

By: Representative Creekmore IV

To: Public Health and Human Services; Appropriations A

HOUSE BILL NO. 572

1 AN ACT TO CREATE THE MENTAL HEALTH EMPLOYEE RETENTION LOAN
2 REPAYMENT PROGRAM FOR CERTAIN NEW MENTAL HEALTH EMPLOYEES TO BE
3 ADMINISTERED BY THE MISSISSIPPI POSTSECONDARY EDUCATION FINANCIAL
4 ASSISTANCE BOARD; TO PROVIDE ELIGIBILITY REQUIREMENTS FOR PERSONS
5 SEEKING TO PARTICIPATE IN THE PROGRAM; TO SET A MAXIMUM AMOUNT OF
6 LOAN REPAYMENT ASSISTANCE UNDER THE PROGRAM; TO REQUIRE THE
7 MISSISSIPPI POSTSECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD TO
8 PROMULGATE REGULATIONS NECESSARY FOR THE PROPER ADMINISTRATION OF
9 THIS ACT, INCLUDING SETTING A FISCAL YEAR POLICY FOR THE PROGRAM
10 AND APPLICATION DATES AND DEADLINES; TO CREATE THE "MENTAL HEALTH
11 EMPLOYEE RETENTION LOAN REPAYMENT FUND" AS A SPECIAL FUND IN THE
12 STATE TREASURY; TO PROVIDE THAT MONIES IN THE FUND SHALL BE USED
13 BY THE MISSISSIPPI POSTSECONDARY EDUCATION FINANCIAL ASSISTANCE
14 BOARD, UPON APPROPRIATION BY THE LEGISLATURE, FOR THE PURPOSE OF
15 PAYING AWARDS UNDER THE MENTAL HEALTH EMPLOYEE RETENTION LOAN
16 REPAYMENT PROGRAM; TO AMEND SECTION 27-7-15, MISSISSIPPI CODE OF
17 1972, TO REVISE THE DEFINITION OF THE TERM "GROSS INCOME" UNDER
18 THE STATE INCOME TAX LAW TO EXCLUDE LOAN REPAYMENT ASSISTANCE
19 PROVIDED UNDER THE MENTAL HEALTH EMPLOYEE RETENTION LOAN REPAYMENT
20 PROGRAM; TO AMEND SECTION 27-69-3, MISSISSIPPI CODE OF 1972, TO
21 REVISE THE DEFINITION OF THE TERM "TOBACCO" UNDER THE TOBACCO TAX
22 LAW; TO DEFINE THE TERM "VAPOR PRODUCT" UNDER THE TOBACCO TAX LAW;
23 TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972, TO LEVY AN
24 EXCISE TAX ON VAPOR PRODUCTS; TO AMEND SECTIONS 27-69-15,
25 27-69-27, 27-69-33 AND 27-69-35, MISSISSIPPI CODE OF 1972, IN
26 CONFORMITY THERETO; TO AMEND SECTION 27-69-75, MISSISSIPPI CODE OF
27 1972, TO PROVIDE THAT THE REVENUE DERIVED FROM THE EXCISE TAX ON
28 VAPOR PRODUCTS SHALL BE DEPOSITED INTO THE "MENTAL HEALTH EMPLOYEE
29 RETENTION LOAN REPAYMENT FUND"; TO BRING FORWARD SECTION 27-69-69,
30 MISSISSIPPI CODE OF 1972, WHICH IS A SECTION OF THE TOBACCO TAX
31 LAW, FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED
32 PURPOSES.

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



34 SECTION 1. (1) For the purposes of this section, the
35 following terms shall have the meanings ascribed in this
36 subsection unless the context clearly indicates otherwise:

37 (a) "Community mental health center" means a facility
38 authorized under Section 41-19-33, Mississippi Code of 1972.

39 (b) "Mental health employee" means a person who is (i)
40 employed full-time as an employee in the state mental health
41 system and (ii) holds a professional credential through the
42 Department of Mental Health's Division of Professional Licensure
43 and Certification. For the purposes of this paragraph (a),
44 "full-time" means working the equivalent of at least thirty (30)
45 hours of service per week for twelve (12) consecutive months.

46 (c) "State mental health system" means the eleven (11)
47 programs that are operated and/or administered by the Department
48 of Mental Health and/any programs that are operated and/or
49 administered by community mental health centers.

50 (2) There is established the "Mental Health Employee
51 Retention Loan Repayment Program" for persons employed as mental
52 health employees to be administered by the Mississippi
53 Postsecondary Education Financial Assistance Board.

54 (3) Subject to the availability of funds, an eligible
55 applicant for an initial award must have:

56 (a) Legal residency in the State of Mississippi;

57 (b) Gained employment within the last year for the
58 first time as a mental health employee; and



59 (c) Outstanding qualifying educational loans, received
60 at any point during the recipients postsecondary education career,
61 which may include the principal, interest and related expenses
62 such as the required interest premium on the unpaid balances of
63 government and commercial loans obtained by the recipient for
64 educational expense.

65 (4) Persons who have received funds from state-forgivable
66 loan programs established under Mississippi law, or who are in
67 default or delinquent on any federal, state, local or commercial
68 qualifying educational loan, shall not be eligible for the
69 program.

70 (5) Recipients in the program shall be selected on a
71 first-come, first-served basis from all eligible applicants. The
72 Mississippi Postsecondary Education Financial Assistance Board
73 shall renew eligible applicants approved in prior years only if
74 the renewal applicant continues to meet the standards set forth in
75 this section, and the renewal applicant has not received full
76 funding provided by subsection (6) of this section.

77 (6) Awards for recipients who are employed as a mental
78 health employee may be a maximum of Six Thousand Dollars
79 (\$6,000.00) for each year of employment up to three (3) years.

80 (7) A recipient shall not be penalized for ending employment
81 as a mental health employee if the recipient begins working again
82 as a mental health employee during the year on which the award is



83 based and is employed for the time required in subsection (11) of
84 this section.

85 (8) Awards shall be granted on a year-to-year basis, and
86 recipients have no obligation to seek a subsequent award.

87 (9) Awards shall be paid annually, after the expiration of
88 the year of employment for which the award was granted, to the
89 recipient's lender or loan service provider, to be applied to the
90 outstanding balance. Monies paid by the recipient or on the
91 recipient's behalf toward qualifying educational loans before
92 payment of the award shall not be eligible for reimbursement
93 through the program.

