

By: Representatives Hines, Clark

To: Ways and Means

## HOUSE BILL NO. 1728

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES TAX RATE ON SALES OF FIREARMS, AMMUNITION,  
3 ARCHERY EQUIPMENT, MOTORCYCLES, ALL-TERRAIN VEHICLES AND JET SKIS;  
4 TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO INCREASE  
5 THE SALES TAX RATE ON RETAIL SALES OF ALCOHOLIC BEVERAGES; TO  
6 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
7 THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX  
8 RATES UNDER SECTIONS 27-65-17 AND 27-65-25 SHALL BE DEPOSITED,  
9 WITHOUT DIVERSION, INTO A SPECIAL FUND CREATED IN THE STATE  
10 TREASURY AS THE "MISSISSIPPI HOSPITALS UNCOMPENSATED CARE  
11 ASSISTANCE FUND"; TO AMEND SECTION 27-69-3, MISSISSIPPI CODE OF  
12 1972, TO REVISE THE DEFINITION OF THE TERM "TOBACCO" UNDER THE  
13 TOBACCO TAX LAW; TO DEFINE THE TERM "VAPOR PRODUCT" UNDER THE  
14 TOBACCO TAX LAW; TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF  
15 1972, TO INCREASE THE EXCISE TAXES LEVIED ON CIGARETTES AND OTHER  
16 TOBACCO; TO AMEND SECTIONS 27-69-15, 27-69-27, 27-69-33 AND  
17 27-69-35, MISSISSIPPI OF CODE OF 1972, IN CONFORMITY THERETO; TO  
18 AMEND SECTION 27-69-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
19 TOBACCO TAXES COLLECTED FROM THE INCREASES TO TOBACCO TAX RATES  
20 UNDER THIS ACT SHALL BE DEPOSITED INTO THE "MISSISSIPPI HOSPITALS  
21 UNCOMPENSATED CARE ASSISTANCE FUND"; TO CREATE THE "MISSISSIPPI  
22 HOSPITALS UNCOMPENSATED CARE ASSISTANCE FUND" AS A SPECIAL FUND IN  
23 THE STATE TREASURY TO BE ADMINISTERED BY THE DEPARTMENT OF HEALTH;  
24 TO PROVIDE THAT MONIES IN THE FUND SHALL BE USED TO PROVIDE  
25 ASSISTANCE TO HOSPITALS FOR THE COST OF UNCOMPENSATED MEDICAL  
26 TREATMENT SERVICES; AND FOR RELATED PURPOSES.

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

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



30           27-65-17. (1) (a) Except as otherwise provided in this  
31 section, upon every person engaging or continuing within this  
32 state in the business of selling any tangible personal property  
33 whatsoever there is hereby levied, assessed and shall be collected  
34 a tax equal to seven percent (7%) of the gross proceeds of the  
35 retail sales of the business.

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

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

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

- 51                           1. Self-propelled, or  
52                           2. Mounted so that it is permanently attached  
53 to other equipment which is self-propelled or attached to other  
54 equipment drawn by a vehicle which is self-propelled.



55           In order to be eligible for the rate of tax provided for in  
56 this subparagraph (ii), such sales must be made to a professional  
57 logger. For the purposes of this subparagraph (ii), a  
58 "professional logger" is a person, corporation, limited liability  
59 company or other entity, or an agent thereof, who possesses a  
60 professional logger's permit issued by the Department of Revenue  
61 and who presents the permit to the seller at the time of purchase.  
62 The department shall establish an application process for a  
63 professional logger's permit to be issued, which shall include a  
64 requirement that the applicant submit a copy of documentation  
65 verifying that the applicant is certified according to Sustainable  
66 Forestry Initiative guidelines. Upon a determination that an  
67 applicant is a professional logger, the department shall issue the  
68 applicant a numbered professional logger's permit.

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

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



79           (f) Sales of machinery and machine parts when made to a  
80 technology intensive enterprise for plant use only when the  
81 machinery and machine parts will be used exclusively and directly  
82 within this state for industrial purposes, including, but not  
83 limited to, manufacturing or research and development activities,  
84 shall be taxed at the rate of one and one-half percent (1-1/2%).  
85 In order to be considered a technology intensive enterprise for  
86 purposes of this paragraph:

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

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

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

94           (iv) The enterprise shall manufacture plastics,  
95 chemicals, automobiles, aircraft, computers or electronics; or  
96 shall be a research and development facility, a computer design or  
97 related facility, or a software publishing facility or other  
98 technology intensive facility or enterprise as determined by the  
99 Mississippi Development Authority;

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



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

105           A medical cannabis establishment, as defined in the  
106 Mississippi Medical Cannabis Act, shall not be considered to be a  
107 technology intensive enterprise for the purposes of this paragraph  
108 (f).

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

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

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

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



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

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

139           (m) Sales of materials used in the repair, renovation,  
140 addition to, expansion and/or improvement of buildings and related  
141 facilities used by a dairy producer shall be taxed at the rate of  
142 three and one-half percent (3-1/2%). For the purposes of this  
143 paragraph (m), "dairy producer" means any person engaged in the  
144 production of milk for commercial use.

145           (n) From and after July 1, 2023, sales of firearms,  
146 ammunition, archery equipment, motorcycles, all-terrain vehicles  
147 and jet skis shall be taxed at the rate of eight percent (8%).

148           (2) From and after January 1, 1995, retail sales of private  
149 carriers of passengers and light carriers of property, as defined  
150 in Section 27-51-101, shall be taxed an additional two percent  
151 (2%).



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

155           **SECTION 2.** Section 27-65-25, Mississippi Code of 1972, is  
156 amended as follows:

157           27-65-25. Upon every person engaging or continuing within  
158 this state in the business of selling alcoholic beverages at  
159 retail, the sales of which are legal under the provisions of  
160 Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby  
161 levied, assessed and shall be collected a tax equal to \* \* \* eight  
162 percent (8%) of the gross proceeds of the retail sales of the  
163 business.

164           **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is  
165 amended as follows:

166           27-65-75. On or before the fifteenth day of each month, the  
167 revenue collected under the provisions of this chapter during the  
168 preceding month shall be paid and distributed as follows:

169           (1) (a) On or before August 15, 1992, and each succeeding  
170 month thereafter through July 15, 1993, eighteen percent (18%) of  
171 the total sales tax revenue collected during the preceding month  
172 under the provisions of this chapter, except that collected under  
173 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
174 business activities within a municipal corporation shall be  
175 allocated for distribution to the municipality and paid to the  
176 municipal corporation. Except as otherwise provided in this



177 paragraph (a), on or before August 15, 1993, and each succeeding  
178 month thereafter, eighteen and one-half percent (18-1/2%) of the  
179 total sales tax revenue collected during the preceding month under  
180 the provisions of this chapter, except that collected under the  
181 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
182 27-65-24, on business activities within a municipal corporation  
183 shall be allocated for distribution to the municipality and paid  
184 to the municipal corporation. However, in the event the State  
185 Auditor issues a certificate of noncompliance pursuant to Section  
186 21-35-31, the Department of Revenue shall withhold ten percent  
187 (10%) of the allocations and payments to the municipality that  
188 would otherwise be payable to the municipality under this  
189 paragraph (a) until such time that the department receives written  
190 notice of the cancellation of a certificate of noncompliance from  
191 the State Auditor.

192 A municipal corporation, for the purpose of distributing the  
193 tax under this subsection, shall mean and include all incorporated  
194 cities, towns and villages.

