

By: Representative Moak

To: Ways and Means

HOUSE BILL NO. 382

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

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

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

7 27-65-201. (1) For the purposes of this section, unless the
8 context otherwise requires, the term "motor vehicle" means a motor
9 vehicle required to be registered or licensed by the county tax
10 collectors pursuant to Section 27-19-43, Mississippi Code of 1972.

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

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

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

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

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

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

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

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

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

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

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

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

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

83 (d) Transfers of legal ownership of motor vehicles
84 between siblings, unless the transferor is a licensed dealer of
85 motor vehicles and the transfer of the motor vehicle is made in
86 the regular course of business.

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

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

100 **SECTION 3.** This act shall take effect and be in force from
101 and after July 1, 2004.