

March 14, 2005

TO THE MISSISSIPPI STATE SENATE:

GOVERNOR'S VETO MESSAGE FOR SENATE BILL 2754

I am returning Senate Bill 2754: "AN ACT TO AMEND SECTION 27-65-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION TO REFUSE TO ISSUE TO OR REVOKE THE PERMIT TO ENGAGE IN BUSINESS UNDER THE SALES TAX LAW OF, ANY PERSON WHO HAS NOT SATISFIED ALL TAX LIABILITIES TO THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES" without my approval, and assign the following reasons for my veto.

After full consideration, I am vetoing Senate Bill 2754. While I support proper enforcement to ensure compliance with all tax laws, we must protect the due process rights of all taxpayers. Senate Bill 2754 would establish that "The commissioner may deny the issuance of a permit to, or revoke the existing permit of, any person, who has not satisfied all tax liabilities to the State of Mississippi." I am concerned about the ambiguity created by the use of the term "tax liability" without any specific definition.

This language, if interpreted as such, could allow the Tax Commission to threaten to revoke the sales tax permit of a taxpayer during the appeals process in order to persuade a taxpayer to agree with the Tax Commission's position in a dispute, thereby damaging the due process rights of taxpayers.

The current leadership of the State Tax Commission assures me they intend to interpret "tax liability" to only include the amount a taxpayer owes after all administrative and legal appeals have been exhausted. However, I cannot be sure that future Commissions will do so as well. Therefore, I encourage the Legislature to pass new legislation which specifically defines "tax liability" to only include the amount a taxpayer owes after all administrative and legal appeals afforded by state law have been exhausted. I believe this will fulfill the original intent of the Tax Commission and the Legislature.

For these reasons, I urge the members to sustain the veto and reject Senate Bill 2754.

Respectfully submitted,

Haley Barbour  
Governor