

By: Representative Hines

To: Ways and Means

## HOUSE BILL NO. 447

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE SALES TAX RATE ON SALES OF FIREARMS, AMMUNITION,  
3 ARCHERY EQUIPMENT, MOTORCYCLES, ALL-TERRAIN VEHICLES AND JET SKIS;  
4 TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO INCREASE  
5 THE SALES TAX RATE ON RETAIL SALES OF ALCOHOLIC BEVERAGES; TO  
6 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
7 THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX  
8 RATES UNDER SECTIONS 27-65-17 AND 27-65-25 SHALL BE DEPOSITED,  
9 WITHOUT DIVERSION, INTO A SPECIAL FUND CREATED IN THE STATE  
10 TREASURY AS THE "MISSISSIPPI HOSPITALS UNCOMPENSATED CARE  
11 ASSISTANCE FUND"; TO AMEND SECTION 27-69-3, MISSISSIPPI CODE OF  
12 1972, TO REVISE THE DEFINITION OF THE TERM "TOBACCO" UNDER THE  
13 TOBACCO TAX LAW; TO DEFINE THE TERM "VAPOR PRODUCT" UNDER THE  
14 TOBACCO TAX LAW; TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF  
15 1972, TO INCREASE THE EXCISE TAXES LEVIED ON CIGARETTES AND OTHER  
16 TOBACCO; TO AMEND SECTIONS 27-69-15, 27-69-27, 27-69-33 AND  
17 27-69-35, MISSISSIPPI OF CODE OF 1972, IN CONFORMITY THERETO; TO  
18 AMEND SECTION 27-69-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
19 TOBACCO TAXES COLLECTED FROM THE INCREASES TO TOBACCO TAX RATES  
20 UNDER THIS ACT SHALL BE DEPOSITED INTO THE "MISSISSIPPI HOSPITALS  
21 UNCOMPENSATED CARE ASSISTANCE FUND"; TO CREATE THE "MISSISSIPPI  
22 HOSPITALS UNCOMPENSATED CARE ASSISTANCE FUND" AS A SPECIAL FUND IN  
23 THE STATE TREASURY TO BE ADMINISTERED BY THE DEPARTMENT OF HEALTH;  
24 TO PROVIDE THAT MONIES IN THE FUND SHALL BE USED TO PROVIDE  
25 ASSISTANCE TO HOSPITALS FOR THE COST OF UNCOMPENSATED MEDICAL CARE  
26 SERVICES; AND FOR RELATED PURPOSES.

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

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



30           27-65-17. (1) (a) Except as otherwise provided in this  
31 section, upon every person engaging or continuing within this  
32 state in the business of selling any tangible personal property  
33 whatsoever there is hereby levied, assessed and shall be collected  
34 a tax equal to seven percent (7%) of the gross proceeds of the  
35 retail sales of the business.

36           (b) Retail sales of farm tractors and parts and labor  
37 used to maintain and/or repair such tractors shall be taxed at the  
38 rate of one and one-half percent (1-1/2%) when made to farmers for  
39 agricultural purposes.

40           (c) (i) Retail sales of farm implements sold to  
41 farmers and used directly in the production of poultry, ratite,  
42 domesticated fish as defined in Section 69-7-501, livestock,  
43 livestock products, agricultural crops or ornamental plant crops  
44 or used for other agricultural purposes, and parts and labor used  
45 to maintain and/or repair such implements, shall be taxed at the  
46 rate of one and one-half percent (1-1/2%) when used on the farm.

47           (ii) The one and one-half percent (1-1/2%) rate  
48 shall also apply to all equipment used in logging, pulpwood  
49 operations or tree farming, and parts and labor used to maintain  
50 and/or repair such equipment, which is either:

- 51                           1. Self-propelled, or  
52                           2. Mounted so that it is permanently attached  
53 to other equipment which is self-propelled or attached to other  
54 equipment drawn by a vehicle which is self-propelled.



55 In order to be eligible for the rate of tax provided for in  
56 this subparagraph (ii), such sales must be made to a professional  
57 logger. For the purposes of this subparagraph (ii), a  
58 "professional logger" is a person, corporation, limited liability  
59 company or other entity, or an agent thereof, who possesses a  
60 professional logger's permit issued by the Department of Revenue  
61 and who presents the permit to the seller at the time of purchase.  
62 The department shall establish an application process for a  
63 professional logger's permit to be issued, which shall include a  
64 requirement that the applicant submit a copy of documentation  
65 verifying that the applicant is certified according to Sustainable  
66 Forestry Initiative guidelines. Upon a determination that an  
67 applicant is a professional logger, the department shall issue the  
68 applicant a numbered professional logger's permit.

69 (d) Except as otherwise provided in subsection (3) of  
70 this section, retail sales of aircraft, automobiles, trucks,  
71 truck-tractors, semitrailers and manufactured or mobile homes  
72 shall be taxed at the rate of three percent (3%).

73 (e) Sales of manufacturing machinery or manufacturing  
74 machine parts when made to a manufacturer or custom processor for  
75 plant use only when the machinery and machine parts will be used  
76 exclusively and directly within this state in manufacturing a  
77 commodity for sale, rental or in processing for a fee shall be  
78 taxed at the rate of one and one-half percent (1-1/2%).



79                   (f) Sales of machinery and machine parts when made to a  
80 technology intensive enterprise for plant use only when the  
81 machinery and machine parts will be used exclusively and directly  
82 within this state for industrial purposes, including, but not  
83 limited to, manufacturing or research and development activities,  
84 shall be taxed at the rate of one and one-half percent (1-1/2%).  
85 In order to be considered a technology intensive enterprise for  
86 purposes of this paragraph:

87                   (i) The enterprise shall meet minimum criteria  
88 established by the Mississippi Development Authority;

89                   (ii) The enterprise shall employ at least ten (10)  
90 persons in full-time jobs;

91                   (iii) At least ten percent (10%) of the workforce  
92 in the facility operated by the enterprise shall be scientists,  
93 engineers or computer specialists;

94                   (iv) The enterprise shall manufacture plastics,  
95 chemicals, automobiles, aircraft, computers or electronics; or  
96 shall be a research and development facility, a computer design or  
97 related facility, or a software publishing facility or other  
98 technology intensive facility or enterprise as determined by the  
99 Mississippi Development Authority;

100                   (v) The average wage of all workers employed by  
101 the enterprise at the facility shall be at least one hundred fifty  
102 percent (150%) of the state average annual wage; and



103                   (vi) The enterprise must provide a basic health  
104 care plan to all employees at the facility.

105           A medical cannabis establishment, as defined in the  
106 Mississippi Medical Cannabis Act, shall not be considered to be a  
107 technology intensive enterprise for the purposes of this paragraph  
108 (f).

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

113           (h) Sales of tangible personal property to electric  
114 power associations for use in the ordinary and necessary operation  
115 of their generating or distribution systems shall be taxed at the  
116 rate of one percent (1%).

117           (i) Wholesale sales of food and drink for human  
118 consumption to full-service vending machine operators to be sold  
119 through vending machines located apart from and not connected with  
120 other taxable businesses shall be taxed at the rate of eight  
121 percent (8%).

122           (j) Sales of equipment used or designed for the purpose  
123 of assisting disabled persons, such as wheelchair equipment and  
124 lifts, that is mounted or attached to or installed on a private  
125 carrier of passengers or light carrier of property, as defined in  
126 Section 27-51-101, at the time when the private carrier of



127 passengers or light carrier of property is sold shall be taxed at  
128 the same rate as the sale of such vehicles under this section.

129 (k) Sales of the factory-built components of modular  
130 homes, panelized homes and precut homes, and panel constructed  
131 homes consisting of structural insulated panels, shall be taxed at  
132 the rate of three percent (3%).

133 (l) Sales of materials used in the repair, renovation,  
134 addition to, expansion and/or improvement of buildings and related  
135 facilities used by a dairy producer shall be taxed at the rate of  
136 three and one-half percent (3-1/2%). For the purposes of this  
137 paragraph (l), "dairy producer" means any person engaged in the  
138 production of milk for commercial use.

