

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3013

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

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

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

9 27-65-201. (1) For the purposes of this section, unless the
10 context otherwise requires, the term "motor vehicle" means a motor
11 vehicle required to be registered or licensed by the county tax
12 collectors pursuant to Section 27-19-43.

13 (2) Upon every person, firm or corporation purchasing other
14 than at wholesale within this state any motor vehicle required to
15 be registered or licensed with the tax collector of any county in
16 this state from any person, firm or corporation which is not a
17 licensed dealer engaged in selling motor vehicles, there shall be
18 levied and collected a sales tax at the rate of three percent (3%)
19 of the true value of the motor vehicle as calculated by using the
20 most current official motor vehicle assessment schedule supplied
21 by the State Tax Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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