

By: Watson

To: Ways and Means

HOUSE BILL NO. 502

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
 2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN 1% ON
 3 THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES
 4 IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF
 5 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT
 6 THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY A
 7 MAJORITY OF THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH
 8 PURPOSE; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES
 9 TAX; AND FOR RELATED PURPOSES.

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

11 SECTION 1. (1) The governing authorities of any
 12 municipality are authorized to impose upon all persons as a
 13 privilege for engaging or continuing in business or doing business
 14 within such municipality, a special sales tax at the rate of not
 15 more than one percent (1%) of the gross proceeds of sales or gross
 16 income of the business, as the case may be, derived from any of
 17 the activities taxed at the rate of seven percent (7%) or more
 18 under the Mississippi Sales Tax Law, Section 27-65-1 et seq., as
 19 provided hereinafter. The tax levied under this section shall
 20 apply to every person making sales, delivery or installations of
 21 tangible personal property or services within any municipality
 22 which has adopted the levy herein authorized but shall not apply
 23 to sales exempted by Sections 27-65-19, 27-65-101, 27-65-103,
 24 27-65-105, 27-65-107, 27-65-109 and 27-65-111.

25 (2) The tax levy authorized in this section shall not be
26 made unless authorized by a majority of the votes cast at an
27 election to be called and held for that purpose. Notice of such
28 election shall be given, the election shall be held and the result
29 thereof determined, as far as is practicable, in the same manner
30 as other elections are held in municipalities. At such election,
31 all qualified electors of the municipality may vote. The ballots
32 used at such election shall have printed thereon a brief
33 description of the sales tax, the amount of the sales tax levy and
34 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES
35 TAX" and the voter shall vote by placing a cross (X) or check mark
36 (U) opposite his choice on the proposition. When the results of
37 the election have been canvassed by the election commissioners of
38 the municipality and certified by them to the governing
39 authorities, it shall be the duty of such governing authorities to
40 determine and adjudicate whether a majority of the qualified
41 electors who voted in such election voted in favor of the tax. If
42 a majority of the qualified electors who vote in the election vote
43 in favor of the tax, the governing authorities shall adopt a
44 resolution declaring the levy and collection of the tax provided
45 in this section and shall set the first day of the second month
46 following the date of such adoption as the effective date of the
47 tax levy. A certified copy of this resolution together with the
48 result of the election shall be furnished the State Tax Commission
49 not less than thirty (30) days before the effective date of the
50 levy.

51 (3) All municipal sales taxes authorized in this section
52 shall be collected by the State Tax Commission, shall be accounted
53 for separately from the amount of sales tax collected for the
54 state in the municipality and shall be paid to the municipality in
55 which collected. Payments to the municipalities shall be made by

56 the State Tax Commission on or before the fifteenth day of the
57 month following the month in which the tax was collected. Such
58 payments may be used and expended by the municipality for any
59 purpose for which the municipality is authorized by law to expend
60 funds.

61 (4) All provisions of the Mississippi Sales Tax Law
62 applicable to filing of returns, discounts to the taxpayer,
63 remittances to the State Tax Commission, enforced collection,
64 rights of taxpayers, recovery of improper taxes, refunds of
65 overpaid taxes or other provisions of law providing for imposition
66 and collection of the state sales tax shall apply to the municipal
67 sales tax authorized by this section except where there is a
68 conflict, in which case the provisions of this section shall
69 control. Any damages, penalties or interest collected for the
70 nonpayment of taxes imposed hereunder, or for noncompliance with
71 the provisions of this section, shall be paid to the municipality
72 in which such damages were collected on the same basis and in the
73 same manner as the tax proceeds. Any overpayment of tax for any
74 reason that has been disbursed to any municipality or any payment
75 of the tax to any municipality in error may be adjusted by the
76 State Tax Commission on any subsequent payment to the municipality
77 involved pursuant to the provisions of the Mississippi Sales Tax
78 Law. The State Tax Commission may, from time to time, make such
79 rules and regulations not inconsistent with this section as may be
80 deemed necessary to carry out its provisions, and such rules and
81 regulations shall have the full force and effect of law.

82 (5) The governing authorities of any municipality may
83 discontinue the collection of the special sales tax by the

84 adoption of a resolution to that effect. Such tax levy shall be
85 discontinued by the governing authorities of the municipality on
86 the first day of a month designated in the resolution, and the tax
87 levy shall not apply to sales made on or after that date. A
88 certified copy of the resolution shall be furnished to the State
89 Tax Commission at least thirty (30) days before the date the tax
90 levy is discontinued.

91 SECTION 2. The Attorney General of the State of Mississippi
92 shall submit this act, immediately upon approval by the Governor,
93 or upon approval by the Legislature subsequent to a veto, to the
94 Attorney General of the United States or to the United States
95 District Court for the District of Columbia in accordance with the
96 provisions of the Voting Rights Act of 1965, as amended and
97 extended.

98 SECTION 3. This act shall take effect and be in force from
99 and after the date it is effectuated under Section 5 of the Voting
100 Rights Act of 1965, as amended and extended.