 for appeal as are deficiencies assessed against taxpayers under
50 Chapter 65, Title 27, Mississippi Code of 1972.

51 Each tax collector of the several counties shall, on or
52 before the twentieth day of each month, file a report with and pay
53 to the State Tax Commission all funds collected under the
54 provisions of this section, less a commission of three percent
55 (3%) which shall be retained by the tax collector as a commission
56 for collecting such tax, and such commission shall be deposited in
57 the county general fund. The report required to be filed shall
58 cover all collections made during the calendar month next
59 preceding the date on which the report is due and filed. All
60 funds remitted to the State Tax Commission shall be deposited to
61 the credit of the State General Fund.



62 Any error in the report and remittance to the State Tax
63 Commission may be adjusted on a subsequent report. If the error
64 was in the collection by the tax collector, it shall be adjusted
65 through the tax collector with the taxpayer before credit is
66 allowed by the State Tax Commission.

67 All information relating to the collection of this tax by tax
68 collectors and such records as the State Tax Commission may
69 require shall be preserved in the tax collector's office for a
70 period of three (3) years for audit by the State Tax Commission.

71 (7) The tax levied by this section shall not apply to the
72 following:

73 (a) Transfers of legal ownership of motor vehicles
74 between husband and wife, parent and child, or grandparents and
75 grandchildren, unless the transferor is a licensed dealer of motor
76 vehicles and the transfer of the motor vehicle is made in the
77 regular course of business.

78 (b) Transfers of legal ownership of motor vehicles
79 pursuant to a will or pursuant to any law providing for the
80 distribution of the property of one dying intestate.

81 (c) Transfers of legal ownership of motor vehicles ten
82 (10) or more years after the date of the manufacture of such
83 vehicle.

84 (d) Sales or transfers of legal ownership of motor
85 vehicles between siblings, unless the seller or transferor is a
86 licensed dealer of motor vehicles and the sale or transfer of the
87 motor vehicle is made in the regular course of business.

88 **SECTION 2.** Nothing in this act shall affect or defeat any
89 claim, assessment, appeal, suit, right or cause of action for
90 taxes due or accrued under the sales tax laws before the date on
91 which this act becomes effective, whether such claims,
92 assessments, appeals, suits or actions have been begun before the
93 date on which this act becomes effective or are begun thereafter;
94 and the provisions of the sales tax laws are expressly continued



95 in full force, effect and operation for the purpose of the
96 assessment, collection and enrollment of liens for any taxes due
97 or accrued and the execution of any warrant under such laws before
98 the date on which this act becomes effective, and for the
99 imposition of any penalties, forfeitures or claims for failure to
100 comply with such laws.

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

