

## **Senate Amendments to House Bill No. 1943**

**TO THE CLERK OF THE HOUSE:**

**THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:**

### **AMENDMENT NO. 1**

**Amend by striking all after the enacting clause and inserting in lieu thereof the following:**

8           **SECTION 1.** Section 27-69-3, Mississippi Code of 1972, is  
9 amended as follows:

10           27-69-3. When used in this chapter:

11                   (a) "State" means the State of Mississippi as  
12 geographically defined, and any and all waters under the  
13 jurisdiction of the State of Mississippi.

14                   (b) "State Auditor" means the Auditor of Public  
15 Accounts of the State of Mississippi, or his legally appointed  
16 deputy, clerk or agent.

17                   (c) "Commissioner" means the Commissioner of Revenue of  
18 the Department of Revenue, and his authorized agents and  
19 employees.

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

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

28           (f) "Tobacco" means any cigarettes, cigars, cheroots,  
29 stogies, smoking tobacco (including granulated, plug cut, crimp  
30 cut, ready rubbed, and other kinds and forms of tobacco, or  
31 substitutes therefor, prepared in such manner as to be suitable  
32 for smoking in a pipe or cigarette) and including plug and twist  
33 chewing tobacco and snuff, when such "tobacco" is manufactured and  
34 prepared for sale or personal consumption. All words used herein  
35 shall be given the meaning as defined in the regulations of the  
36 Treasury Department of the United States of America. The term  
37 "tobacco" also includes heated tobacco products.

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

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

45           (i) "Distributor" includes every person, except  
46 retailers as defined herein, in the state who manufactures or  
47 produces tobacco or who ships, transports, or imports into this  
48 state, or in any manner acquires or possesses tobacco, and makes a  
49 first sale of the same in the state.

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

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

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

67           The word "dealer" is further defined to mean any person,  
68 firm, corporation or association of persons, except retailers as  
69 defined herein, who imports tobacco from any state or foreign  
70 country for distribution, sale, use, or consumption in the State  
71 of Mississippi.

72           (m) "Distributing agent" includes every person in the  
73 state who acts as an agent of any person outside the State of  
74 Mississippi, by receiving tobacco in interstate commerce, and  
75 storing such tobacco in this state subject to distribution, or

76 delivery upon order from the person outside the state to  
77 distributors, wholesalers, retailers and dealers.

78 (n) "Transient vendor" means and includes every person  
79 commonly and generally termed "peddlers" and every person acting  
80 for himself, or as an agent, employee, salesman, or in any  
81 capacity for another, whether as owner, bailee, or other custodian  
82 of tobacco, and going from person to person, dealer to dealer,  
83 house to house, or place to place, and selling or offering for  
84 sale at retail or wholesale tobacco, and every person who does not  
85 keep a regular place of business open at all times in regular  
86 hours, and every person who goes from person to person, dealer to  
87 dealer, house to house, or place to place, and sells or offers for  
88 sale tobacco which he carries with him, and who delivers the same  
89 at the time of, or immediately after the sale, or without  
90 returning to the place of business operations (a permanent place  
91 of business within the state) between the taking of the order and  
92 the delivery of the tobacco, or

93 All persons who go from person to person, house to house,  
94 place to place, or dealer to dealer, soliciting orders by  
95 exhibiting samples, or taking orders, and thereafter making  
96 delivery of tobacco, or filling the order without carrying or  
97 sending the order to the permanent place of business, and  
98 thereafter making delivery of the tobacco pursuant to the terms of  
99 the order, or

100 All persons who go from person to person, place to place,  
101 house to house, or dealer to dealer, carrying samples and selling

102 tobacco from samples, and afterwards making delivery without  
103 taking and sending an order therefor to a permanent place of  
104 business for the filling of the order, and delivery of the  
105 tobacco, or the exchange of tobacco having become damaged or  
106 unsalable, or the purchase by tobacco of advertising space, or

107 All persons who have in their possession, or under their  
108 control, any tobacco offered, or to be offered for sale or to be  
109 delivered, unless the sale or delivery thereof is to be made in  
110 pursuance of a bona fide order for the tobacco, to be sold or  
111 delivered, the order to be evidenced by an invoice or memorandum.

112 (o) "Contraband tobacco" means all tobacco found in the  
113 possession of any person whose permit to engage in dealing in  
114 tobacco has been revoked by the commissioner; and any cigarettes  
115 found in the possession of any person to which the proper tax  
116 stamps have not been affixed; and any cigarettes improperly  
117 stamped when found in the possession of any person; and all other  
118 tobacco upon which the excise tax has not been paid.

