

By: Representative Flaggs

To: Ways and Means

HOUSE BILL NO. 73

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 THE HEALTH CARE EXPENDABLE FUND, THE MISSISSIPPI
6 TRAUMA CARE SYSTEMS FUND AND INTO A SPECIAL FUND IN THE STATE
7 TREASURY TO THE CREDIT OF THE UNIVERSITY OF MISSISSIPPI MEDICAL
8 CENTER; 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. Provided, however, if
23 the federal tax rate on cigarettes in effect on June 1, 1985, is
24 reduced, then the rate as provided herein shall be increased by
25 the amount of the federal tax reduction. Such tax increase shall
26 take effect on the first day of the month following the effective
27 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 Two and One-half Cents



30 (2-1/2¢) on each cigarette sold with a maximum length of one
31 hundred twenty (120) millimeters; any cigarette in excess of this
32 length shall be taxed 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 tax levied in Section
69 27-69-13(1)(b) shall be deposited into the State Treasury, as
70 follows:

71 (a) One third (1/3) of the revenue collected shall be
72 deposited into the Health Care Expendable Fund created in Section
73 43-13-407.

74 (b) One third (1/3) of the revenue collected shall be
75 deposited into the special fund to the credit of the University of
76 Mississippi Medical Center that is created in Section 3 of this
77 act.

78 (c) One third (1/3) of the revenue collected shall be
79 deposited into the Mississippi Trauma Care Systems Fund created in
80 Section 41-59-75.

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

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

94 **SECTION 3.** There is created in the State Treasury a special
95 fund to the credit of the University of Mississippi Medical



96 Center, which shall be comprised of the monies required to be
97 deposited into the fund under Section 27-69-75(2)(b), and any
98 other funds that may be made available for the fund by the
99 Legislature. Monies in the fund shall be expended by the
100 University of Mississippi Medical Center, upon appropriation by
101 the Legislature, to pay the costs of medical services provided by
102 the center for which it does not receive compensation or
103 reimbursement from any other source. Unexpended amounts remaining
104 in the special fund at the end of a fiscal year shall not lapse
105 into the State General Fund, and any interest earned or investment
106 earnings on amounts in the special fund shall be deposited to the
107 credit of the special fund.

108 **SECTION 4.** This act shall take effect and be in force from
109 and after July 1, 2008.