195 Monies allocated for distribution and credited to a municipal  
196 corporation under this paragraph may be pledged as security for a  
197 loan if the distribution received by the municipal corporation is  
198 otherwise authorized or required by law to be pledged as security  
199 for such a loan.

200 In any county having a county seat that is not an  
201 incorporated municipality, the distribution provided under this





202 subsection shall be made as though the county seat was an  
203 incorporated municipality; however, the distribution to the  
204 municipality shall be paid to the county treasury in which the  
205 municipality is located, and those funds shall be used for road,  
206 bridge and street construction or maintenance in the county.

207 (b) On or before August 15, 2006, and each succeeding  
208 month thereafter, eighteen and one-half percent (18-1/2%) of the  
209 total sales tax revenue collected during the preceding month under  
210 the provisions of this chapter, except that collected under the  
211 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
212 business activities on the campus of a state institution of higher  
213 learning or community or junior college whose campus is not  
214 located within the corporate limits of a municipality, shall be  
215 allocated for distribution to the state institution of higher  
216 learning or community or junior college and paid to the state  
217 institution of higher learning or community or junior college.

218 (c) On or before August 15, 2018, and each succeeding  
219 month thereafter until August 14, 2019, two percent (2%) of the  
220 total sales tax revenue collected during the preceding month under  
221 the provisions of this chapter, except that collected under the  
222 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
223 27-65-24, on business activities within the corporate limits of  
224 the City of Jackson, Mississippi, shall be deposited into the  
225 Capitol Complex Improvement District Project Fund created in  
226 Section 29-5-215. On or before August 15, 2019, and each



227 succeeding month thereafter until August 14, 2020, four percent  
228 (4%) of the total sales tax revenue collected during the preceding  
229 month under the provisions of this chapter, except that collected  
230 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
231 and 27-65-24, on business activities within the corporate limits  
232 of the City of Jackson, Mississippi, shall be deposited into the  
233 Capitol Complex Improvement District Project Fund created in  
234 Section 29-5-215. On or before August 15, 2020, and each  
235 succeeding month thereafter, six percent (6%) of the total sales  
236 tax revenue collected during the preceding month under the  
237 provisions of this chapter, except that collected under the  
238 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
239 27-65-24, on business activities within the corporate limits of  
240 the City of Jackson, Mississippi, shall be deposited into the  
241 Capitol Complex Improvement District Project Fund created in  
242 Section 29-5-215.

243 (d) (i) On or before the fifteenth day of the month  
244 that the diversion authorized by this section begins, and each  
245 succeeding month thereafter, eighteen and one-half percent  
246 (18-1/2%) of the total sales tax revenue collected during the  
247 preceding month under the provisions of this chapter, except that  
248 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
249 and 27-65-21, on business activities within a redevelopment  
250 project area developed under a redevelopment plan adopted under  
251 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be



252 allocated for distribution to the county in which the project area  
253 is located if:

254 1. The county:

255 a. Borders on the Mississippi Sound and  
256 the State of Alabama, or

257 b. Is Harrison County, Mississippi, and  
258 the project area is within a radius of two (2) miles from the  
259 intersection of Interstate 10 and Menge Avenue;

260 2. The county has issued bonds under Section  
261 21-45-9 to finance all or a portion of a redevelopment project in  
262 the redevelopment project area;

263 3. Any debt service for the indebtedness  
264 incurred is outstanding; and

265 4. A development with a value of Ten Million  
266 Dollars (\$10,000,000.00) or more is, or will be, located in the  
267 redevelopment area.

268 (ii) Before any sales tax revenue may be allocated  
269 for distribution to a county under this paragraph, the county  
270 shall certify to the Department of Revenue that the requirements  
271 of this paragraph have been met, the amount of bonded indebtedness  
272 that has been incurred by the county for the redevelopment project  
273 and the expected date the indebtedness incurred by the county will  
274 be satisfied.

275 (iii) The diversion of sales tax revenue  
276 authorized by this paragraph shall begin the month following the



277 month in which the Department of Revenue determines that the  
278 requirements of this paragraph have been met. The diversion shall  
279 end the month the indebtedness incurred by the county is  
280 satisfied. All revenue received by the county under this  
281 paragraph shall be deposited in the fund required to be created in  
282 the tax increment financing plan under Section 21-45-11 and be  
283 utilized solely to satisfy the indebtedness incurred by the  
284 county.

285 (2) On or before September 15, 1987, and each succeeding  
286 month thereafter, from the revenue collected under this chapter  
287 during the preceding month, One Million One Hundred Twenty-five  
288 Thousand Dollars (\$1,125,000.00) shall be allocated for  
289 distribution to municipal corporations as defined under subsection  
290 (1) of this section in the proportion that the number of gallons  
291 of gasoline and diesel fuel sold by distributors to consumers and  
292 retailers in each such municipality during the preceding fiscal  
293 year bears to the total gallons of gasoline and diesel fuel sold  
294 by distributors to consumers and retailers in municipalities  
295 statewide during the preceding fiscal year. The Department of  
296 Revenue shall require all distributors of gasoline and diesel fuel  
297 to report to the department monthly the total number of gallons of  
298 gasoline and diesel fuel sold by them to consumers and retailers  
299 in each municipality during the preceding month. The Department  
300 of Revenue shall have the authority to promulgate such rules and  
301 regulations as is necessary to determine the number of gallons of



302 gasoline and diesel fuel sold by distributors to consumers and  
303 retailers in each municipality. In determining the percentage  
304 allocation of funds under this subsection for the fiscal year  
305 beginning July 1, 1987, and ending June 30, 1988, the Department  
306 of Revenue may consider gallons of gasoline and diesel fuel sold  
307 for a period of less than one (1) fiscal year. For the purposes  
308 of this subsection, the term "fiscal year" means the fiscal year  
309 beginning July 1 of a year.

310 (3) On or before September 15, 1987, and on or before the  
311 fifteenth day of each succeeding month, until the date specified  
312 in Section 65-39-35, the proceeds derived from contractors' taxes  
313 levied under Section 27-65-21 on contracts for the construction or  
314 reconstruction of highways designated under the highway program  
315 created under Section 65-3-97 shall, except as otherwise provided  
316 in Section 31-17-127, be deposited into the State Treasury to the  
317 credit of the State Highway Fund to be used to fund that highway  
318 program. The Mississippi Department of Transportation shall  
319 provide to the Department of Revenue such information as is  
320 necessary to determine the amount of proceeds to be distributed  
321 under this subsection.

