

By: Senator(s) Burton

To: Finance

SENATE BILL NO. 2780

1 AN ACT TO AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE DISCOUNT ON STAMPS PURCHASED BY DEALERS TO COMPLY
3 WITH TOBACCO EXCISE TAXES IMPOSED BEFORE JUNE 1, 1985; TO AMEND
4 SECTION 27-69-13, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;
5 AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-69-31, Mississippi Code of 1972, is
8 amended as follows:

9 27-69-31. Dealers subject to the provisions of this chapter
10 shall be allowed, as compensation for their services in affixing
11 the stamps * * * required by this chapter, a sum equal to fifty
12 percent (50%) of the face value of the stamps purchased by them to
13 comply with taxes imposed before June 1, 1985, provided that the
14 commission shall allow no discount on the purchase of stamps by
15 wholesalers of an aggregate amount of less than One Hundred
16 Dollars (\$100.00), and by retailers of an aggregate amount of less
17 than Fifty Dollars (\$50.00) in any one (1) order.

18 * * * The commissioner may, in his discretion, either reduce
19 the compensation allowed, or disallow any compensation for the
20 affixing of stamps, for failure of a dealer to comply with any
21 provisions of the law or rules and regulations promulgated by the
22 commissioner.

23 **SECTION 2.** Section 27-69-13, Mississippi Code of 1972, is
24 amended as follows:

25 27-69-13. There is * * * imposed, levied and assessed, to be
26 collected and paid as hereinafter provided in this chapter, an
27 excise tax on each person or dealer in cigarettes, cigars,
28 stogies, snuff, chewing tobacco, and smoking tobacco, or

29 substitutes therefor, upon the sale, use, consumption, handling or
30 distribution in the State of Mississippi, as follows:

31 (a) On cigarettes, the rate of tax shall be
32 Eighteen-twentieths of One Cent (18/20 of 1¢) on each cigarette
33 sold with a maximum length of one hundred twenty (120)
34 millimeters; any cigarette in excess of this length shall be taxed
35 as if it were two (2) or more cigarettes. * * * However, if the
36 federal tax rate on cigarettes in effect on June 1, 1985, is
37 reduced, then the rate as provided in this paragraph shall be
38 increased by the amount of the federal tax reduction. That tax
39 increase shall take effect on the first day of the month following
40 the effective date of such reduction in the federal tax rate.

41 (b) On cigars, cheroots, stogies, snuff, chewing and
42 smoking tobacco and all other tobacco products except cigarettes,
43 the rate of tax shall be fifteen percent (15%) of the
44 manufacturer's list price.

45 No stamp evidencing the tax * * * levied on cigarettes shall
46 be of a denomination of less than One Cent (1¢), and whenever the
47 tax computed at the rates * * * prescribed on cigarettes in this
48 section is a specified amount, plus a fractional part of One Cent
49 (1¢), the package shall be stamped for the next full cent;
50 however, the additional face value of stamps purchased to comply
51 with taxes imposed by this section after June 1, 1985, shall be
52 subject to a four percent (4%) discount or compensation to dealers
53 for their services * * *.

54 Every wholesaler shall purchase stamps as provided in this
55 chapter, and affix the stamps to all packages of cigarettes
56 handled by him as herein provided.

57 The * * * tax levied by this chapter is levied upon the sale,
58 use, gift, possession or consumption of tobacco within the State
59 of Mississippi, and the impact of the tax levied by this chapter
60 is * * * declared to be on the vendee, user, consumer or possessor
61 of tobacco in this state. When the tax is paid by any other

62 person, such payment shall be considered as an advance payment and
63 shall thereafter be added to the price of the tobacco and
64 recovered from the ultimate consumer or user.

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