

By: Representative Smith

To: Ways and Means

HOUSE BILL NO. 906

1 AN ACT TO AMEND SECTION 27-70-5, MISSISSIPPI CODE OF 1972, TO  
2 INCREASE THE TOBACCO EQUITY TAX IMPOSED ON CIGARETTES MADE BY  
3 NONSETTLING MANUFACTURERS, FOR PURPOSES OF POSSIBLE AMENDMENT; AND  
4 FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-70-5, Mississippi Code of 1972, is  
7 amended as follows:

8 27-70-5. (1) (a) In addition to the tax imposed under  
9 Section 27-69-13, and except as provided by subsection (2) of this  
10 section, there is imposed a tobacco equity tax in the amount  
11 of \* \* \* Three and Four-tenths Cents (3.4¢) per cigarette on all  
12 cigarettes subject to the tax imposed under Section 27-69-13.

13 (b) On July 1 of each year, the tax prescribed by  
14 subsection (1) of this section shall increase by the greater of:

15 (i) Three percent (3%); or

16 (ii) The percentage increase in the most recent  
17 annual revised Consumer Price Index for all Urban Consumers, as  
18 published by the Federal Bureau of Labor Statistics of the United  
19 States Department of Labor.



20 (c) The revenue collected from the tax imposed by this  
21 section shall be deposited into the State General Fund.

22 (d) The cigarettes manufactured by any manufacturer  
23 which is a party to the tobacco settlement agreement shall be  
24 exempt from the imposition of the tobacco equity tax provided for  
25 herein.

26 (2) The tax imposed by this chapter does not apply to  
27 cigarettes that are sold, purchased or otherwise distributed in  
28 this state for sale outside of this state. A person may not  
29 transport or cause to be transported from this state such  
30 cigarettes for retail sale in another state without first affixing  
31 to the cigarettes the stamp required by the state in which the  
32 cigarettes are to be sold or by paying any other excise tax on the  
33 cigarettes imposed by the state in which the cigarettes are to be  
34 sold; however, a person shall not be required to affix a tax stamp  
35 of another state or pay the excise tax of another state prior to  
36 transporting the cigarettes out of this state if the other state  
37 prohibits that action or if the cigarettes are being sold to a  
38 wholesaler licensed by that state.

39 (3) The tax imposed by this chapter is in addition to any  
40 other privilege, license, fee, assessment or tax required or  
41 imposed by state law, including, but not limited to, the taxes  
42 levied by Section 27-69-13.

43 (4) The tax imposed by this chapter is imposed, levied and  
44 assessed on each distributor of cigarettes. The tax shall be due



45 and payable on or before the fifteenth day of the month next  
46 succeeding the month in which the stamp is required to be affixed  
47 to the cigarettes under the Tobacco Tax Law. The distributor  
48 shall make a return showing the number of such cigarettes, the  
49 brand family, and the manufacturer. The return shall also include  
50 the quantity of cigarettes, by brand family, transported or caused  
51 to be transported outside of Mississippi in the preceding month as  
52 well as the name and address of the recipient of the cigarettes  
53 transported outside of Mississippi.

54 (5) The distributor is eligible for a credit if cigarettes  
55 for which the distributor had previously paid the tax under this  
56 chapter were returned to the distributor.

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

