

By: Representative Currie

To: Ways and Means

HOUSE BILL NO. 28

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF MOTORCYCLES THAT
3 CAN BE LEGALLY OPERATED ON THE PUBLIC HIGHWAYS OF THIS STATE AND
4 ARE SUBJECT TO THE ROAD AND BRIDGE PRIVILEGE TAX IF OPERATED ON
5 THE PUBLIC HIGHWAYS OF THIS STATE; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
8 amended as follows:

9 27-65-17. (1) (a) Except as otherwise provided in this
10 section, upon every person engaging or continuing within this
11 state in the business of selling any tangible personal property
12 whatsoever there is hereby levied, assessed and shall be collected
13 a tax equal to seven percent (7%) of the gross proceeds of the
14 retail sales of the business.

15 (b) Retail sales of farm tractors and parts and labor
16 used to maintain and/or repair such tractors shall be taxed at the
17 rate of one and one-half percent (1-1/2%) when made to farmers for
18 agricultural purposes.



19 (c) (i) Retail sales of farm implements sold to
20 farmers and used directly in the production of poultry, ratite,
21 domesticated fish as defined in Section 69-7-501, livestock,
22 livestock products, agricultural crops or ornamental plant crops
23 or used for other agricultural purposes, and parts and labor used
24 to maintain and/or repair such implements, shall be taxed at the
25 rate of one and one-half percent (1-1/2%) when used on the farm.

26 (ii) The one and one-half percent (1-1/2%) rate
27 shall also apply to all equipment used in logging, pulpwood
28 operations or tree farming, and parts and labor used to maintain
29 and/or repair such equipment, which is either:

- 30 1. Self-propelled, or
- 31 2. Mounted so that it is permanently attached
32 to other equipment which is self-propelled or permanently attached
33 to other equipment drawn by a vehicle which is self-propelled.

34 In order to be eligible for the rate of tax provided for in
35 this subparagraph (ii), such sales must be made to a professional
36 logger. For the purposes of this subparagraph (ii), a
37 "professional logger" is a person, corporation, limited liability
38 company or other entity, or an agent thereof, who possesses a
39 professional logger's permit issued by the Department of Revenue
40 and who presents the permit to the seller at the time of purchase.
41 The department shall establish an application process for a
42 professional logger's permit to be issued, which shall include a
43 requirement that the applicant submit a copy of documentation



44 verifying that the applicant is certified according to Sustainable
45 Forestry Initiative guidelines. Upon a determination that an
46 applicant is a professional logger, the department shall issue the
47 applicant a numbered professional logger's permit.

48 (d) Except as otherwise provided in subsection (3) of
49 this section, retail sales of aircraft, automobiles, trucks,
50 truck-tractors, semitrailers and manufactured or mobile homes
51 shall be taxed at the rate of three percent (3%).

52 (e) Sales of manufacturing machinery or manufacturing
53 machine parts when made to a manufacturer or custom processor for
54 plant use only when the machinery and machine parts will be used
55 exclusively and directly within this state in manufacturing a
56 commodity for sale, rental or in processing for a fee shall be
57 taxed at the rate of one and one-half percent (1-1/2%).

58 (f) Sales of machinery and machine parts when made to a
59 technology intensive enterprise for plant use only when the
60 machinery and machine parts will be used exclusively and directly
61 within this state for industrial purposes, including, but not
62 limited to, manufacturing or research and development activities,
63 shall be taxed at the rate of one and one-half percent (1-1/2%).
64 In order to be considered a technology intensive enterprise for
65 purposes of this paragraph:

66 (i) The enterprise shall meet minimum criteria
67 established by the Mississippi Development Authority;



68 (ii) The enterprise shall employ at least ten (10)
69 persons in full-time jobs;

70 (iii) At least ten percent (10%) of the workforce
71 in the facility operated by the enterprise shall be scientists,
72 engineers or computer specialists;

73 (iv) The enterprise shall manufacture plastics,
74 chemicals, automobiles, aircraft, computers or electronics; or
75 shall be a research and development facility, a computer design or
76 related facility, or a software publishing facility or other
77 technology intensive facility or enterprise as determined by the
78 Mississippi Development Authority;

79 (v) The average wage of all workers employed by
80 the enterprise at the facility shall be at least one hundred fifty
81 percent (150%) of the state average annual wage; and

82 (vi) The enterprise must provide a basic health
83 care plan to all employees at the facility.

84 (g) Sales of materials for use in track and track
85 structures to a railroad whose rates are fixed by the Interstate
86 Commerce Commission or the Mississippi Public Service Commission
87 shall be taxed at the rate of three percent (3%).

88 (h) Sales of tangible personal property to electric
89 power associations for use in the ordinary and necessary operation
90 of their generating or distribution systems shall be taxed at the
91 rate of one percent (1%).



92 (i) Wholesale sales of beer shall be taxed at the rate
93 of seven percent (7%), and the retailer shall file a return and
94 compute the retail tax on retail sales but may take credit for the
95 amount of the tax paid to the wholesaler on said return covering
96 the subsequent sales of same property, provided adequate invoices
97 and records are maintained to substantiate the credit.

98 (j) Wholesale sales of food and drink for human
99 consumption to full-service vending machine operators to be sold
100 through vending machines located apart from and not connected with
101 other taxable businesses shall be taxed at the rate of eight
102 percent (8%).

103 (k) Sales of equipment used or designed for the purpose
104 of assisting disabled persons, such as wheelchair equipment and
105 lifts, that is mounted or attached to or installed on a private
106 carrier of passengers or light carrier of property, as defined in
107 Section 27-51-101, at the time when the private carrier of
108 passengers or light carrier of property is sold shall be taxed at
109 the same rate as the sale of such vehicles under this section.

110 (l) Sales of the factory-built components of modular
111 homes, panelized homes and precut homes, and panel constructed
112 homes consisting of structural insulated panels, shall be taxed at
113 the rate of three percent (3%).

114 (m) Sales of materials used in the repair, renovation,
115 addition to, expansion and/or improvement of buildings and related
116 facilities used by a dairy producer shall be taxed at the rate of



117 three and one-half percent (3-1/2%). For the purposes of this
118 paragraph (m), "dairy producer" means any person engaged in the
119 production of milk for commercial use.

120 (n) From and after July 1, 2020, retail sales of
121 motorcycles as defined in Section 27-19-3 that can be legally
122 operated on the public highways of this state and are subject to
123 the road and bridge privilege tax if operated on the public
124 highways of this state, shall be taxed at the rate of five percent
125 (5%).

126 (2) From and after January 1, 1995, retail sales of private
127 carriers of passengers and light carriers of property, as defined
128 in Section 27-51-101, shall be taxed an additional two percent
129 (2%).

130 (3) A manufacturer selling at retail in this state shall be
131 required to make returns of the gross proceeds of such sales and
132 pay the tax imposed in this section.

133 **SECTION 2.** Nothing in this act shall affect or defeat any
134 claim, assessment, appeal, suit, right or cause of action for
135 taxes due or accrued under the sales tax laws before the date on
136 which this act becomes effective, whether such claims,
137 assessments, appeals, suits or actions have been begun before the
138 date on which this act becomes effective or are begun thereafter;
139 and the provisions of the sales tax laws are expressly continued
140 in full force, effect and operation for the purpose of the
141 assessment, collection and enrollment of liens for any taxes due



142 or accrued and the execution of any warrant under such laws before
143 the date on which this act becomes effective, and for the
144 imposition of any penalties, forfeitures or claims for failure to
145 comply with such laws.

146 **SECTION 3.** This act shall take effect and be in force from
147 and after July 1, 2020.

