

By: Representatives Flaggs, Holland, Morris, To: Ways and Means
Norquist

HOUSE BILL NO. 474

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE EXCISE TAX ON CIGARETTES; TO AMEND SECTION
3 27-69-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE REVENUE
4 DERIVED FROM THE TAX INCREASE PROVIDED FOR BY THIS ACT SHALL BE
5 DEPOSITED INTO A SPECIAL FUND IN THE STATE TREASURY TO THE CREDIT
6 OF THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER AND INTO THE
7 SPECIAL FUND IN THE STATE TREASURY TO THE CREDIT OF THE GOVERNOR'S
8 OFFICE-DIVISION OF MEDICAID; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-69-13, Mississippi Code of 1972, is
11 amended as follows:

12 27-69-13. (1) There is hereby imposed, levied and assessed,
13 to be collected and paid as hereinafter provided in this chapter,
14 an excise tax on each person or dealer in cigarettes, cigars,
15 stogies, snuff, chewing tobacco, and smoking tobacco, or
16 substitutes therefor, upon the sale, use, consumption, handling or
17 distribution in the State of Mississippi, as follows:

18 (a) On cigarettes, the rate of tax shall be
19 Eighteen-twentieths of One Cent (18/20 of 1¢) on each cigarette
20 sold with a maximum length of one hundred twenty (120)
21 millimeters; any cigarette in excess of this length shall be taxed
22 as if it were two (2) or more cigarettes. * * * However, if the
23 federal tax rate on cigarettes in effect on June 30, 1985, is
24 reduced, then the rate as provided in this paragraph (a) shall be
25 increased by the amount of the federal tax reduction. Such tax
26 increase shall take effect on the first day of the month following
27 the effective date of such reduction in the federal tax rate.

28 (b) In addition to the excise tax levied by paragraph
29 (a), there is levied an excise tax of Five Cents (5¢) on each
30 cigarette sold with a maximum length of one hundred twenty (120)

31 millimeters; any cigarette in excess of this length shall be taxed
32 as if it were two (2) or more cigarettes.

33 (c) On cigars, cheroots, stogies, snuff, chewing and
34 smoking tobacco and all other tobacco products except cigarettes,
35 the rate of tax shall be fifteen percent (15%) of the
36 manufacturer's list price.

37 (2) No stamp evidencing the tax herein levied on cigarettes
38 shall be of a denomination of less than One Cent (1¢), and
39 whenever the tax computed at the rates herein prescribed on
40 cigarettes shall be a specified amount, plus a fractional part of
41 One Cent (1¢), the package shall be stamped for the next full
42 cent; however, the additional face value of stamps purchased to
43 comply with taxes imposed by this section after June 1, 1985,
44 shall be subject to a four percent (4%) discount or compensation
45 to dealers for their services rather than the eight percent (8%)
46 discount or compensation allowed by Section 27-69-31.

47 (3) Every wholesaler shall purchase stamps as provided in
48 this chapter, and affix the same to all packages of cigarettes
49 handled by him as herein provided.

50 (4) The above tax is levied upon the sale, use, gift,
51 possession or consumption of tobacco within the State of
52 Mississippi, and the impact of the tax levied by this chapter is
53 hereby declared to be on the vendee, user, consumer or possessor
54 of tobacco in this state; and when said tax is paid by any other
55 person, such payment shall be considered as an advance payment and
56 shall thereafter be added to the price of the tobacco and
57 recovered from the ultimate consumer or user.

58 **SECTION 2.** Section 27-69-75, Mississippi Code of 1972, is
59 amended as follows:

60 27-69-75. (1) All taxes levied by this chapter shall be
61 payable to the commissioner in cash, or by personal check,
62 cashier's check, bank exchange, post office money order or express
63 money order, and shall be deposited by the commissioner in the

64 State Treasury on the same day collected. No remittance other
65 than cash shall be a final discharge of liability for the tax
66 herein assessed and levied, unless and until it has been paid in
67 cash to the commissioner.

68 (2) The revenue derived from the taxes levied in Section
69 27-69-13(1)(b) shall be deposited into the State Treasury, as
70 follows:

71 (a) Fifty percent (50%) of the revenue collected shall
72 be deposited into the special fund to the credit of the University
73 of Mississippi Medical Center that is created in Section 3 of this
74 act.

75 (b) Fifty percent (50%) of the revenue collected shall
76 be deposited into the special fund in the State Treasury to the
77 credit of the Governor's Office-Division of Medicaid to be
78 expended by the division for the purposes authorized under the
79 Mississippi Medicaid Law.

80 (3) Except as otherwise provided in subsection (2) of this
81 section, all tobacco taxes collected, including tobacco license
82 taxes, shall be deposited into the State Treasury to the credit of
83 the General Fund.

84 (4) Wholesalers who are entitled to purchase stamps at a
85 discount, as provided by Section 27-69-31, may have consigned to
86 them, without advance payment, such stamps, if and when such
87 wholesaler shall give to the commissioner a good and sufficient
88 bond executed by some surety company authorized to do business in
89 this state, conditioned to secure the payment for the stamps so
90 consigned. The commissioner shall require payment for such stamps
91 not later than thirty (30) days from the date the stamps were
92 consigned.

93 **SECTION 3.** There is created in the State Treasury a special
94 fund to the credit of the University of Mississippi Medical
95 Center, which shall be comprised of the monies required to be
96 deposited into the fund under Section 27-69-75(2)(a), and any

97 other funds that may be made available for the fund by the
98 Legislature. Monies in the fund shall be expended by the
99 University of Mississippi Medical Center, upon appropriation by
100 the Legislature, to pay the costs of medical services provided by
101 the center for which it does not receive compensation or
102 reimbursement from any other source. Unexpended amounts remaining
103 in the special fund at the end of a fiscal year shall not lapse
104 into the State General Fund, and any interest earned or investment
105 earnings on amounts in the special fund shall be deposited to the
106 credit of the special fund.

107 **SECTION 4.** This act shall take effect and be in force from
108 and after July 1, 2007.