

By: Representative Hines

To: Ways and Means

## HOUSE BILL NO. 410

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES TAX RATE ON SALES OF FIREARMS, AMMUNITION,  
3 ARCHERY EQUIPMENT, MOTORCYCLES, ALL-TERRAIN VEHICLES AND JET SKIS;  
4 TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO INCREASE  
5 THE SALES TAX RATE ON RETAIL SALES OF ALCOHOLIC BEVERAGES; TO  
6 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
7 THE STATE SALES REVENUE COLLECTED FROM SUCH INCREASES TO SALES TAX  
8 RATES UNDER SECTIONS 27-65-17 AND 27-65-25 SHALL BE DEPOSITED,  
9 WITHOUT DIVERSION, INTO A SPECIAL FUND CREATED IN THE STATE  
10 TREASURY AS THE "MISSISSIPPI HOSPITALS UNCOMPENSATED CARE  
11 ASSISTANCE FUND"; TO AMEND SECTION 27-69-3, MISSISSIPPI CODE OF  
12 1972, TO REVISE THE DEFINITION OF THE TERM "TOBACCO" UNDER THE  
13 TOBACCO TAX LAW; TO DEFINE THE TERM "VAPOR PRODUCT" UNDER THE  
14 TOBACCO TAX LAW; TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF  
15 1972, TO INCREASE THE EXCISE TAXES LEVIED ON CIGARETTES AND OTHER  
16 TOBACCO; TO AMEND SECTIONS 27-69-15, 27-69-27, 27-69-33 AND  
17 27-69-35, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO  
18 AMEND SECTION 27-69-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
19 TOBACCO TAXES COLLECTED FROM THE INCREASES TO TOBACCO TAX RATES  
20 UNDER THIS ACT SHALL BE DEPOSITED INTO THE "MISSISSIPPI HOSPITALS  
21 UNCOMPENSATED CARE ASSISTANCE FUND"; TO CREATE THE "MISSISSIPPI  
22 HOSPITALS UNCOMPENSATED CARE ASSISTANCE FUND" AS A SPECIAL FUND IN  
23 THE STATE TREASURY TO BE ADMINISTERED BY THE DEPARTMENT OF HEALTH;  
24 TO PROVIDE THAT MONIES IN THE FUND SHALL BE USED TO PROVIDE  
25 ASSISTANCE TO HOSPITALS FOR THE COST OF UNCOMPENSATED MEDICAL CARE  
26 SERVICES; AND FOR RELATED PURPOSES.

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

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



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

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

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

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

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



55           In order to be eligible for the rate of tax provided for in  
56 this subparagraph (ii), such sales must be made to a professional  
57 logger. For the purposes of this subparagraph (ii), a  
58 "professional logger" is a person, corporation, limited liability  
59 company or other entity, or an agent thereof, who possesses a  
60 professional logger's permit issued by the Department of Revenue  
61 and who presents the permit to the seller at the time of purchase.  
62 The department shall establish an application process for a  
63 professional logger's permit to be issued, which shall include a  
64 requirement that the applicant submit a copy of documentation  
65 verifying that the applicant is certified according to Sustainable  
66 Forestry Initiative guidelines. Upon a determination that an  
67 applicant is a professional logger, the department shall issue the  
68 applicant a numbered professional logger's permit.

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

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



79           (f) Sales of machinery and machine parts when made to a  
80 technology intensive enterprise for plant use only when the  
81 machinery and machine parts will be used exclusively and directly  
82 within this state for industrial purposes, including, but not  
83 limited to, manufacturing or research and development activities,  
84 shall be taxed at the rate of one and one-half percent (1-1/2%).  
85 In order to be considered a technology intensive enterprise for  
86 purposes of this paragraph:

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

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

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

94           (iv) The enterprise shall manufacture plastics,  
95 chemicals, automobiles, aircraft, computers or electronics; or  
96 shall be a research and development facility, a computer design or  
97 related facility, or a software publishing facility or other  
98 technology intensive facility or enterprise as determined by the  
99 Mississippi Development Authority;

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



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

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

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

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

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

(j) Sales of equipment used or designed for the purpose of assisting disabled persons, such as wheelchair equipment and lifts, that is mounted or attached to or installed on a private carrier of passengers or light carrier of property, as defined in Section 27-51-101, at the time when the private carrier of



passengers or light carrier of property is sold shall be taxed at the same rate as the sale of such vehicles under this section.

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

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

(m) Sales of equipment and materials used in connection with geophysical surveying, exploring, developing, drilling, redrilling, completing, working over, producing, distributing, or testing of oil, gas and other mineral resources shall be taxed at the rate of four and one-half percent (4-1/2%). Operators that rebill sales of equipment and materials to nonoperating working interest owners on behalf of a joint account through the joint interest billing (JIB), where the sales tax has been paid or accrued by the operator shall not be charged a sales tax on the JIB as services income.

(n) From and after July 1, 2025, sales of firearms, ammunition, archery equipment, motorcycles, all-terrain vehicles and jet skis shall be taxed at the rate of eight percent (8%).



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

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

**SECTION 2.** Section 27-65-25, Mississippi Code of 1972, is amended as follows:

27-65-25. Upon every person engaging or continuing within this state in the business of selling alcoholic beverages at retail, the sales of which are legal under the provisions of Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby levied, assessed and shall be collected a tax equal to \* \* \* eight percent (8%) of the gross proceeds of the retail sales of the business.

**SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is amended as follows:

27-65-75. On or before the fifteenth day of each month, the revenue collected under the provisions of this chapter during the preceding month shall be paid and distributed as follows:

(1) (a) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under



the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before August 15, 1993, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. However, in the event the State Auditor issues a certificate of noncompliance pursuant to Section 21-35-31, the Department of Revenue shall withhold ten percent (10%) of the allocations and payments to the municipality that would otherwise be payable to the municipality under this paragraph (a) until such time that the department receives written notice of the cancellation of a certificate of noncompliance from the State Auditor.

