

By: Senator(s) Hewes

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2988

1 AN ACT TO AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972,
2 TO REMOVE THE REPAIRING AND SERVICING OF ALL AIRCRAFT FROM THE
3 ACTIVITIES TAXED UNDER THE SALES TAX LAW; AND FOR RELATED
4 PURPOSES.

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

6 SECTION 1. Section 27-65-23, Mississippi Code of 1972, is
7 amended as follows:

8 [Through June 30, 2008, this section shall read as follows:]

9 27-65-23. Upon every person engaging or continuing in any of
10 the following businesses or activities there is hereby levied,
11 assessed and shall be collected a tax equal to seven percent (7%)
12 of the gross income of the business, except as otherwise provided:

13 Air conditioning installation or repairs;

14 Automobile, * * * motorcycle, boat or any other vehicle
15 repairing or servicing * * *;

16 Billiards, pool or domino parlors;

17 Bowling or tenpin alleys;

18 Burglar and fire alarm systems or services;

19 Car washing--automatic, self-service, or manual;

20 Computer software sales and services;

21 Cotton compresses or cotton warehouses;

22 Custom creosoting or treating, custom planing, custom
23 sawing;

24 Custom meat processing;

25 Electricians, electrical work, wiring, all repairs or
26 installation of electrical equipment;

27 Elevator or escalator installing, repairing or
28 servicing;

29 Film developing or photo finishing;
30 Foundries, machine or general repairing;
31 Furniture repairing or upholstering;
32 Grading, excavating, ditching, dredging or landscaping;
33 Hotels, motels, tourist courts or camps, trailer parks;
34 Insulating services or repairs;
35 Jewelry or watch repairing;
36 Laundering, cleaning, pressing or dyeing;
37 Marina services;
38 Mattress renovating;
39 Office and business machine repairing;
40 Parking garages and lots;
41 Plumbing or pipe fitting;
42 Public storage warehouses (There shall be no tax levied
43 on gross income of a public storage warehouse derived from the
44 temporary storage of tangible personal property in this state
45 pending shipping or mailing of the property to another state);
46 Refrigerating equipment repairs;
47 Radio or television installing, repairing, or servicing;
48 Renting or leasing personal property used within this
49 state;
50 Services performed in connection with geophysical
51 surveying, exploring, developing, drilling, producing,
52 distributing, or testing of oil, gas, water and other mineral
53 resources;
54 Shoe repairing;
55 Storage lockers;
56 Telephone answering or paging services;
57 Termite or pest control services;
58 Tin and sheet metal shops;
59 TV cable systems, subscription TV services, and other
60 similar activities;
61 Vulcanizing, repairing or recapping of tires or tubes;

62 Welding; and

63 Woodworking or wood turning shops.

64 Income from services taxed herein performed for electric
65 power associations in the ordinary and necessary operation of
66 their generating or distribution systems shall be taxed at the
67 rate of one percent (1%).

68 Income from services taxed herein performed on materials for
69 use in track or track structures to a railroad whose rates are
70 fixed by the Interstate Commerce Commission or the Mississippi
71 Public Service Commission shall be taxed at the rate of three
72 percent (3%).

73 Income from renting or leasing tangible personal property
74 used within this state shall be taxed at the same rates as sales
75 of the same property.

76 Persons doing business in this state who rent transportation
77 equipment with a situs within or without the state to common,
78 contract or private commercial carriers are taxed on that part of
79 the income derived from use within this state. If specific
80 accounting is impracticable, a formula may be used with approval
81 of the commissioner.

82 A lessor may deduct from the tax computed on the rental
83 income from tangible personal property a credit for sales or use
84 tax paid to this state at the time of purchase of the specific
85 personal property being leased or rented until such credit has
86 been exhausted.

87 Charges for custom processing and repairing services may be
88 excluded from gross taxable income when the property on which the
89 service was performed is delivered to the customer in another
90 state either by common carrier or in the seller's equipment.

91 When a taxpayer performs unitary services covered by this
92 section, which are performed both in intrastate and interstate
93 commerce, the commissioner is hereby invested with authority to
94 formulate in each particular case and to fix for such taxpayer in

95 each instance formulae of apportionment which will apportion to
96 this state, for taxation, that portion of the services which are
97 performed within the State of Mississippi.