139 (m) From and after July 1, 2024, sales of firearms,  
140 ammunition, archery equipment, motorcycles, all-terrain vehicles  
141 and jet skis shall be taxed at the rate of eight percent (8%).

142 (2) From and after January 1, 1995, retail sales of private  
143 carriers of passengers and light carriers of property, as defined  
144 in Section 27-51-101, shall be taxed an additional two percent  
145 (2%).

146 (3) A manufacturer selling at retail in this state shall be  
147 required to make returns of the gross proceeds of such sales and  
148 pay the tax imposed in this section.

149 **SECTION 2.** Section 27-65-25, Mississippi Code of 1972, is  
150 amended as follows:



151           27-65-25. Upon every person engaging or continuing within  
152 this state in the business of selling alcoholic beverages at  
153 retail, the sales of which are legal under the provisions of  
154 Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby  
155 levied, assessed and shall be collected a tax equal to \* \* \* eight  
156 percent (8%) of the gross proceeds of the retail sales of the  
157 business.

158           **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is  
159 amended as follows:

160           27-65-75. On or before the fifteenth day of each month, the  
161 revenue collected under the provisions of this chapter during the  
162 preceding month shall be paid and distributed as follows:

163           (1) (a) On or before August 15, 1992, and each succeeding  
164 month thereafter through July 15, 1993, eighteen percent (18%) of  
165 the total sales tax revenue collected during the preceding month  
166 under the provisions of this chapter, except that collected under  
167 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
168 business activities within a municipal corporation shall be  
169 allocated for distribution to the municipality and paid to the  
170 municipal corporation. Except as otherwise provided in this  
171 paragraph (a), on or before August 15, 1993, and each succeeding  
172 month thereafter, eighteen and one-half percent (18-1/2%) of the  
173 total sales tax revenue collected during the preceding month under  
174 the provisions of this chapter, except that collected under the  
175 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



176 27-65-24, on business activities within a municipal corporation  
177 shall be allocated for distribution to the municipality and paid  
178 to the municipal corporation. However, in the event the State  
179 Auditor issues a certificate of noncompliance pursuant to Section  
180 21-35-31, the Department of Revenue shall withhold ten percent  
181 (10%) of the allocations and payments to the municipality that  
182 would otherwise be payable to the municipality under this  
183 paragraph (a) until such time that the department receives written  
184 notice of the cancellation of a certificate of noncompliance from  
185 the State Auditor.

186 A municipal corporation, for the purpose of distributing the  
187 tax under this subsection, shall mean and include all incorporated  
188 cities, towns and villages.

189 Monies allocated for distribution and credited to a municipal  
190 corporation under this paragraph may be pledged as security for a  
191 loan if the distribution received by the municipal corporation is  
192 otherwise authorized or required by law to be pledged as security  
193 for such a loan.

194 In any county having a county seat that is not an  
195 incorporated municipality, the distribution provided under this  
196 subsection shall be made as though the county seat was an  
197 incorporated municipality; however, the distribution to the  
198 municipality shall be paid to the county treasury in which the  
199 municipality is located, and those funds shall be used for road,  
200 bridge and street construction or maintenance in the county.





201 (b) On or before August 15, 2006, and each succeeding  
202 month thereafter, eighteen and one-half percent (18-1/2%) of the  
203 total sales tax revenue collected during the preceding month under  
204 the provisions of this chapter, except that collected under the  
205 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
206 business activities on the campus of a state institution of higher  
207 learning or community or junior college whose campus is not  
208 located within the corporate limits of a municipality, shall be  
209 allocated for distribution to the state institution of higher  
210 learning or community or junior college and paid to the state  
211 institution of higher learning or community or junior college.

212 (c) On or before August 15, 2018, and each succeeding  
213 month thereafter until August 14, 2019, two percent (2%) of the  
214 total sales tax revenue collected during the preceding month under  
215 the provisions of this chapter, except that collected under the  
216 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
217 27-65-24, on business activities within the corporate limits of  
218 the City of Jackson, Mississippi, shall be deposited into the  
219 Capitol Complex Improvement District Project Fund created in  
220 Section 29-5-215. On or before August 15, 2019, and each  
221 succeeding month thereafter until August 14, 2020, four percent  
222 (4%) of the total sales tax revenue collected during the preceding  
223 month under the provisions of this chapter, except that collected  
224 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
225 and 27-65-24, on business activities within the corporate limits



226 of the City of Jackson, Mississippi, shall be deposited into the  
227 Capitol Complex Improvement District Project Fund created in  
228 Section 29-5-215. On or before August 15, 2020, and each  
229 succeeding month thereafter through July 15, 2023, six percent  
230 (6%) of the total sales tax revenue collected during the preceding  
231 month under the provisions of this chapter, except that collected  
232 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
233 and 27-65-24, on business activities within the corporate limits  
234 of the City of Jackson, Mississippi, shall be deposited into the  
235 Capitol Complex Improvement District Project Fund created in  
236 Section 29-5-215. On or before August 15, 2023, and each  
237 succeeding month thereafter, nine percent (9%) of the total sales  
238 tax revenue collected during the preceding month under the  
239 provisions of this chapter, except that collected under the  
240 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
241 27-65-24, on business activities within the corporate limits of  
242 the City of Jackson, Mississippi, shall be deposited into the  
243 Capitol Complex Improvement District Project Fund created in  
244 Section 29-5-215.

245 (d) (i) On or before the fifteenth day of the month  
246 that the diversion authorized by this section begins, and each  
247 succeeding month thereafter, eighteen and one-half percent  
248 (18-1/2%) of the total sales tax revenue collected during the  
249 preceding month under the provisions of this chapter, except that  
250 collected under the provisions of Sections 27-65-15, 27-65-19(3)



251 and 27-65-21, on business activities within a redevelopment  
252 project area developed under a redevelopment plan adopted under  
253 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
254 allocated for distribution to the county in which the project area  
255 is located if:

256 1. The county:

257 a. Borders on the Mississippi Sound and  
258 the State of Alabama, or

259 b. Is Harrison County, Mississippi, and  
260 the project area is within a radius of two (2) miles from the  
261 intersection of Interstate 10 and Menge Avenue;

262 2. The county has issued bonds under Section  
263 21-45-9 to finance all or a portion of a redevelopment project in  
264 the redevelopment project area;

265 3. Any debt service for the indebtedness  
266 incurred is outstanding; and

267 4. A development with a value of Ten Million  
268 Dollars (\$10,000,000.00) or more is, or will be, located in the  
269 redevelopment area.

270 (ii) Before any sales tax revenue may be allocated  
271 for distribution to a county under this paragraph, the county  
272 shall certify to the Department of Revenue that the requirements  
273 of this paragraph have been met, the amount of bonded indebtedness  
274 that has been incurred by the county for the redevelopment project



275 and the expected date the indebtedness incurred by the county will  
276 be satisfied.

277 (iii) The diversion of sales tax revenue  
278 authorized by this paragraph shall begin the month following the  
279 month in which the Department of Revenue determines that the  
280 requirements of this paragraph have been met. The diversion shall  
281 end the month the indebtedness incurred by the county is  
282 satisfied. All revenue received by the county under this  
283 paragraph shall be deposited in the fund required to be created in  
284 the tax increment financing plan under Section 21-45-11 and be  
285 utilized solely to satisfy the indebtedness incurred by the  
286 county.