A municipal corporation, for the purpose of distributing the tax under this subsection, shall mean and include all incorporated cities, towns and villages.

Monies allocated for distribution and credited to a municipal corporation under this paragraph may be pledged as security for a loan if the distribution received by the municipal corporation is





otherwise authorized or required by law to be pledged as security for such a loan.

In any county having a county seat that is not an incorporated municipality, the distribution provided under this subsection shall be made as though the county seat was an incorporated municipality; however, the distribution to the municipality shall be paid to the county treasury in which the municipality is located, and those funds shall be used for road, bridge and street construction or maintenance in the county.

(b) On or before August 15, 2006, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college.

(c) On or before August 15, 2018, and each succeeding month thereafter until August 14, 2019, two percent (2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



227 27-65-24, on business activities within the corporate limits of  
228 the City of Jackson, Mississippi, shall be deposited into the  
229 Capitol Complex Improvement District Project Fund created in  
230 Section 29-5-215. On or before August 15, 2019, and each  
231 succeeding month thereafter until August 14, 2020, four percent  
232 (4%) of the total sales tax revenue collected during the preceding  
233 month under the provisions of this chapter, except that collected  
234 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
235 and 27-65-24, on business activities within the corporate limits  
236 of the City of Jackson, Mississippi, shall be deposited into the  
237 Capitol Complex Improvement District Project Fund created in  
238 Section 29-5-215. On or before August 15, 2020, and each  
239 succeeding month thereafter through July 15, 2023, six percent  
240 (6%) of the total sales tax revenue collected during the preceding  
241 month under the provisions of this chapter, except that collected  
242 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
243 and 27-65-24, on business activities within the corporate limits  
244 of the City of Jackson, Mississippi, shall be deposited into the  
245 Capitol Complex Improvement District Project Fund created in  
246 Section 29-5-215. On or before August 15, 2023, and each  
247 succeeding month thereafter, nine percent (9%) of the total sales  
248 tax revenue collected during the preceding month under the  
249 provisions of this chapter, except that collected under the  
250 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
251 27-65-24, on business activities within the corporate limits of



the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215.

(d) (i) On or before the fifteenth day of the month that the diversion authorized by this section begins, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a redevelopment project area developed under a redevelopment plan adopted under the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be allocated for distribution to the county in which the project area is located if:

1. The county:

a. Borders on the Mississippi Sound and the State of Alabama, or

b. Is Harrison County, Mississippi, and the project area is within a radius of two (2) miles from the intersection of Interstate 10 and Menge Avenue;

2. The county has issued bonds under Section 21-45-9 to finance all or a portion of a redevelopment project in the redevelopment project area;

3. Any debt service for the indebtedness incurred is outstanding; and



277                   4. A development with a value of Ten Million  
278 Dollars (\$10,000,000.00) or more is, or will be, located in the  
279 redevelopment area.

280                   (ii) Before any sales tax revenue may be allocated  
281 for distribution to a county under this paragraph, the county  
282 shall certify to the Department of Revenue that the requirements  
283 of this paragraph have been met, the amount of bonded indebtedness  
284 that has been incurred by the county for the redevelopment project  
285 and the expected date the indebtedness incurred by the county will  
286 be satisfied.

287                   (iii) The diversion of sales tax revenue  
288 authorized by this paragraph shall begin the month following the  
289 month in which the Department of Revenue determines that the  
290 requirements of this paragraph have been met. The diversion shall  
291 end the month the indebtedness incurred by the county is  
292 satisfied. All revenue received by the county under this  
293 paragraph shall be deposited in the fund required to be created in  
294 the tax increment financing plan under Section 21-45-11 and be  
295 utilized solely to satisfy the indebtedness incurred by the  
296 county.

297                   (2) On or before September 15, 1987, and each succeeding  
298 month thereafter, from the revenue collected under this chapter  
299 during the preceding month, One Million One Hundred Twenty-five  
300 Thousand Dollars (\$1,125,000.00) shall be allocated for  
301 distribution to municipal corporations as defined under subsection



(1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel to report to the department monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department of Revenue shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes levied under Section 27-65-21 on contracts for the construction or reconstruction of highways designated under the highway program



created under Section 65-3-97 shall, except as otherwise provided in Section 31-17-127, be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund that highway program. The Mississippi Department of Transportation shall provide to the Department of Revenue such information as is necessary to determine the amount of proceeds to be distributed under this subsection.

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds



may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

(a) One-third (1/3) shall be allocated to all counties in equal shares;

(b) One-third (1/3) shall be allocated to counties based on the proportion that the total number of rural road miles in a county bears to the total number of rural road miles in all counties of the state; and

(c) One-third (1/3) shall be allocated to counties based on the proportion that the rural population of the county bears to the total rural population in all counties of the state, according to the latest federal decennial census.

For the purposes of this subsection, the term "gasoline, diesel fuel or kerosene taxes" means such taxes as defined in paragraph (f) of Section 27-5-101.



377           The amount of funds allocated to any county under this  
378 subsection for any fiscal year after fiscal year 1994 shall not be  
379 less than the amount allocated to the county for fiscal year 1994.

380           Any reference in the general laws of this state or the  
381 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
382 construed to refer and apply to subsection (4) of Section  
383 27-65-75.

384           (5) On or before August 15, 2024, and each succeeding month  
385 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred  
386 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special  
387 fund known as the Education Enhancement Fund created and existing  
388 under the provisions of Section 37-61-33.

389           (6) An amount each month beginning August 15, 1983, through  
390 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
391 1983, shall be paid into the special fund known as the  
392 Correctional Facilities Construction Fund created in Section 6,  
393 Chapter 542, Laws of 1983.