322 (4) On or before August 15, 1994, and on or before the  
323 fifteenth day of each succeeding month through July 15, 1999, from  
324 the proceeds of gasoline, diesel fuel or kerosene taxes as  
325 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
326 (\$4,000,000.00) shall be deposited in the State Treasury to the



327 credit of a special fund designated as the "State Aid Road Fund,"  
328 created by Section 65-9-17. On or before August 15, 1999, and on  
329 or before the fifteenth day of each succeeding month, from the  
330 total amount of the proceeds of gasoline, diesel fuel or kerosene  
331 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
332 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
333 one-fourth percent (23-1/4%) of those funds, whichever is the  
334 greater amount, shall be deposited in the State Treasury to the  
335 credit of the "State Aid Road Fund," created by Section 65-9-17.  
336 Those funds shall be pledged to pay the principal of and interest  
337 on state aid road bonds heretofore issued under Sections 19-9-51  
338 through 19-9-77, in lieu of and in substitution for the funds  
339 previously allocated to counties under this section. Those funds  
340 may not be pledged for the payment of any state aid road bonds  
341 issued after April 1, 1981; however, this prohibition against the  
342 pledging of any such funds for the payment of bonds shall not  
343 apply to any bonds for which intent to issue those bonds has been  
344 published for the first time, as provided by law before March 29,  
345 1981. From the amount of taxes paid into the special fund under  
346 this subsection and subsection (9) of this section, there shall be  
347 first deducted and paid the amount necessary to pay the expenses  
348 of the Office of State Aid Road Construction, as authorized by the  
349 Legislature for all other general and special fund agencies. The  
350 remainder of the fund shall be allocated monthly to the several  
351 counties in accordance with the following formula:



352 (a) One-third (1/3) shall be allocated to all counties  
353 in equal shares;

354 (b) One-third (1/3) shall be allocated to counties  
355 based on the proportion that the total number of rural road miles  
356 in a county bears to the total number of rural road miles in all  
357 counties of the state; and

358 (c) One-third (1/3) shall be allocated to counties  
359 based on the proportion that the rural population of the county  
360 bears to the total rural population in all counties of the state,  
361 according to the latest federal decennial census.

362 For the purposes of this subsection, the term "gasoline,  
363 diesel fuel or kerosene taxes" means such taxes as defined in  
364 paragraph (f) of Section 27-5-101.

365 The amount of funds allocated to any county under this  
366 subsection for any fiscal year after fiscal year 1994 shall not be  
367 less than the amount allocated to the county for fiscal year 1994.

368 Any reference in the general laws of this state or the  
369 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
370 construed to refer and apply to subsection (4) of Section  
371 27-65-75.

372 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
373 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
374 the special fund known as the "Educational Facilities Revolving  
375 Loan Fund" created and existing under the provisions of Section  
376 37-47-24. Those payments into that fund are to be made on the



377 last day of each succeeding month hereafter. This subsection (5)  
378 shall stand repealed on July 1, 2023.

379 (6) An amount each month beginning August 15, 1983, through  
380 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
381 1983, shall be paid into the special fund known as the  
382 Correctional Facilities Construction Fund created in Section 6,  
383 Chapter 542, Laws of 1983.

384 (7) On or before August 15, 1992, and each succeeding month  
385 thereafter through July 15, 2000, two and two hundred sixty-six  
386 one-thousandths percent (2.266%) of the total sales tax revenue  
387 collected during the preceding month under the provisions of this  
388 chapter, except that collected under the provisions of Section  
389 27-65-17(2), shall be deposited by the department into the School  
390 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
391 or before August 15, 2000, and each succeeding month thereafter,  
392 two and two hundred sixty-six one-thousandths percent (2.266%) of  
393 the total sales tax revenue collected during the preceding month  
394 under the provisions of this chapter, except that collected under  
395 the provisions of Section 27-65-17(2), shall be deposited into the  
396 School Ad Valorem Tax Reduction Fund created under Section  
397 37-61-35 until such time that the total amount deposited into the  
398 fund during a fiscal year equals Forty-two Million Dollars  
399 (\$42,000,000.00). Thereafter, the amounts diverted under this  
400 subsection (7) during the fiscal year in excess of Forty-two  
401 Million Dollars (\$42,000,000.00) shall be deposited into the





402 Education Enhancement Fund created under Section 37-61-33 for  
403 appropriation by the Legislature as other education needs and  
404 shall not be subject to the percentage appropriation requirements  
405 set forth in Section 37-61-33.

406 (8) On or before August 15, 1992, and each succeeding month  
407 thereafter, nine and seventy-three one-thousandths percent  
408 (9.073%) of the total sales tax revenue collected during the  
409 preceding month under the provisions of this chapter, except that  
410 collected under the provisions of Section 27-65-17(2), shall be  
411 deposited into the Education Enhancement Fund created under  
412 Section 37-61-33.

413 (9) On or before August 15, 1994, and each succeeding month  
414 thereafter, from the revenue collected under this chapter during  
415 the preceding month, Two Hundred Fifty Thousand Dollars  
416 (\$250,000.00) shall be paid into the State Aid Road Fund.

417 (10) On or before August 15, 1994, and each succeeding month  
418 thereafter through August 15, 1995, from the revenue collected  
419 under this chapter during the preceding month, Two Million Dollars  
420 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
421 Valorem Tax Reduction Fund established in Section 27-51-105.

422 (11) Notwithstanding any other provision of this section to  
423 the contrary, on or before February 15, 1995, and each succeeding  
424 month thereafter, the sales tax revenue collected during the  
425 preceding month under the provisions of Section 27-65-17(2) and  
426 the corresponding levy in Section 27-65-23 on the rental or lease



427 of private carriers of passengers and light carriers of property  
428 as defined in Section 27-51-101 shall be deposited, without  
429 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
430 established in Section 27-51-105.

431 (12) Notwithstanding any other provision of this section to  
432 the contrary, on or before August 15, 1995, and each succeeding  
433 month thereafter, the sales tax revenue collected during the  
434 preceding month under the provisions of Section 27-65-17(1) on  
435 retail sales of private carriers of passengers and light carriers  
436 of property, as defined in Section 27-51-101 and the corresponding  
437 levy in Section 27-65-23 on the rental or lease of these vehicles,  
438 shall be deposited, after diversion, into the Motor Vehicle Ad  
439 Valorem Tax Reduction Fund established in Section 27-51-105.

440 (13) On or before July 15, 1994, and on or before the  
441 fifteenth day of each succeeding month thereafter, that portion of  
442 the avails of the tax imposed in Section 27-65-22 that is derived  
443 from activities held on the Mississippi State Fairgrounds Complex  
444 shall be paid into a special fund that is created in the State  
445 Treasury and shall be expended upon legislative appropriation  
446 solely to defray the costs of repairs and renovation at the Trade  
447 Mart and Coliseum.

448 (14) On or before August 15, 1998, and each succeeding month  
449 thereafter through July 15, 2005, that portion of the avails of  
450 the tax imposed in Section 27-65-23 that is derived from sales by  
451 cotton compresses or cotton warehouses and that would otherwise be



452 paid into the General Fund shall be deposited in an amount not to  
453 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
454 created under Section 69-37-39. On or before August 15, 2007, and  
455 each succeeding month thereafter through July 15, 2010, that  
456 portion of the avails of the tax imposed in Section 27-65-23 that  
457 is derived from sales by cotton compresses or cotton warehouses  
458 and that would otherwise be paid into the General Fund shall be  
459 deposited in an amount not to exceed Two Million Dollars  
460 (\$2,000,000.00) into the special fund created under Section  
461 69-37-39 until all debts or other obligations incurred by the  
462 Certified Cotton Growers Organization under the Mississippi Boll  
463 Weevil Management Act before January 1, 2007, are satisfied in  
464 full. On or before August 15, 2010, and each succeeding month  
465 thereafter through July 15, 2011, fifty percent (50%) of that  
466 portion of the avails of the tax imposed in Section 27-65-23 that  
467 is derived from sales by cotton compresses or cotton warehouses  
468 and that would otherwise be paid into the General Fund shall be  
469 deposited into the special fund created under Section 69-37-39  
470 until such time that the total amount deposited into the fund  
471 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
472 On or before August 15, 2011, and each succeeding month  
473 thereafter, that portion of the avails of the tax imposed in  
474 Section 27-65-23 that is derived from sales by cotton compresses  
475 or cotton warehouses and that would otherwise be paid into the  
476 General Fund shall be deposited into the special fund created



477 under Section 69-37-39 until such time that the total amount  
478 deposited into the fund during a fiscal year equals One Million  
479 Dollars (\$1,000,000.00).

