

By: Senator(s) Johnson

To: Finance

SENATE BILL NO. 2018

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO REMOVE THE TAX ON WHOLESALE SALES OF BEER; AND FOR RELATED  
3 PURPOSES.

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

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

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

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

17 (c) (i) Retail sales of farm implements sold to  
18 farmers and used directly in the production of poultry, ratite,



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

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

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

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



44 applicant is a professional logger, the department shall issue the  
45 applicant a numbered professional logger's permit.

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

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

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

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

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



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

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

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

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

82 A medical cannabis establishment, as defined in the  
83 Mississippi Medical Cannabis Act, shall not be considered to be a  
84 technology intensive enterprise for the purposes of this paragraph  
85 (f).

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

90 (h) Sales of tangible personal property to electric  
91 power associations for use in the ordinary and necessary operation



92 of their generating or distribution systems shall be taxed at the  
93 rate of one percent (1%).

94 \* \* \*

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

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

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

112 ( \* \* \*l) Sales of materials used in the repair,  
113 renovation, addition to, expansion and/or improvement of buildings  
114 and related facilities used by a dairy producer shall be taxed at  
115 the rate of three and one-half percent (3-1/2%). For the purposes



116 of this paragraph ( \* \* \*1), "dairy producer" means any person  
117 engaged in the production of milk for commercial use.

118 (2) From and after January 1, 1995, retail sales of private  
119 carriers of passengers and light carriers of property, as defined  
120 in Section 27-51-101, shall be taxed an additional two percent  
121 (2%).

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

125 **SECTION 2.** This act shall take effect and be in force from  
126 and after July 1, 2023.