94 (10) During the employment year for which the award is
95 granted, a recipient shall at all times keep the Mississippi
96 Postsecondary Education Financial Assistance Board informed of any
97 changes to the recipient's current, correct and complete
98 employment information and status.

99 (11) A recipient must be employed as a mental health
100 employee for the entire twelve (12) months of the year on which
101 the award is based. Recipients who fail to fulfill the year of
102 employment on which the award was based forfeit any right to the
103 award.

104 (12) The Mississippi Postsecondary Education Financial
105 Assistance Board, in collaboration with the Department of Mental
106 Health and any other applicable state agency as determined by the
107 Mississippi Postsecondary Education Financial Assistance Board,



108 shall attempt to track award recipients under this program through
109 their third employment year, unless the recipient leaves
110 employment as a mental health employee at an earlier date. Data
111 collected shall include each recipients' place of employment and
112 any other pertinent information necessary to determine the
113 efficacy of the program in retaining mental health employees in
114 the State of Mississippi.

115 (13) The Mississippi Postsecondary Education Financial
116 Assistance Board shall promulgate regulations necessary for the
117 proper administration of this section, including setting a fiscal
118 year policy for the program and application dates and deadlines.

119 (14) There is created in the State Treasury a special fund
120 to be designated as the "Mental Health Employee Retention Loan
121 Repayment Fund", which shall consist of funds deposited therein
122 under Section 27-69-75, Mississippi Code of 1972, and funds from
123 any other source designated for deposit into such fund. The fund
124 shall be maintained by the State Treasurer as a separate and
125 special fund, separate and apart from the General Fund of the
126 state. Unexpended amounts remaining in the fund at the end of a
127 fiscal year shall not lapse into the State General Fund, and any
128 investment earnings or interest earned on amounts in the fund
129 shall be deposited to the credit of the fund. Monies in the fund
130 shall be used by the Mississippi Postsecondary Education Financial
131 Assistance Board, upon appropriation by the Legislature, for the



132 purpose of paying awards under the Mental Health Employee
133 Retention Loan Repayment Program created in this section.

134 (15) This section shall stand repealed on July 1, 2029.

135 **SECTION 2.** Section 27-7-15, Mississippi Code of 1972, is
136 amended as follows:

137 27-7-15. (1) For the purposes of this article, except as
138 otherwise provided, the term "gross income" means and includes the
139 income of a taxpayer derived from salaries, wages, fees or
140 compensation for service, of whatever kind and in whatever form
141 paid, including income from governmental agencies and subdivisions
142 thereof; or from professions, vocations, trades, businesses,
143 commerce or sales, or renting or dealing in property, or
144 reacquired property; also from annuities, interest, rents,
145 dividends, securities, insurance premiums, reinsurance premiums,
146 considerations for supplemental insurance contracts, or the
147 transaction of any business carried on for gain or profit, or
148 gains, or profits, and income derived from any source whatever and
149 in whatever form paid. The amount of all such items of income
150 shall be included in the gross income for the taxable year in
151 which received by the taxpayer. The amount by which an eligible
152 employee's salary is reduced pursuant to a salary reduction
153 agreement authorized under Section 25-17-5 shall be excluded from
154 the term "gross income" within the meaning of this article.



155 (2) In determining gross income for the purpose of this
156 section, the following, under regulations prescribed by the
157 commissioner, shall be applicable:

158 (a) **Dealers in property.** Federal rules, regulations
159 and revenue procedures shall be followed with respect to
160 installment sales unless a transaction results in the shifting of
161 income from inside the state to outside the state.

162 (b) **Casual sales of property.**

163 (i) Prior to January 1, 2001, federal rules,
164 regulations and revenue procedures shall be followed with respect
165 to installment sales except they shall be applied and administered
166 as if H.R. 3594, the Installment Tax Correction Act of 2000 of the
167 106th Congress, had not been enacted. This provision will
168 generally affect taxpayers, reporting on the accrual method of
169 accounting, entering into installment note agreements on or after
170 December 17, 1999. Any gain or profit resulting from the casual
171 sale of property will be recognized in the year of sale.

172 (ii) From and after January 1, 2001, federal
173 rules, regulations and revenue procedures shall be followed with
174 respect to installment sales except as provided in this
175 subparagraph (ii). Gain or profit from the casual sale of
176 property shall be recognized in the year of sale. When a taxpayer
177 recognizes gain on the casual sale of property in which the gain
178 is deferred for federal income tax purposes, a taxpayer may elect
179 to defer the payment of tax resulting from the gain as allowed and



180 to the extent provided under regulations prescribed by the
181 commissioner. If the payment of the tax is made on a deferred
182 basis, the tax shall be computed based on the applicable rate for
183 the income reported in the year the payment is made. Except as
184 otherwise provided in subparagraph (iii) of this paragraph (b),
185 deferring the payment of the tax shall not affect the liability
186 for the tax. If at any time the installment note is sold,
187 contributed, transferred or disposed of in any manner and for any
188 purpose by the original note holder, or the original note holder
189 is merged, liquidated, dissolved or withdrawn from this state,
190 then all deferred tax payments under this section shall
191 immediately become due and payable.

192 (iii) If the selling price of the property is
193 reduced by any alteration in the terms of an installment note,
194 including default by the purchaser, the gain to be recognized is
195 recomputed based on the adjusted selling price in the same manner
196 as for federal income tax purposes. The tax on this amount, less
197 the previously paid tax on the recognized gain, is payable over
198 the period of the remaining installments. If the tax on the
199 previously recognized gain has been paid in full to this state,
200 the return on which the payment was made may be amended for this
201 purpose only. The statute of limitations in Section 27-7-49 shall
202 not bar an amended return for this purpose.



203 (c) **Reserves of insurance companies.** In the case of
204 insurance companies, any amounts in excess of the legally required
205 reserves shall be included as gross income.

206 (d) **Affiliated companies or persons.** As regards sales,
207 exchanges or payments for services from one to another of
208 affiliated companies or persons or under other circumstances where
209 the relation between the buyer and seller is such that gross
210 proceeds from the sale or the value of the exchange or the payment
211 for services are not indicative of the true value of the subject
212 matter of the sale, exchange or payment for services, the
213 commissioner shall prescribe uniform and equitable rules for
214 determining the true value of the gross income, gross sales,
215 exchanges or payment for services, or require consolidated returns
216 of affiliates.

