

By: Senator(s) Younger, Berry, Whaley, Tate, To: Finance
Barrett, Suber, Ladner, Carter, Butler,
McCaughn, Rhodes, Hill, Jackson

SENATE BILL NO. 2397

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.** This act shall take effect and be in force from
127 and after July 1, 2024.