480 (15) Notwithstanding any other provision of this section to  
481 the contrary, on or before September 15, 2000, and each succeeding  
482 month thereafter, the sales tax revenue collected during the  
483 preceding month under the provisions of Section  
484 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
485 without diversion, into the Telecommunications Ad Valorem Tax  
486 Reduction Fund established in Section 27-38-7.

487 (16) (a) On or before August 15, 2000, and each succeeding  
488 month thereafter, the sales tax revenue collected during the  
489 preceding month under the provisions of this chapter on the gross  
490 proceeds of sales of a project as defined in Section 57-30-1 shall  
491 be deposited, after all diversions except the diversion provided  
492 for in subsection (1) of this section, into the Sales Tax  
493 Incentive Fund created in Section 57-30-3.

494 (b) On or before August 15, 2007, and each succeeding  
495 month thereafter, eighty percent (80%) of the sales tax revenue  
496 collected during the preceding month under the provisions of this  
497 chapter from the operation of a tourism project under the  
498 provisions of Sections 57-26-1 through 57-26-5, shall be  
499 deposited, after the diversions required in subsections (7) and  
500 (8) of this section, into the Tourism Project Sales Tax Incentive  
501 Fund created in Section 57-26-3.



502           (17) Notwithstanding any other provision of this section to  
503 the contrary, on or before April 15, 2002, and each succeeding  
504 month thereafter, the sales tax revenue collected during the  
505 preceding month under Section 27-65-23 on sales of parking  
506 services of parking garages and lots at airports shall be  
507 deposited, without diversion, into the special fund created under  
508 Section 27-5-101(d).

509           (18) [Repealed]

510           (19) (a) On or before August 15, 2005, and each succeeding  
511 month thereafter, the sales tax revenue collected during the  
512 preceding month under the provisions of this chapter on the gross  
513 proceeds of sales of a business enterprise located within a  
514 redevelopment project area under the provisions of Sections  
515 57-91-1 through 57-91-11, and the revenue collected on the gross  
516 proceeds of sales from sales made to a business enterprise located  
517 in a redevelopment project area under the provisions of Sections  
518 57-91-1 through 57-91-11 (provided that such sales made to a  
519 business enterprise are made on the premises of the business  
520 enterprise), shall, except as otherwise provided in this  
521 subsection (19), be deposited, after all diversions, into the  
522 Redevelopment Project Incentive Fund as created in Section  
523 57-91-9.

524           (b) For a municipality participating in the Economic  
525 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
526 the diversion provided for in subsection (1) of this section



527 attributable to the gross proceeds of sales of a business  
528 enterprise located within a redevelopment project area under the  
529 provisions of Sections 57-91-1 through 57-91-11, and attributable  
530 to the gross proceeds of sales from sales made to a business  
531 enterprise located in a redevelopment project area under the  
532 provisions of Sections 57-91-1 through 57-91-11 (provided that  
533 such sales made to a business enterprise are made on the premises  
534 of the business enterprise), shall be deposited into the  
535 Redevelopment Project Incentive Fund as created in Section  
536 57-91-9, as follows:

537           (i) For the first six (6) years in which payments  
538 are made to a developer from the Redevelopment Project Incentive  
539 Fund, one hundred percent (100%) of the diversion shall be  
540 deposited into the fund;

541           (ii) For the seventh year in which such payments  
542 are made to a developer from the Redevelopment Project Incentive  
543 Fund, eighty percent (80%) of the diversion shall be deposited  
544 into the fund;

545           (iii) For the eighth year in which such payments  
546 are made to a developer from the Redevelopment Project Incentive  
547 Fund, seventy percent (70%) of the diversion shall be deposited  
548 into the fund;

549           (iv) For the ninth year in which such payments are  
550 made to a developer from the Redevelopment Project Incentive Fund,



551 sixty percent (60%) of the diversion shall be deposited into the  
552 fund; and

553 (v) For the tenth year in which such payments are  
554 made to a developer from the Redevelopment Project Incentive Fund,  
555 fifty percent (50%) of the funds shall be deposited into the fund.

556 (20) On or before January 15, 2007, and each succeeding  
557 month thereafter, eighty percent (80%) of the sales tax revenue  
558 collected during the preceding month under the provisions of this  
559 chapter from the operation of a tourism project under the  
560 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
561 after the diversions required in subsections (7) and (8) of this  
562 section, into the Tourism Sales Tax Incentive Fund created in  
563 Section 57-28-3.

564 (21) (a) On or before April 15, 2007, and each succeeding  
565 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
566 Dollars (\$150,000.00) of the sales tax revenue collected during  
567 the preceding month under the provisions of this chapter shall be  
568 deposited into the MMEIA Tax Incentive Fund created in Section  
569 57-101-3.

570 (b) On or before July 15, 2013, and each succeeding  
571 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
572 of the sales tax revenue collected during the preceding month  
573 under the provisions of this chapter shall be deposited into the  
574 Mississippi Development Authority Job Training Grant Fund created  
575 in Section 57-1-451.



576           (22) Notwithstanding any other provision of this section to  
577 the contrary, on or before August 15, 2009, and each succeeding  
578 month thereafter, the sales tax revenue collected during the  
579 preceding month under the provisions of Section 27-65-201 shall be  
580 deposited, without diversion, into the Motor Vehicle Ad Valorem  
581 Tax Reduction Fund established in Section 27-51-105.

582           (23) (a) On or before August 15, 2019, and each month  
583 thereafter through July 15, 2020, one percent (1%) of the total  
584 sales tax revenue collected during the preceding month from  
585 restaurants and hotels shall be allocated for distribution to the  
586 Mississippi Development Authority Tourism Advertising Fund  
587 established under Section 57-1-64, to be used exclusively for the  
588 purpose stated therein. On or before August 15, 2020, and each  
589 month thereafter through July 15, 2021, two percent (2%) of the  
590 total sales tax revenue collected during the preceding month from  
591 restaurants and hotels shall be allocated for distribution to the  
592 Mississippi Development Authority Tourism Advertising Fund  
593 established under Section 57-1-64, to be used exclusively for the  
594 purpose stated therein. On or before August 15, 2021, and each  
595 month thereafter, three percent (3%) of the total sales tax  
596 revenue collected during the preceding month from restaurants and  
597 hotels shall be allocated for distribution to the Mississippi  
598 Development Authority Tourism Advertising Fund established under  
599 Section 57-1-64, to be used exclusively for the purpose stated





600 therein. The revenue diverted pursuant to this subsection shall  
601 not be available for expenditure until February 1, 2020.

602 (b) The Joint Legislative Committee on Performance  
603 Evaluation and Expenditure Review (PEER) must provide an annual  
604 report to the Legislature indicating the amount of funds deposited  
605 into the Mississippi Development Authority Tourism Advertising  
606 Fund established under Section 57-1-64, and a detailed record of  
607 how the funds are spent.

608 (24) (a) Notwithstanding any other provision of this  
609 section to the contrary, on or before September 15, 2023, and each  
610 succeeding month thereafter, the total sales tax revenue collected  
611 during the preceding month under the provisions of Sections  
612 27-65-17(1) (n) and 27-65-25 from the amount of the increases to  
613 tax rates under such sections as provided in this act shall be  
614 deposited, without diversion, into the Mississippi Hospital  
615 Uncompensated Care Assistance Fund created in Section 11 of this  
616 act.