217 (e) **Alimony and separate maintenance payments.** The
218 federal rules, regulations and revenue procedures in determining
219 the deductibility and taxability of alimony payments shall be
220 followed in this state.

221 (f) **Reimbursement for expenses of moving.** There shall
222 be included in gross income (as compensation for services) any
223 amount received or accrued, directly or indirectly, by an
224 individual as a payment for or reimbursement of expenses of moving
225 from one (1) residence to another residence which is attributable
226 to employment or self-employment.



227 (3) In the case of taxpayers other than residents, gross
228 income includes gross income from sources within this state.

229 (4) The words "gross income" do not include the following
230 items of income which shall be exempt from taxation under this
231 article:

232 (a) The proceeds of life insurance policies and
233 contracts paid upon the death of the insured. However, the income
234 from the proceeds of such policies or contracts shall be included
235 in the gross income.

236 (b) The amount received by the insured as a return of
237 premium or premiums paid by him under life insurance policies,
238 endowment, or annuity contracts, either during the term or at
239 maturity or upon surrender of the contract.

240 (c) The value of property acquired by gift, bequest,
241 devise or descent, but the income from such property shall be
242 included in the gross income.

243 (d) Interest upon the obligations of the United States
244 or its possessions, or securities issued under the provisions of
245 the Federal Farm Loan Act of 1916, or bonds issued by the War
246 Finance Corporation, or obligations of the State of Mississippi or
247 political subdivisions thereof.

248 (e) The amounts received through accident or health
249 insurance as compensation for personal injuries or sickness, plus
250 the amount of any damages received for such injuries or such
251 sickness or injuries, or through the War Risk Insurance Act, or



252 any law for the benefit or relief of injured or disabled members
253 of the military or naval forces of the United States.

254 (f) Income received by any religious denomination or by
255 any institution or trust for moral or mental improvements,
256 religious, Bible, tract, charitable, benevolent, fraternal,
257 missionary, hospital, infirmary, educational, scientific,
258 literary, library, patriotic, historical or cemetery purposes or
259 for two (2) or more of such purposes, if such income be used
260 exclusively for carrying out one or more of such purposes.

261 (g) Income received by a domestic corporation which is
262 "taxable in another state" as this term is defined in this
263 article, derived from business activity conducted outside this
264 state. Domestic corporations taxable both within and without the
265 state shall determine Mississippi income on the same basis as
266 provided for foreign corporations under the provisions of this
267 article.

268 (h) In case of insurance companies, there shall be
269 excluded from gross income such portion of actual premiums
270 received from an individual policyholder as is paid back or
271 credited to or treated as an abatement of premiums of such
272 policyholder within the taxable year.

273 (i) Income from dividends that has already borne a tax
274 as dividend income under the provisions of this article, when such
275 dividends may be specifically identified in the possession of the
276 recipient.



277 (j) Amounts paid by the United States to a person as
278 added compensation for hazardous duty pay as a member of the Armed
279 Forces of the United States in a combat zone designated by
280 Executive Order of the President of the United States.

281 (k) Amounts received as retirement allowances,
282 pensions, annuities or optional retirement allowances paid under
283 the federal Social Security Act, the Railroad Retirement Act, the
284 Federal Civil Service Retirement Act, or any other retirement
285 system of the United States government, retirement allowances paid
286 under the Mississippi Public Employees' Retirement System,
287 Mississippi Highway Safety Patrol Retirement System or any other
288 retirement system of the State of Mississippi or any political
289 subdivision thereof. The exemption allowed under this paragraph
290 (k) shall be available to the spouse or other beneficiary at the
291 death of the primary retiree.

292 (l) Amounts received as retirement allowances,
293 pensions, annuities or optional retirement allowances paid by any
294 public or governmental retirement system not designated in
295 paragraph (k) or any private retirement system or plan of which
296 the recipient was a member at any time during the period of his
297 employment. Amounts received as a distribution under a Roth
298 Individual Retirement Account shall be treated in the same manner
299 as provided under the Internal Revenue Code of 1986, as amended.
300 The exemption allowed under this paragraph (l) shall be available



301 to the spouse or other beneficiary at the death of the primary
302 retiree.

303 (m) National Guard or Reserve Forces of the United
304 States compensation not to exceed the aggregate sum of Five
305 Thousand Dollars (\$5,000.00) for any taxable year through the 2005
306 taxable year, and not to exceed the aggregate sum of Fifteen
307 Thousand Dollars (\$15,000.00) for any taxable year thereafter.

308 (n) Compensation received for active service as a
309 member below the grade of commissioned officer and so much of the
310 compensation as does not exceed the maximum enlisted amount
311 received for active service as a commissioned officer in the Armed
312 Forces of the United States for any month during any part of which
313 such members of the Armed Forces (i) served in a combat zone as
314 designated by Executive Order of the President of the United
315 States or a qualified hazardous duty area as defined by federal
316 law, or both; or (ii) was hospitalized as a result of wounds,
317 disease or injury incurred while serving in such combat zone. For
318 the purposes of this paragraph (n), the term "maximum enlisted
319 amount" means and has the same definition as that term has in 26
320 USCS 112.

321 (o) The proceeds received from federal and state
322 forestry incentive programs.

323 (p) The amount representing the difference between the
324 increase of gross income derived from sales for export outside the
325 United States as compared to the preceding tax year wherein gross



326 income from export sales was highest, and the net increase in
327 expenses attributable to such increased exports. In the absence
328 of direct accounting, the ratio of net profits to total sales may
329 be applied to the increase in export sales. This paragraph (p)
330 shall only apply to businesses located in this state engaging in
331 the international export of Mississippi goods and services. Such
332 goods or services shall have at least fifty percent (50%) of value
333 added at a location in Mississippi.

334 (q) Amounts paid by the federal government for the
335 construction of soil conservation systems as required by a
336 conservation plan adopted pursuant to 16 USCS 3801 et seq.

337 (r) The amount deposited in a medical savings account,
338 and any interest accrued thereon, that is a part of a medical
339 savings account program as specified in the Medical Savings
340 Account Act under Sections 71-9-1 through 71-9-9; provided,
341 however, that any amount withdrawn from such account for purposes
342 other than paying eligible medical expense or to procure health
343 coverage shall be included in gross income.

