

By: Representative Robertson

To: Ways and Means

HOUSE BILL NO. 1331

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO DECREASE THE SALES TAX IMPOSED ON RETAIL SALES OF TRACTORS SOLD  
3 TO PERSONS AND USED DIRECTLY IN ANY BUSINESS OR OTHER ACTIVITY  
4 THAT SERVES AS THE LIVELIHOOD OF SUCH A PERSON; AND FOR RELATED  
5 PURPOSES.

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

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

9 27-65-17. (1) Upon every person engaging or continuing  
10 within this state in the business of selling any tangible personal  
11 property whatsoever there is hereby levied, assessed and shall be  
12 collected a tax equal to seven percent (7%) of the gross proceeds  
13 of the retail sales of the business, except as otherwise provided  
14 herein.

15 Retail sales of farm tractors shall be taxed at the rate of  
16 one percent (1%) when made to farmers for agricultural purposes.

17 Retail sales of farm implements sold to farmers and used  
18 directly in the production of poultry, ratite, domesticated fish  
19 as defined in Section 69-7-501, livestock, livestock products,  
20 agricultural crops or ornamental plant crops or used for other  
21 agricultural purposes shall be taxed at the rate of three percent  
22 (3%) when used on the farm. The three percent (3%) rate shall  
23 also apply to all equipment used in logging, pulpwood operations  
24 or tree farming which is either (a) self-propelled or which is (b)  
25 mounted so that it is (i) permanently attached to other equipment  
26 which is self-propelled or (ii) permanently attached to other  
27 equipment drawn by a vehicle which is self-propelled.



28        Retail sales of tractors sold to persons and used directly in  
29 any type of business or other activity that serves as the  
30 livelihood of such a person shall be taxed at the rate of one  
31 percent (1%).

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

36        Sales of manufacturing machinery or manufacturing machine  
37 parts when made to a manufacturer or custom processor for plant  
38 use only when said machinery and machine parts will be used  
39 exclusively and directly within this state in manufacturing a  
40 commodity for sale, rental or in processing for a fee shall be  
41 taxed at the rate of one and one-half percent (1-1/2%).

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

46        Sales of tangible personal property to electric power  
47 associations for use in the ordinary and necessary operation of  
48 their generating or distribution systems shall be taxed at the  
49 rate of one percent (1%).

50        Wholesale sales of beer shall be taxed at the rate of seven  
51 percent (7%), and the retailer shall file a return and compute the  
52 retail tax on retail sales but may take credit for the amount of  
53 the tax paid to the wholesaler on said return covering the  
54 subsequent sales of same property, provided adequate invoices and  
55 records are maintained to substantiate the credit.

56        Wholesale sales of food and drink for human consumption to  
57 full service vending machine operators to be sold through vending  
58 machines located apart from and not connected with other taxable  
59 businesses shall be taxed at the rate of eight percent (8%).



60 A manufacturer selling at retail in this state shall be  
61 required to make returns of the gross proceeds of such sales and  
62 pay the tax imposed in this section.

63 Any person exercising any privilege taxable under Section  
64 27-65-15 and selling his natural resource products at wholesale or  
65 to exempt persons shall pay the tax levied by said section in lieu  
66 of the tax levied by this section.

67 (2) From and after January 1, 1995, retail sales of private  
68 carriers of passengers and light carriers of property, as defined  
69 in Section 27-51-101, shall be taxed an additional two percent  
70 (2%).

71 (3) In lieu of the tax levied in subsection (1) of this  
72 section, there is levied on retail sales of truck-tractors and  
73 semitrailers used in interstate commerce and registered under the  
74 International Registration Plan (IRP) or any similar reciprocity  
75 agreement or compact relating to the proportional registration of  
76 commercial vehicles entered into as provided for in Section  
77 27-19-143, a tax at the rate of three percent (3%) of the portion  
78 of the sale that is attributable to the usage of such  
79 truck-tractor or semitrailer in Mississippi. The portion of the  
80 retail sale that is attributable to the usage of such  
81 truck-tractor or semitrailer in Mississippi is the retail sales  
82 price of the truck-tractor or semitrailer multiplied by the  
83 percentage of the total miles traveled by the vehicle that are  
84 traveled in Mississippi. The tax levied pursuant to this  
85 subsection (3) shall be collected by the State Tax Commission from  
86 the purchaser of such truck-tractor or semitrailer at the time of  
87 registration of such truck-tractor or semitrailer.

88 **SECTION 2.** Nothing in this act shall affect or defeat any  
89 claim, assessment, appeal, suit, right or cause of action for  
90 taxes due or accrued under the sales tax laws before the date on  
91 which this act becomes effective, whether such claims,  
92 assessments, appeals, suits or actions have been begun before the



93 date on which this act becomes effective or are begun thereafter;  
94 and the provisions of the sales tax laws are expressly continued  
95 in full force, effect and operation for the purpose of the  
96 assessment, collection and enrollment of liens for any taxes due  
97 or accrued and the execution of any warrant under such laws before  
98 the date on which this act becomes effective, and for the  
99 imposition of any penalties, forfeitures or claims for failure to  
100 comply with such laws.

101       **SECTION 3.** This act shall take effect and be in force from  
102 and after July 1, 2003.

