

By: Representative Stevens

To: Ways and Means

## HOUSE BILL NO. 674

1 AN ACT TO AMEND SECTION 27-59-11, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE RATE OF EXCISE TAX IMPOSED ON DISTRIBUTORS OF  
3 COMPRESSED GAS; TO AMEND SECTION 27-59-13, MISSISSIPPI CODE OF  
4 1972, TO REVISE THE AMOUNT THAT DISTRIBUTORS OF COMPRESSED GAS MAY  
5 DEDUCT WHEN FILING MONTHLY REPORTS WITH AND REMITTING COMPRESSED  
6 GAS TAX COLLECTIONS TO THE STATE TAX COMMISSION; TO AMEND SECTION  
7 27-59-49, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE  
8 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-59-11, Mississippi Code of 1972, is  
11 amended as follows:

12 27-59-11. (1) A tax at the rate of Thirty-five  
13 one-hundredths Cent (.35¢) per gallon is hereby levied upon any  
14 person engaged in business as a distributor of compressed gas,  
15 excepting natural gas, for the privilege of engaging in such  
16 business or acting as such distributor. The tax shall be based on  
17 all compressed gas, excepting natural gas, stored, used,  
18 distributed, manufactured, refined, distilled, blended or  
19 compounded in this state or received in this state for sale,  
20 storage, distribution or for any other purpose.

21 The tax levied herein shall become due and payable when:

22 (a) Compressed gas is withdrawn from storage at a  
23 refinery, marine or pipeline terminal, or underground caverns or  
24 cavities except when withdrawal is by pipeline or barge;

25 (b) Compressed gas imported by a common carrier is  
26 unloaded by that carrier unless the compressed gas is unloaded  
27 directly into an underground cavern or cavity for storage or  
28 directly into the storage tanks of a refinery, marine or pipeline  
29 terminal; or

30 (c) Compressed gas imported by any person, other than a  
31 common carrier, enters the State of Mississippi, unless the  
32 compressed gas is unloaded directly into an underground cavern or  
33 cavity for storage or directly into the storage tanks of a  
34 refinery, marine or pipeline terminal.

35 (2) A tax at the rate of Seventeen Cents (17¢) per gallon  
36 until the date specified in Section 65-39-35, and Thirteen and  
37 Four-tenths Cents (13.4¢) per gallon thereafter, is levied upon  
38 any distributor of compressed gas for the privilege of engaging in  
39 the business of selling or delivering compressed gas, excepting  
40 compressed natural gas and liquefied natural gas, for use in a  
41 motor vehicle or motor vehicles on the highways of this state. A  
42 tax at the rate of Eighteen Cents (18¢) per one hundred (100)  
43 cubic feet until the date specified in Section 65-39-35, and  
44 Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic  
45 feet thereafter, is levied upon any distributor of compressed gas  
46 for the privilege of engaging in the business of selling or  
47 delivering compressed natural gas and liquefied natural gas for  
48 use in a motor vehicle or motor vehicles on the highways of this  
49 state. A tax at the rate of Eighteen Cents (18¢) per one hundred  
50 (100) cubic feet until the date specified in Section 65-39-35, and  
51 Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic  
52 feet thereafter, is levied upon any public utility for the  
53 privilege of engaging in the business of selling or delivering  
54 natural gas to a user for the purpose of being used as a fuel in a  
55 motor vehicle or motor vehicles on the highways of this state, and  
56 the taxes shall be collected from the user whenever practical.  
57 The taxes levied in this subsection shall not apply when sales or  
58 deliveries are made to persons who are holders of permitted  
59 compressed gas user's decals.

60 (3) Upon every person operating on the highways of this  
61 state a motor vehicle or motor vehicles using or capable of using  
62 compressed gas as a motor fuel and having a gross license tag

63 weight classification of ten thousand (10,000) pounds or less,  
64 there is hereby levied an annual privilege tax of One Hundred  
65 Ninety-five Dollars (\$195.00) until the date specified in Section  
66 65-39-35, and One Hundred Sixty-five Dollars (\$165.00) thereafter.

67 (4) Upon every person operating on the highways of this  
68 state a motor vehicle or motor vehicles using or capable of using  
69 compressed gas and having a gross license tag weight  
70 classification greater than ten thousand (10,000) pounds, there is  
71 hereby levied a privilege tax of Seventeen Cents (17¢) per gallon  
72 until the date specified in Section 65-39-35, and Thirteen and  
73 Four-tenths Cents (13.4¢) per gallon thereafter, on all compressed  
74 gas, excepting compressed natural gas and liquefied natural gas,  
75 used on the highways of this state. There is hereby levied a  
76 privilege tax of Eighteen Cents (18¢) per one hundred (100) cubic  
77 feet until the date specified in Section 65-39-35, and Fourteen  
78 and Four-tenths Cents (14.4¢) per one hundred (100) cubic feet  
79 thereafter, on all compressed natural gas and liquefied natural  
80 gas used on the highways of this state. The taxes levied in this  
81 paragraph shall not apply to owners or operators classified by the  
82 commission as nonpermitted users.