344 (s) Amounts paid by the Mississippi Soil and Water
345 Conservation Commission from the Mississippi Soil and Water
346 Cost-Share Program for the installation of water quality best
347 management practices.

348 (t) Dividends received by a holding corporation, as
349 defined in Section 27-13-1, from a subsidiary corporation, as
350 defined in Section 27-13-1.



351 (u) Interest, dividends, gains or income of any kind on
352 any account in the Mississippi Affordable College Savings Trust
353 Fund, as established in Sections 37-155-101 through 37-155-125, to
354 the extent that such amounts remain on deposit in the MACS Trust
355 Fund or are withdrawn pursuant to a qualified withdrawal, as
356 defined in Section 37-155-105.

357 (v) Interest, dividends or gains accruing on the
358 payments made pursuant to a prepaid tuition contract, as provided
359 for in Section 37-155-17.

360 (w) Income resulting from transactions with a related
361 member where the related member subject to tax under this chapter
362 was required to, and did in fact, add back the expense of such
363 transactions as required by Section 27-7-17(2). Under no
364 circumstances may the exclusion from income exceed the deduction
365 add-back of the related member, nor shall the exclusion apply to
366 any income otherwise excluded under this chapter.

367 (x) Amounts that are subject to the tax levied pursuant
368 to Section 27-7-901, and are paid to patrons by gaming
369 establishments licensed under the Mississippi Gaming Control Act.

370 (y) Amounts that are subject to the tax levied pursuant
371 to Section 27-7-903, and are paid to patrons by gaming
372 establishments not licensed under the Mississippi Gaming Control
373 Act.

374 (z) Interest, dividends, gains or income of any kind on
375 any account in a qualified tuition program and amounts received as



376 distributions under a qualified tuition program shall be treated
377 in the same manner as provided under the United States Internal
378 Revenue Code, as amended. For the purposes of this paragraph (z),
379 the term "qualified tuition program" means and has the same
380 definition as that term has in 26 USCS 529.

381 (aa) The amount deposited in a health savings account,
382 and any interest accrued thereon, that is a part of a health
383 savings account program as specified in the Health Savings
384 Accounts Act created in Sections 83-62-1 through 83-62-9; however,
385 any amount withdrawn from such account for purposes other than
386 paying qualified medical expenses or to procure health coverage
387 shall be included in gross income, except as otherwise provided by
388 Sections 83-62-7 and 83-62-9.

389 (bb) Amounts received as qualified disaster relief
390 payments shall be treated in the same manner as provided under the
391 United States Internal Revenue Code, as amended.

392 (cc) Amounts received as a "qualified Hurricane Katrina
393 distribution" as defined in the United States Internal Revenue
394 Code, as amended.

395 (dd) Amounts received by an individual which may be
396 excluded from income as foreign earned income for federal income
397 tax purposes.

398 (ee) Amounts received by a qualified individual,
399 directly or indirectly, from an employer or nonprofit housing
400 organization that are qualified housing expenses associated with



401 an employer-assisted housing program. For purposes of this
402 paragraph (ee):

403 (i) "Qualified individual" means any individual
404 whose household income does not exceed one hundred twenty percent
405 (120%) of the area median gross income (as defined by the United
406 States Department of Housing and Urban Development), adjusted for
407 household size, for the area in which the housing is located.

408 (ii) "Nonprofit housing organization" means an
409 organization that is organized as a not-for-profit organization
410 under the laws of this state or another state and has as one of
411 its purposes:

412 1. Homeownership education or counseling;
413 2. The development of affordable housing; or
414 3. The development or administration of
415 employer-assisted housing programs.

416 (iii) "Employer-assisted housing program" means a
417 separate written plan of any employer (including, without
418 limitation, tax-exempt organizations and public employers) for the
419 exclusive benefit of the employer's employees to pay qualified
420 housing expenses to assist the employer's employees in securing
421 affordable housing.

422 (iv) "Qualified housing expenses" means:

423 1. With respect to rental assistance, an
424 amount not to exceed Two Thousand Dollars (\$2,000.00) paid for the



425 purpose of assisting employees with security deposits and rental
426 subsidies; and

427 2. With respect to homeownership assistance,
428 an amount not to exceed the lesser of Ten Thousand Dollars
429 (\$10,000.00) or six percent (6%) of the purchase price of the
430 employee's principal residence that is paid for the purpose of
431 assisting employees with down payments, payment of closing costs,
432 reduced interest mortgages, mortgage guarantee programs, mortgage
433 forgiveness programs, equity contribution programs, or
434 contributions to homebuyer education and/or homeownership
435 counseling of eligible employees.

436 (ff) For the 2010 taxable year and any taxable year
437 thereafter, amounts converted in accordance with the United States
438 Internal Revenue Code, as amended, from a traditional Individual
439 Retirement Account to a Roth Individual Retirement Account. The
440 exemption allowed under this paragraph (ff) shall be available to
441 the spouse or other beneficiary at the death of the primary
442 retiree.

443 (gg) Amounts received for the performance of disaster
444 or emergency-related work as defined in Section 27-113-5.

445 (hh) The amount deposited in a catastrophe savings
446 account established under Sections 27-7-1001 through 27-7-1007,
447 interest income earned on the catastrophe savings account, and
448 distributions from the catastrophe savings account; however, any
449 amount withdrawn from a catastrophe savings account for purposes



450 other than paying qualified catastrophe expenses shall be included
451 in gross income, except as otherwise provided by Sections
452 27-7-1001 through 27-7-1007.

453 (ii) Interest, dividends, gains or income of any kind
454 on any account in the Mississippi Achieving a Better Life
455 Experience (ABLE) Trust Fund, as established in Chapter 28, Title
456 43, to the extent that such amounts remain on deposit in the ABLE
457 Trust Fund or are withdrawn pursuant to a qualified withdrawal, as
458 defined in Section 43-28-11.