617 (b) The provisions of this subsection (24) shall  
618 supersede and control over any other provisions of this section  
619 providing for the distribution of revenue under this section.

620 ( \* \* \*25) The remainder of the amounts collected under the  
621 provisions of this chapter shall be paid into the State Treasury  
622 to the credit of the General Fund.

623 ( \* \* \*26) (a) It shall be the duty of the municipal  
624 officials of any municipality that expands its limits, or of any



625 community that incorporates as a municipality, to notify the  
626 commissioner of that action thirty (30) days before the effective  
627 date. Failure to so notify the commissioner shall cause the  
628 municipality to forfeit the revenue that it would have been  
629 entitled to receive during this period of time when the  
630 commissioner had no knowledge of the action.

631 (b) (i) Except as otherwise provided in subparagraph  
632 (ii) of this paragraph, if any funds have been erroneously  
633 disbursed to any municipality or any overpayment of tax is  
634 recovered by the taxpayer, the commissioner may make correction  
635 and adjust the error or overpayment with the municipality by  
636 withholding the necessary funds from any later payment to be made  
637 to the municipality.

638 (ii) Subject to the provisions of Sections  
639 27-65-51 and 27-65-53, if any funds have been erroneously  
640 disbursed to a municipality under subsection (1) of this section  
641 for a period of three (3) years or more, the maximum amount that  
642 may be recovered or withheld from the municipality is the total  
643 amount of funds erroneously disbursed for a period of three (3)  
644 years beginning with the date of the first erroneous disbursement.  
645 However, if during such period, a municipality provides written  
646 notice to the Department of Revenue indicating the erroneous  
647 disbursement of funds, then the maximum amount that may be  
648 recovered or withheld from the municipality is the total amount of



649 funds erroneously disbursed for a period of one (1) year beginning  
650 with the date of the first erroneous disbursement.

651 **SECTION 4.** Section 27-69-3, Mississippi Code of 1972, is  
652 amended as follows:

653 27-69-3. When used in this chapter:

654 (a) "State" means the State of Mississippi as  
655 geographically defined, and any and all waters under the  
656 jurisdiction of the State of Mississippi.

657 (b) "State Auditor" means the Auditor of Public  
658 Accounts of the State of Mississippi, or his legally appointed  
659 deputy, clerk or agent.

660 (c) "Commissioner" means the Commissioner of Revenue of  
661 the Department of Revenue, and his authorized agents and  
662 employees.

663 (d) "Person" means any individual, company,  
664 corporation, partnership, association, joint venture, estate,  
665 trust, or any other group, or combination acting as a unit, and  
666 the plural as well as the singular, unless the intention to give a  
667 more limited meaning is disclosed by the context.

668 (e) "Consumer" means a person who comes into possession  
669 of tobacco for the purpose of consuming it, giving it away, or  
670 disposing of it in any way by sale, barter or exchange.

671 (f) "Tobacco" means any cigarettes, cigars, cheroots,  
672 stogies, smoking tobacco (including granulated, plug cut, crimp  
673 cut, ready rubbed, and other kinds and forms of tobacco, or



674 substitutes therefor, prepared in such manner as to be suitable  
675 for smoking in a pipe or cigarette) and including plug and twist  
676 chewing tobacco and snuff, when such "tobacco" is manufactured and  
677 prepared for sale or personal consumption. The term "tobacco"  
678 also includes vapor products. All words used herein, except vapor  
679 products, shall be given the meaning as defined in the regulations  
680 of the Treasury Department of the United States of America.

681 (g) "First sale" means and includes the first sale, or  
682 distribution of such tobacco in intrastate commerce, or the first  
683 use or consumption of such tobacco within this state.

684 (h) "Drop shipment" means and includes any delivery of  
685 tobacco received by any person within this state, when payment for  
686 such tobacco is made to the shipper, or seller by or through a  
687 person other than a consignee.

688 (i) "Distributor" includes every person, except  
689 retailers as defined herein, in the state who manufactures or  
690 produces tobacco or who ships, transports, or imports into this  
691 state, or in any manner acquires or possesses tobacco, and makes a  
692 first sale of the same in the state.

693 (j) "Wholesaler" includes dealers, whose principal  
694 business is that of a wholesale dealer or jobber, who is known to  
695 the retail trade as such, and whose place of business is located  
696 in Mississippi or in a state which affords reciprocity to  
697 wholesalers domiciled in Mississippi, who shall sell any taxable  
698 tobacco to retail dealers only for the purpose of resale.



699 (k) "Retailer" includes every person, other than a  
700 wholesale dealer, as defined above, whose principal business is  
701 that of selling merchandise at retail, who shall sell, or offer  
702 for sale tobacco to the consumer. The sale of tobacco in quantity  
703 lots by retailers to other retailers, transient vendors, or other  
704 persons, shall not be construed as wholesale and shall not qualify  
705 such retailer for a permit as a wholesaler.

706 (l) "Dealer" includes every person, firm, corporation  
707 or association of persons, except retailers as defined herein, who  
708 manufacture tobacco for distribution, for sale, for use or for  
709 consumption in the State of Mississippi.

710 The word "dealer" is further defined to mean any person,  
711 firm, corporation or association of persons, except retailers as  
712 defined herein, who imports tobacco from any state or foreign  
713 country for distribution, sale, use, or consumption in the State  
714 of Mississippi.

715 (m) "Distributing agent" includes every person in the  
716 state who acts as an agent of any person outside the State of  
717 Mississippi, by receiving tobacco in interstate commerce, and  
718 storing such tobacco in this state subject to distribution, or  
719 delivery upon order from the person outside the state to  
720 distributors, wholesalers, retailers and dealers.

721 (n) "Transient vendor" means and includes every person  
722 commonly and generally termed "peddlers" and every person acting  
723 for himself, or as an agent, employee, salesman, or in any



724 capacity for another, whether as owner, bailee, or other custodian  
725 of tobacco, and going from person to person, dealer to dealer,  
726 house to house, or place to place, and selling or offering for  
727 sale at retail or wholesale tobacco, and every person who does not  
728 keep a regular place of business open at all times in regular  
729 hours, and every person who goes from person to person, dealer to  
730 dealer, house to house, or place to place, and sells or offers for  
731 sale tobacco which he carries with him, and who delivers the same  
732 at the time of, or immediately after the sale, or without  
733 returning to the place of business operations (a permanent place  
734 of business within the state) between the taking of the order and  
735 the delivery of the tobacco, or

736 All persons who go from person to person, house to house,  
737 place to place, or dealer to dealer, soliciting orders by  
738 exhibiting samples, or taking orders, and thereafter making  
739 delivery of tobacco, or filling the order without carrying or  
740 sending the order to the permanent place of business, and  
741 thereafter making delivery of the tobacco pursuant to the terms of  
742 the order, or

743 All persons who go from person to person, place to place,  
744 house to house, or dealer to dealer, carrying samples and selling  
745 tobacco from samples, and afterwards making delivery without  
746 taking and sending an order therefor to a permanent place of  
747 business for the filling of the order, and delivery of the



748 tobacco, or the exchange of tobacco having become damaged or  
749 unsalable, or the purchase by tobacco of advertising space, or

750 All persons who have in their possession, or under their  
751 control, any tobacco offered, or to be offered for sale or to be  
752 delivered, unless the sale or delivery thereof is to be made in  
753 pursuance of a bona fide order for the tobacco, to be sold or  
754 delivered, the order to be evidenced by an invoice or memorandum.