394           (7) On or before August 15, 1992, and each succeeding month  
395 thereafter through July 15, 2000, two and two hundred sixty-six  
396 one-thousandths percent (2.266%) of the total sales tax revenue  
397 collected during the preceding month under the provisions of this  
398 chapter, except that collected under the provisions of Section  
399 27-65-17(2), shall be deposited by the department into the School  
400 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
401 or before August 15, 2000, and each succeeding month thereafter,





two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars (\$42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars (\$42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

(8) On or before August 15, 1992, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33.

(9) On or before August 15, 1994, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be paid into the State Aid Road Fund.



427           (10) On or before August 15, 1994, and each succeeding month  
428 thereafter through August 15, 1995, from the revenue collected  
429 under this chapter during the preceding month, Two Million Dollars  
430 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
431 Valorem Tax Reduction Fund established in Section 27-51-105.

432           (11) Notwithstanding any other provision of this section to  
433 the contrary, on or before February 15, 1995, and each succeeding  
434 month thereafter, the sales tax revenue collected during the  
435 preceding month under the provisions of Section 27-65-17(2) and  
436 the corresponding levy in Section 27-65-23 on the rental or lease  
437 of private carriers of passengers and light carriers of property  
438 as defined in Section 27-51-101 shall be deposited, without  
439 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
440 established in Section 27-51-105.

441           (12) Notwithstanding any other provision of this section to  
442 the contrary, on or before August 15, 1995, and each succeeding  
443 month thereafter, the sales tax revenue collected during the  
444 preceding month under the provisions of Section 27-65-17(1) on  
445 retail sales of private carriers of passengers and light carriers  
446 of property, as defined in Section 27-51-101 and the corresponding  
447 levy in Section 27-65-23 on the rental or lease of these vehicles,  
448 shall be deposited, after diversion, into the Motor Vehicle Ad  
449 Valorem Tax Reduction Fund established in Section 27-51-105.

450           (13) On or before July 15, 1994, and on or before the  
451 fifteenth day of each succeeding month thereafter, that portion of



the avails of the tax imposed in Section 27-65-22 that is derived from activities held on the Mississippi State Fairgrounds Complex shall be paid into a special fund that is created in the State Treasury and shall be expended upon legislative appropriation solely to defray the costs of repairs and renovation at the Trade Mart and Coliseum.

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39. On or before August 15, 2007, and each succeeding month thereafter through July 15, 2010, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39 until all debts or other obligations incurred by the Certified Cotton Growers Organization under the Mississippi Boll Weevil Management Act before January 1, 2007, are satisfied in full. On or before August 15, 2010, and each succeeding month thereafter through July 15, 2011, fifty percent (50%) of that portion of the avails of the tax imposed in Section 27-65-23 that



is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars (\$1,000,000.00). On or before August 15, 2011, and each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars (\$1,000,000.00).

(15) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

(16) (a) On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a project as defined in Section 57-30-1 shall be deposited, after all diversions except the diversion provided



for in subsection (1) of this section, into the Sales Tax Incentive Fund created in Section 57-30-3.

(b) On or before August 15, 2007, and each succeeding month thereafter, eighty percent (80%) of the sales tax revenue collected during the preceding month under the provisions of this chapter from the operation of a tourism project under the provisions of Sections 57-26-1 through 57-26-5, shall be deposited, after the diversions required in subsections (7) and (8) of this section, into the Tourism Project Sales Tax Incentive Fund created in Section 57-26-3.

(17) Notwithstanding any other provision of this section to the contrary, on or before April 15, 2002, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under Section 27-65-23 on sales of parking services of parking garages and lots at airports shall be deposited, without diversion, into the special fund created under Section 27-5-101(d).

(18) [Repealed]

(19) (a) On or before August 15, 2005, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a business enterprise located within a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and the revenue collected on the gross proceeds of sales from sales made to a business enterprise located



in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises of the business enterprise), shall, except as otherwise provided in this subsection (19), be deposited, after all diversions, into the Redevelopment Project Incentive Fund as created in Section 57-91-9.

(b) For a municipality participating in the Economic Redevelopment Act created in Sections 57-91-1 through 57-91-11, the diversion provided for in subsection (1) of this section attributable to the gross proceeds of sales of a business enterprise located within a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and attributable to the gross proceeds of sales from sales made to a business enterprise located in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises of the business enterprise), shall be deposited into the Redevelopment Project Incentive Fund as created in Section 57-91-9, as follows:

(i) For the first six (6) years in which payments are made to a developer from the Redevelopment Project Incentive Fund, one hundred percent (100%) of the diversion shall be deposited into the fund;



551 (ii) For the seventh year in which such payments  
552 are made to a developer from the Redevelopment Project Incentive  
553 Fund, eighty percent (80%) of the diversion shall be deposited  
554 into the fund;

555 (iii) For the eighth year in which such payments  
556 are made to a developer from the Redevelopment Project Incentive  
557 Fund, seventy percent (70%) of the diversion shall be deposited  
558 into the fund;

559 (iv) For the ninth year in which such payments are  
560 made to a developer from the Redevelopment Project Incentive Fund,  
561 sixty percent (60%) of the diversion shall be deposited into the  
562 fund; and

563 (v) For the tenth year in which such payments are  
564 made to a developer from the Redevelopment Project Incentive Fund,  
565 fifty percent (50%) of the funds shall be deposited into the fund.

566 (20) On or before January 15, 2007, and each succeeding  
567 month thereafter, eighty percent (80%) of the sales tax revenue  
568 collected during the preceding month under the provisions of this  
569 chapter from the operation of a tourism project under the  
570 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
571 after the diversions required in subsections (7) and (8) of this  
572 section, into the Tourism Sales Tax Incentive Fund created in  
573 Section 57-28-3.

