

By: Senator(s) Robertson

To: Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 3013

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES TAX AND USE TAX IMPOSED ON CASUAL SALES OF  
3 MOTOR VEHICLES; TO PROVIDE THAT IN ORDER FOR TRANSFERS OF MOTOR  
4 VEHICLES BETWEEN CERTAIN FAMILY MEMBERS TO BE EXEMPT FROM SALES  
5 TAX, THE VEHICLE MUST BE CURRENTLY REGISTERED OR LICENSED IN THE  
6 TRANSFEROR'S NAME; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 27-65-201, Mississippi Code of 1972, is  
9 amended as follows:

10 27-65-201. (1) For the purposes of this section, unless the  
11 context otherwise requires, the term "motor vehicle" means a motor  
12 vehicle required to be registered or licensed by the county tax  
13 collectors pursuant to Section 27-19-43.

14 (2) Upon every person, firm or corporation purchasing other  
15 than at wholesale within this state any motor vehicle required to  
16 be registered or licensed with the tax collector of any county in  
17 this state from any person, firm or corporation which is not a  
18 licensed dealer engaged in selling motor vehicles, there shall be  
19 levied and collected a sales tax at the rate of five percent (5%)  
20 of the true value of the motor vehicle as calculated by using the  
21 most current official motor vehicle assessment schedule supplied  
22 by the State Tax Commission.

23 (3) Upon every person, firm or corporation purchasing other  
24 than at wholesale outside the state any motor vehicle required to  
25 be registered or licensed with the tax collector of any county in  
26 this state from any person, firm or corporation which is not a  
27 licensed dealer engaged in selling motor vehicles, for use,  
28 storage or other consumption within this state there is levied a  
29 use tax at the rate of five percent (5%) of the true value of the

30 motor vehicle as calculated by using the most current official  
31 motor vehicle assessment schedule supplied by the State Tax  
32 Commission.

33 (4) Where any motor vehicle is taken in trade as a credit or  
34 part payment on the sale of a motor vehicle taxable under this  
35 section, the tax levied by this section shall be paid on the net  
36 difference, that is, the true value of the motor vehicle sold less  
37 the credit for the motor vehicle taken in trade.

38 (5) The tax levied by this section shall be collected by the  
39 tax collector at the time of, and as a prerequisite to, the  
40 registration of or licensing of any such motor vehicle. The tax  
41 collector shall give to the person registering the vehicle a  
42 receipt in a form prescribed and furnished by the State Tax  
43 Commission for the amount of tax collected.

44 (6) County tax collectors shall be liable for the tax they  
45 are required to collect, and taxes which are in fact collected,  
46 under this section and failure to properly collect or maintain  
47 proper records shall not relieve them of liability for payment to  
48 the State Tax Commission. Deficiencies in collection or payment  
49 shall be assessed against the tax collector, or his successor, in  
50 the same manner and subject to the same penalties and provisions  
51 for appeal as are deficiencies assessed against taxpayers under  
52 Chapter 65, Title 27, Mississippi Code of 1972.

53 Each tax collector of the several counties shall, on or  
54 before the twentieth day of each month, file a report with and pay  
55 to the State Tax Commission all funds collected under the  
56 provisions of this section, less a commission of three percent  
57 (3%) which shall be retained by the tax collector as a commission  
58 for collecting such tax, and such commission shall be deposited in  
59 the county general fund. The report required to be filed shall  
60 cover all collections made during the calendar month next  
61 preceding the date on which the report is due and filed. All

62 funds remitted to the State Tax Commission shall be deposited to  
63 the credit of the State General Fund.

64 Any error in the report and remittance to the State Tax  
65 Commission may be adjusted on a subsequent report. If the error  
66 was in the collection by the tax collector, it shall be adjusted  
67 through the tax collector with the taxpayer before credit is  
68 allowed by the State Tax Commission.

69 All information relating to the collection of this tax by tax  
70 collectors and such records as the State Tax Commission may  
71 require shall be preserved in the tax collector's office for a  
72 period of three (3) years for audit by the State Tax Commission.

73 (7) The tax levied by this section shall not apply to the  
74 following:

75 (a) Transfers of legal ownership of motor vehicles  
76 currently registered or licensed in the transferor's name between  
77 husband and wife, parent and child, or grandparents and  
78 grandchildren, unless the transferor is a licensed dealer of motor  
79 vehicles and the transfer of the motor vehicle is made in the  
80 regular course of business.

81 (b) Transfers of legal ownership of motor vehicles  
82 pursuant to a will or pursuant to any law providing for the  
83 distribution of the property of one dying intestate.

84 (c) Transfers of legal ownership of motor vehicles ten  
85 (10) or more years after the date of the manufacture of such  
86 vehicle.

87 **SECTION 2.** This act shall take effect and be in force from  
88 and after July 1, 2005.