755 (o) "Contraband tobacco" means all tobacco found in the  
756 possession of any person whose permit to engage in dealing in  
757 tobacco has been revoked by the commissioner; and any cigarettes  
758 found in the possession of any person to which the proper tax  
759 stamps have not been affixed; and any cigarettes improperly  
760 stamped when found in the possession of any person; and all other  
761 tobacco upon which the excise tax has not been paid.

762 (p) "Sale" means an exchange for money or goods, giving  
763 away, or distributing any tobacco as defined in this chapter.

764 (q) "Forty-eight (48) hours" and "seventy-two (72)  
765 hours" means two (2) calendar days and three (3) calendar days,  
766 respectively, excluding Sundays and legal holidays.

767 (r) "Stamp" or "stamping," or the import of such word,  
768 when used in this chapter, means any manner of stamp or impression  
769 permitted by the commissioner that carries out the purposes of the  
770 chapter in clearly indicating upon the packages of cigarettes  
771 taxed the due payment of the tax and clearly identifying, by



772 serial number or otherwise, the permittee who affixed the stamp to  
773 the particular package.

774 (s) "Manufacturer's list price" means the full sales  
775 price at which tobacco is sold or offered for sale by a  
776 manufacturer to the wholesaler or distributor in this state  
777 without any deduction for freight, trade discount, cash discounts,  
778 special discounts or deals, cash rebates, or any other reduction  
779 from the regular selling price. In the event freight charges on  
780 shipments to wholesalers or distributors are not paid by the  
781 manufacturer, then such freight charges required to be paid by the  
782 wholesalers and distributors shall be added to the amount paid to  
783 the manufacturer in order to determine "manufacturer's list  
784 price." In the case of a wholesaler or distributor whose place of  
785 business is located outside this state, the "manufacturer's list  
786 price" for tobacco sold in this state by such wholesaler or  
787 distributor shall in all cases be considered to be the same as  
788 that of a wholesaler or distributor located within this state.

789 (t) "Vapor product" means an electronic product or  
790 device that may be used to deliver any aerosolized or vaporized  
791 substance to the person inhaling from the product or device,  
792 including, but not limited to, an e-cigar, e-cigarillo, e-pipe,  
793 vape pen or e-hookah; and includes any cartridge, component, part  
794 or accessory of the electronic product or device, whether or not  
795 sold separately, and also includes any liquid, capsule, powder or  
796 substance intended to be aerosolized, vaporized or otherwise





797 ingested during the use of the electronic product or device,  
798 whether or not the substance contains nicotine. The term "vapor  
799 product" does not include (i) a product that is a drug under 21  
800 USCS 321(g) (1); (ii) a product that is a device under 21 USCS  
801 321(h); or (iii) a combination product described in 21 USCS  
802 353(g).

803 **SECTION 5.** Section 27-69-13, Mississippi Code of 1972, is  
804 amended as follows:

805 27-69-13. There is hereby imposed, levied and assessed, to  
806 be collected and paid as hereinafter provided in this chapter, an  
807 excise tax on each person or dealer in cigarettes, cigars,  
808 stogies, snuff, chewing tobacco, and smoking tobacco, or  
809 substitutes therefor, upon the sale, use, consumption, handling or  
810 distribution in the State of Mississippi, as follows:

811 (a) On cigarettes, the rate of tax shall be \* \* \* Four  
812 and Four-tenths Cents (4.4¢) on each cigarette sold with a maximum  
813 length of one hundred twenty (120) millimeters; any cigarette in  
814 excess of this length shall be taxed as if it were two (2) or more  
815 cigarettes. Provided, however, if the federal tax rate on  
816 cigarettes in effect on June 1, 1985, is reduced, then the rate as  
817 provided herein shall be increased by the amount of the federal  
818 tax reduction. Such tax increase shall take effect on the first  
819 day of the month following the effective date of such reduction in  
820 the federal tax rate.



821 (b) On cigars, cheroots, stogies, snuff, chewing and  
822 smoking tobacco, vapor products and all other tobacco products  
823 except cigarettes, the rate of tax shall be \* \* \* sixteen percent  
824 (16%) of the manufacturer's list price.

825 No stamp evidencing the tax herein levied on cigarettes shall  
826 be of a denomination of less than One Cent (1¢), and whenever the  
827 tax computed at the rates herein prescribed on cigarettes shall be  
828 a specified amount, plus a fractional part of One Cent (1¢), the  
829 package shall be stamped for the next full cent; however, the  
830 additional face value of stamps purchased to comply with taxes  
831 imposed by this section after June 1, 1985, shall be subject to a  
832 four percent (4%) discount or compensation to dealers for their  
833 services rather than the eight percent (8%) discount or  
834 compensation allowed by Section 27-69-31.

835 Every wholesaler shall purchase stamps as provided in this  
836 chapter, and affix the same to all packages of cigarettes handled  
837 by him as herein provided.

838 The above tax is levied upon the sale, use, gift, possession  
839 or consumption of tobacco within the State of Mississippi, and the  
840 impact of the tax levied by this chapter is hereby declared to be  
841 on the vendee, user, consumer or possessor of tobacco in this  
842 state; and when said tax is paid by any other person, such payment  
843 shall be considered as an advance payment and shall thereafter be  
844 added to the price of the tobacco and recovered from the ultimate  
845 consumer or user.



846           **SECTION 6.** Section 27-69-15, Mississippi Code of 1972, is  
847 amended as follows:

848           27-69-15. Any retailer, transient vendor, distributing  
849 agent, salesman, or other dealer who shall receive any cigarettes  
850 other than from a wholesaler having a permit as herein provided,  
851 and not having the necessary stamps already affixed, shall, after  
852 the receipt of such cigarettes, within the time limit herein  
853 provided, present the same to some wholesaler having such permit,  
854 for the affixing of the stamps required, and it shall be the duty  
855 of such wholesaler, thereupon and upon the payment to him by such  
856 retailer of the face value of the stamps required, to affix the  
857 stamps to said cigarettes in the same manner as if the cigarettes  
858 were handled and sold by such wholesaler, provided, that such  
859 wholesaler, before affixing the stamps, shall require of the  
860 retailer, transient vendor, distributing agent, salesman, or other  
861 dealer, the original invoice for the cigarettes to be stamped, and  
862 such wholesaler shall in each instance note upon the invoice, the  
863 denominations and number of stamps affixed to the cigarettes  
864 covered by said invoice, the notation to be made in ink, or other  
865 manner not easy to erase, at the time the stamps are affixed.

866           It is further provided that, in addition hereto, the  
867 wholesaler shall keep a separate record of all stamps affixed to  
868 taxable cigarettes presented by retailers, transient vendors,  
869 distributing agents, salesmen, or other dealers, showing the name  
870 of the retailer, transient vendor, distributing agent, salesman,



871 or other dealer, name of the shipper, date of shipper's invoice,  
872 the date stamps were affixed, denomination of stamps affixed, and  
873 total value of stamps affixed.