574 (21) (a) On or before April 15, 2007, and each succeeding  
575 month thereafter through June 15, 2013, One Hundred Fifty Thousand



Dollars (\$150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-101-3.

(b) On or before July 15, 2013, and each succeeding month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the Mississippi Development Authority Job Training Grant Fund created in Section 57-1-451.

(22) On or before June 1, 2024, and each succeeding month thereafter until December 31, 2057, an amount determined annually by the Mississippi Development Authority of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-125-3. This amount shall be based on estimated payments due within the upcoming year to construction contractors pursuant to construction contracts subject to the tax imposed by Section 27-65-21 for construction to be performed on the project site of a project defined under Section 57-75-5(f)(xxxiii) for the coming year.

(23) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2009, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201 shall be





deposited, without diversion, into the Motor Vehicle Ad Valorem  
Tax Reduction Fund established in Section 27-51-105.

(24) (a) On or before August 15, 2019, and each month  
thereafter through July 15, 2020, one percent (1%) of the total  
sales tax revenue collected during the preceding month from  
restaurants and hotels shall be allocated for distribution to the  
Mississippi Development Authority Tourism Advertising Fund  
established under Section 57-1-64, to be used exclusively for the  
purpose stated therein. On or before August 15, 2020, and each  
month thereafter through July 15, 2021, two percent (2%) of the  
total sales tax revenue collected during the preceding month from  
restaurants and hotels shall be allocated for distribution to the  
Mississippi Development Authority Tourism Advertising Fund  
established under Section 57-1-64, to be used exclusively for the  
purpose stated therein. On or before August 15, 2021, and each  
month thereafter, three percent (3%) of the total sales tax  
revenue collected during the preceding month from restaurants and  
hotels shall be allocated for distribution to the Mississippi  
Development Authority Tourism Advertising Fund established under  
Section 57-1-64, to be used exclusively for the purpose stated  
therein. The revenue diverted pursuant to this subsection shall  
not be available for expenditure until February 1, 2020.

(b) The Joint Legislative Committee on Performance  
Evaluation and Expenditure Review (PEER) must provide an annual  
report to the Legislature indicating the amount of funds deposited



into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.

(25) (a) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2025, and each succeeding month thereafter, the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17(1)(n) and 27-65-25 from the amount of the increases to tax rates under such sections as provided in this act shall be deposited, without diversion, into the Mississippi Hospitals Uncompensated Care Assistance Fund created in Section 11 of this act.

(b) The provisions of this subsection (25) shall supersede and control over any other provisions of this section providing for the distribution of revenue under this section.

( \* \* \*26) The remainder of the amounts collected under the provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund.

( \* \* \*27) (a) It shall be the duty of the municipal officials of any municipality that expands its limits, or of any community that incorporates as a municipality, to notify the commissioner of that action thirty (30) days before the effective date. Failure to so notify the commissioner shall cause the municipality to forfeit the revenue that it would have been



entitled to receive during this period of time when the  
commissioner had no knowledge of the action.

(b) (i) Except as otherwise provided in subparagraph  
(ii) of this paragraph, if any funds have been erroneously  
disbursed to any municipality or any overpayment of tax is  
recovered by the taxpayer, the commissioner may make correction  
and adjust the error or overpayment with the municipality by  
withholding the necessary funds from any later payment to be made  
to the municipality.

(ii) Subject to the provisions of Sections  
27-65-51 and 27-65-53, if any funds have been erroneously  
disbursed to a municipality under subsection (1) of this section  
for a period of three (3) years or more, the maximum amount that  
may be recovered or withheld from the municipality is the total  
amount of funds erroneously disbursed for a period of three (3)  
years beginning with the date of the first erroneous disbursement.  
However, if during such period, a municipality provides written  
notice to the Department of Revenue indicating the erroneous  
disbursement of funds, then the maximum amount that may be  
recovered or withheld from the municipality is the total amount of  
funds erroneously disbursed for a period of one (1) year beginning  
with the date of the first erroneous disbursement.

**SECTION 4.** Section 27-69-3, Mississippi Code of 1972, is  
amended as follows:

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



675           (a) "State" means the State of Mississippi as  
676 geographically defined, and any and all waters under the  
677 jurisdiction of the State of Mississippi.

678           (b) "State Auditor" means the Auditor of Public  
679 Accounts of the State of Mississippi, or his legally appointed  
680 deputy, clerk or agent.

681           (c) "Commissioner" means the Commissioner of Revenue of  
682 the Department of Revenue, and his authorized agents and  
683 employees.

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

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

692           (f) "Tobacco" means any cigarettes, cigars, cheroots,  
693 stogies, smoking tobacco (including granulated, plug cut, crimp  
694 cut, ready rubbed, and other kinds and forms of tobacco, or  
695 substitutes therefor, prepared in such manner as to be suitable  
696 for smoking in a pipe or cigarette) and including plug and twist  
697 chewing tobacco and snuff, when such "tobacco" is manufactured and  
698 prepared for sale or personal consumption. All words used herein,  
699 except vapor products, shall be given the meaning as defined in



the regulations of the Treasury Department of the United States of America. The term "tobacco" also includes heated tobacco products. The term "tobacco" also includes vapor products.

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

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

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

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

(k) "Retailer" includes every person, other than a wholesale dealer, as defined above, whose principal business is that of selling merchandise at retail, who shall sell, or offer for sale tobacco to the consumer. The sale of tobacco in quantity



lots by retailers to other retailers, transient vendors, or other persons, shall not be construed as wholesale and shall not qualify such retailer for a permit as a wholesaler.

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

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

(m) "Distributing agent" includes every person in the state who acts as an agent of any person outside the State of Mississippi, by receiving tobacco in interstate commerce, and storing such tobacco in this state subject to distribution, or delivery upon order from the person outside the state to distributors, wholesalers, retailers and dealers.

