

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2785

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,

29 the 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.