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

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

124 (r) "Stamp" or "stamping," or the import of such word,  
125 when used in this chapter, means any manner of stamp or impression  
126 permitted by the commissioner that carries out the purposes of the  
127 chapter in clearly indicating upon the packages of cigarettes

128 taxed the due payment of the tax and clearly identifying, by  
129 serial number or otherwise, the permittee who affixed the stamp to  
130 the particular package.

131 (s) "Manufacturer's list price" means the full sales  
132 price at which tobacco is sold or offered for sale by a  
133 manufacturer to the wholesaler or distributor in this state  
134 without any deduction for freight, trade discount, cash discounts,  
135 special discounts or deals, cash rebates, or any other reduction  
136 from the regular selling price. In the event freight charges on  
137 shipments to wholesalers or distributors are not paid by the  
138 manufacturer, then such freight charges required to be paid by the  
139 wholesalers and distributors shall be added to the amount paid to  
140 the manufacturer in order to determine "manufacturer's list  
141 price." In the case of a wholesaler or distributor whose place of  
142 business is located outside this state, the "manufacturer's list  
143 price" for tobacco sold in this state by such wholesaler or  
144 distributor shall in all cases be considered to be the same as  
145 that of a wholesaler or distributor located within this state.

146 (t) "Heated tobacco products" means a product  
147 containing tobacco that produces an inhalable aerosol by (i)  
148 heating the tobacco without combustion of the tobacco or (ii) heat  
149 generated from a combustion source that only or primarily heats  
150 rather than burns the tobacco.

151 **SECTION 2.** Section 27-69-13, Mississippi Code of 1972, is  
152 amended as follows:

153           27-69-13. There is hereby imposed, levied and assessed, to  
154 be collected and paid as hereinafter provided in this chapter, an  
155 excise tax on each person or dealer in cigarettes, cigars,  
156 stogies, snuff, chewing tobacco, and smoking tobacco, or  
157 substitutes therefor, upon the sale, use, consumption, handling or  
158 distribution in the State of Mississippi, as follows:

159           (a) On cigarettes, the rate of tax shall be Three and  
160 Four-tenths Cents (3.4¢) on each cigarette sold with a maximum  
161 length of one hundred twenty (120) millimeters; any cigarette in  
162 excess of this length shall be taxed as if it were two (2) or more  
163 cigarettes. Provided, however, if the federal tax rate on  
164 cigarettes in effect on June 1, 1985, is reduced, then the rate as  
165 provided herein shall be increased by the amount of the federal  
166 tax reduction. Such tax increase shall take effect on the first  
167 day of the month following the effective date of such reduction in  
168 the federal tax rate. Heated tobacco products shall not be taxed  
169 as cigarettes under this paragraph (a); however, this exclusion  
170 shall not affect heated tobacco products for any purposes related  
171 to Section 27-70-1 et seq.

172           (b) On cigars, cheroots, stogies, snuff, chewing and  
173 smoking tobacco and all other tobacco products except cigarettes  
174 and heated tobacco products, the rate of tax shall be fifteen  
175 percent (15%) of the manufacturer's list price.

176           (c) On heated tobacco products, the rate of tax shall  
177 be two and eight-tenth cents (2.8¢) on each disposable heated

178 tobacco unit or stick sold to be used for consumption by insertion  
179 into a heated tobacco product heating system device.

180 No stamp evidencing the tax herein levied on cigarettes shall  
181 be of a denomination of less than One Cent (1¢), and whenever the  
182 tax computed at the rates herein prescribed on cigarettes shall be  
183 a specified amount, plus a fractional part of One Cent (1¢), the  
184 package shall be stamped for the next full cent; however, the  
185 additional face value of stamps purchased to comply with taxes  
186 imposed by this section after June 1, 1985, shall be subject to a  
187 four percent (4%) discount or compensation to dealers for their  
188 services rather than the eight percent (8%) discount or  
189 compensation allowed by Section 27-69-31.

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

193 The above tax is levied upon the sale, use, gift, possession  
194 or consumption of tobacco within the State of Mississippi, and the  
195 impact of the tax levied by this chapter is hereby declared to be  
196 on the vendee, user, consumer or possessor of tobacco in this  
197 state; and when said tax is paid by any other person, such payment  
198 shall be considered as an advance payment and shall thereafter be  
199 added to the price of the tobacco and recovered from the ultimate  
200 consumer or user.

201 **SECTION 3.** Section 27-69-27, Mississippi Code of 1972, is  
202 amended as follows:



203           27-69-27. The payment of the tax imposed by this chapter  
204 shall be evidenced by affixing stamps to each individual package  
205 of cigarettes usually sold to consumers, as distinguished from  
206 cartons or larger units which are composed of a number of  
207 individual packages.

