

By: Senator(s) Hewes

To: Finance

SENATE BILL NO. 2988
(As Sent to Governor)

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 * * *

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 * * *

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