HOUSE BILL NO. 1499

AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972, TO INCREASE THE EXCISE TAX ON CIGARETTES; TO AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972, TO CLARIFY THE DISCOUNT OR COMPENSATION ALLOWED ON THE FACE VALUE OF STAMPS PURCHASED BY DEALERS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-69-13, Mississippi Code of 1972, is amended as follows:

27-69-13. There is * * * imposed, levied and assessed, to be collected and paid as hereinafter provided in this chapter, an excise tax on each person or dealer in cigarettes, cigars, stogies, snuff, chewing tobacco, and smoking tobacco, or substitutes therefor, upon the sale, use, consumption, handling or distribution in the State of Mississippi, as follows:

(a) On cigarettes, the rate of tax shall be Three and Four-tenths Cents (3-4/10¢) on each cigarette sold with a maximum length of one hundred twenty (120) millimeters; any cigarette in excess of this length shall be taxed as if it were two (2) or more cigarettes. * * * However, if the federal tax rate on cigarettes in effect on July 1, 1985, is reduced, then the rate as provided in this paragraph (a) shall be increased by the amount of the federal tax reduction. Such tax increase shall take effect on the first day of the month following the effective date of the reduction in the federal tax rate.

(b) On cigars, cheroots, stogies, snuff, chewing and smoking tobacco and all other tobacco products except cigarettes, the rate of tax shall be fifteen percent (15%) of the manufacturer's list price.
No stamp evidencing the tax * * * levied on cigarettes by this section shall be of a denomination of less than One Cent (1¢), and whenever the tax computed at the rates * * * prescribed on cigarettes in this section is a specified amount, plus a fractional part of One Cent (1¢), the package shall be stamped for the next full cent. However, the additional face value of stamps purchased to comply with taxes imposed by this section after June 1, 1985, shall be subject to a four percent (4%) discount or compensation to dealers for their services rather than the eight percent (8%) discount or compensation allowed by Section 27-69-31.

Every wholesaler shall purchase stamps as provided in this chapter, and affix the same to all packages of cigarettes handled by him as * * * provided in this section.

The * * * tax levied by this chapter is levied upon the sale, use, gift, possession, or consumption of tobacco within the State of Mississippi, and the impact of the tax levied by this chapter is * * * declared to be on the vendee, user, consumer, or possessor of tobacco in this state. When the tax is paid by any other person, the payment shall be considered as an advance payment and shall thereafter be added to the price of the tobacco and recovered from the ultimate consumer or user.

SECTION 2. Section 27-69-31, Mississippi Code of 1972, is amended as follows:

27-69-31. Dealers subject to the provisions of this chapter shall be allowed, as compensation for their services in affixing the stamps * * * required by this chapter, a sum equal to eight percent (8%) of the face value of the stamps purchased by them, except as otherwise provided in Section 27-69-13; however, the commission shall allow no discount on the purchase of stamps by wholesalers of an aggregate amount of less than One Hundred Dollars ($100.00), and by retailers of an aggregate amount of less than Fifty Dollars ($50.00) in any one order.
It is further provided that the commissioner may, in his discretion, either reduce the compensation allowed, or disallow any compensation for the affixing of stamps, for failure of the dealer to comply with any provisions of the law or rules and regulations promulgated by the commissioner.

SECTION 3. This act shall take effect and be in force from and after July 1, 2003.