874       When the request is made to any wholesaler in this state by a  
875 retailer, transient vendor, distributing agent, salesman, or other  
876 dealer in this state, said request being duly and seasonably made  
877 for the affixing of stamps, and the request is accompanied by  
878 proper remittance and invoice, and such wholesaler refuses to  
879 affix the stamps to cigarettes as requested, said wholesaler shall  
880 forfeit to the state a penalty of Twenty-five Dollars (\$25.00) for  
881 each offense, the same to be collected by the commissioner and, in  
882 addition thereto, in the discretion of the commissioner, forfeit  
883 his permit to handle stamps. In the event of such refusal on the  
884 part of any wholesaler to affix stamps said retailer, transient  
885 vendor, distributing agent, salesman, or other dealer may make  
886 application to the commissioner for stamps to be placed on the  
887 cigarettes upon which the wholesaler refused to affix the stamps,  
888 said application to be accompanied by an affidavit from the  
889 retailer, transient vendor, distributing agent, salesman, or other  
890 dealer, or some other credible person, setting forth the facts,  
891 whereupon the commissioner may issue and sell to such retailer,  
892 transient vendor, distributing agent, salesman, or other dealer, a  
893 sufficient number of stamps to be affixed to the cigarettes.



894           Stamps shall not be affixed to any cigarettes except by a  
895   wholesale dealer having a permit, except as otherwise provided in  
896   this chapter.

897           Stamps shall not be required to be affixed to any cigarettes  
898   while the same is in interstate commerce.

899           Any person who receives cigars, smoking tobacco, chewing  
900   tobacco, snuff, vapor products or any other tobacco products  
901   except cigarettes from anyone other than a wholesaler having a  
902   tobacco permit issued by this state and the excise tax on the  
903   tobacco received has not been paid, shall compute the excise tax  
904   due the State of Mississippi at the rate prescribed herein on  
905   forms furnished by the commissioner for that purpose. Such report  
906   shall be accompanied by the remittance for the tax due and shall  
907   be filed with the commissioner within forty-eight (48) hours after  
908   receipt of the tobacco by such person.

909           In no case shall the provisions of this chapter be construed  
910   to require the payment of a tax upon any tobacco upon which the  
911   tax herein levied has once been paid to the state.

912           **SECTION 7.** Section 27-69-27, Mississippi Code of 1972, is  
913   amended as follows:

914           27-69-27. The payment of the tax imposed by this chapter  
915   shall be evidenced by affixing stamps to each individual package  
916   of cigarettes usually sold to consumers, as distinguished from  
917   cartons or larger units which are composed of a number of  
918   individual packages.



919           Except as otherwise provided in this paragraph, the stamp  
920 shall be affixed within seventy-two (72) hours after the receipt  
921 of the cigarettes by the wholesaler, and within forty-eight (48)  
922 hours after receipt of the cigarettes by the retailer; provided,  
923 that in the case a dealer conducts a wholesale and retail business  
924 at one (1) place of business, stamps shall be affixed within  
925 forty-eight (48) hours after receipt of the cigarettes. However,  
926 the provisions of this paragraph shall not apply to tobacco at the  
927 point it is purchased at a sale under Section 27-69-56. The stamp  
928 must be so securely affixed as to require the continued  
929 application of water or of steam to remove it, or so that it  
930 cannot be otherwise removed without destruction or mutilation.

931           The excise tax imposed on cigars, smoking tobacco, chewing  
932 tobacco, snuff, vapor products and all other tobacco products  
933 except cigarettes shall be computed by the application of the  
934 excise tax rate to the manufacturer's list price on all purchases  
935 of such tobacco. The excise tax shall be due and payable on or  
936 before the fifteenth day of the month next succeeding the month in  
937 which the tax accrues. The tax shall be filed with the  
938 commissioner on forms prescribed by the commissioner.

939           Provided, however, manufacturers or other wholesale  
940 distributors of tobacco, which are subject to the excise taxes  
941 imposed by Section 27-69-13 of this chapter for the privilege of  
942 selling or using such tobaccos within this state, who maintain  
943 "terminals" or warehouses in which such tobaccos are stored, and



944 who sell only to licensed wholesale dealers within the state who  
945 are qualified to purchase and affix the stamps required, may  
946 maintain such "spot stocks," intended only for such sales, without  
947 affixing the stamps or filing returns and paying the tax.

948 Any person desiring to maintain such "terminal" or warehouse,  
949 shall make application to the commissioner and obtain a permit to  
950 maintain such stocks without affixing stamps thereto, for sale  
951 exclusively to out-of-state purchasers, or licensed wholesale  
952 dealers within this state, and the commissioner is hereby  
953 authorized to grant such permit upon the execution and filing with  
954 the commissioner, by the applicant, a bond with surety companies,  
955 authorized to do business in Mississippi, as surety thereon, and  
956 conditioned for the strict compliance by the applicant, with the  
957 following conditions under which said privilege may be granted.

958 The person maintaining such stock of untaxed tobacco shall  
959 supply to the commissioner monthly, or at such times as the  
960 commissioner may require, complete invoices of all tobaccos  
961 received, and shall also supply correct invoices of all tobaccos  
962 removed from such "terminal" or warehouse, said invoices to  
963 contain the correct name and address of all persons to whom such  
964 tobacco shall be delivered or consigned, whether within or without  
965 the State of Mississippi.

966 The penalty of such bond shall be determined by the  
967 commissioner, in an amount sufficient to protect the State of  
968 Mississippi from any loss of revenue which might occur by reason



969 of the failure of principal to strictly adhere to the requirement  
970 that no tobacco would be sold from such stock within the State of  
971 Mississippi, except to licensed wholesale dealers.

972         **SECTION 8.** Section 27-69-33, Mississippi Code of 1972, is  
973 amended as follows:

974         27-69-33. Manufacturers, distributors and wholesalers of  
975 cigars, cigarettes \* \* \*, smoking tobacco or vapor products  
976 subject to the tax under this chapter, doing both intrastate and  
977 interstate business in such tobacco, must qualify as interstate  
978 dealers in such tobacco by applying to the commissioner for  
979 permission to engage in such business, and, upon receipt of such  
980 permission, he shall be permitted to set aside such part of his  
981 stock as may be absolutely necessary for the conduct of such  
982 interstate business, without affixing the stamps to cigarettes  
983 required by this chapter. Said interstate stock shall be kept in  
984 an entirely separate part of the building, separate and apart from  
985 intrastate stock, and the said interstate business shall be  
986 conducted by the said wholesale dealer in accordance with rules  
987 and regulations to be promulgated by the commissioner.

988         It is further provided that shipment of such merchandise be  
989 made only by a railroad, express company, boat line, or motor  
990 freight line certified by the Mississippi Public Service  
991 Commission as a common carrier, or by registered or insured parcel  
992 post.





993           It is further provided that any manufacturer, distributor, or  
994 wholesaler of cigars, cigarettes \* \* \*, smoking tobacco or vapor  
995 products, engaged in interstate commerce in such tobaccos, shall  
996 report to the commissioner on or before the fifteenth day of each  
997 month, on forms prescribed by the commissioner, all sales of  
998 cigarettes made in interstate commerce during the preceding month  
999 to which Mississippi stamps were not affixed. These reports must  
1000 be made supplementary to the reports required to be filed by  
1001 Section 27-69-35 of this chapter.

1002           Each shipment must be covered by a complete copy of invoice  
1003 of the consignor, and supported by properly receipted bill of  
1004 lading of the transportation company, or post office department as  
1005 specified in the foregoing, and the receipted bills of lading and  
1006 invoices shall be subject to inspection by the commissioner for a  
1007 period of three (3) years.

1008           The commissioner is further authorized to verify the actual  
1009 delivery to the consignee of such unstamped taxable cigarettes  
1010 before allowing credit, and for the purpose of such verification,  
1011 the commissioner may exchange information with the proper  
1012 authorities of other states as to movement of taxable tobacco to  
1013 and from other states into and from the State of Mississippi.

