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West

To: Ways and Means

HOUSE BILL NO. 1188

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,  
2 TO CREATE A SALES TAX EXEMPTION ON THE TRANSFER OF A MOTOR VEHICLE  
3 INTO A REVOCABLE TRUST AND TO CREATE A SALES TAX EXEMPTION ON THE  
4 TRANSFER OF A MOTOR VEHICLE AS A GIFT; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 27-65-201, Mississippi Code of 1972, is  
7 amended as follows:

8 27-65-201. (1) For the purposes of this section, unless the  
9 context otherwise requires, the term "motor vehicle" means a motor  
10 vehicle required to be registered or licensed by the county tax  
11 collectors pursuant to Section 27-19-43.

12 (2) Upon every person, firm or corporation purchasing other  
13 than at wholesale within this state any motor vehicle required to  
14 be registered or licensed with the tax collector of any county in  
15 this state from any person, firm or corporation which is not a  
16 licensed dealer engaged in selling motor vehicles, there shall be  
17 levied and collected a sales tax at the rate of three percent (3%)  
18 of the true value of the motor vehicle as calculated by using the  
19 most current official motor vehicle assessment schedule supplied  
20 by the State Tax Commission.

21 (3) Upon every person, firm or corporation purchasing other  
22 than at wholesale outside the state any motor vehicle required to  
23 be registered or licensed with the tax collector of any county in  
24 this state from any person, firm or corporation which is not a  
25 licensed dealer engaged in selling motor vehicles, for use,  
26 storage or other consumption within this state there is levied a  
27 use tax at the rate of three percent (3%) of the true value of the

28 motor vehicle as calculated by using the most current official  
29 motor vehicle assessment schedule supplied by the State Tax  
30 Commission.

31 (4) Where any motor vehicle is taken in trade as a credit or  
32 part payment on the sale of a motor vehicle taxable under this  
33 section, the tax levied by this section shall be paid on the net  
34 difference, that is, the true value of the motor vehicle sold less  
35 the credit for the motor vehicle taken in trade.

36 (5) The tax levied by this section shall be collected by the  
37 tax collector at the time of, and as a prerequisite to, the  
38 registration of or licensing of any such motor vehicle. The tax  
39 collector shall give to the person registering the vehicle a  
40 receipt in a form prescribed and furnished by the State Tax  
41 Commission for the amount of tax collected.

42 (6) County tax collectors shall be liable for the tax they  
43 are required to collect, and taxes which are in fact collected,  
44 under this section and failure to properly collect or maintain  
45 proper records shall not relieve them of liability for payment to  
46 the State Tax Commission. Deficiencies in collection or payment  
47 shall be assessed against the tax collector, or his successor, in  
48 the same manner and subject to the same penalties and provisions  
49 for appeal as are deficiencies assessed against taxpayers under  
50 Chapter 65, Title 27, Mississippi Code of 1972.

51 Each tax collector of the several counties shall, on or  
52 before the twentieth day of each month, file a report with and pay  
53 to the State Tax Commission all funds collected under the  
54 provisions of this section, less a commission of three percent  
55 (3%) which shall be retained by the tax collector as a commission  
56 for collecting such tax, and such commission shall be deposited in  
57 the county general fund. The report required to be filed shall  
58 cover all collections made during the calendar month next  
59 preceding the date on which the report is due and filed. All  
60 funds remitted to the State Tax Commission shall be deposited to  
61 the credit of the State General Fund.

62 Any error in the report and remittance to the State Tax  
63 Commission may be adjusted on a subsequent report. If the error  
64 was in the collection by the tax collector, it shall be adjusted

65 through the tax collector with the taxpayer before credit is  
66 allowed by the State Tax Commission.

67 All information relating to the collection of this tax by tax  
68 collectors and such records as the State Tax Commission may  
69 require shall be preserved in the tax collector's office for a  
70 period of three (3) years for audit by the State Tax Commission.

71 (7) The tax levied by this section shall not apply to the  
72 following:

73 (a) Transfers of legal ownership of motor vehicles  
74 between husband and wife, parent and child, or grandparents and  
75 grandchildren, unless the transferor is a licensed dealer of motor  
76 vehicles and the transfer of the motor vehicle is made in the  
77 regular course of business.

78 (b) Transfers of legal ownership of motor vehicles  
79 pursuant to a will or pursuant to any law providing for the  
80 distribution of the property of one dying intestate.

81 (c) Transfers of legal ownership of motor vehicles ten  
82 (10) or more years after the date of the manufacture of such  
83 vehicle.

84 (d) The transfer of legal ownership of a motor vehicle  
85 when the transfer is made into a revocable trust pursuant to 26  
86 USCS Section 671 et seq.

87 (e) The transfer of legal ownership of a motor vehicle  
88 when the transfer is made as a gift.

89 SECTION 2. Nothing in this act shall affect or defeat any  
90 claim, assessment, appeal, suit, right or cause of action for  
91 taxes due or accrued under the sales tax laws before the date on  
92 which this act becomes effective, whether such claims,  
93 assessments, appeals, suits or actions have been begun before the  
94 date on which this act becomes effective or are begun thereafter;  
95 and the provisions of the sales tax laws are expressly continued  
96 in full force, effect and operation for the purpose of the  
97 assessment, collection and enrollment of liens for any taxes due

98 or accrued and the execution of any warrant under such laws before  
99 the date on which this act becomes effective, and for the  
100 imposition of any penalties, forfeitures or claims for failure to  
101 comply with such laws.

102 SECTION 3. This act shall take effect and be in force from  
103 and after July 1, 2000.