

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 8

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT SALES OF FACTORY BUILT COMPONENTS OF MODULAR HOMES  
3 CONSTRUCTED BY THE MISSISSIPPI PRISON INDUSTRIES CORPORATION SHALL  
4 BE TAXED AT THE RATE OF THREE PERCENT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is  
7 amended as follows:

8 27-65-17. (1) (a) Except as otherwise provided in this  
9 section, upon every person engaging or continuing within this  
10 state in the business of selling any tangible personal property  
11 whatsoever there is hereby levied, assessed and shall be collected  
12 a tax equal to seven percent (7%) of the gross proceeds of the  
13 retail sales of the business.

14 (b) Retail sales of farm tractors shall be taxed at the  
15 rate of one percent (1%) when made to farmers for agricultural  
16 purposes.

17 (c) Retail sales of farm implements sold to farmers and  
18 used directly in the production of poultry, ratite, domesticated  
19 fish as defined in Section 69-7-501, livestock, livestock  
20 products, agricultural crops or ornamental plant crops or used for  
21 other agricultural purposes shall be taxed at the rate of three  
22 percent (3%) when used on the farm. The three percent (3%) rate  
23 shall also apply to all equipment used in logging, pulpwood  
24 operations or tree farming which is either:

- 25 (i) Self-propelled, or
- 26 (ii) Mounted so that it is permanently attached to
- 27 other equipment which is self-propelled or permanently attached to
- 28 other equipment drawn by a vehicle which is self-propelled.

29           (d) Except as otherwise provided in subsection (3) of  
30 this section, retail sales of aircraft, automobiles, trucks,  
31 truck-tractors, semitrailers and manufactured or mobile homes  
32 shall be taxed at the rate of three percent (3%).

33           (e) Sales of manufacturing machinery or manufacturing  
34 machine parts when made to a manufacturer or custom processor for  
35 plant use only when the machinery and machine parts will be used  
36 exclusively and directly within this state in manufacturing a  
37 commodity for sale, rental or in processing for a fee shall be  
38 taxed at the rate of one and one-half percent (1-1/2%).

39           (f) Sales of machinery and machine parts when made to a  
40 technology intensive enterprise for plant use only when the  
41 machinery and machine parts will be used exclusively and directly  
42 within this state for industrial purposes, including, but not  
43 limited to, manufacturing or research and development activities,  
44 shall be taxed at the rate of one and one-half percent (1-1/2%).  
45 In order to be considered a technology intensive enterprise for  
46 purposes of this paragraph:

47                   (i) The enterprise shall meet minimum criteria  
48 established by the Mississippi Development Authority;

49                   (ii) The enterprise shall employ at least ten (10)  
50 persons in full-time jobs;

51                   (iii) At least ten percent (10%) of the workforce  
52 in the facility operated by the enterprise shall be scientists,  
53 engineers or computer specialists;

54                   (iv) The enterprise shall manufacture plastics,  
55 chemicals, automobiles, aircraft, computers or electronics; or  
56 shall be a research and development facility, a computer design or  
57 related facility, or a software publishing facility or other  
58 technology intensive facility or enterprise as determined by the  
59 Mississippi Development Authority;

60 (v) The average wage of all workers employed by  
61 the enterprise at the facility shall be at least one hundred fifty  
62 percent (150%) of the state average annual wage; and

63 (vi) The enterprise must provide a basic health  
64 care plan to all employees at the facility.

65 (g) Sales of materials for use in track and track  
66 structures to a railroad whose rates are fixed by the Interstate  
67 Commerce Commission or the Mississippi Public Service Commission  
68 shall be taxed at the rate of three percent (3%).

69 (h) Sales of tangible personal property to electric  
70 power associations for use in the ordinary and necessary operation  
71 of their generating or distribution systems shall be taxed at the  
72 rate of one percent (1%).

73 (i) Wholesale sales of beer shall be taxed at the rate  
74 of seven percent (7%), and the retailer shall file a return and  
75 compute the retail tax on retail sales but may take credit for the  
76 amount of the tax paid to the wholesaler on said return covering  
77 the subsequent sales of same property, provided adequate invoices  
78 and records are maintained to substantiate the credit.

79 (j) Wholesale sales of food and drink for human  
80 consumption to full service vending machine operators to be sold  
81 through vending machines located apart from and not connected with  
82 other taxable businesses shall be taxed at the rate of eight  
83 percent (8%).

84 (k) Sales of equipment used or designed for the purpose  
85 of assisting disabled persons, such as wheelchair equipment and  
86 lifts, that is mounted or attached to or installed on a private  
87 carrier of passengers or light carrier of property, as defined in  
88 Section 27-51-101, at the time when the private carrier of  
89 passengers or light carrier of property is sold shall be taxed at  
90 the same rate as the sale of such vehicles under this section.

91           (1) Sales of factory built components of modular homes  
92 constructed by the Mississippi Prison Industries Corporation shall  
93 be taxed at the rate of three percent (3%).

94           (2) From and after January 1, 1995, retail sales of private  
95 carriers of passengers and light carriers of property, as defined  
96 in Section 27-51-101, shall be taxed an additional two percent  
97 (2%).

98           (3) In lieu of the tax levied in subsection (1) of this  
99 section, there is levied on retail sales of truck-tractors and  
100 semitrailers used in interstate commerce and registered under the  
101 International Registration Plan (IRP) or any similar reciprocity  
102 agreement or compact relating to the proportional registration of  
103 commercial vehicles entered into as provided for in Section  
104 27-19-143, a tax at the rate of three percent (3%) of the portion  
105 of the sale that is attributable to the usage of such  
106 truck-tractor or semitrailer in Mississippi. The portion of the  
107 retail sale that is attributable to the usage of such  
108 truck-tractor or semitrailer in Mississippi is the retail sales  
109 price of the truck-tractor or semitrailer multiplied by the  
110 percentage of the total miles traveled by the vehicle that are  
111 traveled in Mississippi. The tax levied pursuant to this  
112 subsection (3) shall be collected by the State Tax Commission from  
113 the purchaser of such truck-tractor or semitrailer at the time of  
114 registration of such truck-tractor or semitrailer.

115           (4) A manufacturer selling at retail in this state shall be  
116 required to make returns of the gross proceeds of such sales and  
117 pay the tax imposed in this section.

118           (5) Any person exercising any privilege taxable under  
119 Section 27-65-15 and selling his natural resource products at  
120 wholesale or to exempt persons shall pay the tax levied by said  
121 section in lieu of the tax levied by this section.

122           **SECTION 2.** This act shall take effect and be in force from  
123 and after its passage.