

By: Representative Holland

To: Ways and Means

HOUSE BILL NO. 568

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE RATE OF THE EXCISE TAX ON SNUFF; TO AMEND SECTION
3 27-69-27, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO.

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

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

7 27-69-13. There is hereby imposed, levied and assessed, to
8 be collected and paid as hereinafter provided in this chapter, an
9 excise tax on each person or dealer in cigarettes, cigars,
10 stogies, snuff, chewing tobacco, and smoking tobacco, or
11 substitutes therefor, upon the sale, use, consumption, handling or
12 distribution in the State of Mississippi, as follows:

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

23 (b) On each can or package of snuff, the rate of tax
24 shall be Thirty-eight Cents (38¢) per ounce of snuff, with a
25 proportionate tax at the like rate on all fractional parts of an
26 ounce thereof, provided that cans or packages of snuff with a net
27 weight of less than one (1) ounce shall be taxed at the equivalent

28 rate of packages or cans weighing one (1) ounce. Such tax shall
29 be computed based on the net weight as listed by the manufacturer.

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

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

44 Every wholesaler shall purchase stamps as provided in this
45 chapter, and affix the same to all packages of cigarettes handled
46 by him as herein provided.

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

55 **SECTION 2.** Section 27-69-27, Mississippi Code of 1972, is
56 amended as follows:

57 27-69-27. The payment of the tax imposed by this chapter
58 shall be evidenced by affixing stamps to each individual package
59 of cigarettes usually sold to consumers, as distinguished from

60 cartons or larger units which are composed of a number of
61 individual packages.

62 The stamp shall be affixed within seventy-two (72) hours
63 after the receipt of the cigarettes by the wholesaler, and within
64 forty-eight (48) hours after receipt of the cigarettes by the
65 retailer; provided, that in the case a dealer conducts a wholesale
66 and retail business at one (1) place of business, stamps shall be
67 affixed within forty-eight (48) hours after receipt of the
68 cigarettes. The stamp must be so securely affixed as to require
69 the continued application of water or of steam to remove it, or so
70 that it cannot be otherwise removed without destruction or
71 mutilation.

72 The excise tax imposed on cigars, smoking tobacco, chewing
73 tobacco * * * and all other tobacco products except cigarettes and
74 snuff shall be computed by the application of the excise tax rate
75 to the manufacturer's list price on all purchases of such tobacco.
76 The excise tax shall be due and payable on or before the fifteenth
77 day of the month next succeeding the month in which the tax
78 accrues. The tax shall be filed with the commissioner on forms
79 prescribed by the commissioner.

80 Provided, however, manufacturers or other wholesale
81 distributors of tobacco, which are subject to the excise taxes
82 imposed by Section 27-69-13 of this chapter for the privilege of
83 selling or using such tobaccos within this state, who maintain
84 "terminals" or warehouses in which such tobaccos are stored, and
85 who sell only to licensed wholesale dealers within the state who
86 are qualified to purchase and affix the stamps required, may
87 maintain such "spot stocks," intended only for such sales, without
88 affixing the stamps or filing returns and paying the tax.

89 Any person desiring to maintain such "terminal" or warehouse,
90 shall make application to the commissioner and obtain a permit to
91 maintain such stocks without affixing stamps thereto, for sale
92 exclusively to out-of-state purchasers, or licensed wholesale

93 dealers within this state, and the commissioner is hereby
94 authorized to grant such permit upon the execution and filing with
95 the commissioner, by the applicant, a bond with surety companies,
96 authorized to do business in Mississippi, as surety thereon, and
97 conditioned for the strict compliance by the applicant, with the
98 following conditions under which said privilege may be granted.

99 The person maintaining such stock of untaxed tobacco shall
100 supply to the commissioner monthly, or at such times as the
101 commissioner may require, complete invoices of all tobaccos
102 received, and shall also supply correct invoices of all tobaccos
103 removed from such "terminal" or warehouse, said invoices to
104 contain the correct name and address of all persons to whom such
105 tobacco shall be delivered or consigned, whether within or without
106 the State of Mississippi.

107 The penalty of such bond shall be determined by the
108 commissioner, in an amount sufficient to protect the State of
109 Mississippi from any loss of revenue which might occur by reason
110 of the failure of principal to strictly adhere to the requirement
111 that no tobacco would be sold from such stock within the State of
112 Mississippi, except to licensed wholesale dealers.

113 **SECTION 3.** This act shall take effect and be in force from
114 and after July 1, 2007.