

By: Senator(s) DeBar

To: Finance

SENATE BILL NO. 2872

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT RETAIL SALES OF FOOD OR DRINK FOR HUMAN
3 CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS ISSUED BY THE
4 UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER FEDERAL AGENCY
5 SHALL BE TAXED AT THE RATE OF 3-1/2%; AND FOR RELATED PURPOSES.

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

114 (l) Sales of the factory-built components of modular
115 homes, panelized homes and precut homes, and panel constructed



116 homes consisting of structural insulated panels, shall be taxed at
117 the rate of three percent (3%).

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

124 (n) Retail sales of food or drink for human consumption
125 eligible for purchase with food stamps issued by the United States
126 Department of Agriculture or other federal agency shall be taxed
127 at the rate of three and one-half percent (3-1/2%). This
128 paragraph shall not affect the sales tax exemption provided in
129 Section 27-65-111(o).

130 (2) From and after January 1, 1995, retail sales of private
131 carriers of passengers and light carriers of property, as defined
132 in Section 27-51-101, shall be taxed an additional two percent
133 (2%).

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

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