(n) "Transient vendor" means and includes every person commonly and generally termed "peddlers" and every person acting for himself, or as an agent, employee, salesman, or in any capacity for another, whether as owner, bailee, or other custodian of tobacco, and going from person to person, dealer to dealer, house to house, or place to place, and selling or offering for sale at retail or wholesale tobacco, and every person who does not



750 keep a regular place of business open at all times in regular  
751 hours, and every person who goes from person to person, dealer to  
752 dealer, house to house, or place to place, and sells or offers for  
753 sale tobacco which he carries with him, and who delivers the same  
754 at the time of, or immediately after the sale, or without  
755 returning to the place of business operations (a permanent place  
756 of business within the state) between the taking of the order and  
757 the delivery of the tobacco, or

758 All persons who go from person to person, house to house,  
759 place to place, or dealer to dealer, soliciting orders by  
760 exhibiting samples, or taking orders, and thereafter making  
761 delivery of tobacco, or filling the order without carrying or  
762 sending the order to the permanent place of business, and  
763 thereafter making delivery of the tobacco pursuant to the terms of  
764 the order, or

765 All persons who go from person to person, place to place,  
766 house to house, or dealer to dealer, carrying samples and selling  
767 tobacco from samples, and afterwards making delivery without  
768 taking and sending an order therefor to a permanent place of  
769 business for the filling of the order, and delivery of the  
770 tobacco, or the exchange of tobacco having become damaged or  
771 unsalable, or the purchase by tobacco of advertising space, or

772 All persons who have in their possession, or under their  
773 control, any tobacco offered, or to be offered for sale or to be  
774 delivered, unless the sale or delivery thereof is to be made in



pursuance of a bona fide order for the tobacco, to be sold or delivered, the order to be evidenced by an invoice or memorandum.

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

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

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

(r) "Stamp" or "stamping," or the import of such word, when used in this chapter, means any manner of stamp or impression permitted by the commissioner that carries out the purposes of the chapter in clearly indicating upon the packages of cigarettes taxed the due payment of the tax and clearly identifying, by serial number or otherwise, the permittee who affixed the stamp to the particular package.

(s) "Manufacturer's list price" means the full sales price at which tobacco is sold or offered for sale by a manufacturer to the wholesaler or distributor in this state without any deduction for freight, trade discount, cash discounts,





800 special discounts or deals, cash rebates, or any other reduction  
801 from the regular selling price. In the event freight charges on  
802 shipments to wholesalers or distributors are not paid by the  
803 manufacturer, then such freight charges required to be paid by the  
804 wholesalers and distributors shall be added to the amount paid to  
805 the manufacturer in order to determine "manufacturer's list  
806 price." In the case of a wholesaler or distributor whose place of  
807 business is located outside this state, the "manufacturer's list  
808 price" for tobacco sold in this state by such wholesaler or  
809 distributor shall in all cases be considered to be the same as  
810 that of a wholesaler or distributor located within this state.

811 (t) "Heated tobacco products" means a product  
812 containing tobacco that produces an inhalable aerosol by (i)  
813 heating the tobacco without combustion of the tobacco or (ii) heat  
814 generated from a combustion source that only or primarily heats  
815 rather than burns the tobacco.

816 (u) "Vapor product" means an electronic product or  
817 device that may be used to deliver any aerosolized or vaporized  
818 substance to the person inhaling from the product or device,  
819 including, but not limited to, an e-cigar, e-cigarillo, e-pipe,  
820 vape pen or e-hookah; and includes any cartridge, component, part  
821 or accessory of the electronic product or device, whether or not  
822 sold separately, and also includes any liquid, capsule, powder or  
823 substance intended to be aerosolized, vaporized or otherwise  
824 ingested during the use of the electronic product or device,



whether or not the substance contains nicotine. The term "vapor product" does not include (i) a product that is a drug under 21 USCS 321(g)(1); (ii) a product that is a device under 21 USCS 321(h); or (iii) a combination product described in 21 USCS 353(g).

**SECTION 5.** Section 27-69-13, Mississippi Code of 1972, is amended as follows:

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

(a) On cigarettes, the rate of tax shall be \* \* \* Four and Four-tenths Cents (4.4¢) on each cigarette sold with a maximum length of one hundred twenty (120) millimeters; any cigarette in excess of this length shall be taxed as if it were two (2) or more cigarettes. Provided, however, if the federal tax rate on cigarettes in effect on June 1, 1985, is reduced, then the rate as provided herein shall be increased by the amount of the federal tax reduction. Such tax increase shall take effect on the first day of the month following the effective date of such reduction in the federal tax rate. Heated tobacco products shall not be taxed as cigarettes under this paragraph (a); however, this exclusion



850 shall not affect heated tobacco products for any purposes related  
851 to Section 27-70-1 et seq.

852 (b) On cigars, cheroots, stogies, snuff, chewing and  
853 smoking tobacco, vapor products and all other tobacco products  
854 except cigarettes and heated tobacco products, the rate of tax  
855 shall be \* \* \* sixteen percent (16%) of the manufacturer's list  
856 price.

857 (c) On heated tobacco products, the rate of tax shall  
858 be one and twenty-five one-hundredths cents (1.25¢) on each  
859 disposable heated tobacco unit or stick sold to be used for  
860 consumption by insertion into a heated tobacco product heating  
861 system device.

862 No stamp evidencing the tax herein levied on cigarettes shall  
863 be of a denomination of less than One Cent (1¢), and whenever the  
864 tax computed at the rates herein prescribed on cigarettes shall be  
865 a specified amount, plus a fractional part of One Cent (1¢), the  
866 package shall be stamped for the next full cent; however, the  
867 additional face value of stamps purchased to comply with taxes  
868 imposed by this section after June 1, 1985, shall be subject to a  
869 four percent (4%) discount or compensation to dealers for their  
870 services rather than the eight percent (8%) discount or  
871 compensation allowed by Section 27-69-31.

