

By: Representatives Pigott, Gibbs (36th),  
Mickens, Lancaster, Varner

To: Ways and Means

HOUSE BILL NO. 1205

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT RETAIL SALES OF FENCING MATERIALS AND CATTLE  
3 TRAILERS TO FARMERS FOR AGRICULTURAL PURPOSES, AS WELL AS PARTS  
4 AND LABOR USED TO MAINTAIN AND/OR REPAIR SUCH CATTLE TRAILERS,  
5 SHALL BE TAXED AT A RATE OF 1.5%; 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 fencing materials, cattle trailers,  
16 farm tractors and parts and labor used to maintain and/or repair  
17 such cattle trailers and farm tractors shall be taxed at the rate  
18 of one and one-half percent (1-1/2%) when made to farmers for  
19 agricultural purposes.



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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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



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

119 (2) From and after January 1, 1995, retail sales of private  
120 carriers of passengers and light carriers of property, as defined  
121 in Section 27-51-101, shall be taxed an additional two percent  
122 (2%).

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

126 **SECTION 2.** Nothing in this act shall affect or defeat any  
127 claim, assessment, appeal, suit, right or cause of action for  
128 taxes due or accrued under the sales tax laws before the date on  
129 which this act becomes effective, whether such claims,  
130 assessments, appeals, suits or actions have been begun before the  
131 date on which this act becomes effective or are begun thereafter;  
132 and the provisions of the sales tax laws are expressly continued  
133 in full force, effect and operation for the purpose of the  
134 assessment, collection and enrollment of liens for any taxes due  
135 or accrued and the execution of any warrant under such laws before  
136 the date on which this act becomes effective, and for the  
137 imposition of any penalties, forfeitures or claims for failure to  
138 comply with such laws.

139 **SECTION 3.** This act shall take effect and be in force from  
140 and after July 1, 2024.

