

By: Representative Busby

To: Ways and Means

## HOUSE BILL NO. 574

1 AN ACT TO AMEND SECTION 27-55-11, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE RATE OF THE GASOLINE EXCISE TAX; TO AMEND SECTIONS  
3 27-55-519 AND 27-55-521, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
4 RATE OF THE SPECIAL FUEL EXCISE TAX ON DIESEL FUEL; TO AMEND  
5 SECTION 65-39-35, MISSISSIPPI CODE OF 1972, TO EXCLUDE CERTAIN  
6 TAXES FROM THE RATE REDUCTION EFFECTIVE UPON THE COMPLETION OF  
7 CERTAIN TRANSPORTATION PROJECTS; TO AMEND SECTION 27-7-5,  
8 MISSISSIPPI CODE OF 1972, TO PHASE OUT INCOME TAXATION ON TAXABLE  
9 INCOME IN EXCESS OF FIVE THOUSAND DOLLARS UP TO AND INCLUDING TEN  
10 THOUSAND DOLLARS, OR ANY PART THEREOF; AND FOR RELATED PURPOSES.

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

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

14 27-7-5. (1) There is hereby assessed and levied, to be  
15 collected and paid as hereinafter provided, for the calendar year  
16 1983 and fiscal years ending during the calendar year 1983 and all  
17 taxable years thereafter, upon the entire net income of every  
18 resident individual, corporation, association, trust or estate, in  
19 excess of the credits provided, a tax at the following rates:

20 (a) (i) Through calendar year 2017, on the first Five  
21 Thousand Dollars (\$5,000.00) of taxable income, or any part  
22 thereof, the rate shall be three percent (3%);



(ii) For calendar year 2018, on the first One Thousand Dollars (\$1,000.00) of taxable income there shall be no tax levied, and on the next Four Thousand Dollars (\$4,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

(iii) For calendar year 2019, on the first Two Thousand Dollars (\$2,000.00) of taxable income there shall be no tax levied, and on the next Three Thousand Dollars (\$3,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

(iv) For calendar year 2020, on the first Three Thousand Dollars (\$3,000.00) of taxable income there shall be no tax levied, and on the next Two Thousand Dollars (\$2,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

(v) For calendar year 2021, on the first Four Thousand Dollars (\$4,000.00) of taxable income there shall be no tax levied, and on the next One Thousand Dollars (\$1,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

(vi) For calendar year 2022 and all taxable years thereafter, there shall be no tax levied on the first Five Thousand Dollars (\$5,000.00) of taxable income;

(b) (i) Through calendar year 2021, on taxable income in excess of Five Thousand Dollars (\$5,000.00) up to and including



Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate shall be four percent (4%);

(ii) For calendar year 2022, on taxable income in excess of Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate shall be three percent (3%);

(iii) For calendar year 2023, on taxable income in excess of Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate shall be two percent (2%);

(iv) For calendar year 2024, on taxable income in excess of Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate shall be one percent (1%);

(v) For calendar year 2025 and all taxable years thereafter, there shall be no tax levied on taxable income in excess of Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand Dollars (\$10,000.00), or any part thereof; and

(c) On all taxable income in excess of Ten Thousand Dollars (\$10,000.00), the rate shall be five percent (5%).

(2) An S corporation, as defined in Section 27-8-3(1)(g), shall not be subject to the income tax imposed under this section.

(3) A like tax is hereby imposed to be assessed, collected and paid annually, except as hereinafter provided, at the rate specified in this section and as hereinafter provided, upon and



73 with respect to the entire net income, from all property owned or  
74 sold, and from every business, trade or occupation carried on in  
75 this state by individuals, corporations, partnerships, trusts or  
76 estates, not residents of the State of Mississippi.

77 (4) In the case of taxpayers having a fiscal year beginning  
78 in a calendar year with a rate in effect that is different than  
79 the rate in effect for the next calendar year and ending in the  
80 next calendar year, the tax due for that taxable year shall be  
81 determined by:

82 (a) Computing for the full fiscal year the amount of  
83 tax that would be due under the rates in effect for the calendar  
84 year in which the fiscal year begins; and

85 (b) Computing for the full fiscal year the amount of  
86 tax that would be due under the rates in effect for the calendar  
87 year in which the fiscal year ends; and

88 (c) Applying to the tax computed under paragraph (a)  
89 the ratio which the number of months falling within the earlier  
90 calendar year bears to the total number of months in the fiscal  
91 year; and

92 (d) Applying to the tax computed under paragraph (b)  
93 the ratio which the number of months falling within the later  
94 calendar year bears to the total number of months within the  
95 fiscal year; and



(e) Adding to the tax determined under paragraph (c) the tax determined under paragraph (d) the sum of which shall be the amount of tax due for the fiscal year.