287 (2) On or before September 15, 1987, and each succeeding  
288 month thereafter, from the revenue collected under this chapter  
289 during the preceding month, One Million One Hundred Twenty-five  
290 Thousand Dollars (\$1,125,000.00) shall be allocated for  
291 distribution to municipal corporations as defined under subsection  
292 (1) of this section in the proportion that the number of gallons  
293 of gasoline and diesel fuel sold by distributors to consumers and  
294 retailers in each such municipality during the preceding fiscal  
295 year bears to the total gallons of gasoline and diesel fuel sold  
296 by distributors to consumers and retailers in municipalities  
297 statewide during the preceding fiscal year. The Department of  
298 Revenue shall require all distributors of gasoline and diesel fuel  
299 to report to the department monthly the total number of gallons of



300 gasoline and diesel fuel sold by them to consumers and retailers  
301 in each municipality during the preceding month. The Department  
302 of Revenue shall have the authority to promulgate such rules and  
303 regulations as is necessary to determine the number of gallons of  
304 gasoline and diesel fuel sold by distributors to consumers and  
305 retailers in each municipality. In determining the percentage  
306 allocation of funds under this subsection for the fiscal year  
307 beginning July 1, 1987, and ending June 30, 1988, the Department  
308 of Revenue may consider gallons of gasoline and diesel fuel sold  
309 for a period of less than one (1) fiscal year. For the purposes  
310 of this subsection, the term "fiscal year" means the fiscal year  
311 beginning July 1 of a year.

312 (3) On or before September 15, 1987, and on or before the  
313 fifteenth day of each succeeding month, until the date specified  
314 in Section 65-39-35, the proceeds derived from contractors' taxes  
315 levied under Section 27-65-21 on contracts for the construction or  
316 reconstruction of highways designated under the highway program  
317 created under Section 65-3-97 shall, except as otherwise provided  
318 in Section 31-17-127, be deposited into the State Treasury to the  
319 credit of the State Highway Fund to be used to fund that highway  
320 program. The Mississippi Department of Transportation shall  
321 provide to the Department of Revenue such information as is  
322 necessary to determine the amount of proceeds to be distributed  
323 under this subsection.



324 (4) On or before August 15, 1994, and on or before the  
325 fifteenth day of each succeeding month through July 15, 1999, from  
326 the proceeds of gasoline, diesel fuel or kerosene taxes as  
327 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
328 (\$4,000,000.00) shall be deposited in the State Treasury to the  
329 credit of a special fund designated as the "State Aid Road Fund,"  
330 created by Section 65-9-17. On or before August 15, 1999, and on  
331 or before the fifteenth day of each succeeding month, from the  
332 total amount of the proceeds of gasoline, diesel fuel or kerosene  
333 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
334 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
335 one-fourth percent (23-1/4%) of those funds, whichever is the  
336 greater amount, shall be deposited in the State Treasury to the  
337 credit of the "State Aid Road Fund," created by Section 65-9-17.  
338 Those funds shall be pledged to pay the principal of and interest  
339 on state aid road bonds heretofore issued under Sections 19-9-51  
340 through 19-9-77, in lieu of and in substitution for the funds  
341 previously allocated to counties under this section. Those funds  
342 may not be pledged for the payment of any state aid road bonds  
343 issued after April 1, 1981; however, this prohibition against the  
344 pledging of any such funds for the payment of bonds shall not  
345 apply to any bonds for which intent to issue those bonds has been  
346 published for the first time, as provided by law before March 29,  
347 1981. From the amount of taxes paid into the special fund under  
348 this subsection and subsection (9) of this section, there shall be



349 first deducted and paid the amount necessary to pay the expenses  
350 of the Office of State Aid Road Construction, as authorized by the  
351 Legislature for all other general and special fund agencies. The  
352 remainder of the fund shall be allocated monthly to the several  
353 counties in accordance with the following formula:

354 (a) One-third (1/3) shall be allocated to all counties  
355 in equal shares;

356 (b) One-third (1/3) shall be allocated to counties  
357 based on the proportion that the total number of rural road miles  
358 in a county bears to the total number of rural road miles in all  
359 counties of the state; and

360 (c) One-third (1/3) shall be allocated to counties  
361 based on the proportion that the rural population of the county  
362 bears to the total rural population in all counties of the state,  
363 according to the latest federal decennial census.

364 For the purposes of this subsection, the term "gasoline,  
365 diesel fuel or kerosene taxes" means such taxes as defined in  
366 paragraph (f) of Section 27-5-101.

367 The amount of funds allocated to any county under this  
368 subsection for any fiscal year after fiscal year 1994 shall not be  
369 less than the amount allocated to the county for fiscal year 1994.

370 Any reference in the general laws of this state or the  
371 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
372 construed to refer and apply to subsection (4) of Section  
373 27-65-75.



374 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
375 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
376 the special fund known as the "Educational Facilities Revolving  
377 Loan Fund" created and existing under the provisions of Section  
378 37-47-24. Those payments into that fund are to be made on the  
379 last day of each succeeding month hereafter. This subsection (5)  
380 shall stand repealed on July 1, 2026.

381 (6) An amount each month beginning August 15, 1983, through  
382 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
383 1983, shall be paid into the special fund known as the  
384 Correctional Facilities Construction Fund created in Section 6,  
385 Chapter 542, Laws of 1983.

386 (7) On or before August 15, 1992, and each succeeding month  
387 thereafter through July 15, 2000, two and two hundred sixty-six  
388 one-thousandths percent (2.266%) of the total sales tax revenue  
389 collected during the preceding month under the provisions of this  
390 chapter, except that collected under the provisions of Section  
391 27-65-17(2), shall be deposited by the department into the School  
392 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
393 or before August 15, 2000, and each succeeding month thereafter,  
394 two and two hundred sixty-six one-thousandths percent (2.266%) of  
395 the total sales tax revenue collected during the preceding month  
396 under the provisions of this chapter, except that collected under  
397 the provisions of Section 27-65-17(2), shall be deposited into the  
398 School Ad Valorem Tax Reduction Fund created under Section





399 37-61-35 until such time that the total amount deposited into the  
400 fund during a fiscal year equals Forty-two Million Dollars  
401 (\$42,000,000.00). Thereafter, the amounts diverted under this  
402 subsection (7) during the fiscal year in excess of Forty-two  
403 Million Dollars (\$42,000,000.00) shall be deposited into the  
404 Education Enhancement Fund created under Section 37-61-33 for  
405 appropriation by the Legislature as other education needs and  
406 shall not be subject to the percentage appropriation requirements  
407 set forth in Section 37-61-33.

408 (8) On or before August 15, 1992, and each succeeding month  
409 thereafter, nine and seventy-three one-thousandths percent  
410 (9.073%) of the total sales tax revenue collected during the  
411 preceding month under the provisions of this chapter, except that  
412 collected under the provisions of Section 27-65-17(2), shall be  
413 deposited into the Education Enhancement Fund created under  
414 Section 37-61-33.

415 (9) On or before August 15, 1994, and each succeeding month  
416 thereafter, from the revenue collected under this chapter during  
417 the preceding month, Two Hundred Fifty Thousand Dollars  
418 (\$250,000.00) shall be paid into the State Aid Road Fund.

419 (10) On or before August 15, 1994, and each succeeding month  
420 thereafter through August 15, 1995, from the revenue collected  
421 under this chapter during the preceding month, Two Million Dollars  
422 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
423 Valorem Tax Reduction Fund established in Section 27-51-105.



424           (11) Notwithstanding any other provision of this section to  
425 the contrary, on or before February 15, 1995, and each succeeding  
426 month thereafter, the sales tax revenue collected during the  
427 preceding month under the provisions of Section 27-65-17(2) and  
428 the corresponding levy in Section 27-65-23 on the rental or lease  
429 of private carriers of passengers and light carriers of property  
430 as defined in Section 27-51-101 shall be deposited, without  
431 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
432 established in Section 27-51-105.

433           (12) Notwithstanding any other provision of this section to  
434 the contrary, on or before August 15, 1995, and each succeeding  
435 month thereafter, the sales tax revenue collected during the  
436 preceding month under the provisions of Section 27-65-17(1) on  
437 retail sales of private carriers of passengers and light carriers  
438 of property, as defined in Section 27-51-101 and the corresponding  
439 levy in Section 27-65-23 on the rental or lease of these vehicles,  
440 shall be deposited, after diversion, into the Motor Vehicle Ad  
441 Valorem Tax Reduction Fund established in Section 27-51-105.