459 (jj) Subject to the limitations provided under Section
460 27-7-1103, amounts deposited into a first-time homebuyer savings
461 account and any interest or other income earned attributable to an
462 account and monies or funds withdrawn or distributed from an
463 account for the payment of eligible costs by or on behalf of a
464 qualified beneficiary; however, any monies or funds withdrawn or
465 distributed from a first-time homebuyer savings account for any
466 purpose other than the payment of eligible costs by or on behalf
467 of a qualified beneficiary shall be included in gross income. For
468 the purpose of this paragraph (jj), the terms "first-time
469 homebuyer savings account," "eligible costs" and "qualified
470 beneficiary" mean and have the same definitions as such terms have
471 in Section 27-7-1101.

472 (kk) Amounts paid by an agricultural disaster program
473 as compensation to an agricultural producer, cattle farmer or
474 cattle rancher who has suffered a loss as the result of a disaster



475 or emergency, including, but not limited to, the following United
476 States Department of Agriculture programs:

477 (i) Livestock Forage Disaster Program;

478 (ii) Livestock Indemnity Program;

479 (iii) Emergency Assistance for Livestock, Honey
480 Bees and Farm-raised Fish Program;

481 (iv) Emergency Conservation Program;

482 (v) Noninsured Crop Disaster Assistance Program;

483 (vi) Pasture, Rangeland, Forage Pilot Insurance
484 Program;

485 (vii) Annual Forage Pilot Program;

486 (viii) Livestock Risk Protection Insurance
487 Program; and

488 (ix) Livestock Gross Margin Insurance Plan.

489 (ll) Amounts received as advances and/or grants under
490 the federal Coronavirus Aid, Relief, and Economic Security Act,
491 the Consolidated Appropriations Act of 2021 and the American
492 Rescue Plan Act.

493 (mm) Any and all cancelled indebtedness provided for
494 under the Coronavirus Aid, Relief, and Economic Security Act and
495 the Consolidated Appropriations Act of 2021.

496 (nn) Amounts received as payments under Section
497 27-3-85.

498 (oo) Amounts received as grants under the 2020 COVID-19
499 Mississippi Business Assistance Act.



500 (pp) Amounts received as grants under Section 57-1-521.

501 (* * * qq) Amounts received as grants under the
502 Shuttered Venue Operators Grant Program and Restaurant
503 Revitalization Fund authorized by the Economic Aid to Hard-Hit
504 Small Businesses, Nonprofits, and Venues Act, and amended by the
505 American Rescue Plan Act.

506 (* * * rr) Amounts received as grants under the
507 Mississippi Agriculture Stabilization Act.

508 (ss) Awards for loan repayment assistance made under
509 the Mental Health Employee Retention Loan Repayment Program
510 created in Section 1 of this act.

511 (5) Prisoners of war, missing in action-taxable status.

512 (a) **Members of the Armed Forces.** Gross income does not
513 include compensation received for active service as a member of
514 the Armed Forces of the United States for any month during any
515 part of which such member is in a missing status, as defined in
516 paragraph (d) of this subsection, during the Vietnam Conflict as a
517 result of such conflict.

518 (b) **Civilian employees.** Gross income does not include
519 compensation received for active service as an employee for any
520 month during any part of which such employee is in a missing
521 status during the Vietnam Conflict as a result of such conflict.

522 (c) **Period of conflict.** For the purpose of this
523 subsection, the Vietnam Conflict began February 28, 1961, and ends
524 on the date designated by the President by Executive Order as the



525 date of the termination of combatant activities in Vietnam. For
526 the purpose of this subsection, an individual is in a missing
527 status as a result of the Vietnam Conflict if immediately before
528 such status began he was performing service in Vietnam or was
529 performing service in Southeast Asia in direct support of military
530 operations in Vietnam. "Southeast Asia," as used in this
531 paragraph, is defined to include Cambodia, Laos, Thailand and
532 waters adjacent thereto.

533 (d) "Missing status" means the status of an employee or
534 member of the Armed Forces who is in active service and is
535 officially carried or determined to be absent in a status of (i)
536 missing; (ii) missing in action; (iii) interned in a foreign
537 country; (iv) captured, beleaguered or besieged by a hostile
538 force; or (v) detained in a foreign country against his will; but
539 does not include the status of an employee or member of the Armed
540 Forces for a period during which he is officially determined to be
541 absent from his post of duty without authority.

542 (e) "Active service" means active federal service by an
543 employee or member of the Armed Forces of the United States in an
544 active duty status.

545 (f) "Employee" means one who is a citizen or national
546 of the United States or an alien admitted to the United States for
547 permanent residence and is a resident of the State of Mississippi
548 and is employed in or under a federal executive agency or
549 department of the Armed Forces.



550 (g) "Compensation" means (i) basic pay; (ii) special
551 pay; (iii) incentive pay; (iv) basic allowance for quarters; (v)
552 basic allowance for subsistence; and (vi) station per diem
553 allowances for not more than ninety (90) days.

554 (h) If refund or credit of any overpayment of tax for
555 any taxable year resulting from the application of this subsection
556 (5) is prevented by the operation of any law or rule of law, such
557 refund or credit of such overpayment of tax may, nevertheless, be
558 made or allowed if claim therefor is filed with the Department of
559 Revenue within three (3) years after the date of the enactment of
560 this subsection.

561 (i) The provisions of this subsection shall be
562 effective for taxable years ending on or after February 28, 1961.

563 (6) A shareholder of an S corporation, as defined in Section
564 27-8-3(1)(g), shall take into account the income, loss, deduction
565 or credit of the S corporation only to the extent provided in
566 Section 27-8-7(2).

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

569 27-69-3. When used in this chapter:

570 (a) "State" means the State of Mississippi as
571 geographically defined, and any and all waters under the
572 jurisdiction of the State of Mississippi.



573 (b) "State Auditor" means the Auditor of Public
574 Accounts of the State of Mississippi, or his legally appointed
575 deputy, clerk or agent.

576 (c) "Commissioner" means the Commissioner of Revenue of
577 the Department of Revenue, and his authorized agents and
578 employees.

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

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

587 (f) "Tobacco" means any cigarettes, cigars, cheroots,
588 stogies, smoking tobacco (including granulated, plug cut, crimp
589 cut, ready rubbed, and other kinds and forms of tobacco, or
590 substitutes therefor, prepared in such manner as to be suitable
591 for smoking in a pipe or cigarette) and including plug and twist
592 chewing tobacco and snuff, when such "tobacco" is manufactured and
593 prepared for sale or personal consumption. The term "tobacco"
594 also includes vapor products. All words used herein, except vapor
595 products, shall be given the meaning as defined in the regulations
596 of the Treasury Department of the United States of America. The
597 term "tobacco" also includes heated tobacco products.



