

By: Representative Zuber

To: Ways and Means

HOUSE BILL NO. 171

1 AN ACT TO AMEND SECTION 27-71-5, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE AN ALTERNATIVE METHOD FOR A MANUFACTURER'S PERMIT, CLASS
3 1, DISTILLER'S PERMIT UNDER THE LOCAL OPTION ALCOHOLIC BEVERAGE
4 CONTROL ACT THAT REQUIRES A SWORN AFFIDAVIT FOR A NEW OR RENEWAL
5 PERMIT APPLICATION FOR CERTAIN DISTILLERS; AND FOR RELATED
6 PURPOSES.

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

8 **SECTION 1.** Section 27-71-5, Mississippi Code of 1972, is
9 amended as follows:

10 27-71-5. (1) Upon each person approved for a permit under
11 the provisions of the Alcoholic Beverage Control Law and
12 amendments thereto, there is levied and imposed for each location
13 for the privilege of engaging and continuing in this state in the
14 business authorized by such permit, an annual privilege license
15 tax in the amount provided in the following schedule:

16 (a) Except as otherwise provided in this subsection
17 (1), manufacturer's permit, Class 1, distiller's and/or
18 rectifier's.....\$4,500.00

19 (b) Manufacturer's permit, Class 2, wine
20 manufacturer.....\$1,800.00



21 (c) Manufacturer's permit, Class 3, native wine
 22 manufacturer per ten thousand (10,000) gallons or part thereof
 23 produced.....\$ 10.00
 24 (d) Native wine retailer's permit.....\$ 50.00
 25 (e) Package retailer's permit, each.....\$ 900.00
 26 (f) On-premises retailer's permit, except for clubs and
 27 common carriers, each.....\$ 450.00
 28 (g) On-premises retailer's permit for wine of more than
 29 five percent (5%) alcohol by weight, but not more than twenty-one
 30 percent (21%) alcohol by weight, each.....\$ 225.00
 31 (h) On-premises retailer's permit for clubs...\$ 225.00
 32 (i) On-premises retailer's permit for common carriers,
 33 per car, plane, or other vehicle.....\$ 120.00
 34 (j) Solicitor's permit, regardless of any other
 35 provision of law, solicitor's permits shall be issued only in the
 36 discretion of the department.....\$ 100.00
 37 (k) Filing fee for each application except for an
 38 employee identification card.....\$ 25.00
 39 (l) Temporary permit, Class 1, each.....\$ 10.00
 40 (m) Temporary permit, Class 2, each.....\$ 50.00
 41 (n) (i) Caterer's permit.....\$ 600.00
 42 (ii) Caterer's permit for holders of on-premises
 43 retailer's permit.....\$ 150.00
 44 (o) Research permit.....\$ 100.00
 45 (p) Temporary permit, Class 3 (wine only).....\$ 10.00



46 (q) Special service permit.....\$ 225.00
47 (r) Merchant permit.....\$ 225.00
48 (s) Temporary wine charitable auction permit..\$ 10.00
49 (t) Event venue retailer's permit.....\$ 225.00
50 (u) Temporary theatre permit, each.....\$ 10.00
51 (v) Charter ship operator's permit.....\$ 100.00

52 If a person approved for a manufacturer's permit, Class 1,
53 distiller's permit produces a product with at least fifty-one
54 percent (51%) of the finished product by volume being obtained
55 from alcoholic fermentation of grapes, fruits, berries, honey
56 and/or vegetables grown and produced in Mississippi, and produces
57 all of the product by using not more than one (1) still having a
58 maximum capacity of one hundred fifty (150) liters, the annual
59 privilege license tax for such a permit shall be Ten Dollars
60 (\$10.00) per ten thousand (10,000) gallons or part thereof
61 produced. Bulk, concentrated or fortified ingredients used for
62 blending may be produced outside this state and used in producing
63 such a product. Beginning July 1, 2018, in addition to the method
64 above, if a person applies for a new or renewal of a
65 manufacturer's permit, Class 1, distiller's permit and swears by
66 affidavit that the person will only produce a product with at
67 least fifty-one percent (51%) of the finished product by volume
68 being obtained from alcoholic fermentation of grapes, fruits,
69 berries, honey and/or vegetables grown and produced in
70 Mississippi, produce less than fifty thousand (50,000) gallons of



finished product per year and produce all of the finished product
by using not more than one (1) still having a maximum capacity of
one hundred fifty (150) liters, the annual privilege license tax
for such a permit shall be Fifty Dollars (\$50.00). If the
applicant does not produce a finished product within these
limitations as sworn by affidavit, the Department of Revenue may
pursue and enforce any available remedial or punitive measures
against the applicant. Bulk, concentrated or fortified
ingredients used for blending may be produced outside this state
and used in producing such a product.