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



875       The above tax is levied upon the sale, use, gift, possession  
876 or consumption of tobacco within the State of Mississippi, and the  
877 impact of the tax levied by this chapter is hereby declared to be  
878 on the vendee, user, consumer or possessor of tobacco in this  
879 state; and when said tax is paid by any other person, such payment  
880 shall be considered as an advance payment and shall thereafter be  
881 added to the price of the tobacco and recovered from the ultimate  
882 consumer or user.

883       **SECTION 6.** Section 27-69-15, Mississippi Code of 1972, is  
884 amended as follows:

885       27-69-15. Any retailer, transient vendor, distributing  
886 agent, salesman, or other dealer who shall receive any cigarettes  
887 other than from a wholesaler having a permit as herein provided,  
888 and not having the necessary stamps already affixed, shall, after  
889 the receipt of such cigarettes, within the time limit herein  
890 provided, present the same to some wholesaler having such permit,  
891 for the affixing of the stamps required, and it shall be the duty  
892 of such wholesaler, thereupon and upon the payment to him by such  
893 retailer of the face value of the stamps required, to affix the  
894 stamps to said cigarettes in the same manner as if the cigarettes  
895 were handled and sold by such wholesaler, provided, that such  
896 wholesaler, before affixing the stamps, shall require of the  
897 retailer, transient vendor, distributing agent, salesman, or other  
898 dealer, the original invoice for the cigarettes to be stamped, and  
899 such wholesaler shall in each instance note upon the invoice, the



denominations and number of stamps affixed to the cigarettes covered by said invoice, the notation to be made in ink, or other manner not easy to erase, at the time the stamps are affixed.

It is further provided that, in addition hereto, the wholesaler shall keep a separate record of all stamps affixed to taxable cigarettes presented by retailers, transient vendors, distributing agents, salesmen, or other dealers, showing the name of the retailer, transient vendor, distributing agent, salesman, or other dealer, name of the shipper, date of shipper's invoice, the date stamps were affixed, denomination of stamps affixed, and total value of stamps affixed.

When the request is made to any wholesaler in this state by a retailer, transient vendor, distributing agent, salesman, or other dealer in this state, said request being duly and seasonably made for the affixing of stamps, and the request is accompanied by proper remittance and invoice, and such wholesaler refuses to affix the stamps to cigarettes as requested, said wholesaler shall forfeit to the state a penalty of Twenty-five Dollars (\$25.00) for each offense, the same to be collected by the commissioner and, in addition thereto, in the discretion of the commissioner, forfeit his permit to handle stamps. In the event of such refusal on the part of any wholesaler to affix stamps said retailer, transient vendor, distributing agent, salesman, or other dealer may make application to the commissioner for stamps to be placed on the cigarettes upon which the wholesaler refused to affix the stamps,



925 said application to be accompanied by an affidavit from the  
926 retailer, transient vendor, distributing agent, salesman, or other  
927 dealer, or some other credible person, setting forth the facts,  
928 whereupon the commissioner may issue and sell to such retailer,  
929 transient vendor, distributing agent, salesman, or other dealer, a  
930 sufficient number of stamps to be affixed to the cigarettes.

931 Stamps shall not be affixed to any cigarettes except by a  
932 wholesale dealer having a permit, except as otherwise provided in  
933 this chapter.

934 Stamps shall not be required to be affixed to any cigarettes  
935 while the same is in interstate commerce.

936 Any person who receives cigars, smoking tobacco, chewing  
937 tobacco, snuff, vapor products or any other tobacco products  
938 except cigarettes from anyone other than a wholesaler having a  
939 tobacco permit issued by this state and the excise tax on the  
940 tobacco received has not been paid, shall compute the excise tax  
941 due the State of Mississippi at the rate prescribed herein on  
942 forms furnished by the commissioner for that purpose. Such report  
943 shall be accompanied by the remittance for the tax due and shall  
944 be filed with the commissioner within forty-eight (48) hours after  
945 receipt of the tobacco by such person.

946 In no case shall the provisions of this chapter be construed  
947 to require the payment of a tax upon any tobacco upon which the  
948 tax herein levied has once been paid to the state.



949       **SECTION 7.** Section 27-69-27, Mississippi Code of 1972, is  
950 amended as follows:

951       27-69-27. The payment of the tax imposed by this chapter  
952 shall be evidenced by affixing stamps to each individual package  
953 of cigarettes usually sold to consumers, as distinguished from  
954 cartons or larger units which are composed of a number of  
955 individual packages.

956       Except as otherwise provided in this paragraph, the stamp  
957 shall be affixed within seventy-two (72) hours after the receipt  
958 of the cigarettes by the wholesaler, and within forty-eight (48)  
959 hours after receipt of the cigarettes by the retailer; provided,  
960 that in the case a dealer conducts a wholesale and retail business  
961 at one (1) place of business, stamps shall be affixed within  
962 forty-eight (48) hours after receipt of the cigarettes. However,  
963 the provisions of this paragraph shall not apply to tobacco at the  
964 point it is purchased at a sale under Section 27-69-56. The stamp  
965 must be so securely affixed as to require the continued  
966 application of water or of steam to remove it, or so that it  
967 cannot be otherwise removed without destruction or mutilation.

968       The excise tax imposed on cigars, smoking tobacco, chewing  
969 tobacco, snuff, vapor products and all other tobacco products  
970 except cigarettes and heated tobacco products shall be computed by  
971 the application of the excise tax rate to the manufacturer's list  
972 price on all purchases of such tobacco. The excise tax shall be  
973 due and payable on or before the fifteenth day of the month next



974 succeeding the month in which the tax accrues. The tax shall be  
975 filed with the commissioner on forms prescribed by the  
976 commissioner.