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

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

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

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

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



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

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

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

638 (n) "Transient vendor" means and includes every person
639 commonly and generally termed "peddlers" and every person acting
640 for himself, or as an agent, employee, salesman, or in any
641 capacity for another, whether as owner, bailee, or other custodian
642 of tobacco, and going from person to person, dealer to dealer,
643 house to house, or place to place, and selling or offering for
644 sale at retail or wholesale tobacco, and every person who does not
645 keep a regular place of business open at all times in regular
646 hours, and every person who goes from person to person, dealer to
647 dealer, house to house, or place to place, and sells or offers for



648 sale tobacco which he carries with him, and who delivers the same
649 at the time of, or immediately after the sale, or without
650 returning to the place of business operations (a permanent place
651 of business within the state) between the taking of the order and
652 the delivery of the tobacco, or

653 All persons who go from person to person, house to house,
654 place to place, or dealer to dealer, soliciting orders by
655 exhibiting samples, or taking orders, and thereafter making
656 delivery of tobacco, or filling the order without carrying or
657 sending the order to the permanent place of business, and
658 thereafter making delivery of the tobacco pursuant to the terms of
659 the order, or

660 All persons who go from person to person, place to place,
661 house to house, or dealer to dealer, carrying samples and selling
662 tobacco from samples, and afterwards making delivery without
663 taking and sending an order therefor to a permanent place of
664 business for the filling of the order, and delivery of the
665 tobacco, or the exchange of tobacco having become damaged or
666 unsalable, or the purchase by tobacco of advertising space, or

667 All persons who have in their possession, or under their
668 control, any tobacco offered, or to be offered for sale or to be
669 delivered, unless the sale or delivery thereof is to be made in
670 pursuance of a bona fide order for the tobacco, to be sold or
671 delivered, the order to be evidenced by an invoice or memorandum.



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

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

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

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

691 (s) "Manufacturer's list price" means the full sales
692 price at which tobacco is sold or offered for sale by a
693 manufacturer to the wholesaler or distributor in this state
694 without any deduction for freight, trade discount, cash discounts,
695 special discounts or deals, cash rebates, or any other reduction
696 from the regular selling price. In the event freight charges on



697 shipments to wholesalers or distributors are not paid by the
698 manufacturer, then such freight charges required to be paid by the
699 wholesalers and distributors shall be added to the amount paid to
700 the manufacturer in order to determine "manufacturer's list
701 price." In the case of a wholesaler or distributor whose place of
702 business is located outside this state, the "manufacturer's list
703 price" for tobacco sold in this state by such wholesaler or
704 distributor shall in all cases be considered to be the same as
705 that of a wholesaler or distributor located within this state.

706 (t) "Heated tobacco products" means a product
707 containing tobacco that produces an inhalable aerosol by (i)
708 heating the tobacco without combustion of the tobacco or (ii) heat
709 generated from a combustion source that only or primarily heats
710 rather than burns the tobacco.

711 (u) "Vapor product" means an electronic product or
712 device that may be used to deliver any aerosolized or vaporized
713 substance to the person inhaling from the product or device,
714 including, but not limited to, an e-cigar, e-cigarillo, e-pipe,
715 vape pen or e-hookah; and includes any cartridge, component, part
716 or accessory of the electronic product or device, whether or not
717 sold separately, and also includes any liquid, capsule, powder or
718 substance intended to be aerosolized, vaporized or otherwise
719 ingested during the use of the electronic product or device,
720 whether or not the substance contains nicotine. The term "vapor
721 product" does not include (i) a product that is a drug under 21



722 USCS 321(g) (1); (ii) a product that is a device under 21 USCS
723 321(h); or (iii) a combination product described in 21 USCS
724 353(g).

725 **SECTION 4.** Section 27-69-13, Mississippi Code of 1972, is
726 amended as follows:

727 27-69-13. There is hereby imposed, levied and assessed, to
728 be collected and paid as hereinafter provided in this chapter, an
729 excise tax on each person or dealer in cigarettes, cigars,
730 stogies, snuff, chewing tobacco, * * * smoking tobacco, vapor
731 products, or substitutes therefor, upon the sale, use,
732 consumption, handling or distribution in the State of Mississippi,
733 as follows:

734 (a) On cigarettes, the rate of tax shall be Three and
735 Four-tenths Cents (3.4¢) on each cigarette sold with a maximum
736 length of one hundred twenty (120) millimeters; any cigarette in
737 excess of this length shall be taxed as if it were two (2) or more
738 cigarettes. Provided, however, if the federal tax rate on
739 cigarettes in effect on June 1, 1985, is reduced, then the rate as
740 provided herein shall be increased by the amount of the federal
741 tax reduction. Such tax increase shall take effect on the first
742 day of the month following the effective date of such reduction in
743 the federal tax rate. Heated tobacco products shall not be taxed
744 as cigarettes under this paragraph (a); however, this exclusion
745 shall not affect heated tobacco products for any purposes related
746 to Section 27-70-1 et seq.



747 (b) On cigars, cheroots, stogies, snuff, chewing and
748 smoking tobacco and all other tobacco products except
749 cigarettes * * *, heated tobacco products and vapor products, the
750 rate of tax shall be fifteen percent (15%) of the manufacturer's
751 list price.

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

757 (d) On vapor products, the rate of tax shall be
758 twenty-five percent (25%) of the manufacturer's list price.

759 No stamp evidencing the tax herein levied on cigarettes shall
760 be of a denomination of less than One Cent (1¢), and whenever the
761 tax computed at the rates herein prescribed on cigarettes shall be
762 a specified amount, plus a fractional part of One Cent (1¢), the
763 package shall be stamped for the next full cent; however, the
764 additional face value of stamps purchased to comply with taxes
765 imposed by this section after June 1, 1985, shall be subject to a
766 four percent (4%) discount or compensation to dealers for their
767 services rather than the eight percent (8%) discount or
768 compensation allowed by Section 27-69-31.