In addition to the filing fee imposed by paragraph (k) of
this subsection, a fee to be determined by the Department of
Revenue may be charged to defray costs incurred to process
applications. The additional fees shall be paid into the State
Treasury to the credit of a special fund account, which is hereby
created, and expenditures therefrom shall be made only to defray
the costs incurred by the Department of Revenue in processing
alcoholic beverage applications. Any unencumbered balance
remaining in the special fund account on June 30 of any fiscal
year shall lapse into the State General Fund.

All privilege taxes imposed by this section shall be paid in
advance of doing business. The additional privilege tax imposed
for an on-premises retailer's permit based upon purchases shall be
due and payable on demand.



95 (2) (a) There is imposed and shall be collected from each
96 permittee, except a common carrier, solicitor or a temporary
97 permittee, by the department, an additional license tax equal to
98 the amounts imposed under subsection (1) of this section for the
99 privilege of doing business within any municipality or county in
100 which the licensee is located.

101 (b) (i) In addition to the tax imposed in paragraph
102 (a) of this subsection, there is imposed and shall be collected by
103 the department from each permittee described in subsection (1)(f),
104 (g), (h), (m) and (t) of this section, an additional license tax
105 for the privilege of doing business within any municipality or
106 county in which the licensee is located in the amount of Two
107 Hundred Twenty-five Dollars (\$225.00) on purchases exceeding Five
108 Thousand Dollars (\$5,000.00) and Two Hundred Twenty-five Dollars
109 (\$225.00) for each additional purchase of Five Thousand Dollars
110 (\$5,000.00), or fraction thereof.

111 (ii) In addition to the tax imposed in paragraph
112 (a) of this subsection, there is imposed and shall be collected by
113 the department from each permittee described in subsection (1)(n)
114 and (r) of this section, an additional license tax for the
115 privilege of doing business within any municipality or county in
116 which the licensee is located in the amount of Two Hundred Fifty
117 Dollars (\$250.00) on purchases exceeding Five Thousand Dollars
118 (\$5,000.00) and Two Hundred Twenty-five Dollars (\$225.00) for each



additional purchase of Five Thousand Dollars (\$5,000.00), or
fraction thereof.

(iii) Any person who has paid the additional
privilege license tax imposed by this paragraph, and whose permit
is renewed, may add any unused fraction of Five Thousand Dollars
(\$5,000.00) purchases to the first Five Thousand Dollars
(\$5,000.00) purchases authorized by the renewal permit, and no
additional license tax will be required until purchases exceed the
sum of the two (2) figures.

(c) If the licensee is located within a municipality,
the department shall pay the amount of additional license tax
collected under this section to the municipality, and if outside a
municipality the department shall pay the additional license tax
to the county in which the licensee is located. Payments by the
department to the respective local government subdivisions shall
be made once each month for any collections during the preceding
month.

(3) When an application for any permit, other than for
renewal of a permit, has been rejected by the department, such
decision shall be final. Appeal may be made in the manner
provided by Section 67-1-39. Another application from an
applicant who has been denied a permit shall not be reconsidered
within a twelve-month period.

(4) The number of permits issued by the department shall not
be restricted or limited on a population basis; however, the



foregoing limitation shall not be construed to preclude the right of the department to refuse to issue a permit because of the undesirability of the proposed location.

(5) If any person shall engage or continue in any business which is taxable under this section without having paid the tax as provided in this section, the person shall be liable for the full amount of the tax plus a penalty thereon equal to the amount thereof, and, in addition, shall be punished by a fine of not more than One Thousand Dollars (\$1,000.00), or by imprisonment in the county jail for a term of not more than six (6) months, or by both such fine and imprisonment, in the discretion of the court.

(6) It shall be unlawful for any person to consume alcoholic beverages on the premises of any hotel restaurant, restaurant, club or the interior of any public place defined in Chapter 1, Title 67, Mississippi Code of 1972, when the owner or manager thereof displays in several conspicuous places inside the establishment and at the entrances of establishment a sign containing the following language: NO ALCOHOLIC BEVERAGES ALLOWED.

SECTION 2. This act shall take effect and be in force from and after July 1, 2018.