442           (13) On or before July 15, 1994, and on or before the  
443 fifteenth day of each succeeding month thereafter, that portion of  
444 the avails of the tax imposed in Section 27-65-22 that is derived  
445 from activities held on the Mississippi State Fairgrounds Complex  
446 shall be paid into a special fund that is created in the State  
447 Treasury and shall be expended upon legislative appropriation



448 solely to defray the costs of repairs and renovation at the Trade  
449 Mart and Coliseum.

450 (14) On or before August 15, 1998, and each succeeding month  
451 thereafter through July 15, 2005, that portion of the avails of  
452 the tax imposed in Section 27-65-23 that is derived from sales by  
453 cotton compresses or cotton warehouses and that would otherwise be  
454 paid into the General Fund shall be deposited in an amount not to  
455 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
456 created under Section 69-37-39. On or before August 15, 2007, and  
457 each succeeding month thereafter through July 15, 2010, that  
458 portion of the avails of the tax imposed in Section 27-65-23 that  
459 is derived from sales by cotton compresses or cotton warehouses  
460 and that would otherwise be paid into the General Fund shall be  
461 deposited in an amount not to exceed Two Million Dollars  
462 (\$2,000,000.00) into the special fund created under Section  
463 69-37-39 until all debts or other obligations incurred by the  
464 Certified Cotton Growers Organization under the Mississippi Boll  
465 Weevil Management Act before January 1, 2007, are satisfied in  
466 full. On or before August 15, 2010, and each succeeding month  
467 thereafter through July 15, 2011, fifty percent (50%) of that  
468 portion of the avails of the tax imposed in Section 27-65-23 that  
469 is derived from sales by cotton compresses or cotton warehouses  
470 and that would otherwise be paid into the General Fund shall be  
471 deposited into the special fund created under Section 69-37-39  
472 until such time that the total amount deposited into the fund



473 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
474 On or before August 15, 2011, and each succeeding month  
475 thereafter, that portion of the avails of the tax imposed in  
476 Section 27-65-23 that is derived from sales by cotton compresses  
477 or cotton warehouses and that would otherwise be paid into the  
478 General Fund shall be deposited into the special fund created  
479 under Section 69-37-39 until such time that the total amount  
480 deposited into the fund during a fiscal year equals One Million  
481 Dollars (\$1,000,000.00).

482 (15) Notwithstanding any other provision of this section to  
483 the contrary, on or before September 15, 2000, and each succeeding  
484 month thereafter, the sales tax revenue collected during the  
485 preceding month under the provisions of Section  
486 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
487 without diversion, into the Telecommunications Ad Valorem Tax  
488 Reduction Fund established in Section 27-38-7.

489 (16) (a) On or before August 15, 2000, and each succeeding  
490 month thereafter, the sales tax revenue collected during the  
491 preceding month under the provisions of this chapter on the gross  
492 proceeds of sales of a project as defined in Section 57-30-1 shall  
493 be deposited, after all diversions except the diversion provided  
494 for in subsection (1) of this section, into the Sales Tax  
495 Incentive Fund created in Section 57-30-3.

496 (b) On or before August 15, 2007, and each succeeding  
497 month thereafter, eighty percent (80%) of the sales tax revenue



498 collected during the preceding month under the provisions of this  
499 chapter from the operation of a tourism project under the  
500 provisions of Sections 57-26-1 through 57-26-5, shall be  
501 deposited, after the diversions required in subsections (7) and  
502 (8) of this section, into the Tourism Project Sales Tax Incentive  
503 Fund created in Section 57-26-3.

504 (17) Notwithstanding any other provision of this section to  
505 the contrary, on or before April 15, 2002, and each succeeding  
506 month thereafter, the sales tax revenue collected during the  
507 preceding month under Section 27-65-23 on sales of parking  
508 services of parking garages and lots at airports shall be  
509 deposited, without diversion, into the special fund created under  
510 Section 27-5-101(d).

511 (18) [Repealed]

512 (19) (a) On or before August 15, 2005, and each succeeding  
513 month thereafter, the sales tax revenue collected during the  
514 preceding month under the provisions of this chapter on the gross  
515 proceeds of sales of a business enterprise located within a  
516 redevelopment project area under the provisions of Sections  
517 57-91-1 through 57-91-11, and the revenue collected on the gross  
518 proceeds of sales from sales made to a business enterprise located  
519 in a redevelopment project area under the provisions of Sections  
520 57-91-1 through 57-91-11 (provided that such sales made to a  
521 business enterprise are made on the premises of the business  
522 enterprise), shall, except as otherwise provided in this



523 subsection (19), be deposited, after all diversions, into the  
524 Redevelopment Project Incentive Fund as created in Section  
525 57-91-9.

526 (b) For a municipality participating in the Economic  
527 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
528 the diversion provided for in subsection (1) of this section  
529 attributable to the gross proceeds of sales of a business  
530 enterprise located within a redevelopment project area under the  
531 provisions of Sections 57-91-1 through 57-91-11, and attributable  
532 to the gross proceeds of sales from sales made to a business  
533 enterprise located in a redevelopment project area under the  
534 provisions of Sections 57-91-1 through 57-91-11 (provided that  
535 such sales made to a business enterprise are made on the premises  
536 of the business enterprise), shall be deposited into the  
537 Redevelopment Project Incentive Fund as created in Section  
538 57-91-9, as follows:

539 (i) For the first six (6) years in which payments  
540 are made to a developer from the Redevelopment Project Incentive  
541 Fund, one hundred percent (100%) of the diversion shall be  
542 deposited into the fund;

543 (ii) For the seventh year in which such payments  
544 are made to a developer from the Redevelopment Project Incentive  
545 Fund, eighty percent (80%) of the diversion shall be deposited  
546 into the fund;



547 (iii) For the eighth year in which such payments  
548 are made to a developer from the Redevelopment Project Incentive  
549 Fund, seventy percent (70%) of the diversion shall be deposited  
550 into the fund;

551 (iv) For the ninth year in which such payments are  
552 made to a developer from the Redevelopment Project Incentive Fund,  
553 sixty percent (60%) of the diversion shall be deposited into the  
554 fund; and

555 (v) For the tenth year in which such payments are  
556 made to a developer from the Redevelopment Project Incentive Fund,  
557 fifty percent (50%) of the funds shall be deposited into the fund.

558 (20) On or before January 15, 2007, and each succeeding  
559 month thereafter, eighty percent (80%) of the sales tax revenue  
560 collected during the preceding month under the provisions of this  
561 chapter from the operation of a tourism project under the  
562 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
563 after the diversions required in subsections (7) and (8) of this  
564 section, into the Tourism Sales Tax Incentive Fund created in  
565 Section 57-28-3.

566 (21) (a) On or before April 15, 2007, and each succeeding  
567 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
568 Dollars (\$150,000.00) of the sales tax revenue collected during  
569 the preceding month under the provisions of this chapter shall be  
570 deposited into the MMEIA Tax Incentive Fund created in Section  
571 57-101-3.



572 (b) On or before July 15, 2013, and each succeeding  
573 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
574 of the sales tax revenue collected during the preceding month  
575 under the provisions of this chapter shall be deposited into the  
576 Mississippi Development Authority Job Training Grant Fund created  
577 in Section 57-1-451.

578 (22) On or before June 1, 2024, and each succeeding month  
579 thereafter until December 31, 2057, an amount determined annually  
580 by the Mississippi Development Authority of the sales tax revenue  
581 collected during the preceding month under the provisions of this  
582 chapter shall be deposited into the MMEIA Tax Incentive Fund  
583 created in Section 18 of \* \* \* Senate Bill No. 2001, 2024 Second  
584 Extraordinary Session. This amount shall be based on estimated  
585 payments due within the upcoming year to construction contractors  
586 pursuant to construction contracts subject to the tax imposed by  
587 Section 27-65-21 for construction to be performed on the project  
588 site of a project defined under Section 57-75-5(f)(xxxiii) for the  
589 coming year.