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



772 The above tax is levied upon the sale, use, gift, possession
773 or consumption of tobacco within the State of Mississippi, and the
774 impact of the tax levied by this chapter is hereby declared to be
775 on the vendee, user, consumer or possessor of tobacco in this
776 state; and when said tax is paid by any other person, such payment
777 shall be considered as an advance payment and shall thereafter be
778 added to the price of the tobacco and recovered from the ultimate
779 consumer or user.

780 **SECTION 5.** Section 27-69-15, Mississippi Code of 1972, is
781 amended as follows:

782 27-69-15. Any retailer, transient vendor, distributing
783 agent, salesman, or other dealer who shall receive any cigarettes
784 other than from a wholesaler having a permit as herein provided,
785 and not having the necessary stamps already affixed, shall, after
786 the receipt of such cigarettes, within the time limit herein
787 provided, present the same to some wholesaler having such permit,
788 for the affixing of the stamps required, and it shall be the duty
789 of such wholesaler, thereupon and upon the payment to him by such
790 retailer of the face value of the stamps required, to affix the
791 stamps to said cigarettes in the same manner as if the cigarettes
792 were handled and sold by such wholesaler, provided, that such
793 wholesaler, before affixing the stamps, shall require of the
794 retailer, transient vendor, distributing agent, salesman, or other
795 dealer, the original invoice for the cigarettes to be stamped, and
796 such wholesaler shall in each instance note upon the invoice, the



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

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

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



822 said application to be accompanied by an affidavit from the
823 retailer, transient vendor, distributing agent, salesman, or other
824 dealer, or some other credible person, setting forth the facts,
825 whereupon the commissioner may issue and sell to such retailer,
826 transient vendor, distributing agent, salesman, or other dealer, a
827 sufficient number of stamps to be affixed to the cigarettes.

828 Stamps shall not be affixed to any cigarettes except by a
829 wholesale dealer having a permit, except as otherwise provided in
830 this chapter.

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

833 Any person who receives cigars, smoking tobacco, chewing
834 tobacco, snuff, vapor products or any other tobacco products
835 except cigarettes from anyone other than a wholesaler having a
836 tobacco permit issued by this state and the excise tax on the
837 tobacco received has not been paid, shall compute the excise tax
838 due the State of Mississippi at the rate prescribed herein on
839 forms furnished by the commissioner for that purpose. Such report
840 shall be accompanied by the remittance for the tax due and shall
841 be filed with the commissioner within forty-eight (48) hours after
842 receipt of the tobacco by such person.

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



846 **SECTION 6.** Section 27-69-27, Mississippi Code of 1972, is
847 amended as follows:

848 27-69-27. The payment of the tax imposed by this chapter
849 shall be evidenced by affixing stamps to each individual package
850 of cigarettes usually sold to consumers, as distinguished from
851 cartons or larger units which are composed of a number of
852 individual packages.

853 Except as otherwise provided in this paragraph, the stamp
854 shall be affixed within seventy-two (72) hours after the receipt
855 of the cigarettes by the wholesaler, and within forty-eight (48)
856 hours after receipt of the cigarettes by the retailer; provided,
857 that in the case a dealer conducts a wholesale and retail business
858 at one (1) place of business, stamps shall be affixed within
859 forty-eight (48) hours after receipt of the cigarettes. However,
860 the provisions of this paragraph shall not apply to tobacco at the
861 point it is purchased at a sale under Section 27-69-56. The stamp
862 must be so securely affixed as to require the continued
863 application of water or of steam to remove it, or so that it
864 cannot be otherwise removed without destruction or mutilation.

865 The excise tax imposed on cigars, smoking tobacco, chewing
866 tobacco, snuff, vapor products and all other tobacco products
867 except cigarettes and heated tobacco products shall be computed by
868 the application of the excise tax rate to the manufacturer's list
869 price on all purchases of such tobacco. The excise tax shall be
870 due and payable on or before the fifteenth day of the month next



871 succeeding the month in which the tax accrues. The tax shall be
872 filed with the commissioner on forms prescribed by the
873 commissioner.

874 Provided, however, manufacturers or other wholesale
875 distributors of tobacco, which are subject to the excise taxes
876 imposed by Section 27-69-13 of this chapter for the privilege of
877 selling or using such tobaccos within this state, who maintain
878 "terminals" or warehouses in which such tobaccos are stored, and
879 who sell only to licensed wholesale dealers within the state who
880 are qualified to purchase and affix the stamps required, may
881 maintain such "spot stocks," intended only for such sales, without
882 affixing the stamps or filing returns and paying the tax.

883 Any person desiring to maintain such "terminal" or warehouse,
884 shall make application to the commissioner and obtain a permit to
885 maintain such stocks without affixing stamps thereto, for sale
886 exclusively to out-of-state purchasers, or licensed wholesale
887 dealers within this state, and the commissioner is hereby
888 authorized to grant such permit upon the execution and filing with
889 the commissioner, by the applicant, a bond with surety companies,
890 authorized to do business in Mississippi, as surety thereon, and
891 conditioned for the strict compliance by the applicant, with the
892 following conditions under which said privilege may be granted.

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



896 received, and shall also supply correct invoices of all tobaccos
897 removed from such "terminal" or warehouse, said invoices to
898 contain the correct name and address of all persons to whom such
899 tobacco shall be delivered or consigned, whether within or without
900 the State of Mississippi.

901 The penalty of such bond shall be determined by the
902 commissioner, in an amount sufficient to protect the State of
903 Mississippi from any loss of revenue which might occur by reason
904 of the failure of principal to strictly adhere to the requirement
905 that no tobacco would be sold from such stock within the State of
906 Mississippi, except to licensed wholesale dealers.

907 **SECTION 7.** Section 27-69-33, Mississippi Code of 1972, is
908 amended as follows:

909 27-69-33. Manufacturers, distributors and wholesalers of
910 cigars, cigarettes * * *, smoking tobacco or vapor products
911 subject to the tax under this chapter, doing both intrastate and
912 interstate business in such tobacco, must qualify as interstate
913 dealers in such tobacco by applying to the commissioner for
914 permission to engage in such business, and, upon receipt of such
915 permission, he shall be permitted to set aside such part of his
916 stock as may be absolutely necessary for the conduct of such
917 interstate business, without affixing the stamps to cigarettes
918 required by this chapter. Said interstate stock shall be kept in
919 an entirely separate part of the building, separate and apart from
920 intrastate stock, and the said interstate business shall be



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

923 It is further provided that shipment of such merchandise be
924 made only by a railroad, express company, boat line, or motor
925 freight line certified by the Mississippi Public Service
926 Commission as a common carrier, or by registered or insured parcel
927 post.