98 **[From and after July 1, 2008, this section shall read as**
99 **follows:]**

100 27-65-23. Upon every person engaging or continuing in any of
101 the following businesses or activities there is hereby levied,
102 assessed and shall be collected a tax equal to seven percent (7%)
103 of the gross income of the business, except as otherwise provided:

104 Air conditioning installation or repairs;

105 Automobile, aircraft, motorcycle, boat or any other
106 vehicle repairing or servicing, except the repairing or servicing
107 of aircraft not registered in Mississippi engaged exclusively in
108 the business of foreign or interstate transportation;

109 Billiards, pool or domino parlors;

110 Bowling or tenpin alleys;

111 Burglar and fire alarm systems or services;

112 Car washing--automatic, self-service, or manual;

113 Computer software sales and services;

114 Cotton compresses or cotton warehouses;

115 Custom creosoting or treating, custom planing, custom
116 sawing;

117 Custom meat processing;

118 Electricians, electrical work, wiring, all repairs or
119 installation of electrical equipment;

120 Elevator or escalator installing, repairing or
121 servicing;

122 Film developing or photo finishing;

123 Foundries, machine or general repairing;

124 Furniture repairing or upholstering;

125 Grading, excavating, ditching, dredging or landscaping;

126 Hotels, motels, tourist courts or camps, trailer parks;

127 Insulating services or repairs;

128 Jewelry or watch repairing;
129 Laundering, cleaning, pressing or dyeing;
130 Marina services;
131 Mattress renovating;
132 Office and business machine repairing;
133 Parking garages and lots;
134 Plumbing or pipe fitting;
135 Public storage warehouses (There shall be no tax levied
136 on gross income of a public storage warehouse derived from the
137 temporary storage of tangible personal property in this state
138 pending shipping or mailing of the property to another state);
139 Refrigerating equipment repairs;
140 Radio or television installing, repairing, or servicing;
141 Renting or leasing personal property used within this
142 state;
143 Services performed in connection with geophysical
144 surveying, exploring, developing, drilling, producing,
145 distributing, or testing of oil, gas, water and other mineral
146 resources;
147 Shoe repairing;
148 Storage lockers;
149 Telephone answering or paging services;
150 Termite or pest control services;
151 Tin and sheet metal shops;
152 TV cable systems, subscription TV services, and other
153 similar activities;
154 Vulcanizing, repairing or recapping of tires or tubes;
155 Welding; and
156 Woodworking or wood turning shops.
157 Income from services taxed herein performed for electric
158 power associations in the ordinary and necessary operation of
159 their generating or distribution systems shall be taxed at the
160 rate of one percent (1%).

161 Income from services taxed herein performed on materials for
162 use in track or track structures to a railroad whose rates are
163 fixed by the Interstate Commerce Commission or the Mississippi
164 Public Service Commission shall be taxed at the rate of three
165 percent (3%).

166 Income from renting or leasing tangible personal property
167 used within this state shall be taxed at the same rates as sales
168 of the same property.

169 Persons doing business in this state who rent transportation
170 equipment with a situs within or without the state to common,
171 contract or private commercial carriers are taxed on that part of
172 the income derived from use within this state. If specific
173 accounting is impracticable, a formula may be used with approval
174 of the commissioner.

175 A lessor may deduct from the tax computed on the rental
176 income from tangible personal property a credit for sales or use
177 tax paid to this state at the time of purchase of the specific
178 personal property being leased or rented until such credit has
179 been exhausted.

180 Charges for custom processing and repairing services may be
181 excluded from gross taxable income when the property on which the
182 service was performed is delivered to the customer in another
183 state either by common carrier or in the seller's equipment.

184 When a taxpayer performs unitary services covered by this
185 section, which are performed both in intrastate and interstate
186 commerce, the commissioner is hereby invested with authority to
187 formulate in each particular case and to fix for such taxpayer in
188 each instance formulae of apportionment which will apportion to
189 this state, for taxation, that portion of the services which are
190 performed within the State of Mississippi.

191 **SECTION 2.** This act shall take effect and be in force from
192 and after July 1, 2006.