1014           **SECTION 9.** Section 27-69-35, Mississippi Code of 1972, is  
1015 amended as follows:

1016           27-69-35. It shall be the duty of every person subject to  
1017 the provisions of this chapter, to keep an accurate set of



1018 records, showing all transactions had with reference to the  
1019 purchase, sale or gift of cigars, cigarettes, \* \* \*, smoking  
1020 tobacco or vapor products, and such person shall keep separately  
1021 all invoices of cigars, cigarettes \* \* \*, smoking tobacco or vapor  
1022 products, and shall keep a record of all stamps purchased, and  
1023 such records, and all stocks of cigars, cigarettes \* \* \*, smoking  
1024 tobacco or vapor products on hand, shall be open to inspection at  
1025 all reasonable times to the commissioner; provided, however, that  
1026 all retail dealers, transient vendors, distributing agents, or  
1027 other dealers purchasing, or receiving cigars, cigarettes, \* \* \*, smoking  
1028 tobacco or vapor products from without the state, whether  
1029 the same shall have been ordered through a wholesaler, or jobber  
1030 in this state, or by drop shipment, or otherwise, shall within  
1031 five (5) days after receipt of the same, mail a duplicate invoice  
1032 of all such purchases, or receipts, to the commissioner, and  
1033 failure to furnish such duplicate invoices shall be deemed a  
1034 misdemeanor.

1035       It is further provided that all manufacturers, distributors  
1036 and wholesalers of cigars, cigarettes \* \* \*, smoking tobacco or  
1037 vapor products, who have a permit required by this chapter shall  
1038 furnish the commissioner with a statement monthly, showing the  
1039 amount of taxable tobacco received, and must also furnish the  
1040 commissioner with duplicate invoices covering stamps affixed to  
1041 drop shipments purchased by retailers.



1042 In the examination of such books, records, etc., the  
1043 commissioner shall have the power to administer oaths to any  
1044 person, and any person answering falsely, under oath, any of such  
1045 questions, shall be guilty of perjury.

1046 If any person being so examined, fails to answer questions  
1047 propounded to him by the commissioner, or if any person, being  
1048 summoned to appear and answer such questions, shall fail or refuse  
1049 to do so, or if any person shall fail or refuse to permit the  
1050 inspection of his stock of merchandise, or invoices, or books, or  
1051 papers pertaining to any dealers in cigars, cigarettes \* \* \*,  
1052 smoking tobacco or vapor products, the commissioner may make such  
1053 fact known to the circuit court of the county in which such  
1054 failure or refusal occurs, or judge thereof in termtime or in  
1055 vacation, by petition, and such circuit court, or judge thereof,  
1056 shall issue a summons for such person so refusing, returnable on a  
1057 date to be fixed by said court, or said judge, and on said date,  
1058 the said circuit court, or the circuit judge, shall proceed to  
1059 examine into the truth of the matter set out in said petition, and  
1060 if the same be found to be true, the said circuit court, or  
1061 circuit judge, shall issue a writ of subpoena duces tecum ordering  
1062 and directing the person so summoned to bring into court, and  
1063 exhibit for the inspection of the commissioner, all such books,  
1064 records, invoices, etc., as the court may deem proper from all the  
1065 facts and circumstances in the case. Any person failing or  
1066 refusing to present such books, records, invoices, etc., or



1067 failing or refusing to testify, shall be punished for contempt as  
1068 provided by Section 9-1-17 of the Mississippi Code of 1972.

1069 **SECTION 10.** Section 27-69-75, Mississippi Code of 1972, is  
1070 amended as follows:

1071 27-69-75. All taxes levied by this chapter shall be payable  
1072 to the commissioner in cash, or by personal check, cashier's  
1073 check, bank exchange, post office money order or express money  
1074 order, and shall be deposited by the commissioner in the State  
1075 Treasury on the same day collected. No remittance other than cash  
1076 shall be a final discharge of liability for the tax herein  
1077 assessed and levied, unless and until it has been paid in cash to  
1078 the commissioner.

1079 Except as otherwise provided in this section, all tobacco  
1080 taxes collected, including tobacco license taxes, shall be  
1081 deposited into the State Treasury to the credit of the General  
1082 Fund. On or before September 15, 2023, and each succeeding month  
1083 thereafter tobacco taxes collected during the preceding month  
1084 under the provisions of this chapter from the increases to tax  
1085 rates under Section 27-69-13 and as a result of the amendment to  
1086 Section 27-69-3, as provided in this act shall be deposited into  
1087 the Mississippi Hospital Uncompensated Care Assistance Fund  
1088 created in Section 11 of this act.

1089 Wholesalers who are entitled to purchase stamps at a  
1090 discount, as provided by Section 27-69-31, may have consigned to  
1091 them, without advance payment, such stamps, if and when such



1092 wholesaler shall give to the commissioner a good and sufficient  
1093 bond executed by some surety company authorized to do business in  
1094 this state, conditioned to secure the payment for the stamps so  
1095 consigned. The commissioner shall require payment for such stamps  
1096 not later than thirty (30) days from the date the stamps were  
1097 consigned.

1098         **SECTION 11.** (1) There is created in the State Treasury a  
1099 special fund to be designated as the "Mississippi Hospitals  
1100 Uncompensated Care Assistance Fund," which shall consist of funds  
1101 deposited therein under Sections 27-65-75(24) and 27-69-75,  
1102 Mississippi Code of 1972, and funds from any other source  
1103 designated for deposit into such fund. The fund shall be  
1104 maintained by the State Treasurer as a separate and special fund,  
1105 separate and apart from the General Fund of the state. Unexpended  
1106 amounts remaining in the fund at the end of a fiscal year shall  
1107 not lapse into the State General Fund, and any investment earnings  
1108 or interest earned on amounts in the fund shall be deposited to  
1109 the credit of the fund. Monies in the fund shall be used by the  
1110 Department of Mental Health, upon appropriation by the  
1111 Legislature, for the purposes described in subsection (2) of this  
1112 section.

1113         (2) (a) The Department of Health shall establish a program  
1114 for reimbursing hospitals, in whole or in part, for uncompensated  
1115 medical care services as follows:



1116 (i) Eighty percent (80%) of the monies in the fund  
1117 shall be allocated to all hospitals in this state in equal shares,  
1118 and

1119 (ii) Twenty percent (20%) of the monies in the  
1120 fund shall be allocated to hospitals in this state that have not  
1121 more than seventy-five (75) licensed beds based on the proportion  
1122 that the total uncompensated medical care services provided by a  
1123 hospital bears to the total uncompensated medical care services  
1124 provided by all of such hospitals in the state, as determined by  
1125 the Department of Health.

1126 (b) A hospital desiring assistance under paragraph  
1127 (a)(ii) of this subsection may apply to the Department of Health  
1128 for reimbursement of the uncompensated medical treatment services.  
1129 A hospital desiring assistance must submit an application to the  
1130 Department of Health. The application must include a description  
1131 of the medical care services provided by the hospital for which  
1132 the assistance is requested, the total costs of the medical care  
1133 services provided by the hospital and the portion of such costs  
1134 for which the hospital was not compensated, the amount of  
1135 assistance requested and any other information required by the  
1136 Department of Health.

1137 (c) The Department of Health shall have all powers  
1138 necessary to implement and administer the program established  
1139 under this section, and the department shall promulgate rules and



1140 regulations, in accordance with the Mississippi Administrative  
1141 Procedures Law, necessary for the implementation of this section.

1142           **SECTION 12.** This act shall take effect and be in force from  
1143 and after July 1, 2023.