83 (5) All owners and operators of motor vehicles that have a  
84 gross license tag weight classification greater than ten thousand  
85 (10,000) pounds, but not exceeding twenty thousand (20,000) pounds  
86 shall prepay Two Hundred Twenty-five Dollars (\$225.00) of such tax  
87 annually, and all owners and operators of motor vehicles that have  
88 a gross license tag weight classification greater than twenty  
89 thousand (20,000) pounds shall prepay Three Hundred Dollars  
90 (\$300.00) of such tax annually. On motor vehicles that have a  
91 gross license tag weight exceeding ten thousand (10,000) pounds,  
92 that are exclusively used by a farmer for transporting farm  
93 products produced on his own farm and also farm supplies,  
94 materials and equipment used in the growing or production of his  
95 agricultural products and have a "farm" or "F" motor vehicle

96 license tag, the prepaid portion of said privilege tax shall be  
97 One Hundred Fifty Dollars (\$150.00).

98 (6) The commission, in its discretion, may authorize or  
99 require the owner or operator of five (5) or more motor vehicles  
100 that use or are capable of using compressed gas on the highway to  
101 pay the excise tax on all compressed gas purchased for any purpose  
102 and the excise tax shall be collected by the distributor of  
103 compressed gas at the time of sale or delivery. The owners or  
104 operators authorized or required to do so shall be classified as  
105 nonpermitted users.

106 **SECTION 2.** Section 27-59-13, Mississippi Code of 1972, is  
107 amended as follows:

108 27-59-13. The excise taxes levied in this chapter shall  
109 become due and payable on or before the twentieth day of the month  
110 succeeding the month in which the tax accrues. Each distributor  
111 shall file with the commission a monthly report setting forth the  
112 quantity of compressed gas received within this state, less any  
113 authorized exemptions; the quantity of compressed gas sold for use  
114 on the highways of this state; and any other information as may be  
115 reasonably necessary for the administration of this chapter. The  
116 distributor shall remit to the commission, with the monthly  
117 report, the full amount of the excise tax shown thereon to be due.

118 Reports and payments sent to the commission by mail must be  
119 postmarked by the due date in order to be considered timely filed,  
120 except when the due date falls on a weekend or holiday, in which  
121 case such reports and payments must be postmarked by the first  
122 working day following the due date in order to be considered  
123 timely filed.

124 An amount equal to Thirty-five One-hundredths Cent (.35¢) per  
125 gallon on all compressed gas shown to be taxable for highway use  
126 may be deducted; provided, that the Thirty-five One-hundredths  
127 Cent (.35¢) per gallon tax on such compressed gas has been paid or  
128 is covered by the bond of a distributor of compressed gas.

129           The monthly report of the distributor shall be prepared and  
130 filed with the commission on forms prescribed by the commission or  
131 the distributor may, with the approval of the commission, furnish  
132 the required information on machine-prepared schedules. Such  
133 monthly reports shall be signed by the distributor or his duly  
134 authorized agent and contain a declaration that the statements  
135 contained therein are true and are made under the penalty of  
136 perjury.

137           All persons storing compressed gases, excepting natural gas,  
138 in underground caverns or cavities in this state shall make  
139 monthly reports of withdrawals of such compressed gases from  
140 storage, on forms prescribed by the commission at the same time,  
141 in the same manner, and subject to the same terms, conditions and  
142 penalties as is otherwise provided for distributors of compressed  
143 gas. Sales and deliveries of compressed gases to nonpermitted  
144 distributors shall be listed and reported on such reports  
145 separately from sales and deliveries to permitted distributors.

146           **SECTION 3.** Section 27-59-49, Mississippi Code of 1972, is  
147 amended as follows:

148           27-59-49. (1) Except as provided in subsection (2) of this  
149 section, all proceeds of the tax collected under the provisions of  
150 this chapter shall be paid and apportioned by the commission in  
151 the same manner as payments on gasoline are made in accordance  
152 with Section 27-5-101, Mississippi Code of 1972.

153           (2) The proceeds of the Thirty-five One-hundredths Cent  
154 (.35¢) per gallon tax imposed in subsection (1) of Section  
155 27-59-11, Mississippi Code of 1972, shall be deposited by the  
156 commission into a special fund hereby established in the State  
157 Treasury and shall be expended, pursuant to appropriation by the  
158 Legislature, to defray the expenses of the State Fire Marshal in  
159 the administration of the Liquefied Compressed Gas Equipment  
160 Inspection Law.

161           **SECTION 4.** This act shall take effect and be in force from  
162 and after July 1, 2004.