

By: Senator(s) Hewes, Gollott, Robertson,  
Moffatt, Cuevas, Dawkins

To: Finance

SENATE BILL NO. 3006  
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 41-49-3, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE DEFINITION OF "HOTEL" IN ORDER TO REFLECT CHANGES IN  
3 THE HOTEL INDUSTRY WITHIN THE STATE OF MISSISSIPPI; TO AMEND  
4 SECTION 27-65-23, MISSISSIPPI CODE OF 1972, IN ORDER TO ENSURE  
5 THAT ANY "HOTEL" AS DEFINED IN SECTION 41-49-3 COMPLIES WITH THE  
6 STATE'S SALES TAX REQUIREMENTS; 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 entity  
11 or individual engaged in the business of furnishing or providing  
12 one or more rooms intended or designed for dwelling, lodging or  
13 sleeping purposes that at any one time will accommodate transient  
14 guests on a daily or weekly basis and that are known to the trade  
15 as such and includes every building or other structure kept, used,  
16 maintained or advertised as, or held out to the public to be, a  
17 place where sleeping accommodations are supplied for pay or other  
18 consideration to transient guests regardless of the number of  
19 rooms, units, suites or cabins available, excluding nursing homes  
20 or institutions for the aged or infirm as defined in Section  
21 43-11-1 \* \* \*.

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

24 27-65-23. Upon every person engaging or continuing in any of  
25 the following businesses or activities there is hereby levied,  
26 assessed and shall be collected a tax equal to seven percent (7%)  
27 of the gross income of the business, except as otherwise provided:

28 Air conditioning installation or repairs;

29                   Automobile, motorcycle, boat or any other vehicle  
30   repairing or servicing;  
31                   Billiards, pool or domino parlors;  
32                   Bowling or tenpin alleys;  
33                   Burglar and fire alarm systems or services;  
34                   Car washing--automatic, self-service, or manual;  
35                   Computer software sales and services;  
36                   Cotton compresses or cotton warehouses;  
37                   Custom creosoting or treating, custom planing, custom  
38   sawing;  
39                   Custom meat processing;  
40                   Electricians, electrical work, wiring, all repairs or  
41   installation of electrical equipment;  
42                   Elevator or escalator installing, repairing or  
43   servicing;  
44                   Film developing or photo finishing;  
45                   Foundries, machine or general repairing;  
46                   Furniture repairing or upholstering;  
47                   Grading, excavating, ditching, dredging or landscaping;  
48                   Hotels (as defined in Section 41-49-3), motels, tourist  
49   courts or camps, trailer parks;  
50                   Insulating services or repairs;  
51                   Jewelry or watch repairing;  
52                   Laundering, cleaning, pressing or dyeing;  
53                   Marina services;  
54                   Mattress renovating;  
55                   Office and business machine repairing;  
56                   Parking garages and lots;  
57                   Plumbing or pipe fitting;  
58                   Public storage warehouses (There shall be no tax levied  
59   on gross income of a public storage warehouse derived from the  
60   temporary storage of tangible personal property in this state  
61   pending shipping or mailing of the property to another state);

62           Refrigerating equipment repairs;  
63           Radio or television installing, repairing, or servicing;  
64           Renting or leasing personal property used within this  
65 state;  
66           Services performed in connection with geophysical  
67 surveying, exploring, developing, drilling, producing,  
68 distributing, or testing of oil, gas, water and other mineral  
69 resources;  
70           Shoe repairing;  
71           Storage lockers;  
72           Telephone answering or paging services;  
73           Termite or pest control services;  
74           Tin and sheet metal shops;  
75           TV cable systems, subscription TV services, and other  
76 similar activities;  
77           Vulcanizing, repairing or recapping of tires or tubes;  
78           Welding; and  
79           Woodworking or wood turning shops.

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

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

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

92           Persons doing business in this state who rent transportation  
93 equipment with a situs within or without the state to common,  
94 contract or private commercial carriers are taxed on that part of

95 the income derived from use within this state. If specific  
96 accounting is impracticable, a formula may be used with approval  
97 of the commissioner.

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

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

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

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