

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1602

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES TAX AND USE TAX IMPOSED ON CASUAL SALES OF  
3 MOTOR VEHICLES; AND FOR RELATED PURPOSES.

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

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

7 27-65-201. (1) For the purposes of this section, unless the  
8 context otherwise requires, the term "motor vehicle" means a motor  
9 vehicle required to be registered or licensed by the county tax  
10 collectors pursuant to Section 27-19-43, Mississippi Code of 1972.

11 (2) Upon every person, firm or corporation purchasing other  
12 than at wholesale within this state any motor vehicle required to  
13 be registered or licensed with the tax collector of any county in  
14 this state from any person, firm or corporation which is not a  
15 licensed dealer engaged in selling motor vehicles, there shall be  
16 levied and collected a sales tax at the rate of five percent (5%)  
17 of the true value of the motor vehicle as calculated by using the  
18 most current official motor vehicle assessment schedule supplied  
19 by the State Tax Commission.

20 (3) Upon every person, firm or corporation purchasing other  
21 than at wholesale outside the state any motor vehicle required to  
22 be registered or licensed with the tax collector of any county in  
23 this state from any person, firm or corporation which is not a  
24 licensed dealer engaged in selling motor vehicles, for use,  
25 storage or other consumption within this state there is levied a  
26 use tax at the rate of five percent (5%) of the true value of the  
27 motor vehicle as calculated by using the most current official

28 motor vehicle assessment schedule supplied by the State Tax  
29 Commission.

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

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

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

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

61 Any error in the report and remittance to the State Tax  
62 Commission may be adjusted on a subsequent report. If the error  
63 was in the collection by the tax collector, it shall be adjusted  
64 through the tax collector with the taxpayer before credit is  
65 allowed by the State Tax Commission.

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

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

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

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

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

83 **SECTION 2.** This act shall take effect and be in force from  
84 and after July 1, 2005.