

By: Representatives Peranich, Guice

To: Tourism; Ways and Means

HOUSE BILL NO. 1248  
(As Passed the House)

1 AN ACT TO AMEND SECTION 41-49-3, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE DEFINITION OF "HOTEL" IN ORDER TO REFLECT THE CHANGING  
3 DYNAMIC OF THE HOTEL INDUSTRY WITHIN THE STATE OF MISSISSIPPI; TO  
4 AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972, IN CONFORMITY  
5 THERETO, TO ENSURE THE COMPLIANCE OF ANY HOTEL ESTABLISHMENT WITH  
6 THE STATE SALES TAX REQUIREMENT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 41-49-3, Mississippi Code of 1972, is  
9 amended as follows:

10 41-49-3. The term "hotel" shall mean and include any hotel,  
11 inn, motel, tourist court, apartment house, rooming house,  
12 condominium or any entity or individual engaged in the business of  
13 furnishing or providing one (1) or more rooms operating as a  
14 commercial enterprise, excluding nursing homes or institutions for  
15 the aged or infirm as defined in Section 43-11-1, \* \* \* personal  
16 care homes as defined in Section 43-45-5(1), and any residential  
17 leasehold property that is leased for thirty (30) days or more.

18 **SECTION 2.** Section 27-65-23, Mississippi Code of 1972, is  
19 amended as follows:

20 27-65-23. Upon every person engaging or continuing in any of  
21 the following businesses or activities there is hereby levied,  
22 assessed and shall be collected a tax equal to seven percent (7%)  
23 of the gross income of the business, except as otherwise provided:

- 24 Air conditioning installation or repairs;
- 25 Automobile, motorcycle, boat or any other vehicle
- 26 repairing or servicing;
- 27 Billiards, pool or domino parlors;
- 28 Bowling or tenpin alleys;
- 29 Burglar and fire alarm systems or services;

30 Car washing--automatic, self-service, or manual;  
31 Computer software sales and services;  
32 Cotton compresses or cotton warehouses;  
33 Custom creosoting or treating, custom planing, custom  
34 sawing;  
35 Custom meat processing;  
36 Electricians, electrical work, wiring, all repairs or  
37 installation of electrical equipment;  
38 Elevator or escalator installing, repairing or  
39 servicing;  
40 Film developing or photo finishing;  
41 Foundries, machine or general repairing;  
42 Furniture repairing or upholstering;  
43 Grading, excavating, ditching, dredging or landscaping;  
44 Hotels, motels, tourist courts or camps, trailer parks,  
45 condominiums or any entity or individual engaged in the business  
46 of furnishing or providing one (1) or more rooms operating as a  
47 commercial enterprise;  
48 Insulating services or repairs;  
49 Jewelry or watch repairing;  
50 Laundering, cleaning, pressing or dyeing;  
51 Marina services;  
52 Mattress renovating;  
53 Office and business machine repairing;  
54 Parking garages and lots;  
55 Plumbing or pipe fitting;  
56 Public storage warehouses (There shall be no tax levied  
57 on gross income of a public storage warehouse derived from the  
58 temporary storage of tangible personal property in this state  
59 pending shipping or mailing of the property to another state);  
60 Refrigerating equipment repairs;  
61 Radio or television installing, repairing, or servicing;

62 Renting or leasing personal property used within this  
63 state;

64 Services performed in connection with geophysical  
65 surveying, exploring, developing, drilling, producing,  
66 distributing, or testing of oil, gas, water and other mineral  
67 resources;

68 Shoe repairing;

69 Storage lockers;

70 Telephone answering or paging services;

71 Termite or pest control services;

72 Tin and sheet metal shops;

73 TV cable systems, subscription TV services, and other  
74 similar activities;

75 Vulcanizing, repairing or recapping of tires or tubes;

76 Welding; and

77 Woodworking or wood turning shops.

78 Income from services taxed herein performed for electric  
79 power associations in the ordinary and necessary operation of  
80 their generating or distribution systems shall be taxed at the  
81 rate of one percent (1%).

82 Income from services taxed herein performed on materials for  
83 use in track or track structures to a railroad whose rates are  
84 fixed by the Interstate Commerce Commission or the Mississippi  
85 Public Service Commission shall be taxed at the rate of three  
86 percent (3%).

87 Income from renting or leasing tangible personal property  
88 used within this state shall be taxed at the same rates as sales  
89 of the same property.

90 Persons doing business in this state who rent transportation  
91 equipment with a situs within or without the state to common,  
92 contract or private commercial carriers are taxed on that part of  
93 the income derived from use within this state. If specific

94 accounting is impracticable, a formula may be used with approval  
95 of the commissioner.

96 A lessor may deduct from the tax computed on the rental  
97 income from tangible personal property a credit for sales or use  
98 tax paid to this state at the time of purchase of the specific  
99 personal property being leased or rented until such credit has  
100 been exhausted.

101 Charges for custom processing and repairing services may be  
102 excluded from gross taxable income when the property on which the  
103 service was performed is delivered to the customer in another  
104 state either by common carrier or in the seller's equipment.

105 When a taxpayer performs unitary services covered by this  
106 section, which are performed both in intrastate and interstate  
107 commerce, the commissioner is hereby invested with authority to  
108 formulate in each particular case and to fix for such taxpayer in  
109 each instance formulae of apportionment which will apportion to  
110 this state, for taxation, that portion of the services which are  
111 performed within the State of Mississippi.

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