

By: Representative Thompson

To: Local and Private
Legislation

HOUSE BILL NO. 1956

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 VERONA, MISSISSIPPI, TO IMPOSE A SPECIAL SALES TAX OF NOT MORE
3 THAN ONE-FOURTH OF ONE PERCENT ON THE GROSS PROCEEDS OF ALL SALES
4 OR THE GROSS INCOME OF BUSINESSES IN THE MUNICIPALITY DERIVED FROM
5 ACTIVITIES TAXED AT THE RATE OF 7% OR MORE UNDER THE MISSISSIPPI
6 SALES TAX LAW; TO PROVIDE CERTAIN EXEMPTIONS FROM THE SPECIAL
7 SALES TAX AUTHORIZED BY THIS ACT; TO PROVIDE THAT THE SPECIAL
8 SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST 60% OF
9 THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO
10 PROVIDE THE REVENUE COLLECTED FROM THE SPECIAL SALES TAX MAY BE
11 USED AND EXPENDED SOLELY FOR WATER AND SEWER INFRASTRUCTURE; AND
12 FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) As used in this section, the following terms
15 shall have the meanings ascribed to them in this section unless
16 otherwise clearly indicated by the context in which they are used:

17 (a) "City" means the City of Verona, Mississippi.

18 (b) "Governing authorities" means the mayor and the
19 board of alderman of the City of Verona, Mississippi.

20 (2) (a) Subject to the provisions of this section, the
21 governing authorities may impose upon all persons as a privilege
22 for engaging or continuing in business or doing business within
23 the City of Verona, a special sales tax at the rate of not more



24 than one-fourth of one percent (¹/₄ of 1%) of the gross proceeds of
25 sales or gross income of the business, as the case may be, derived
26 from any of the activities taxed at the rate of seven percent (7%)
27 or more under the Mississippi Sales Tax Law, Section 27-65-1 et
28 seq., Mississippi Code of 1972.

29 (b) The tax levied under this section shall apply to
30 every person making sales, delivery or installations of tangible
31 personal property or services within the municipality but shall
32 not apply to:

33 (i) Sales exempted by Sections 27-65-19,
34 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
35 27-65-111 of the Mississippi Sales Tax Law;

36 (ii) Gross proceeds of sales or gross income of
37 restaurants derived from the sale of food and beverages;

38 (iii) Gross proceeds of sales or gross income of
39 hotels and motels derived from the sale of hotel rooms and motel
40 rooms for lodging purposes;

41 (iv) Retail sales of food for human consumption
42 not purchased with food stamps issued by the United States
43 Department of Agriculture, or other federal agency, but which
44 would be exempt under Section 27-65-111(o), Mississippi Code of
45 1972, from the taxes imposed by this chapter if the food items
46 were purchased with food stamps;

47 (v) Gross income of businesses engaging or
48 continuing in the business of TV cable systems, subscription TV



services, and other similar activities, including, but not limited to, cable Internet services;

(vi) Gross income of businesses engaging or continuing in the business of providing telecommunications services and other similar services, including, but not limited to, Internet services, Internet protocol television (IPTV) services, satellite television services and mobile TV broadcasting services; and

(vii) Gross proceeds of retail sales and the use or consumption in this state of drugs and medicines:

1. Prescribed for the treatment of a human being by a person authorized to prescribe the medicines, and dispensed or prescription filled by a registered pharmacist in accordance with law; or

2. Furnished by a licensed physician, surgeon, dentist or podiatrist to his own patient for treatment of the patient; or

3. Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, surgeon, dentist or podiatrist; or

4. Sold to a licensed physician, surgeon, podiatrist, dentist or hospital for the treatment of a human being; or

5. Sold to this state or any political subdivision or municipal corporation thereof, for use in the



74 treatment of a human being or furnished for the treatment of a
75 human being by a medical facility or clinic maintained by this
76 state or any political subdivision or municipal corporation
77 thereof.

78 "Medicines," as used in this subparagraph (vii), shall mean
79 and include any substance or preparation intended for use by
80 external or internal application to the human body in the
81 diagnosis, cure, mitigation, treatment or prevention of disease
82 and which is commonly recognized as a substance or preparation
83 intended for such use; provided that "medicines" do not include
84 any auditory, prosthetic, ophthalmic or ocular device or
85 appliance, any dentures or parts thereof or any artificial limbs
86 or their replacement parts, articles which are in the nature of
87 splints, bandages, pads, compresses, supports, dressings,
88 instruments, apparatus, contrivances, appliances, devices or other
89 mechanical, electronic, optical or physical equipment or article
90 or the component parts and accessories thereof, or any alcoholic
91 beverage or any other drug or medicine not commonly referred to as
92 a prescription drug.

93 Notwithstanding the preceding sentence of this subparagraph
94 (vii), "medicines" as used in this subparagraph (vii), shall mean
95 and include sutures, whether or not permanently implanted, bone
96 screws, bone pins, pacemakers and other articles permanently
97 implanted in the human body to assist the functioning of any



98 natural organ, artery, vein or limb and which remain or dissolve
99 in the body.