590 (23) Notwithstanding any other provision of this section to  
591 the contrary, on or before August 15, 2009, and each succeeding  
592 month thereafter, the sales tax revenue collected during the  
593 preceding month under the provisions of Section 27-65-201 shall be  
594 deposited, without diversion, into the Motor Vehicle Ad Valorem  
595 Tax Reduction Fund established in Section 27-51-105.





596           (24) (a) On or before August 15, 2019, and each month  
597 thereafter through July 15, 2020, one percent (1%) of the total  
598 sales tax revenue collected during the preceding month from  
599 restaurants and hotels shall be allocated for distribution to the  
600 Mississippi Development Authority Tourism Advertising Fund  
601 established under Section 57-1-64, to be used exclusively for the  
602 purpose stated therein. On or before August 15, 2020, and each  
603 month thereafter through July 15, 2021, two percent (2%) of the  
604 total sales tax revenue collected during the preceding month from  
605 restaurants and hotels shall be allocated for distribution to the  
606 Mississippi Development Authority Tourism Advertising Fund  
607 established under Section 57-1-64, to be used exclusively for the  
608 purpose stated therein. On or before August 15, 2021, and each  
609 month thereafter, three percent (3%) of the total sales tax  
610 revenue collected during the preceding month from restaurants and  
611 hotels shall be allocated for distribution to the Mississippi  
612 Development Authority Tourism Advertising Fund established under  
613 Section 57-1-64, to be used exclusively for the purpose stated  
614 therein. The revenue diverted pursuant to this subsection shall  
615 not be available for expenditure until February 1, 2020.

616           (b) The Joint Legislative Committee on Performance  
617 Evaluation and Expenditure Review (PEER) must provide an annual  
618 report to the Legislature indicating the amount of funds deposited  
619 into the Mississippi Development Authority Tourism Advertising



620 Fund established under Section 57-1-64, and a detailed record of  
621 how the funds are spent.

622       (25) (a) Notwithstanding any other provision of this  
623 section to the contrary, on or before September 15, 2024, and each  
624 succeeding month thereafter, the total sales tax revenue collected  
625 during the preceding month under the provisions of Sections  
626 27-65-17(1) (m) and 27-65-25 from the amount of the increases to  
627 tax rates under such sections as provided in this act shall be  
628 deposited, without diversion, into the Mississippi Hospitals  
629 Uncompensated Care Assistance Fund created in Section 11 of this  
630 act.

631       (b) The provisions of this subsection (25) shall  
632 supersede and control over any other provisions of this section  
633 providing for the distribution of revenue under this section.

634       ( \* \* \* 26) The remainder of the amounts collected under the  
635 provisions of this chapter shall be paid into the State Treasury  
636 to the credit of the General Fund.

637       ( \* \* \* 27) (a) It shall be the duty of the municipal  
638 officials of any municipality that expands its limits, or of any  
639 community that incorporates as a municipality, to notify the  
640 commissioner of that action thirty (30) days before the effective  
641 date. Failure to so notify the commissioner shall cause the  
642 municipality to forfeit the revenue that it would have been  
643 entitled to receive during this period of time when the  
644 commissioner had no knowledge of the action.



645 (b) (i) Except as otherwise provided in subparagraph  
646 (ii) of this paragraph, if any funds have been erroneously  
647 disbursed to any municipality or any overpayment of tax is  
648 recovered by the taxpayer, the commissioner may make correction  
649 and adjust the error or overpayment with the municipality by  
650 withholding the necessary funds from any later payment to be made  
651 to the municipality.

652 (ii) Subject to the provisions of Sections  
653 27-65-51 and 27-65-53, if any funds have been erroneously  
654 disbursed to a municipality under subsection (1) of this section  
655 for a period of three (3) years or more, the maximum amount that  
656 may be recovered or withheld from the municipality is the total  
657 amount of funds erroneously disbursed for a period of three (3)  
658 years beginning with the date of the first erroneous disbursement.  
659 However, if during such period, a municipality provides written  
660 notice to the Department of Revenue indicating the erroneous  
661 disbursement of funds, then the maximum amount that may be  
662 recovered or withheld from the municipality is the total amount of  
663 funds erroneously disbursed for a period of one (1) year beginning  
664 with the date of the first erroneous disbursement.

665 **SECTION 4.** Section 27-69-3, Mississippi Code of 1972, is  
666 amended as follows:

667 27-69-3. When used in this chapter:



668 (a) "State" means the State of Mississippi as  
669 geographically defined, and any and all waters under the  
670 jurisdiction of the State of Mississippi.

671 (b) "State Auditor" means the Auditor of Public  
672 Accounts of the State of Mississippi, or his legally appointed  
673 deputy, clerk or agent.

674 (c) "Commissioner" means the Commissioner of Revenue of  
675 the Department of Revenue, and his authorized agents and  
676 employees.

677 (d) "Person" means any individual, company,  
678 corporation, partnership, association, joint venture, estate,  
679 trust, or any other group, or combination acting as a unit, and  
680 the plural as well as the singular, unless the intention to give a  
681 more limited meaning is disclosed by the context.

682 (e) "Consumer" means a person who comes into possession  
683 of tobacco for the purpose of consuming it, giving it away, or  
684 disposing of it in any way by sale, barter or exchange.

685 (f) "Tobacco" means any cigarettes, cigars, cheroots,  
686 stogies, smoking tobacco (including granulated, plug cut, crimp  
687 cut, ready rubbed, and other kinds and forms of tobacco, or  
688 substitutes therefor, prepared in such manner as to be suitable  
689 for smoking in a pipe or cigarette) and including plug and twist  
690 chewing tobacco and snuff, when such "tobacco" is manufactured and  
691 prepared for sale or personal consumption. The term "tobacco"  
692 also includes vapor products. All words used herein, except vapor



693 products, shall be given the meaning as defined in the regulations  
694 of the Treasury Department of the United States of America.

695 (g) "First sale" means and includes the first sale, or  
696 distribution of such tobacco in intrastate commerce, or the first  
697 use or consumption of such tobacco within this state.

698 (h) "Drop shipment" means and includes any delivery of  
699 tobacco received by any person within this state, when payment for  
700 such tobacco is made to the shipper, or seller by or through a  
701 person other than a consignee.

702 (i) "Distributor" includes every person, except  
703 retailers as defined herein, in the state who manufactures or  
704 produces tobacco or who ships, transports, or imports into this  
705 state, or in any manner acquires or possesses tobacco, and makes a  
706 first sale of the same in the state.

707 (j) "Wholesaler" includes dealers, whose principal  
708 business is that of a wholesale dealer or jobber, who is known to  
709 the retail trade as such, and whose place of business is located  
710 in Mississippi or in a state which affords reciprocity to  
711 wholesalers domiciled in Mississippi, who shall sell any taxable  
712 tobacco to retail dealers only for the purpose of resale.

713 (k) "Retailer" includes every person, other than a  
714 wholesale dealer, as defined above, whose principal business is  
715 that of selling merchandise at retail, who shall sell, or offer  
716 for sale tobacco to the consumer. The sale of tobacco in quantity  
717 lots by retailers to other retailers, transient vendors, or other



718 persons, shall not be construed as wholesale and shall not qualify  
719 such retailer for a permit as a wholesaler.

720 (l) "Dealer" includes every person, firm, corporation  
721 or association of persons, except retailers as defined herein, who  
722 manufacture tobacco for distribution, for sale, for use or for  
723 consumption in the State of Mississippi.

724 The word "dealer" is further defined to mean any person,  
725 firm, corporation or association of persons, except retailers as  
726 defined herein, who imports tobacco from any state or foreign  
727 country for distribution, sale, use, or consumption in the State  
728 of Mississippi.

729 (m) "Distributing agent" includes every person in the  
730 state who acts as an agent of any person outside the State of  
731 Mississippi, by receiving tobacco in interstate commerce, and  
732 storing such tobacco in this state subject to distribution, or  
733 delivery upon order from the person outside the state to  
734 distributors, wholesalers, retailers and dealers.

