

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1458

1 AN ACT TO AMEND SECTIONS 27-65-18 AND 27-65-93, MISSISSIPPI  
2 CODE OF 1972, TO CLARIFY THE USE OF SALES TAX DIRECT PAY PERMITS  
3 BY THE OWNERS OF CERTAIN FLOATING STRUCTURES; AND FOR RELATED  
4 PURPOSES.

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

6 **SECTION 1.** Section 27-65-18, Mississippi Code of 1972, is  
7 amended as follows:

8 27-65-18. (1) There is levied, assessed and shall be  
9 collected a tax of three and one-half percent (3-1/2%) upon the  
10 gross proceeds of sales or gross receipts of sales of every person  
11 engaging or continuing within this state in the business of  
12 selling any tangible personal property or performing any  
13 construction activity upon any floating structure that is normally  
14 moored and not normally engaged in the business of transporting  
15 people or property, and that is located in the waters within the  
16 State of Mississippi. Such structures include, but are not  
17 limited to, casinos, floating restaurants, floating hotels and  
18 similar property, regardless of whether the property is  
19 self-propelled. The tax imposed under this subsection (1) shall  
20 not apply to tangible personal property that is not a component  
21 part of the structure.

22 (2) If the owner of a structure described in subsection (1)  
23 of this section holds a direct pay permit issued by the State Tax  
24 Commission under Section 27-65-93, the owner shall furnish the  
25 permit to the seller or person performing the construction  
26 activity unless the holder of the direct pay permit is given  
27 written instructions or written authority to do otherwise by the  
28 commissioner. After being furnished the direct pay permit, the

29 seller or person performing the construction activity shall be  
30 relieved of the duty to collect the tax imposed under subsection  
31 (1) of this section. The commissioner may assign a distinctive  
32 number to a structure and issue the distinctive number to the  
33 owner. The owner of the structure may furnish the distinctive  
34 number to persons performing construction activity in order to  
35 allow such persons to purchase component materials and parts for  
36 use in the construction activity without the requirement of paying  
37 sales tax on the purchases.

38 **SECTION 2.** Section 27-65-93, Mississippi Code of 1972, is  
39 amended as follows:

40 27-65-93. The commissioner shall, from time to time,  
41 promulgate rules and regulations, not inconsistent with the  
42 provisions of the sales tax law, for making returns and for the  
43 ascertainment, assessment and collection of the tax imposed by the  
44 sales tax law as he may deem necessary to enforce its provisions;  
45 and, upon request, he shall furnish any taxpayer with a copy of  
46 the rules and regulations.

47 All forms, necessary for the enforcement of the sales tax  
48 law, shall be prescribed, printed and furnished by the  
49 commissioner.

50 The commissioner may adopt rules and regulations providing  
51 for the issuance of permits to manufacturers, utilities,  
52 construction contractors, companies receiving bond financing  
53 through the Mississippi Business Finance Corporation or the  
54 Mississippi Development Authority, and other taxpayers as  
55 determined by the commissioner to purchase tangible personal  
56 property taxed under Section 27-65-17, items taxed under Section  
57 27-65-18 and services taxed under Section 27-65-23 without the  
58 payment to the vendor of the tax imposed by the sales and use tax  
59 laws, and providing for \* \* \* persons to report and pay the tax  
60 directly to the commissioner in instances where the commissioner  
61 determines that these provisions will facilitate and expedite the

62 collection of the tax at the proper rates which may be due  
63 on \* \* \* purchases by the permittee. Under the provisions of this  
64 chapter, the vendor is relieved of collecting and remitting the  
65 taxes specified hereunder and the person holding the permit shall  
66 become liable for such taxes instead of the seller. The full  
67 enforcement provisions of the sales tax law shall apply in the  
68 collection of the tax from the permittee.

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