

By: Representative Fillingane

To: Gaming; Ways and Means

HOUSE BILL NO. 661

1 AN ACT TO AMEND SECTIONS 27-7-901 AND 27-7-903, MISSISSIPPI
2 CODE OF 1972, TO INCREASE FROM THREE PERCENT TO SEVEN PERCENT THE
3 AMOUNT OF THE TAX LEVIED ON AMOUNTS THAT ARE PAID TO PATRONS BY
4 GAMING ESTABLISHMENTS; TO REVISE THE MEANING OF "AMOUNTS THAT ARE
5 PAID OR CREDITED" FOR PURPOSES OF THE TAX THAT IS LEVIED UPON
6 AMOUNTS THAT ARE PAID TO PATRONS BY GAMING ESTABLISHMENTS; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-7-901, Mississippi Code of 1972, is
10 amended as follows:

11 27-7-901. (1) There is hereby levied, assessed and shall be
12 collected a tax of seven percent (7%) upon amounts that are paid
13 or credited by gaming establishments licensed under the provisions
14 of the Mississippi Gaming Control Act to their patrons. The tax
15 shall be collected by licensed gaming establishments and remitted
16 to the State Tax Commission in the manner provided for by
17 regulations promulgated by the Chairman of the State Tax
18 Commission.

19 (2) As used in this section, "amounts that are paid or
20 credited" means amounts or credits that are subject to the
21 withholding or reporting requirements of the Internal Revenue
22 Code, except that the dollar thresholds for amounts that are paid
23 or credited shall be One Dollar (\$1.00).

24 (3) No credit shall be allowed under the Income Tax Law of
25 1952 for the tax collected by licensed gaming establishments
26 pursuant to this section.

27 **SECTION 2.** Section 27-7-903, Mississippi Code of 1972, is
28 amended as follows:

29 27-7-903. (1) There is hereby levied and assessed upon
30 patrons of gaming establishments located in this state that are
31 not licensed under the provisions of the Mississippi Gaming
32 Control Act, a tax of seven percent (7%) of the amounts that are
33 paid or credited to such patrons by the gaming establishment,
34 which tax is the same in kind and rate as has heretofore been
35 imposed pursuant to Section 27-7-901 upon the patrons of gaming
36 establishments which are licensed under the Mississippi Gaming
37 Control Act. The legal incidence and duty to pay such taxes shall
38 fall upon the patron. The assessment of such tax is subject to
39 any exemptions as may exist under federal or state law. The State
40 Tax Commission may enter into tax collection agreements regarding
41 this tax.

42 (2) As used in this section, "amounts that are paid or
43 credited" means amounts or credits that are subject to the
44 withholding or reporting requirements of the Internal Revenue
45 Code, except that the dollar thresholds for amounts that are paid
46 or credited shall be One Dollar (\$1.00).

47 (3) No credit shall be allowed under the Income Tax Law of
48 1952 for the tax collected by gaming establishments pursuant to
49 this section.

50 **SECTION 3.** This act shall take effect and be in force from
51 and after July 1, 2006.