

By: Representative Moore

To: Ways and Means

HOUSE BILL NO. 832

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF MOTORCYCLES FROM  
3 SEVEN PERCENT TO FIVE PERCENT; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is  
6 amended as follows:

7 27-65-17. (1) Upon every person engaging or continuing  
8 within this state in the business of selling any tangible personal  
9 property whatsoever there is hereby levied, assessed and shall be  
10 collected a tax equal to seven percent (7%) of the gross proceeds  
11 of the retail sales of the business, except as otherwise provided  
12 herein.

13 Retail sales of farm tractors shall be taxed at the rate of  
14 one percent (1%) when made to farmers for agricultural purposes.

15 Retail sales of farm implements sold to farmers and used  
16 directly in the production of poultry, ratite, domesticated fish  
17 as defined in Section 69-7-501, livestock, livestock products,  
18 agricultural crops or ornamental plant crops or used for other  
19 agricultural purposes shall be taxed at the rate of three percent  
20 (3%) when used on the farm. The three percent (3%) rate shall  
21 also apply to all equipment used in logging, pulpwood operations  
22 or tree farming which is either (a) self-propelled or which is (b)  
23 mounted so that it is (i) permanently attached to other equipment  
24 which is self-propelled or (ii) permanently attached to other  
25 equipment drawn by a vehicle which is self-propelled.

26 Except as otherwise provided in subsection (3) of this  
27 section, retail sales of aircraft, automobiles, trucks,

28 truck-tractors, semitrailers and mobile homes shall be taxed at  
29 the rate of three percent (3%).

30 Sales of manufacturing machinery or manufacturing machine  
31 parts when made to a manufacturer or custom processor for plant  
32 use only when said machinery and machine parts will be used  
33 exclusively and directly within this state in manufacturing a  
34 commodity for sale, rental or in processing for a fee shall be  
35 taxed at the rate of one and one-half percent (1-1/2%).

36 Sales of materials for use in track and track structures to a  
37 railroad whose rates are fixed by the Interstate Commerce  
38 Commission or the Mississippi Public Service Commission shall be  
39 taxed at the rate of three percent (3%).

40 Sales of tangible personal property to electric power  
41 associations for use in the ordinary and necessary operation of  
42 their generating or distribution systems shall be taxed at the  
43 rate of one percent (1%).

44 Wholesale sales of beer shall be taxed at the rate of seven  
45 percent (7%), and the retailer shall file a return and compute the  
46 retail tax on retail sales but may take credit for the amount of  
47 the tax paid to the wholesaler on said return covering the  
48 subsequent sales of same property, provided adequate invoices and  
49 records are maintained to substantiate the credit.

50 Wholesale sales of food and drink for human consumption to  
51 full service vending machine operators to be sold through vending  
52 machines located apart from and not connected with other taxable  
53 businesses shall be taxed at the rate of eight percent (8%).

54 A manufacturer selling at retail in this state shall be  
55 required to make returns of the gross proceeds of such sales and  
56 pay the tax imposed in this section.

57 Any person exercising any privilege taxable under Section  
58 27-65-15 and selling his natural resource products at wholesale or  
59 to exempt persons shall pay the tax levied by said section in lieu  
60 of the tax levied by this section.

61 (2) From and after January 1, 1995, retail sales of private  
62 carriers of passengers and light carriers of property, as defined  
63 in Section 27-51-101, shall be taxed an additional two percent  
64 (2%).

65 (3) In lieu of the tax levied in subsection (1) of this  
66 section, there is levied on retail sales of truck-tractors and  
67 semitrailers used in interstate commerce and registered under the  
68 International Registration Plan (IRP) or any similar reciprocity  
69 agreement or compact relating to the proportional registration of  
70 commercial vehicles entered into as provided for in Section  
71 27-19-143, a tax at the rate of three percent (3%) of the portion  
72 of the sale that is attributable to the usage of such  
73 truck-tractor or semitrailer in Mississippi. The portion of the  
74 retail sale that is attributable to the usage of such  
75 truck-tractor or semitrailer in Mississippi is the retail sales  
76 price of the truck-tractor or semitrailer multiplied by the  
77 percentage of the total miles traveled by the vehicle that are  
78 traveled in Mississippi. The tax levied pursuant to this  
79 subsection (3) shall be collected by the State Tax Commission from  
80 the purchaser of such truck-tractor or semitrailer at the time of  
81 registration of such truck-tractor or semitrailer.

82 (4) In lieu of the tax levied in subsection (1) of this  
83 section, retail sales of motorcycles, as defined in Section  
84 27-19-3, shall be taxed at the rate of five percent (5%).

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

94 or accrued and the execution of any warrant under such laws before  
95 the date on which this act becomes effective, and for the  
96 imposition of any penalties, forfeitures or claims for failure to  
97 comply with such laws.

98         **SECTION 3.** This act shall take effect and be in force from  
99 and after July 1, 2005.