735 (n) "Transient vendor" means and includes every person  
736 commonly and generally termed "peddlers" and every person acting  
737 for himself, or as an agent, employee, salesman, or in any  
738 capacity for another, whether as owner, bailee, or other custodian  
739 of tobacco, and going from person to person, dealer to dealer,  
740 house to house, or place to place, and selling or offering for  
741 sale at retail or wholesale tobacco, and every person who does not  
742 keep a regular place of business open at all times in regular



743 hours, and every person who goes from person to person, dealer to  
744 dealer, house to house, or place to place, and sells or offers for  
745 sale tobacco which he carries with him, and who delivers the same  
746 at the time of, or immediately after the sale, or without  
747 returning to the place of business operations (a permanent place  
748 of business within the state) between the taking of the order and  
749 the delivery of the tobacco, or

750 All persons who go from person to person, house to house,  
751 place to place, or dealer to dealer, soliciting orders by  
752 exhibiting samples, or taking orders, and thereafter making  
753 delivery of tobacco, or filling the order without carrying or  
754 sending the order to the permanent place of business, and  
755 thereafter making delivery of the tobacco pursuant to the terms of  
756 the order, or

757 All persons who go from person to person, place to place,  
758 house to house, or dealer to dealer, carrying samples and selling  
759 tobacco from samples, and afterwards making delivery without  
760 taking and sending an order therefor to a permanent place of  
761 business for the filling of the order, and delivery of the  
762 tobacco, or the exchange of tobacco having become damaged or  
763 unsalable, or the purchase by tobacco of advertising space, or

764 All persons who have in their possession, or under their  
765 control, any tobacco offered, or to be offered for sale or to be  
766 delivered, unless the sale or delivery thereof is to be made in



767 pursuance of a bona fide order for the tobacco, to be sold or  
768 delivered, the order to be evidenced by an invoice or memorandum.

769 (o) "Contraband tobacco" means all tobacco found in the  
770 possession of any person whose permit to engage in dealing in  
771 tobacco has been revoked by the commissioner; and any cigarettes  
772 found in the possession of any person to which the proper tax  
773 stamps have not been affixed; and any cigarettes improperly  
774 stamped when found in the possession of any person; and all other  
775 tobacco upon which the excise tax has not been paid.

776 (p) "Sale" means an exchange for money or goods, giving  
777 away, or distributing any tobacco as defined in this chapter.

778 (q) "Forty-eight (48) hours" and "seventy-two (72)  
779 hours" means two (2) calendar days and three (3) calendar days,  
780 respectively, excluding Sundays and legal holidays.

781 (r) "Stamp" or "stamping," or the import of such word,  
782 when used in this chapter, means any manner of stamp or impression  
783 permitted by the commissioner that carries out the purposes of the  
784 chapter in clearly indicating upon the packages of cigarettes  
785 taxed the due payment of the tax and clearly identifying, by  
786 serial number or otherwise, the permittee who affixed the stamp to  
787 the particular package.

788 (s) "Manufacturer's list price" means the full sales  
789 price at which tobacco is sold or offered for sale by a  
790 manufacturer to the wholesaler or distributor in this state  
791 without any deduction for freight, trade discount, cash discounts,





792 special discounts or deals, cash rebates, or any other reduction  
793 from the regular selling price. In the event freight charges on  
794 shipments to wholesalers or distributors are not paid by the  
795 manufacturer, then such freight charges required to be paid by the  
796 wholesalers and distributors shall be added to the amount paid to  
797 the manufacturer in order to determine "manufacturer's list  
798 price." In the case of a wholesaler or distributor whose place of  
799 business is located outside this state, the "manufacturer's list  
800 price" for tobacco sold in this state by such wholesaler or  
801 distributor shall in all cases be considered to be the same as  
802 that of a wholesaler or distributor located within this state.

803 (t) "Vapor product" means an electronic product or  
804 device that may be used to deliver any aerosolized or vaporized  
805 substance to the person inhaling from the product or device,  
806 including, but not limited to, an e-cigar, e-cigarillo, e-pipe,  
807 vape pen or e-hookah; and includes any cartridge, component, part  
808 or accessory of the electronic product or device, whether or not  
809 sold separately, and also includes any liquid, capsule, powder or  
810 substance intended to be aerosolized, vaporized or otherwise  
811 ingested during the use of the electronic product or device,  
812 whether or not the substance contains nicotine. The term "vapor  
813 product" does not include (i) a product that is a drug under 21  
814 USCS 321(g) (1); (ii) a product that is a device under 21 USCS  
815 321(h); or (iii) a combination product described in 21 USCS  
816 353(g).



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

819           27-69-13. There is hereby imposed, levied and assessed, to  
820 be collected and paid as hereinafter provided in this chapter, an  
821 excise tax on each person or dealer in cigarettes, cigars,  
822 stogies, snuff, chewing tobacco, \* \* \* smoking tobacco, vapor  
823 products, or substitutes therefor, upon the sale, use,  
824 consumption, handling or distribution in the State of Mississippi,  
825 as follows:

826           (a) On cigarettes, the rate of tax shall be \* \* \* Four  
827 and Four-tenths Cents (4.4¢) on each cigarette sold with a maximum  
828 length of one hundred twenty (120) millimeters; any cigarette in  
829 excess of this length shall be taxed as if it were two (2) or more  
830 cigarettes. Provided, however, if the federal tax rate on  
831 cigarettes in effect on June 1, 1985, is reduced, then the rate as  
832 provided herein shall be increased by the amount of the federal  
833 tax reduction. Such tax increase shall take effect on the first  
834 day of the month following the effective date of such reduction in  
835 the federal tax rate.

836           (b) On cigars, cheroots, stogies, snuff, chewing and  
837 smoking tobacco, vapor products and all other tobacco products  
838 except cigarettes, the rate of tax shall be \* \* \* sixteen percent  
839 (16%) of the manufacturer's list price.

840           No stamp evidencing the tax herein levied on cigarettes shall  
841 be of a denomination of less than One Cent (1¢), and whenever the



842 tax computed at the rates herein prescribed on cigarettes shall be  
843 a specified amount, plus a fractional part of One Cent (1¢), the  
844 package shall be stamped for the next full cent; however, the  
845 additional face value of stamps purchased to comply with taxes  
846 imposed by this section after June 1, 1985, shall be subject to a  
847 four percent (4%) discount or compensation to dealers for their  
848 services rather than the eight percent (8%) discount or  
849 compensation allowed by Section 27-69-31.

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

853 The above tax is levied upon the sale, use, gift, possession  
854 or consumption of tobacco within the State of Mississippi, and the  
855 impact of the tax levied by this chapter is hereby declared to be  
856 on the vendee, user, consumer or possessor of tobacco in this  
857 state; and when said tax is paid by any other person, such payment  
858 shall be considered as an advance payment and shall thereafter be  
859 added to the price of the tobacco and recovered from the ultimate  
860 consumer or user.

861 **SECTION 6.** Section 27-69-15, Mississippi Code of 1972, is  
862 amended as follows:

863 27-69-15. Any retailer, transient vendor, distributing  
864 agent, salesman, or other dealer who shall receive any cigarettes  
865 other than from a wholesaler having a permit as herein provided,  
866 and not having the necessary stamps already affixed, shall, after



867 the receipt of such cigarettes, within the time limit herein  
868 provided, present the same to some wholesaler having such permit,  
869 for the affixing of the stamps required, and it shall be the duty  
870 of such wholesaler, thereupon and upon the payment to him by such  
871 retailer of the face value of the stamps required, to affix the  
872 stamps to said cigarettes in the same manner as if the cigarettes  
873 were handled and sold by such wholesaler, provided, that such  
874 wholesaler, before affixing the stamps, shall require of the  
875 retailer, transient vendor, distributing agent, salesman, or other  
876 dealer, the original invoice for the cigarettes to be stamped, and  
877 such wholesaler shall in each instance note upon the invoice, the  
878 denominations and number of stamps affixed to the cigarettes  
879 covered by said invoice, the notation to be made in ink, or other  
880 manner not easy to erase, at the time the stamps are affixed.