100 "Hospital," as used in this subparagraph (vii), shall have
101 the meaning ascribed to it in Section 41-9-3, Mississippi Code of
102 1972.

103 Insulin furnished by a registered pharmacist to a person for
104 treatment of diabetes as directed by a physician shall be deemed
105 to be dispensed on prescription within the meaning of this
106 subparagraph (vii).

107 (3) Before any tax authorized under this section may be
108 imposed, the governing authorities shall adopt a resolution
109 declaring its intention to levy the tax, setting forth the amount
110 of the tax to be imposed, the purposes for which the revenue
111 collected pursuant to the tax levy may be used and expended, the
112 date upon which the tax shall become effective and calling for an
113 election to be held on the question. The date of the election
114 shall be set in the resolution. Notice of the election shall be
115 published once each week for at least three (3) consecutive weeks
116 in a newspaper published or having a general circulation in the
117 City of Verona, with the first publication of the notice to be
118 made not less than twenty-one (21) days before the date fixed in
119 the resolution for the election and the last publication to be
120 made not more than seven (7) days before the election. At the
121 election, all qualified electors of the City of Verona may vote.
122 The ballots used at the election shall have printed thereon a



brief description of the sales tax, the amount of the sales tax levy, a description of the purposes for which the tax revenue may be used and expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing a cross (X) or check mark (✓) opposite his choice on the proposition. When the results of the election have been canvassed by the election commissioners of the City of Verona and certified by them to the governing authorities, it shall be the duty of such governing authorities to determine and adjudicate whether at least 60% percent of the qualified electors who voted in the election voted in favor of the tax. If at least 60% of the qualified electors who voted in the election voted in favor of the tax, the governing authorities shall adopt a resolution declaring the levy and collection of the tax provided in this section and shall set the first day of the second month following the date of such adoption as the effective date of the tax levy. A certified copy of this resolution, together with the results of the election, shall be furnished to the Department of Revenue not less than thirty (30) days before the effective date of the levy.

(4) The revenue collected pursuant to the tax levy imposed under this section may be expended to fund water and sewer infrastructure located in the municipal limits of the city.

(5) (a) The special sales tax authorized by this section shall be collected by the Department of Revenue, shall be accounted for separately from the amount of sales tax collected



for the state in the municipality and shall be paid to the municipality. The Department of Revenue may retain three percent (3%) of the proceeds of such tax for the purpose of defraying the costs incurred by the commission in the collection of the tax. Payments to the City of Verona shall be made by the Department of Revenue on or before the fifteenth day of the month following the month in which the tax was collected.

(b) The proceeds of the special sales tax shall be placed into a special municipal fund apart from the municipal general fund and any other funds of the City of Verona, and shall be expended by the City of Verona solely for the purposes authorized in subsection (4) of this section. The records reflecting the receipts and expenditures of the revenue from the special sales tax shall be audited annually by an independent certified public accountant.

(c) All provisions of the Mississippi Sales Tax Law applicable to filing of returns, discounts to the taxpayer, remittances to the Department of Revenue, enforced collection, rights of taxpayers, recovery of improper taxes, refunds of overpaid taxes or other provisions of law providing for imposition and collection of the state sales tax shall apply to the special sales tax authorized by this section, except where there is a conflict, in which case the provisions of this section shall control. Any damages, penalties or interest collected for the nonpayment of taxes imposed under this section, or for



173 noncompliance with the provisions of this section, shall be paid
174 to the City of Verona on the same basis and in the same manner as
175 the tax proceeds. Any overpayment of tax for any reason that has
176 been disbursed to the city or any payment of the tax to the city
177 in error may be adjusted by the Department of Revenue on any
178 subsequent payment to the municipality pursuant to the provisions
179 of the Mississippi Sales Tax Law. The Department of Revenue may,
180 from time to time, make such rules and regulations not
181 inconsistent with this section as may be deemed necessary to carry
182 out the provisions of this section, and such rules and regulations
183 shall have the full force and effect of law.

184 (6) If the City of Verona expands its corporate boundaries,
185 the governing authorities of the city may not impose the special
186 sales tax in the annexed area unless the tax is approved at an
187 election conducted, as far as is practicable, in the manner
188 provided in subsection (3) of this section, except that only
189 qualified electors in the annexed area may vote in the election.

190 (7) The governing authorities may issue bonds or otherwise
191 incur indebtedness of the city in an aggregate principal amount
192 that is not in excess of an amount for which debt service is
193 capable of being funded by the proceeds of the special sales tax
194 levied under this act. The indebtedness authorized by this
195 subsection shall not be considered when computing any limitation
196 of indebtedness of the city established by law.



197 (8) This section shall stand repealed from and after July 1,
198 2030.

199 **SECTION 2.** This act shall take effect and be in force from
200 and after its passage.

