

By: Senator(s) Berry, Rhodes, Whaley,
Younger, Butler

To: Finance

SENATE BILL NO. 2804

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT RETAIL SALES OF FENCING MATERIALS FOR THE
3 CONTAINMENT OF LIVESTOCK, TRAILERS FOR THE TRANSPORTATION OF
4 LIVESTOCK, AND PARTS AND LABOR USED TO MAINTAIN OR REPAIR SUCH
5 FENCES OR TRAILERS SHALL BE TAXED AT THE RATE OF 1.5% WHEN MADE TO
6 COMMERCIAL FARMERS FOR AGRICULTURAL PURPOSES; TO DEFINE
7 "COMMERCIAL FARMER" AS A PERSON, CORPORATION, LIMITED LIABILITY
8 COMPANY OR OTHER ENTITY, OR AN AGENT THEREOF, WHO POSSESSES A
9 COMMERCIAL FARMER'S PERMIT ISSUED BY THE DEPARTMENT OF REVENUE AND
10 WHO PRESENTS THE PERMIT TO THE SELLER AT THE TIME OF PURCHASE; AND
11 FOR RELATED PURPOSES.

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

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

15 27-65-17. (1) (a) Except as otherwise provided in this
16 section, upon every person engaging or continuing within this
17 state in the business of selling any tangible personal property
18 whatsoever there is hereby levied, assessed and shall be collected
19 a tax equal to seven percent (7%) of the gross proceeds of the
20 retail sales of the business.

21 (b) (i) Retail sales of farm tractors and parts and
22 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.

(ii) Retail sales of fencing materials for the containment of livestock, trailers for the transportation of livestock, and parts and labor used to maintain or repair such fences or trailers shall be taxed at the rate of one and one-half percent (1-1/2%) when made to commercial farmers for agricultural purposes. For the purposes of this subparagraph (ii), a "commercial farmer" is a person, corporation, limited liability company or other entity, or an agent thereof, who possesses a commercial farmer's permit issued by the department and who presents the permit to the seller at the time of purchase. The department shall establish an application process for a commercial farmer's permit to be issued. Upon a determination that an applicant is a commercial farmer, the department shall issue the applicant a numbered commercial farmer's permit.

(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.

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

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



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

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

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

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

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

93 (iv) The enterprise shall manufacture plastics,
94 chemicals, automobiles, aircraft, computers or electronics; or
95 shall be a research and development facility, a computer design or
96 related facility, or a software publishing facility or other



97 technology intensive facility or enterprise as determined by the
98 Mississippi Development Authority;

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

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

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

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

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

116 (i) Wholesale sales of food and drink for human
117 consumption to full-service vending machine operators to be sold
118 through vending machines located apart from and not connected with
119 other taxable businesses shall be taxed at the rate of eight
120 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



146 accrued by the operator shall not be charged a sales tax on the
147 JIB as services income.

148 (2) From and after January 1, 1995, retail sales of private
149 carriers of passengers and light carriers of property, as defined
150 in Section 27-51-101, shall be taxed an additional two percent
151 (2%).

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

155 **SECTION 2.** This act shall take effect and be in force from
156 and after July 1, 2025.