928 It is further provided that any manufacturer, distributor, or
929 wholesaler of cigars, cigarettes * * *, smoking tobacco or vapor
930 products, engaged in interstate commerce in such tobaccos, shall
931 report to the commissioner on or before the fifteenth day of each
932 month, on forms prescribed by the commissioner, all sales of
933 cigarettes made in interstate commerce during the preceding month
934 to which Mississippi stamps were not affixed. These reports must
935 be made supplementary to the reports required to be filed by
936 Section 27-69-35 of this chapter.

937 Each shipment must be covered by a complete copy of invoice
938 of the consignor, and supported by properly receipted bill of
939 lading of the transportation company, or post office department as
940 specified in the foregoing, and the receipted bills of lading and
941 invoices shall be subject to inspection by the commissioner for a
942 period of three (3) years.

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



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

949 **SECTION 8.** Section 27-69-35, Mississippi Code of 1972, is
950 amended as follows:

951 27-69-35. It shall be the duty of every person subject to
952 the provisions of this chapter, to keep an accurate set of
953 records, showing all transactions had with reference to the
954 purchase, sale or gift of cigars, cigarettes * * *, smoking
955 tobacco or vapor products, and such person shall keep separately
956 all invoices of cigars, cigarettes * * *, smoking tobacco or vapor
957 products, and shall keep a record of all stamps purchased, and
958 such records, and all stocks of cigars, cigarettes * * *, smoking
959 tobacco or vapor products on hand, shall be open to inspection at
960 all reasonable times to the commissioner; provided, however, that
961 all retail dealers, transient vendors, distributing agents, or
962 other dealers purchasing, or receiving cigars, cigarettes, * * *
963 smoking tobacco or vapor products from without the state, whether
964 the same shall have been ordered through a wholesaler, or jobber
965 in this state, or by drop shipment, or otherwise, shall within
966 five (5) days after receipt of the same, mail a duplicate invoice
967 of all such purchases, or receipts, to the commissioner, and
968 failure to furnish such duplicate invoices shall be deemed a
969 misdemeanor.



970 It is further provided that all manufacturers, distributors
971 and wholesalers of cigars, cigarettes * * *, smoking tobacco or
972 vapor products, who have a permit required by this chapter shall
973 furnish the commissioner with a statement monthly, showing the
974 amount of taxable tobacco received, and must also furnish the
975 commissioner with duplicate invoices covering stamps affixed to
976 drop shipments purchased by retailers.

977 In the examination of such books, records, etc., the
978 commissioner shall have the power to administer oaths to any
979 person, and any person answering falsely, under oath, any of such
980 questions, shall be guilty of perjury.

981 If any person being so examined, fails to answer questions
982 propounded to him by the commissioner, or if any person, being
983 summoned to appear and answer such questions, shall fail or refuse
984 to do so, or if any person shall fail or refuse to permit the
985 inspection of his stock of merchandise, or invoices, or books, or
986 papers pertaining to any dealers in cigars, cigarettes * * *,
987 smoking tobacco or vapor products, the commissioner may make such
988 fact known to the circuit court of the county in which such
989 failure or refusal occurs, or judge thereof in termtime or in
990 vacation, by petition, and such circuit court, or judge thereof,
991 shall issue a summons for such person so refusing, returnable on a
992 date to be fixed by said court, or said judge, and on said date,
993 the said circuit court, or the circuit judge, shall proceed to
994 examine into the truth of the matter set out in said petition, and



995 if the same be found to be true, the said circuit court, or
996 circuit judge, shall issue a writ of subpoena duces tecum ordering
997 and directing the person so summoned to bring into court, and
998 exhibit for the inspection of the commissioner, all such books,
999 records, invoices, etc., as the court may deem proper from all the
1000 facts and circumstances in the case. Any person failing or
1001 refusing to present such books, records, invoices, etc., or
1002 failing or refusing to testify, shall be punished for contempt as
1003 provided by Section 9-1-17 of the Mississippi Code of 1972.

1004 **SECTION 9.** Section 27-69-75, Mississippi Code of 1972, is
1005 amended as follows:

1006 27-69-75. All taxes levied by this chapter shall be payable
1007 to the commissioner in cash, or by personal check, cashier's
1008 check, bank exchange, post office money order or express money
1009 order, and shall be deposited by the commissioner in the State
1010 Treasury on the same day collected. No remittance other than cash
1011 shall be a final discharge of liability for the tax herein
1012 assessed and levied, unless and until it has been paid in cash to
1013 the commissioner.

1014 Except as otherwise provided in this section, all tobacco
1015 taxes collected, including tobacco license taxes, shall be
1016 deposited into the State Treasury to the credit of the General
1017 Fund. All tobacco taxes collected on vapor products under Section
1018 27-69-13 shall be deposited into the Mental Health Employee
1019 Retention Loan Repayment Fund created in Section 1 of this act.



1020 Wholesalers who are entitled to purchase stamps at a
1021 discount, as provided by Section 27-69-31, may have consigned to
1022 them, without advance payment, such stamps, if and when such
1023 wholesaler shall give to the commissioner a good and sufficient
1024 bond executed by some surety company authorized to do business in
1025 this state, conditioned to secure the payment for the stamps so
1026 consigned. The commissioner shall require payment for such stamps
1027 not later than thirty (30) days from the date the stamps were
1028 consigned.

1029 **SECTION 10.** Section 27-69-69, Mississippi Code of 1972, is
1030 brought forward as follows:

1031 27-69-69. Any municipality within this state, in which any
1032 business licensed under the provisions of this chapter, may be
1033 carried on, shall have the right to impose upon persons engaged in
1034 such business, an annual privilege tax of not more than fifty
1035 percent (50%) of the permit fee imposed by Section 27-69-7 of this
1036 chapter; provided, however, that no person engaged in the
1037 wholesale sale, or distribution of cigars, cigarettes or smoking
1038 tobacco taxed by this chapter shall be taxed by any municipality
1039 other than that in which the warehouse or wholesale business is
1040 located.

1041 **SECTION 11.** This act shall take effect and be in force from
1042 and after July 1, 2025.

