

By: Representatives Compretta, Broomfield

To: Ways and Means

HOUSE BILL NO. 1118

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT SALES OF EQUIPMENT USED OR DESIGNED FOR THE
3 PURPOSE OF ASSISTING DISABLED PERSONS, SUCH AS WHEELCHAIR
4 EQUIPMENT AND LIFTS, THAT IS MOUNTED OR ATTACHED TO OR INSTALLED
5 ON A PRIVATE CARRIER OF PASSENGERS OR LIGHT CARRIER OF PROPERTY AT
6 THE TIME WHEN THE PRIVATE CARRIER OF PASSENGERS OR LIGHT CARRIER
7 OF PROPERTY IS SOLD SHALL BE TAXED AT THE SAME RATE AS THE SALE OF
8 SUCH VEHICLES; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

62 Any person exercising any privilege taxable under Section
63 27-65-15 and selling his natural resource products at wholesale or

64 to exempt persons shall pay the tax levied by said section in lieu
65 of the tax levied by this section.

66 Sales of equipment used or designed for the purpose of
67 assisting disabled persons, such as wheelchair equipment and
68 lifts, that is mounted or attached to or installed on a private
69 carrier of passengers or light carrier of property, as defined in
70 Section 27-51-101, at the time when the private carrier of
71 passengers or light carrier of property is sold shall be taxed at
72 the same rate as the sale of such vehicles under this section.

73 (2) From and after January 1, 1995, retail sales of private
74 carriers of passengers and light carriers of property, as defined
75 in Section 27-51-101, shall be taxed an additional two percent
76 (2%).

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

94 **SECTION 2.** Nothing in this act shall affect or defeat any
95 claim, assessment, appeal, suit, right or cause of action for
96 taxes due or accrued under the sales tax laws and use tax laws

97 before the date on which this act becomes effective, whether such
98 claims, assessments, appeals, suits or actions have been begun
99 before the date on which this act becomes effective or are begun
100 thereafter; and the provisions of the sales tax laws and use tax
101 laws are expressly continued in full force, effect and operation
102 for the purpose of the assessment, collection and enrollment of
103 liens for any taxes due or accrued and the execution of any
104 warrant under such laws before the date on which this act becomes
105 effective, and for the imposition of any penalties, forfeitures or
106 claims for failure to comply with such laws.

107 **SECTION 3.** This act shall take effect and be in force from
108 and after July 1, 2005.