**SECTION 2.** Section 27-55-11, Mississippi Code of 1972, is amended as follows:

27-55-11. (1) (a) Except as otherwise provided in this paragraph (a), any person in business as a distributor of gasoline or who acts as a distributor of gasoline, as defined in this article, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Eighteen Cents (18¢) per gallon \* \* \* on all gasoline and blend stock stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, use on the highways, storage, distribution, or for any purpose. From and after July 1, 2021, the rate of the tax imposed under this paragraph (a) shall be as follows:

(i) Through June 30, 2022, the tax shall be at the rate of Twenty Cents (20¢) per gallon;

(ii) From and after July 1, 2022, through June 30, 2023, the tax shall be at the rate of Twenty-two Cents (22¢) per gallon;

(iii) From and after July 1, 2023, through June 30, 2024, the tax shall be at the rate of Twenty-four Cents (24¢) per gallon; and



120                    (iv) From and after July 1, 2024, the tax shall be  
121 at the rate of Twenty-six Cents (26¢) per gallon.

122            (b) Any person in business as a distributor of aviation  
123 gasoline, or who acts as a distributor of aviation gasoline, shall  
124 pay for the privilege of engaging in such business or acting as  
125 such distributor an excise tax equal to Six and Four-tenths Cents  
126 (6.4¢) per gallon on all aviation gasoline stored, sold,  
127 distributed, manufactured, refined, distilled, blended or  
128 compounded in this state or received in this state for sale,  
129 storage, distribution or for any purpose.

130            (c) The excise taxes collected under this section shall  
131 be paid and distributed in accordance with Section 27-5-101.

132            (2) (a) The tax herein imposed and assessed shall be  
133 collected and paid to the State of Mississippi but once in respect  
134 to any gasoline. The basis for determining the tax liability  
135 shall be the correct invoiced gallons, adjusted to sixty (60)  
136 degrees Fahrenheit at the refinery or point of origin of shipment  
137 when such shipment is made by tank car or by motor carrier. The  
138 point of origin of shipment of gasoline transported into this  
139 state by pipelines shall be deemed to be that point in this state  
140 where such gasoline is withdrawn from the pipeline for storage or  
141 distribution, and adjustment to sixty (60) degrees Fahrenheit  
142 shall there be made. The basis for determining the tax liability  
143 on gasoline shipped into this state in barge cargoes and by  
144 pipeline shall be the actual number of gallons adjusted to sixty



145 (60) degrees Fahrenheit unloaded into storage tanks or other  
146 containers in this state, such gallonage to be determined by  
147 measurement and/or gauge of storage tank or tanks or by any other  
148 method authorized by the \* \* \* department. The tank or tanks into  
149 which barge cargoes of gasoline are discharged, or into which  
150 gasoline transported by pipeline is discharged, shall have correct  
151 gauge tables listing capacity, such gauge tables to be prepared by  
152 some recognized calibrating agency and to be approved by the \* \* \*  
153 department.

154 (b) The tax levied herein shall accrue at the time  
155 gasoline is withdrawn from a refinery in this state except when  
156 withdrawal is by pipeline, barge, ship or vessel. The refiner  
157 shall pay to the \* \* \* department the tax levied herein when  
158 gasoline is sold or delivered to persons who do not hold gasoline  
159 distributor permits. The refiner shall report to the \* \* \*  
160 department all sales and deliveries of gasoline to bonded  
161 distributors of gasoline. The bonded distributor of gasoline who  
162 purchases, receives or acquires gasoline from a refinery in this  
163 state shall report such gasoline and pay the tax levied herein.

164 (c) Gasoline imported by common carrier shall be deemed  
165 to be received by the distributor of gasoline, and the tax levied  
166 herein shall accrue, when the car or tank truck containing such  
167 gasoline is unloaded by the carrier.

168 (d) With respect to distributors or other persons who  
169 bring, ship, have transported, or have brought into this state



gasoline by means other than through a common carrier, the tax accrues and the tax liability attaches on the distributor or other person for each gallon of gasoline brought into the state at the time when and at the point where such gasoline is brought into the state.

(e) The tax levied herein shall accrue on blend stock at the time it is blended with gasoline. The blender shall pay to the \* \* \* department the tax levied herein when blend stock is sold or delivered to persons who do not hold gasoline distributor permits. The blender shall report to the \* \* \* department all sales and deliveries of blend stock to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires blend stock from a blender in this state shall report blend stock and pay the tax levied herein.

**SECTION 3.** Section 27-55-519, Mississippi Code of 1972, is amended as follows:

27-55-519. (1) Any person engaged in business as a distributor of special fuel or who acts as a distributor of special fuel, as defined in this article, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax on all special fuel stored, used, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, storage, distribution or for any purpose, adjusted to sixty (60) degrees Fahrenheit.





195           The excise tax shall become due and payable when:

196           (a) Special fuel is withdrawn from storage at a  
197 refinery, marine or pipeline terminal, except when withdrawal is  
198 by barge or pipeline.

199           (b) Special fuel imported by a common carrier is  
200 unloaded by that carrier unless the special fuel is unloaded  
201 directly into the storage tanks of a refinery, marine or pipeline  
202 terminal.

203           (c) Special fuel imported by any person other than a  
204 common carrier enters the State of Mississippi unless the special  
205 fuel is unloaded directly into the storage tanks of a refinery,  
206 marine or pipeline terminal.