208           Except as otherwise provided in this paragraph, the stamp  
209 shall be affixed within seventy-two (72) hours after the receipt  
210 of the cigarettes by the wholesaler, and within forty-eight (48)  
211 hours after receipt of the cigarettes by the retailer; provided,  
212 that in the case a dealer conducts a wholesale and retail business  
213 at one (1) place of business, stamps shall be affixed within  
214 forty-eight (48) hours after receipt of the cigarettes. However,  
215 the provisions of this paragraph shall not apply to tobacco at the  
216 point it is purchased at a sale under Section 27-69-56. The stamp  
217 must be so securely affixed as to require the continued  
218 application of water or of steam to remove it, or so that it  
219 cannot be otherwise removed without destruction or mutilation.

220           The excise tax imposed on cigars, smoking tobacco, chewing  
221 tobacco, snuff and all other tobacco products except cigarettes  
222 and heated tobacco products shall be computed by the application  
223 of the excise tax rate to the manufacturer's list price on all  
224 purchases of such tobacco. The excise tax shall be due and  
225 payable on or before the fifteenth day of the month next  
226 succeeding the month in which the tax accrues. The tax shall be  
227 filed with the commissioner on forms prescribed by the  
228 commissioner.

229            Provided, however, manufacturers or other wholesale  
230 distributors of tobacco, which are subject to the excise taxes  
231 imposed by Section 27-69-13 of this chapter for the privilege of  
232 selling or using such tobaccos within this state, who maintain  
233 "terminals" or warehouses in which such tobaccos are stored, and  
234 who sell only to licensed wholesale dealers within the state who  
235 are qualified to purchase and affix the stamps required, may  
236 maintain such "spot stocks," intended only for such sales, without  
237 affixing the stamps or filing returns and paying the tax.

238            Any person desiring to maintain such "terminal" or warehouse,  
239 shall make application to the commissioner and obtain a permit to  
240 maintain such stocks without affixing stamps thereto, for sale  
241 exclusively to out-of-state purchasers, or licensed wholesale  
242 dealers within this state, and the commissioner is hereby  
243 authorized to grant such permit upon the execution and filing with  
244 the commissioner, by the applicant, a bond with surety companies,  
245 authorized to do business in Mississippi, as surety thereon, and  
246 conditioned for the strict compliance by the applicant, with the  
247 following conditions under which said privilege may be granted.

248            The person maintaining such stock of untaxed tobacco shall  
249 supply to the commissioner monthly, or at such times as the  
250 commissioner may require, complete invoices of all tobaccos  
251 received, and shall also supply correct invoices of all tobaccos  
252 removed from such "terminal" or warehouse, said invoices to  
253 contain the correct name and address of all persons to whom such

254 tobacco shall be delivered or consigned, whether within or without  
255 the State of Mississippi.

256 The penalty of such bond shall be determined by the  
257 commissioner, in an amount sufficient to protect the State of  
258 Mississippi from any loss of revenue which might occur by reason  
259 of the failure of principal to strictly adhere to the requirement  
260 that no tobacco would be sold from such stock within the State of  
261 Mississippi, except to licensed wholesale dealers.

262 **SECTION 4.** Nothing in this act shall affect or defeat any  
263 claim, assessment, appeal, suit, right or cause of action for  
264 taxes due or accrued under the tobacco tax laws before the date on  
265 which this act becomes effective, whether such claims,  
266 assessments, appeals, suits or actions have been begun before the  
267 date on which this act becomes effective or are begun thereafter;  
268 and the provisions of the tobacco tax laws are expressly continued  
269 in full force, effect and operation for the purpose of the  
270 assessment, collection and enrollment of liens for any taxes due  
271 or accrued and the execution of any warrant under such laws before  
272 the date on which this act becomes effective, and for the  
273 imposition of any penalties, forfeitures or claims for failure to  
274 comply with such laws.

275 **SECTION 5.** This act shall take effect and be in force from  
276 and after July 1, 2024, and shall stand repealed on June 29, 2024.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-69-3, MISSISSIPPI CODE OF 1972, TO  
2 DEFINE THE TERM "HEATED TOBACCO PRODUCT" UNDER THE TOBACCO TAX  
3 LAW; TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972, TO LEVY  
4 AN EXCISE TAX ON HEATED TOBACCO PRODUCTS UNDER THE TOBACCO TAX  
5 LAW; TO AMEND SECTION 27-69-27, MISSISSIPPI CODE OF 1972, IN  
6 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

SS08\HB1943A.J

Amanda White  
Secretary of the Senate