977         Provided, however, manufacturers or other wholesale  
978 distributors of tobacco, which are subject to the excise taxes  
979 imposed by Section 27-69-13 of this chapter for the privilege of  
980 selling or using such tobaccos within this state, who maintain  
981 "terminals" or warehouses in which such tobaccos are stored, and  
982 who sell only to licensed wholesale dealers within the state who  
983 are qualified to purchase and affix the stamps required, may  
984 maintain such "spot stocks," intended only for such sales, without  
985 affixing the stamps or filing returns and paying the tax.

986         Any person desiring to maintain such "terminal" or warehouse,  
987 shall make application to the commissioner and obtain a permit to  
988 maintain such stocks without affixing stamps thereto, for sale  
989 exclusively to out-of-state purchasers, or licensed wholesale  
990 dealers within this state, and the commissioner is hereby  
991 authorized to grant such permit upon the execution and filing with  
992 the commissioner, by the applicant, a bond with surety companies,  
993 authorized to do business in Mississippi, as surety thereon, and  
994 conditioned for the strict compliance by the applicant, with the  
995 following conditions under which said privilege may be granted.

996         The person maintaining such stock of untaxed tobacco shall  
997 supply to the commissioner monthly, or at such times as the  
998 commissioner may require, complete invoices of all tobaccos





999 received, and shall also supply correct invoices of all tobaccos  
1000 removed from such "terminal" or warehouse, said invoices to  
1001 contain the correct name and address of all persons to whom such  
1002 tobacco shall be delivered or consigned, whether within or without  
1003 the State of Mississippi.

1004 The penalty of such bond shall be determined by the  
1005 commissioner, in an amount sufficient to protect the State of  
1006 Mississippi from any loss of revenue which might occur by reason  
1007 of the failure of principal to strictly adhere to the requirement  
1008 that no tobacco would be sold from such stock within the State of  
1009 Mississippi, except to licensed wholesale dealers.

1010 **SECTION 8.** Section 27-69-33, Mississippi Code of 1972, is  
1011 amended as follows:

1012 27-69-33. Manufacturers, distributors and wholesalers of  
1013 cigars, cigarettes \* \* \*, smoking tobacco or vapor products  
1014 subject to the tax under this chapter, doing both intrastate and  
1015 interstate business in such tobacco, must qualify as interstate  
1016 dealers in such tobacco by applying to the commissioner for  
1017 permission to engage in such business, and, upon receipt of such  
1018 permission, he shall be permitted to set aside such part of his  
1019 stock as may be absolutely necessary for the conduct of such  
1020 interstate business, without affixing the stamps to cigarettes  
1021 required by this chapter. Said interstate stock shall be kept in  
1022 an entirely separate part of the building, separate and apart from  
1023 intrastate stock, and the said interstate business shall be



1024 conducted by the said wholesale dealer in accordance with rules  
1025 and regulations to be promulgated by the commissioner.

1026 It is further provided that shipment of such merchandise be  
1027 made only by a railroad, express company, boat line, or motor  
1028 freight line certified by the Mississippi Public Service  
1029 Commission as a common carrier, or by registered or insured parcel  
1030 post.

1031 It is further provided that any manufacturer, distributor, or  
1032 wholesaler of cigars, cigarettes \* \* \*, smoking tobacco or vapor  
1033 products, engaged in interstate commerce in such tobaccos, shall  
1034 report to the commissioner on or before the fifteenth day of each  
1035 month, on forms prescribed by the commissioner, all sales of  
1036 cigarettes made in interstate commerce during the preceding month  
1037 to which Mississippi stamps were not affixed. These reports must  
1038 be made supplementary to the reports required to be filed by  
1039 Section 27-69-35 of this chapter.

1040 Each shipment must be covered by a complete copy of invoice  
1041 of the consignor, and supported by properly receipted bill of  
1042 lading of the transportation company, or post office department as  
1043 specified in the foregoing, and the receipted bills of lading and  
1044 invoices shall be subject to inspection by the commissioner for a  
1045 period of three (3) years.

1046 The commissioner is further authorized to verify the actual  
1047 delivery to the consignee of such unstamped taxable cigarettes  
1048 before allowing credit, and for the purpose of such verification,



the commissioner may exchange information with the proper authorities of other states as to movement of taxable tobacco to and from other states into and from the State of Mississippi.

**SECTION 9.** Section 27-69-35, Mississippi Code of 1972, is amended as follows:

27-69-35. It shall be the duty of every person subject to the provisions of this chapter, to keep an accurate set of records, showing all transactions had with reference to the purchase, sale or gift of cigars, cigarettes, \* \* \*, smoking tobacco or vapor products, and such person shall keep separately all invoices of cigars, cigarettes \* \* \*, smoking tobacco or vapor products, and shall keep a record of all stamps purchased, and such records, and all stocks of cigars, cigarettes \* \* \*, smoking tobacco or vapor products on hand, shall be open to inspection at all reasonable times to the commissioner; provided, however, that all retail dealers, transient vendors, distributing agents, or other dealers purchasing, or receiving cigars, cigarettes, \* \* \*, smoking tobacco or vapor products from without the state, whether the same shall have been ordered through a wholesaler, or jobber in this state, or by drop shipment, or otherwise, shall within five (5) days after receipt of the same, mail a duplicate invoice of all such purchases, or receipts, to the commissioner, and failure to furnish such duplicate invoices shall be deemed a misdemeanor.



1073           It is further provided that all manufacturers, distributors  
1074 and wholesalers of cigars, cigarettes \* \* \*, smoking tobacco or  
1075 vapor products, who have a permit required by this chapter shall  
1076 furnish the commissioner with a statement monthly, showing the  
1077 amount of taxable tobacco received, and must also furnish the  
1078 commissioner with duplicate invoices covering stamps affixed to  
1079 drop shipments purchased by retailers.