207           (d) Special fuel is blended in this state unless such  
208 blending occurs in a refinery, marine or pipeline terminal.

209           (e) Special fuel is acquired tax free.

210           (2) The special fuel excise tax shall be as follows:

211           (a) (i) Eighteen Cents (18¢) per gallon on undyed  
212 diesel fuel until \* \* \* July 1, 2021;

213           (ii) From and after July 1, 2021, through June 30,  
214 2022, Twenty-one Cents (21¢) per gallon on undyed diesel fuel;

215           (iii) From and after July 1, 2022, through June 30,  
216 2023, Twenty-four Cents (24¢) per gallon on undyed diesel fuel;

217           (iv) From and after July 1, 2023, through June 30,  
218 2024, Twenty-seven Cents (27¢) per gallon on undyed diesel fuel; and



219                   (v) From and after July 1, 2024, Thirty Cents (30¢)  
220 per gallon on undyed diesel fuel;

221                   (b) Five and Three-fourths Cents (5.75¢) per gallon on  
222 all special fuel except undyed diesel fuel and special fuel used  
223 as fuels in aircraft; and

224                   (c) Five and One-fourth Cents (5.25¢) per gallon on  
225 special fuel used as fuel in aircraft.

226           **SECTION 4.** Section 27-55-521, Mississippi Code of 1972, is  
227 amended as follows:

228           27-55-521. (1) An excise tax at the rate of Eighteen Cents  
229 (18¢) per gallon \* \* \* is levied on any person engaged in business  
230 as a distributor of special fuel or who acts as such who sells:

231                   (a) Special fuel, except diesel fuel, for use in  
232 performing contracts for construction, reconstruction, maintenance  
233 or repairs, where such contracts are entered into with the State  
234 of Mississippi, any political subdivision of the State of  
235 Mississippi, or any department, agency, institution of the State  
236 of Mississippi or any political subdivision thereof.

237                   (b) \* \* \* Kerosene to a state or local governmental  
238 entity for use on the highways in a motor vehicle.

239                   (c) Special fuel, except diesel fuel, for use on the  
240 highway.

241                   (2) An excise tax at the rate of Eighteen Cents (18¢) per  
242 gallon \* \* \* is levied on any person who:



(a) Uses \* \* \* kerosene in a motor vehicle on the highways of this state in violation of Section 27-55-539.

(b) Purchases or acquires \* \* \* kerosene for nonhighway use and subsequently uses such \* \* \* kerosene in a motor vehicle on the highways of this state.

(c) Purchases or acquires special fuel, except diesel fuel, for use in performing contracts as specified in this section.

(3) An excise tax at the rate provided in Section 27-55-519(2) (a) is levied on any person engaged in business as a distributor of special fuel or who acts as such who sells:

(a) Diesel fuel for use in performing contracts for construction, reconstruction, maintenance or repairs, where such contracts are entered into with the State of Mississippi, any political subdivision of the State of Mississippi, or any department, agency, institution of the State of Mississippi or any political subdivision thereof.

(b) Dyed diesel fuel to a state or local governmental entity for use on the highways in a motor vehicle.

(c) Diesel fuel, for use on the highway.

(4) An excise tax at the rate provided in Section 27-55-519(2) (a) is levied on any person who:

(a) Uses dyed diesel fuel in a motor vehicle on the highways of this state in violation of Section 27-55-539.



(b) Purchases or acquires undyed diesel fuel for nonhighway use and subsequently uses such diesel fuel in a motor vehicle on the highways of this state.

(c) Purchases or acquires diesel fuel, for use in performing contracts as specified in this section.

**SECTION 5.** Section 65-39-35, Mississippi Code of 1972, is amended as follows:

65-39-35. The date upon which the taxes and fees levied and charged under the provisions of Sections \* \* \* 27-57-37, 27-59-11, 27-19-43, 27-19-309 \* \* \* and 27-65-75 \* \* \* are reduced under such sections shall be the first day of the month immediately following the date upon which:

(a) The Mississippi Transportation Commission certifies to the \* \* \* Department of Revenue that:

(i) The highway program created under Section 65-3-97 and the Gaming Counties Infrastructure Program created under Section 65-39-3, are completed and no funds are any longer necessary to pay the costs of such programs; and

(ii) The Mississippi Transportation Commission will not declare the necessity for additional borrowings under Section 65-9-27, or for additional bonds under Sections 65-39-5 through 65-39-33; and

(b) The State Treasurer certifies:

(i) That the amount on deposit in the Gaming Counties Bond Sinking Fund, together with earnings on investments



292 to accrue to such fund, is equal to or greater than the aggregate  
293 of the entire principal, redemption premium (if any), and interest  
294 due and to become due (until the final maturity date or earlier  
295 scheduled redemption date) on all general obligation bonds issued  
296 under Sections 65-39-5 through 65-39-33; and

297 (ii) That all principal, interest, cost and other  
298 expenses for all bonds, notes or other borrowings under Section  
299 65-9-27 and Section 31-17-127 (including redemption notes, if any)  
300 have been paid and are completely satisfied.

301 **SECTION 6.** This act shall take effect and be in force from  
302 and after July 1, 2021.

