

By: Representative Ward (By Request)

To: Ways and Means

HOUSE BILL NO. 629

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES AND USE TAX IMPOSED ON SALES OF MOTOR  
3 VEHICLES BY PERSONS, FIRMS OR CORPORATIONS THAT ARE NOT LICENSED  
4 DEALERS ENGAGED IN SELLING MOTOR VEHICLES; AND FOR RELATED  
5 PURPOSES.

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

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

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

13 (2) Upon every person, firm or corporation purchasing other  
14 than at wholesale within this state any motor vehicle required to  
15 be registered or licensed with the tax collector of any county in  
16 this state from any person, firm or corporation which is not a  
17 licensed dealer engaged in selling motor vehicles, there shall be  
18 levied and collected a sales tax at the rate of five percent (5%)  
19 of the true value of the motor vehicle as calculated by using the  
20 most current official motor vehicle assessment schedule supplied  
21 by the State Tax Commission.

22 (3) Upon every person, firm or corporation purchasing other  
23 than at wholesale outside the state any motor vehicle required to  
24 be registered or licensed with the tax collector of any county in  
25 this state from any person, firm or corporation which is not a  
26 licensed dealer engaged in selling motor vehicles, for use,  
27 storage or other consumption within this state there is levied a  
28 use tax at the rate of five percent (5%) of the true value of the



29 motor vehicle as calculated by using the most current official  
30 motor vehicle assessment schedule supplied by the State Tax  
31 Commission.

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

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

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

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



61 funds remitted to the State Tax Commission shall be deposited to  
62 the credit of the State General Fund.

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

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

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

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

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

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

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



94 or accrued and the execution of any warrant under such laws before  
95 the date on which this act becomes effective, and for the  
96 imposition of any penalties, forfeitures or claims for failure to  
97 comply with such laws.

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