1080           In the examination of such books, records, etc., the  
1081 commissioner shall have the power to administer oaths to any  
1082 person, and any person answering falsely, under oath, any of such  
1083 questions, shall be guilty of perjury.

1084           If any person being so examined, fails to answer questions  
1085 propounded to him by the commissioner, or if any person, being  
1086 summoned to appear and answer such questions, shall fail or refuse  
1087 to do so, or if any person shall fail or refuse to permit the  
1088 inspection of his stock of merchandise, or invoices, or books, or  
1089 papers pertaining to any dealers in cigars, cigarettes \* \* \*,  
1090 smoking tobacco or vapor products, the commissioner may make such  
1091 fact known to the circuit court of the county in which such  
1092 failure or refusal occurs, or judge thereof in termtime or in  
1093 vacation, by petition, and such circuit court, or judge thereof,  
1094 shall issue a summons for such person so refusing, returnable on a  
1095 date to be fixed by said court, or said judge, and on said date,  
1096 the said circuit court, or the circuit judge, shall proceed to  
1097 examine into the truth of the matter set out in said petition, and



1098 if the same be found to be true, the said circuit court, or  
1099 circuit judge, shall issue a writ of subpoena duces tecum ordering  
1100 and directing the person so summoned to bring into court, and  
1101 exhibit for the inspection of the commissioner, all such books,  
1102 records, invoices, etc., as the court may deem proper from all the  
1103 facts and circumstances in the case. Any person failing or  
1104 refusing to present such books, records, invoices, etc., or  
1105 failing or refusing to testify, shall be punished for contempt as  
1106 provided by Section 9-1-17 of the Mississippi Code of 1972.

1107       **SECTION 10.** Section 27-69-75, Mississippi Code of 1972, is  
1108 amended as follows:

1109       27-69-75. All taxes levied by this chapter shall be payable  
1110 to the commissioner in cash, or by personal check, cashier's  
1111 check, bank exchange, post office money order or express money  
1112 order, and shall be deposited by the commissioner in the State  
1113 Treasury on the same day collected. No remittance other than cash  
1114 shall be a final discharge of liability for the tax herein  
1115 assessed and levied, unless and until it has been paid in cash to  
1116 the commissioner.

1117       Except as otherwise provided in this section, all tobacco  
1118 taxes collected, including tobacco license taxes, shall be  
1119 deposited into the State Treasury to the credit of the General  
1120 Fund. On or before September 15, 2025, and each succeeding month  
1121 thereafter tobacco taxes collected during the preceding month  
1122 under the provisions of this chapter from the increases to tax



1123 rates under Section 27-69-13 and as a result of the amendment to  
1124 Section 27-69-3, as provided in this act shall be deposited into  
1125 the Mississippi Hospital Uncompensated Care Assistance Fund  
1126 created in Section 11 of this act.

1127       Wholesalers who are entitled to purchase stamps at a  
1128 discount, as provided by Section 27-69-31, may have consigned to  
1129 them, without advance payment, such stamps, if and when such  
1130 wholesaler shall give to the commissioner a good and sufficient  
1131 bond executed by some surety company authorized to do business in  
1132 this state, conditioned to secure the payment for the stamps so  
1133 consigned. The commissioner shall require payment for such stamps  
1134 not later than thirty (30) days from the date the stamps were  
1135 consigned.

1136       **SECTION 11.** (1) There is created in the State Treasury a  
1137 special fund to be designated as the "Mississippi Hospitals  
1138 Uncompensated Care Assistance Fund," which shall consist of funds  
1139 deposited therein under Sections 27-65-75(25) and 27-69-75,  
1140 Mississippi Code of 1972, and funds from any other source  
1141 designated for deposit into such fund. The fund shall be  
1142 maintained by the State Treasurer as a separate and special fund,  
1143 separate and apart from the General Fund of the state. Unexpended  
1144 amounts remaining in the fund at the end of a fiscal year shall  
1145 not lapse into the State General Fund, and any investment earnings  
1146 or interest earned on amounts in the fund shall be deposited to  
1147 the credit of the fund. Monies in the fund shall be used by the



1148 Department of Health, upon appropriation by the Legislature, for  
1149 the purposes described in subsection (2) of this section.

1150 (2) (a) The Department of Health shall establish a program  
1151 for reimbursing hospitals, in whole or in part, for uncompensated  
1152 medical care services as follows:

1153 (i) Eighty percent (80%) of the monies in the fund  
1154 shall be allocated to all hospitals in this state in equal shares,  
1155 and

1156 (ii) Twenty percent (20%) of the monies in the  
1157 fund shall be allocated to hospitals in this state that have not  
1158 more than seventy-five (75) licensed beds based on the proportion  
1159 that the total uncompensated medical care services provided by  
1160 such a hospital bears to the total uncompensated medical care  
1161 services provided by all of such hospitals in the state, as  
1162 determined by the Department of Health.

1163 (b) A hospital desiring assistance under paragraph  
1164 (a)(ii) of this subsection may apply to the Department of Health  
1165 for reimbursement of the uncompensated medical care services. A  
1166 hospital desiring assistance must submit an application to the  
1167 Department of Health. The application must include a description  
1168 of the medical care services provided by the hospital for which  
1169 the assistance is requested, the total costs of the medical care  
1170 services provided by the hospital and the portion of such costs  
1171 for which the hospital was not compensated, the amount of



1172 assistance requested and any other information required by the  
1173 Department of Health.

1174 (c) The Department of Health shall have all powers  
1175 necessary to implement and administer the program established  
1176 under this section, and the department shall promulgate rules and  
1177 regulations, in accordance with the Mississippi Administrative  
1178 Procedures Law, necessary for the implementation of this section.

1179 **SECTION 12.** This act shall take effect and be in force from  
1180 and after July 1, 2025.

