

By: Representative Horan

To: Ways and Means

HOUSE BILL NO. 1896
(As Sent to Governor)

1 AN ACT TO IMPOSE AN EXCISE TAX ON KRATOM PRODUCT; TO DEFINE
2 THE TERMS "KRATOM PRODUCT", "KRATOM LEAF" AND "KRATOM LEAF
3 EXTRACT" FOR THE PURPOSES OF THIS ACT; TO AMEND SECTION 27-69-15,
4 MISSISSIPPI CODE OF 1972, TO REVISE PROVISIONS RELATING TO THE
5 REMITTANCE OF THE TOBACCO EXCISE TAX ON PRODUCTS PURCHASED OUTSIDE
6 THIS STATE UPON WHICH THE MISSISSIPPI TAX HAS NOT BEEN IMPOSED;
7 AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** (1) For purposes of this section, the following
10 words and phrases have the meanings ascribed in this subsection
11 unless the context clearly requires otherwise:

12 (a) "Kratom leaf" means the leaf of the kratom plant
13 (*Mitragyna speciosa*) in fresh or dehydrated (dried) form and
14 subjected to no post-harvest processing other than:

15 (i) Drying or size reduction (e.g., by cutting,
16 milling, or similar procedure); and

17 (ii) Cleaning or sterilization through the
18 application of heat, steam, pressurization, irradiation or other
19 standard treatments applied to food ingredients.



(b) "Kratom leaf extract" means the material extracted from kratom leaves via application of a solvent consisting of water, ethanol or food grade carbon dioxide, or any other solvent allowed by federal or state regulation to be used in the manufacturing of a food ingredient.

(c) "Kratom product" means a food or dietary supplement that consists of or contains kratom leaf or kratom leaf extract.

(2) In addition to any other tax provided for by law, there imposed, levied and assessed, a tax on each person or dealer in kratom product upon the sale, use, consumption, handling or distribution in the State of Mississippi, an excise tax at the rate of twenty-five percent (25%) of the manufacturer's list price. This tax is levied upon the sale, use, gift, possession or consumption of kratom product within the State of Mississippi, and the impact of the tax levied by this section is hereby declared to be on the vendee, user, consumer or possessor of kratom product in this state; and when said tax is paid by any other person, such payment shall be considered as an advance payment and shall thereafter be added to the price of the kratom product and recovered from the ultimate consumer or user.

SECTION 2. Section 27-69-15, Mississippi Code of 1972, is amended as follows:

27-69-15. Any retailer, transient vendor, distributing agent, salesman, or other dealer who shall receive any cigarettes other than from a wholesaler having a permit as herein provided,



45 and not having the necessary stamps already affixed, shall, after
46 the receipt of such cigarettes, within the time limit herein
47 provided, present the same to some wholesaler having such permit,
48 for the affixing of the stamps required, and it shall be the duty
49 of such wholesaler, thereupon and upon the payment to him by such
50 retailer of the face value of the stamps required, to affix the
51 stamps to said cigarettes in the same manner as if the cigarettes
52 were handled and sold by such wholesaler, provided, that such
53 wholesaler, before affixing the stamps, shall require of the
54 retailer, transient vendor, distributing agent, salesman, or other
55 dealer, the original invoice for the cigarettes to be stamped, and
56 such wholesaler shall in each instance note upon the invoice, the
57 denominations and number of stamps affixed to the cigarettes
58 covered by said invoice, the notation to be made in ink, or other
59 manner not easy to erase, at the time the stamps are affixed.

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

68 When the request is made to any wholesaler in this state by a
69 retailer, transient vendor, distributing agent, salesman, or other



70 dealer in this state, said request being duly and seasonably made
71 for the affixing of stamps, and the request is accompanied by
72 proper remittance and invoice, and such wholesaler refuses to
73 affix the stamps to cigarettes as requested, said wholesaler shall
74 forfeit to the state a penalty of Twenty-five Dollars (\$25.00) for
75 each offense, the same to be collected by the commissioner and, in
76 addition thereto, in the discretion of the commissioner, forfeit
77 his permit to handle stamps. In the event of such refusal on the
78 part of any wholesaler to affix stamps said retailer, transient
79 vendor, distributing agent, salesman, or other dealer may make
80 application to the commissioner for stamps to be placed on the
81 cigarettes upon which the wholesaler refused to affix the stamps,
82 said application to be accompanied by an affidavit from the
83 retailer, transient vendor, distributing agent, salesman, or other
84 dealer, or some other credible person, setting forth the facts,
85 whereupon the commissioner may issue and sell to such retailer,
86 transient vendor, distributing agent, salesman, or other dealer, a
87 sufficient number of stamps to be affixed to the cigarettes.

88 Stamps shall not be affixed to any cigarettes except by a
89 wholesale dealer having a permit, except as otherwise provided in
90 this chapter.

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

93 * * *



94 Any person engaged in this state in the business of making
95 wholesale or retail sales of other tobacco products including
96 cigars, smoking tobacco, chewing tobacco, snuff or any other
97 tobacco products except cigarettes and heated tobacco products who
98 purchases such products from a wholesaler or manufacturer outside
99 this state upon which the Mississippi tobacco excise tax has not
100 been imposed, shall be responsible for remitting the Mississippi
101 tobacco excise tax directly to the Mississippi Department of
102 Revenue by the twentieth of the month following the month the sale
103 occurred of the other tobacco products by such person to a
104 Mississippi customer.

105 Any person making retail purchases of other tobacco products
106 including cigars, smoking tobacco, chewing tobacco, snuff or any
107 other tobacco products except cigarettes and heated tobacco
108 products for personal use in this state who purchased such other
109 tobacco products from outside this state upon which the
110 Mississippi tobacco excise tax has not been imposed, shall be
111 responsible for remitting the Mississippi tobacco excise tax
112 directly to the Mississippi Department of Revenue within
113 forty-eight (48) hours after the purchase of the other tobacco
114 products.

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



118 **SECTION 3.** This act shall take effect and be in force from
119 and after July 1, 2025.

