

By: Representative Grist

To: Ways and Means

HOUSE BILL NO. 1174

1 AN ACT TO AMEND SECTION 27-65-33, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE STATE TAX COMMISSION TO ESTABLISH A UNIFORM
3 PROCEDURE TO ALLOW TAXPAYERS TO PAY DELINQUENT SALES TAXES; TO
4 PROVIDE A REPEALER ON THIS SECTION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-65-33, Mississippi Code of 1972, is
7 amended as follows:

8 27-65-33. The taxes levied by this chapter shall be due and
9 payable on or before the twentieth day of the month next
10 succeeding the month in which the tax accrues, except as otherwise
11 provided. Returns and payments placed in the mail must be
12 postmarked by the due date in order to be considered timely filed,
13 except when the due date falls on a weekend or holiday, returns
14 and payments placed in the mail must be postmarked by the first
15 working day following the due date in order to be considered
16 timely filed. The taxpayer shall make a return showing the gross
17 proceeds of sales or the gross income of the business, and any and
18 all allowable deductions, or exempt sales, and compute the tax due
19 for the period covered.

20 As compensation for collecting sales and use taxes, complying
21 fully with the applicable statutes, filing returns and supplements
22 thereto and paying all taxes by the twentieth of the month
23 following the period covered, the taxpayer may discount and retain
24 two percent (2%) of the liability on each return subject to the
25 following limitations:

26 (a) The compensation or discount shall not apply to
27 taxes levied under the provisions of Sections 27-65-19 and
28 27-65-21, or on charges for ginning cotton under Section 27-65-23.



29 (b) The compensation or discount shall not apply to
30 taxes collected by a county official or state agency.

31 (c) The compensation or discount shall not exceed Fifty
32 Dollars (\$50.00) per month, or Six Hundred Dollars (\$600.00) per
33 calendar year, per business location on each state sales tax
34 return, or on each use tax return.

35 (d) The compensation or discount shall not apply to any
36 wholesale tax, the rate of which is equal to or greater than the
37 tax rate applicable to retail sales of the same property or
38 service. The retailer of such items shall be entitled to the
39 compensation based on the tax computed on retail sales before
40 application of the credit for any tax paid to the wholesaler,
41 jobber, or other person.

42 (e) The compensation or discount allowed and taken for
43 any filing period may be reassessed and collected when an audit of
44 a taxpayer's records reveals a tax deficiency for that period.

45 All returns shall be sworn to by the taxpayer, if made by an
46 individual, or by the president, vice president, secretary or
47 treasurer of a corporation, or authorized agent, if made on behalf
48 of a corporation. If made on behalf of a partnership, joint
49 venture, association, trust, estate, or in any other group or
50 combination acting as a unit, any individual delegated by such
51 firm shall swear to the return on behalf of the taxpayer. The
52 commissioner may prescribe methods by which the taxpayer may swear
53 to his return.

54 The commissioner may promulgate rules and regulations to
55 require or permit filing periods of any duration, in lieu of
56 monthly filing periods, for any taxpayer or group thereof.

57 The commissioner may require the execution and filing by the
58 taxpayer with the commissioner of a good and solvent bond with
59 some surety company authorized to do business in Mississippi as
60 surety thereon in an amount double the aggregate tax liability by
61 such taxpayer for any previous three (3) months' period within the



62 last calendar year or estimated three (3) months tax liability.
63 Said bond is to be conditioned for the prompt payment of such
64 taxes as may be due for each such return.

65 The commissioner, for good cause, shall grant such reasonable
66 additional time within which to make any return required under the
67 provisions of this chapter as he may deem proper, but the time for
68 filing any return shall not be extended beyond the twentieth of
69 the month next succeeding the regular due date of the return
70 without the imposition of interest at the rate of one percent (1%)
71 per month or fractional part of a month from the time the return
72 was due until the tax is paid.

73 For persistent, willful, or recurring failure to make any
74 return and pay the tax shown thereby to be due by the time
75 specified, there shall be added to the amount of tax shown to be
76 due ten percent (10%) damages, or interest at the rate of one
77 percent (1%) per month, or both.

78 Any taxpayer shall, upon making application therefor, obtain
79 from the commissioner an extension of time for the payment of
80 taxes due on credit sales until collections thereon have been
81 made. The commission shall establish a uniform procedure to allow
82 taxpayers to pay delinquent taxes. When such extension is
83 granted, the taxpayer shall thereafter include in each monthly or
84 quarterly report all collections made during the preceding month
85 or quarter, and shall pay the taxes due thereon at the time of
86 filing such report. Such permission may be revoked or denied at
87 the discretion of the commissioner when, in his opinion, a total
88 sales basis will best reflect the taxable income or expedite
89 examination of the taxpayer's records.

90 Any taxpayer reporting credit sales before collection thereof
91 has been made may take credit on subsequent returns or reports for
92 bad debts actually charged off, if such amounts charged off have
93 previously been included in taxable gross income or taxable gross
94 proceeds of sales, as the case may be, and the tax paid thereon.



95 However, any amounts subsequently collected on accounts that have
96 been charged off as bad debts shall be included in subsequent
97 reports and the tax shall be paid thereon.

98 In cases where an extension of time has been granted by the
99 commissioner for payment of taxes due on credit sales and the
100 taxpayer thereafter discontinues the business, such taxpayer shall
101 be required to file with the commissioner within ten (10) days, or
102 such further time as the commissioner may direct, from the date of
103 the discontinuance of such business, a special report showing the
104 amounts of any credit sales which have not been included in
105 determining the measure of the tax previously paid and any other
106 information with reference to credit sales as the commissioner may
107 require. The commissioner shall thereupon investigate the facts
108 with reference to credit sales and the condition of the accounts,
109 and shall determine, from the best evidence available, the value
110 of all open accounts, notes, or other evidence of debt arising
111 from credit sales. The value of all notes, open accounts and
112 other evidence of debt, as thus determined by the commissioner,
113 shall be used in determining the amount of the tax for which such
114 taxpayer shall be liable. When the amount of the tax shall have
115 been ascertained, the taxpayer shall be required to pay the same
116 within ten (10) days or such further time as the commissioner may
117 allow, notwithstanding the fact that such note or accounts may
118 still remain uncollected.

119 This section shall stand repealed on July 1, 2003.

120 **SECTION 2.** This act shall take effect and be in force from
121 and after July 1, 2002.

