

By: Representative Reeves

To: Ways and Means

HOUSE BILL NO. 1738

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE EXCISE TAX ON CIGARETTES; AND FOR RELATED
3 PURPOSES.

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

5 **SECTION 1.** Section 27-69-13, Mississippi Code of 1972, is
6 amended as follows:

7 27-69-13. There is hereby imposed, levied and assessed, to
8 be collected and paid as hereinafter provided in this chapter, an
9 excise tax on each person or dealer in cigarettes, cigars,
10 stogies, snuff, chewing tobacco, and smoking tobacco, or
11 substitutes therefor, upon the sale, use, consumption, handling or
12 distribution in the State of Mississippi, as follows:

13 (a) On cigarettes, the rate of tax shall be Two and
14 One-Half Cents (2-1/2¢) on each cigarette sold with a maximum
15 length of one hundred twenty (120) millimeters; any cigarette in
16 excess of this length shall be taxed as if it were two (2) or more
17 cigarettes. Provided, however, if the federal tax rate on
18 cigarettes in effect upon the passage of Senate Bill No. 2876,
19 1985 Regular Session, is reduced, then the rate as provided herein
20 shall be increased by the amount of the federal tax reduction.
21 Such tax increase shall take effect on the first day of the month
22 following the effective date of such reduction in the federal tax
23 rate.

24 (b) On cigars, cheroots, stogies, snuff, chewing and
25 smoking tobacco and all other tobacco products except cigarettes,
26 the rate of tax shall be fifteen percent (15%) of the
27 manufacturer's list price.



28 No stamp evidencing the tax herein levied on cigarettes shall
29 be of a denomination of less than One Cent (1¢), and whenever the
30 tax computed at the rates herein prescribed on cigarettes shall be
31 a specified amount, plus a fractional part of One Cent (1¢), the
32 package shall be stamped for the next full cent; however, the
33 additional face value of stamps purchased to comply with taxes
34 imposed by this section after June 1, 1985, shall be subject to a
35 four percent (4%) discount or compensation to dealers for their
36 services rather than the eight percent (8%) discount or
37 compensation allowed by Section 27-69-31.

38 Every wholesaler shall purchase stamps as provided in this
39 chapter, and affix the same to all packages of cigarettes handled
40 by him as herein provided.

41 The above tax is levied upon the sale, use, gift, possession,
42 or consumption of tobacco within the State of Mississippi, and the
43 impact of the tax levied by this chapter is hereby declared to be
44 on the vendee, user, consumer, or possessor of tobacco in this
45 state; and when said tax is paid by any other person, such payment
46 shall be considered as an advance payment and shall thereafter be
47 added to the price of the tobacco and recovered from the ultimate
48 consumer or user.

49 **SECTION 2.** This act shall take effect and be in force from
50 and after July 1, 2002.

