

By: Representatives Holland, Bondurant,
Reynolds

To: Ways and Means

HOUSE BILL NO. 1491

1 AN ACT TO AMEND SECTION 27-71-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE PRIVILEGE LICENSE TAX REQUIRED FOR A MANUFACTURER'S
3 PERMIT, CLASS 1, DISTILLER'S PERMIT FOR A PERSON WHO PRODUCES A
4 PRODUCT WITH AT LEAST FIFTY-ONE PERCENT OF THE FINISHED PRODUCT BY
5 VOLUME BEING OBTAINED FROM ALCOHOLIC FERMENTATION OF GRAPES,
6 FRUITS, BERRIES, HONEY OR VEGETABLES GROWN AND PRODUCED IN
7 MISSISSIPPI, AND WHO PRODUCES ALL OF SUCH PRODUCT BY USING NOT
8 MORE THAN ONE STILL HAVING A MAXIMUM CAPACITY OF ONE HUNDRED FIFTY
9 LITERS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 27-71-5, Mississippi Code of 1972, is
12 amended as follows:

13 27-71-5. (1) Upon each person approved for a permit under
14 the provisions of the Alcoholic Beverage Control Law and
15 amendments thereto, there is levied and imposed for each location
16 for the privilege of engaging and continuing in this state in the
17 business authorized by such permit, an annual privilege license
18 tax in the amount provided in the following schedule:

19 (a) Except as otherwise provided in this subsection
20 (1), manufacturer's permit, Class 1, distiller's and/or
21 rectifier's..... \$4,500.00

22 (b) Manufacturer's permit, Class 2, wine manufacturer
23 \$1,800.00

24 (c) Manufacturer's permit, Class 3, native wine
25 manufacturer per 10,000 gallons or part thereof
26 produced..... \$10.00

27 (d) Native wine retailer's permit..... \$50.00

28 (e) Package retailer's permit, each..... \$900.00

29 (f) On-premises retailer's permit, except for clubs and
30 common carriers, each..... \$450.00

31 On purchases exceeding \$5,000.00 and for each additional
32 \$5,000.00, or fraction thereof..... \$225.00

33 (g) On-premises retailer's permit for wine of more than
34 four percent (4%) alcohol by volume, but not more than twenty-one
35 percent (21%) alcohol by volume (each)..... \$225.00

36 On purchases exceeding \$5,000.00 and for each additional
37 \$5,000.00, or fraction thereof..... \$225.00

38 (h) On-premises retailer's permit for clubs. \$225.00

39 On purchases exceeding \$5,000.00 and for each additional
40 \$5,000.00, or fraction thereof..... \$225.00

41 (i) On-premises retailer's permit for common carriers,
42 per car, plane, or other vehicle..... \$120.00

43 (j) Solicitor's permit, regardless of any other
44 provision of law, solicitor's permits shall be issued only in the
45 discretion of the commission..... \$100.00

46 (k) Filing fee for each application except for an
47 employee identification card..... \$25.00

48 (l) Temporary permit, Class 1, each..... \$10.00

49 (m) Temporary permit, Class 2, each..... \$50.00

50 On-premises purchases exceeding \$5,000.00 and for each
51 additional \$5,000.00, or fraction thereof..... \$225.00

52 (n) (i) Caterer's permit..... \$600.00

53 On purchases exceeding \$5,000.00 and for each additional
54 \$5,000.00, or fraction thereof..... \$250.00

55 (ii) Caterer's permit for holders of on-premises
56 retailer's permit..... \$150.00

57 On purchases exceeding \$5,000.00 and for each additional
58 \$5,000.00, or fraction thereof..... \$250.00

59 (o) Research permit..... \$100.00

60 (p) Filing fee for each application for an employee
61 identification card.....\$5.00

62 If a person approved for a manufacturer's permit, Class 1,
63 distiller's permit produces a product with at least fifty-one

64 percent (51%) of the finished product by volume being obtained
65 from alcoholic fermentation of grapes, fruits, berries, honey
66 and/or vegetables grown and produced in Mississippi, and produces
67 all of such product by using not more than one (1) still having a
68 maximum capacity of one hundred fifty (150) liters, the annual
69 privilege license tax for such a permit shall be Ten Dollars
70 (\$10.00) per ten thousand (10,000) gallons or part thereof
71 produced. Bulk, concentrated or fortified ingredients used for
72 blending may be produced outside this state and used in producing
73 such a product.

74 In addition to the filing fee imposed by item (k) of this
75 subsection, a fee to be determined by the State Tax Commission may
76 be charged to defray costs incurred to process applications. Such
77 additional fees shall be paid into the State Treasury to the
78 credit of a special fund account, which is hereby created, and
79 expenditures therefrom shall be made only to defray the costs
80 incurred by the State Tax Commission in processing alcoholic
81 beverage applications. Any unencumbered balance remaining in the
82 special fund account on June 30 of any fiscal year shall lapse
83 into the State General Fund.

84 All privilege taxes herein imposed shall be paid in advance
85 of doing business. The additional privilege tax imposed for an
86 on-premises retailer's permit based upon purchases shall be due
87 and payable on demand.

88 Any person who has paid the additional privilege license tax
89 imposed by item (f), (g), (h), (m) or (n) of this subsection, and
90 whose permit is renewed, may add any unused fraction of Five
91 Thousand Dollars (\$5,000.00) purchases to the first Five Thousand
92 Dollars (\$5,000.00) purchases authorized by the renewal permit,
93 and no additional license tax will be required until purchases
94 exceed the sum of the two (2) figures.

95 (2) There is imposed and shall be collected from each
96 permittee, except a common carrier, solicitor, holder of an

97 employee identification card or a temporary permittee, by the
98 commission, an additional license tax equal to the amounts imposed
99 under subsection (1) of this section for the privilege of doing
100 business within any municipality or county in which the licensee
101 is located. If the licensee is located within a municipality, the
102 commission shall pay the amount of additional license tax to the
103 municipality, and if outside a municipality the commission shall
104 pay the additional license tax to the county in which the licensee
105 is located. Payments by the commission to the respective local
106 government subdivisions shall be made once each month for any
107 collections during the preceding month.

108 (3) When an application for any permit, other than for
109 renewal of a permit, has been rejected by the commission, such
110 decision shall be final. Appeal may be made in the manner
111 provided by Section 67-1-39. Another application from an
112 applicant who has been denied a permit shall not be reconsidered
113 within a twelve-month period.

114 (4) The number of permits issued by the commission shall not
115 be restricted or limited on a population basis; however, the
116 foregoing limitation shall not be construed to preclude the right
117 of the commission to refuse to issue a permit because of the
118 undesirability of the proposed location.

119 (5) If any person shall engage or continue in any business
120 which is taxable hereunder without having paid the tax as provided
121 herein, such person shall be liable for the full amount of such
122 tax plus a penalty thereon equal to the amount thereof, and, in
123 addition, shall be punished by a fine of not more than One
124 Thousand Dollars (\$1,000.00), or by imprisonment in the county
125 jail for a term of not more than six (6) months, or by both such
126 fine and imprisonment, in the discretion of the court.

127 (6) It shall be unlawful for any person to consume alcoholic
128 beverages on the premises of any hotel restaurant, restaurant,
129 club or the interior of any public place defined in Chapter 1,

130 Title 67, Mississippi Code of 1972, when the owner or manager
131 thereof displays in several conspicuous places inside said
132 establishment and at the entrances thereto a sign containing the
133 following language: NO ALCOHOLIC BEVERAGES ALLOWED.

134 **SECTION 2.** This act shall take effect and be in force from
135 and after July 1, 2004.