

By: Senator(s) Robertson, To: Finance  
 Gordon, Albritton, Brown,  
 Browning, Burton, Butler,  
 Carmichael, Chaney, Clarke,  
 Cuevas, Davis, Dearing,  
 Doxey, Flowers, Hewes,  
 Jackson (11th), Jackson  
 (32nd), Jordan, King,  
 Kirby, Lee (35th), Lee  
 (47th), Little, Michel,  
 Moffatt, Morgan, Pickering,  
 Posey, Ross, Thames,  
 Tollison, Gollott, Thomas

SENATE BILL NO. 2001

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
 2 TO REDUCE THE SALES TAX ON THE FACTORY BUILT COMPONENTS OF MODULAR  
 3 HOMES, PANELIZED HOMES AND PRECUT HOMES, AND PANEL CONSTRUCTED  
 4 HOMES CONSISTING OF STRUCTURAL INSULATED PANELS; TO REQUIRE  
 5 SELLERS OF MODULAR HOMES, PANELIZED HOMES AND PRECUT HOMES TO  
 6 DISCLOSE THE AMOUNT OF SALES OR USE TAX PAID ON THE FACTORY BUILT  
 7 COMPONENTS OF SUCH HOMES; AND FOR RELATED PURPOSES.

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

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

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

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

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

28 (i) Self-propelled, or

29                   (ii) Mounted so that it is permanently attached to  
30 other equipment which is self-propelled or permanently attached to  
31 other equipment drawn by a vehicle which is self-propelled.

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

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

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

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

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

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

57                   (iv) The enterprise shall manufacture plastics,  
58 chemicals, automobiles, aircraft, computers or electronics; or  
59 shall be a research and development facility, a computer design or  
60 related facility, or a software publishing facility or other

61 technology intensive facility or enterprise as determined by the  
62 Mississippi Development Authority;

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

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

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

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

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

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

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

94           (1) Sales of the factory built components of modular  
95 homes, panelized homes and precut homes, and panel constructed  
96 homes consisting of structural insulated panels, shall be taxed at  
97 the rate of three percent (3%).

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

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

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

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

126           **SECTION 2.** Sellers of modular homes, panelized homes and  
127 precut homes, and panel constructed homes consisting of structural  
128 insulated panels, shall disclose to the buyers of such homes the  
129 amount of sales tax or use tax paid on the factory built  
130 components of such homes. The State Tax Commission shall  
131 prescribe by regulation the manner in which such disclosure shall  
132 be made.

133           **SECTION 3.** This act shall take effect and be in force from  
134 and after its passage.