881 It is further provided that, in addition hereto, the  
882 wholesaler shall keep a separate record of all stamps affixed to  
883 taxable cigarettes presented by retailers, transient vendors,  
884 distributing agents, salesmen, or other dealers, showing the name  
885 of the retailer, transient vendor, distributing agent, salesman,  
886 or other dealer, name of the shipper, date of shipper's invoice,  
887 the date stamps were affixed, denomination of stamps affixed, and  
888 total value of stamps affixed.

889 When the request is made to any wholesaler in this state by a  
890 retailer, transient vendor, distributing agent, salesman, or other  
891 dealer in this state, said request being duly and seasonably made



892 for the affixing of stamps, and the request is accompanied by  
893 proper remittance and invoice, and such wholesaler refuses to  
894 affix the stamps to cigarettes as requested, said wholesaler shall  
895 forfeit to the state a penalty of Twenty-five Dollars (\$25.00) for  
896 each offense, the same to be collected by the commissioner and, in  
897 addition thereto, in the discretion of the commissioner, forfeit  
898 his permit to handle stamps. In the event of such refusal on the  
899 part of any wholesaler to affix stamps said retailer, transient  
900 vendor, distributing agent, salesman, or other dealer may make  
901 application to the commissioner for stamps to be placed on the  
902 cigarettes upon which the wholesaler refused to affix the stamps,  
903 said application to be accompanied by an affidavit from the  
904 retailer, transient vendor, distributing agent, salesman, or other  
905 dealer, or some other credible person, setting forth the facts,  
906 whereupon the commissioner may issue and sell to such retailer,  
907 transient vendor, distributing agent, salesman, or other dealer, a  
908 sufficient number of stamps to be affixed to the cigarettes.

909 Stamps shall not be affixed to any cigarettes except by a  
910 wholesale dealer having a permit, except as otherwise provided in  
911 this chapter.

912 Stamps shall not be required to be affixed to any cigarettes  
913 while the same is in interstate commerce.

914 Any person who receives cigars, smoking tobacco, chewing  
915 tobacco, snuff, vapor products or any other tobacco products  
916 except cigarettes from anyone other than a wholesaler having a



917 tobacco permit issued by this state and the excise tax on the  
918 tobacco received has not been paid, shall compute the excise tax  
919 due the State of Mississippi at the rate prescribed herein on  
920 forms furnished by the commissioner for that purpose. Such report  
921 shall be accompanied by the remittance for the tax due and shall  
922 be filed with the commissioner within forty-eight (48) hours after  
923 receipt of the tobacco by such person.

924 In no case shall the provisions of this chapter be construed  
925 to require the payment of a tax upon any tobacco upon which the  
926 tax herein levied has once been paid to the state.

927 **SECTION 7.** Section 27-69-27, Mississippi Code of 1972, is  
928 amended as follows:

929 27-69-27. The payment of the tax imposed by this chapter  
930 shall be evidenced by affixing stamps to each individual package  
931 of cigarettes usually sold to consumers, as distinguished from  
932 cartons or larger units which are composed of a number of  
933 individual packages.

934 Except as otherwise provided in this paragraph, the stamp  
935 shall be affixed within seventy-two (72) hours after the receipt  
936 of the cigarettes by the wholesaler, and within forty-eight (48)  
937 hours after receipt of the cigarettes by the retailer; provided,  
938 that in the case a dealer conducts a wholesale and retail business  
939 at one (1) place of business, stamps shall be affixed within  
940 forty-eight (48) hours after receipt of the cigarettes. However,  
941 the provisions of this paragraph shall not apply to tobacco at the



942 point it is purchased at a sale under Section 27-69-56. The stamp  
943 must be so securely affixed as to require the continued  
944 application of water or of steam to remove it, or so that it  
945 cannot be otherwise removed without destruction or mutilation.

946 The excise tax imposed on cigars, smoking tobacco, chewing  
947 tobacco, snuff, vapor products and all other tobacco products  
948 except cigarettes shall be computed by the application of the  
949 excise tax rate to the manufacturer's list price on all purchases  
950 of such tobacco. The excise tax shall be due and payable on or  
951 before the fifteenth day of the month next succeeding the month in  
952 which the tax accrues. The tax shall be filed with the  
953 commissioner on forms prescribed by the commissioner.

954 Provided, however, manufacturers or other wholesale  
955 distributors of tobacco, which are subject to the excise taxes  
956 imposed by Section 27-69-13 of this chapter for the privilege of  
957 selling or using such tobaccos within this state, who maintain  
958 "terminals" or warehouses in which such tobaccos are stored, and  
959 who sell only to licensed wholesale dealers within the state who  
960 are qualified to purchase and affix the stamps required, may  
961 maintain such "spot stocks," intended only for such sales, without  
962 affixing the stamps or filing returns and paying the tax.

963 Any person desiring to maintain such "terminal" or warehouse,  
964 shall make application to the commissioner and obtain a permit to  
965 maintain such stocks without affixing stamps thereto, for sale  
966 exclusively to out-of-state purchasers, or licensed wholesale



967 dealers within this state, and the commissioner is hereby  
968 authorized to grant such permit upon the execution and filing with  
969 the commissioner, by the applicant, a bond with surety companies,  
970 authorized to do business in Mississippi, as surety thereon, and  
971 conditioned for the strict compliance by the applicant, with the  
972 following conditions under which said privilege may be granted.

973 The person maintaining such stock of untaxed tobacco shall  
974 supply to the commissioner monthly, or at such times as the  
975 commissioner may require, complete invoices of all tobaccos  
976 received, and shall also supply correct invoices of all tobaccos  
977 removed from such "terminal" or warehouse, said invoices to  
978 contain the correct name and address of all persons to whom such  
979 tobacco shall be delivered or consigned, whether within or without  
980 the State of Mississippi.

981 The penalty of such bond shall be determined by the  
982 commissioner, in an amount sufficient to protect the State of  
983 Mississippi from any loss of revenue which might occur by reason  
984 of the failure of principal to strictly adhere to the requirement  
985 that no tobacco would be sold from such stock within the State of  
986 Mississippi, except to licensed wholesale dealers.

987 **SECTION 8.** Section 27-69-33, Mississippi Code of 1972, is  
988 amended as follows:

989 27-69-33. Manufacturers, distributors and wholesalers of  
990 cigars, cigarettes \* \* \*, smoking tobacco or vapor products  
991 subject to the tax under this chapter, doing both intrastate and





992 interstate business in such tobacco, must qualify as interstate  
993 dealers in such tobacco by applying to the commissioner for  
994 permission to engage in such business, and, upon receipt of such  
995 permission, he shall be permitted to set aside such part of his  
996 stock as may be absolutely necessary for the conduct of such  
997 interstate business, without affixing the stamps to cigarettes  
998 required by this chapter. Said interstate stock shall be kept in  
999 an entirely separate part of the building, separate and apart from  
1000 intrastate stock, and the said interstate business shall be  
1001 conducted by the said wholesale dealer in accordance with rules  
1002 and regulations to be promulgated by the commissioner.

1003 It is further provided that shipment of such merchandise be  
1004 made only by a railroad, express company, boat line, or motor  
1005 freight line certified by the Mississippi Public Service  
1006 Commission as a common carrier, or by registered or insured parcel  
1007 post.

1008 It is further provided that any manufacturer, distributor, or  
1009 wholesaler of cigars, cigarettes \* \* \*, smoking tobacco or vapor  
1010 products, engaged in interstate commerce in such tobaccos, shall  
1011 report to the commissioner on or before the fifteenth day of each  
1012 month, on forms prescribed by the commissioner, all sales of  
1013 cigarettes made in interstate commerce during the preceding month  
1014 to which Mississippi stamps were not affixed. These reports must  
1015 be made supplementary to the reports required to be filed by  
1016 Section 27-69-35 of this chapter.



1017 Each shipment must be covered by a complete copy of invoice  
1018 of the consignor, and supported by properly receipted bill of  
1019 lading of the transportation company, or post office department as  
1020 specified in the foregoing, and the receipted bills of lading and  
1021 invoices shall be subject to inspection by the commissioner for a  
1022 period of three (3) years.

1023 The commissioner is further authorized to verify the actual  
1024 delivery to the consignee of such unstamped taxable cigarettes  
1025 before allowing credit, and for the purpose of such verification,  
1026 the commissioner may exchange information with the proper  
1027 authorities of other states as to movement of taxable tobacco to  
1028 and from other states into and from the State of Mississippi.

1029 **SECTION 9.** Section 27-69-35, Mississippi Code of 1972, is  
1030 amended as follows:

1031 27-69-35. It shall be the duty of every person subject to  
1032 the provisions of this chapter, to keep an accurate set of  
1033 records, showing all transactions had with reference to the  
1034 purchase, sale or gift of cigars, cigarettes, \* \* \*, smoking  
1035 tobacco or vapor products, and such person shall keep separately  
1036 all invoices of cigars, cigarettes \* \* \*, smoking tobacco or vapor  
1037 products, and shall keep a record of all stamps purchased, and  
1038 such records, and all stocks of cigars, cigarettes \* \* \*, smoking  
1039 tobacco or vapor products on hand, shall be open to inspection at  
1040 all reasonable times to the commissioner; provided, however, that  
1041 all retail dealers, transient vendors, distributing agents, or



1042 other dealers purchasing, or receiving cigars, cigarettes, \* \* \*,  
1043 smoking tobacco or vapor products from without the state, whether  
1044 the same shall have been ordered through a wholesaler, or jobber  
1045 in this state, or by drop shipment, or otherwise, shall within  
1046 five (5) days after receipt of the same, mail a duplicate invoice  
1047 of all such purchases, or receipts, to the commissioner, and  
1048 failure to furnish such duplicate invoices shall be deemed a  
1049 misdemeanor.

1050 It is further provided that all manufacturers, distributors  
1051 and wholesalers of cigars, cigarettes \* \* \*, smoking tobacco or  
1052 vapor products, who have a permit required by this chapter shall  
1053 furnish the commissioner with a statement monthly, showing the  
1054 amount of taxable tobacco received, and must also furnish the  
1055 commissioner with duplicate invoices covering stamps affixed to  
1056 drop shipments purchased by retailers.

1057 In the examination of such books, records, etc., the  
1058 commissioner shall have the power to administer oaths to any  
1059 person, and any person answering falsely, under oath, any of such  
1060 questions, shall be guilty of perjury.

1061 If any person being so examined, fails to answer questions  
1062 propounded to him by the commissioner, or if any person, being  
1063 summoned to appear and answer such questions, shall fail or refuse  
1064 to do so, or if any person shall fail or refuse to permit the  
1065 inspection of his stock of merchandise, or invoices, or books, or  
1066 papers pertaining to any dealers in cigars, cigarettes \* \* \*,



1067 smoking tobacco or vapor products, the commissioner may make such  
1068 fact known to the circuit court of the county in which such  
1069 failure or refusal occurs, or judge thereof in termtime or in  
1070 vacation, by petition, and such circuit court, or judge thereof,  
1071 shall issue a summons for such person so refusing, returnable on a  
1072 date to be fixed by said court, or said judge, and on said date,  
1073 the said circuit court, or the circuit judge, shall proceed to  
1074 examine into the truth of the matter set out in said petition, and  
1075 if the same be found to be true, the said circuit court, or  
1076 circuit judge, shall issue a writ of subpoena duces tecum ordering  
1077 and directing the person so summoned to bring into court, and  
1078 exhibit for the inspection of the commissioner, all such books,  
1079 records, invoices, etc., as the court may deem proper from all the  
1080 facts and circumstances in the case. Any person failing or  
1081 refusing to present such books, records, invoices, etc., or  
1082 failing or refusing to testify, shall be punished for contempt as  
1083 provided by Section 9-1-17 of the Mississippi Code of 1972.

1084       **SECTION 10.** Section 27-69-75, Mississippi Code of 1972, is  
1085 amended as follows:

1086       27-69-75. All taxes levied by this chapter shall be payable  
1087 to the commissioner in cash, or by personal check, cashier's  
1088 check, bank exchange, post office money order or express money  
1089 order, and shall be deposited by the commissioner in the State  
1090 Treasury on the same day collected. No remittance other than cash  
1091 shall be a final discharge of liability for the tax herein



1092 assessed and levied, unless and until it has been paid in cash to  
1093 the commissioner.

1094 Except as otherwise provided in this section, all tobacco  
1095 taxes collected, including tobacco license taxes, shall be  
1096 deposited into the State Treasury to the credit of the General  
1097 Fund. On or before September 15, 2024, and each succeeding month  
1098 thereafter tobacco taxes collected during the preceding month  
1099 under the provisions of this chapter from the increases to tax  
1100 rates under Section 27-69-13 and as a result of the amendment to  
1101 Section 27-69-3, as provided in this act shall be deposited into  
1102 the Mississippi Hospital Uncompensated Care Assistance Fund  
1103 created in Section 11 of this act.

1104 Wholesalers who are entitled to purchase stamps at a  
1105 discount, as provided by Section 27-69-31, may have consigned to  
1106 them, without advance payment, such stamps, if and when such  
1107 wholesaler shall give to the commissioner a good and sufficient  
1108 bond executed by some surety company authorized to do business in  
1109 this state, conditioned to secure the payment for the stamps so  
1110 consigned. The commissioner shall require payment for such stamps  
1111 not later than thirty (30) days from the date the stamps were  
1112 consigned.

1113 **SECTION 11.** (1) There is created in the State Treasury a  
1114 special fund to be designated as the "Mississippi Hospitals  
1115 Uncompensated Care Assistance Fund," which shall consist of funds  
1116 deposited therein under Sections 27-65-75(24) and 27-69-75,



1117 Mississippi Code of 1972, and funds from any other source  
1118 designated for deposit into such fund. The fund shall be  
1119 maintained by the State Treasurer as a separate and special fund,  
1120 separate and apart from the General Fund of the state. Unexpended  
1121 amounts remaining in the fund at the end of a fiscal year shall  
1122 not lapse into the State General Fund, and any investment earnings  
1123 or interest earned on amounts in the fund shall be deposited to  
1124 the credit of the fund. Monies in the fund shall be used by the  
1125 Department of Mental Health, upon appropriation by the  
1126 Legislature, for the purposes described in subsection (2) of this  
1127 section.

1128           (2) (a) The Department of Health shall establish a program  
1129 for reimbursing hospitals, in whole or in part, for uncompensated  
1130 medical care services as follows:

1131                       (i) Eighty percent (80%) of the monies in the fund  
1132 shall be allocated to all hospitals in this state in equal shares,  
1133 and

1134                       (ii) Twenty percent (20%) of the monies in the  
1135 fund shall be allocated to hospitals in this state that have not  
1136 more than seventy-five (75) licensed beds based on the proportion  
1137 that the total uncompensated medical care services provided by  
1138 such a hospital bears to the total uncompensated medical care  
1139 services provided by all of such hospitals in the state, as  
1140 determined by the Department of Health.



1141 (b) A hospital desiring assistance under paragraph  
1142 (a)(ii) of this subsection may apply to the Department of Health  
1143 for reimbursement of the uncompensated medical care services. A  
1144 hospital desiring assistance must submit an application to the  
1145 Department of Health. The application must include a description  
1146 of the medical care services provided by the hospital for which  
1147 the assistance is requested, the total costs of the medical care  
1148 services provided by the hospital and the portion of such costs  
1149 for which the hospital was not compensated, the amount of  
1150 assistance requested and any other information required by the  
1151 Department of Health.

1152 (c) The Department of Health shall have all powers  
1153 necessary to implement and administer the program established  
1154 under this section, and the department shall promulgate rules and  
1155 regulations, in accordance with the Mississippi Administrative  
1156 Procedures Law, necessary for the implementation of this section.

1157 **SECTION 12.** This act shall take effect and be in force from  
1158 and after July 1, 2024.

