

HB 531 -- Redline

As Passed the lower to Current version -- Mississippi Tax Freedom Act of 2022; create.

Deletions ~~struck~~ · Insertions underlined

531 (As ~~Passed~~Sent to the House)~~Governor~~) AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2022;
TO AMEND SECTION ~~27-7-21~~,27-7-5, MISSISSIPPI CODE OF 1972, TO ~~INCREASE~~REDUCE THE ~~AMOUNT OF THE PERSONAL EXEMPTIONS UNDER THE STATE INCOME TAX LAW ON~~ FOR SINGLE INDIVIDUALS, MARRIED INDIVIDUALS AND HEAD OF FAMILY INDIVIDUALS AND TO PROVIDE FOR THE ANNUAL TAXABLE ADJUSTMENT INCOME OF THE INDIVIDUALS; AMOUNTS OF SUCH PERSONAL EXEMPTIONS;
TO AMEND~~PROVIDE~~ SECTION~~THAT~~ ~~27-65-17~~,IT MISSISSIPPI~~IS~~ CODE~~THE~~ INTENT OF 1972,~~THE~~ TO~~LEGISLATURE~~ INCREASE~~THAT~~ BEFORE CALENDAR YEAR 2026, THE ~~SALES~~LEGISLATURE WILL CONSIDER WHETHER THE REVISED INCOME TAX ~~RATES~~RATES FROM~~PROVIDED~~ 7% FOR TO IN 8-1/2%~~THIS ON~~ACT THE~~WILL~~ SALE~~BE~~ OFFURTHER TANGIBLE~~DECREASED~~ PERSONAL~~FOR~~ PROPERTY;CALENDAR YEARS AFTER CALENDAR YEAR 2026;
TO ~~REDUCE~~PROVIDE THAT IF THE ~~SALES~~REVISED TAX ~~RATES~~RATES ~~ON~~ARE RETAIL~~FURTHER~~ ~~SALES~~DECREASED ~~OF~~FOR FOOD~~CALENDAR~~ ~~FOR~~YEARS HUMAN~~AFTER~~ CONSUMPTION~~CALENDAR~~ ~~NOT~~YEAR PURCHASED~~2026~~ WITH~~TO~~ FOOD~~THE~~ STAMPS~~EXTENT~~ BUT~~THAT~~ WHICH~~THERE~~ WOULD~~IS~~ BEN~~O~~ EXEMPT~~TAX~~ FROM~~LEVIED~~ SALES~~ON~~ TAX~~THE~~ IF~~TAXABLE~~ PURCHASED~~INCOME~~ WITH~~INDIVIDUALS~~ FOOD~~UNDER~~ STAMPS; THIS SECTION, THE INDIVIDUAL INCOME TAX SHALL STAND REPEALED;
TO AMEND SECTION 27-65-10, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON SALES OF TELECOMMUNICATIONS SERVICES;
TO AMEND SECTION 27-65-22, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON AMUSEMENT AND ENTERTAINMENT ADMISSIONS;
TO AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON VARIOUS SERVICES;
TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON RETAIL SALES OF ALCOHOLIC BEVERAGES;
TO AMEND SECTION 27-65-26, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE FROM 7% TO 8-1/2% ON THE SALE, RENTING OR LEASING OF SPECIFIED DIGITAL PRODUCTS;
TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A PORTION OF THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX CREDIT REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE REMAINDER OF THE STATE SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND;
TO REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS;
TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO H.
B.
No.
531 *HR43/R620PH* ~ OFFICIAL ~ R3/5 22/HR43/R620PH PAGE 1 (BS\EW) PROVIDE THAT A PORTION OF THE STATE USE TAX REVENUE COLLECTED AS A RESULT OF THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX CREDIT REIMBURSEMENT FUND CREATED BY THIS ACT AND THAT THE REMAINDER OF THE STATE USE TAX REVENUE COLLECTED AS A RESULT OF THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND;
TO AMEND SECTION 27-65-241, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES CERTAIN MUNICIPALITIES TO LEVY A MUNICIPAL SPECIAL SALES TAX, TO CONFORM TO THE PROVISIONS OF THIS ACT;
TO AUTHORIZE A MOTOR VEHICLE AD VALOREM TAX CREDIT;
TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT FROM AND AFTER JANUARY 1 OF THE NEXT SUCCEEDING YEAR AFTER THE DATE THAT THE COMMISSIONER OF REVENUE CERTIFIES THAT THE REDUCTION IN REVENUE MANDATED BY SECTION 27-7-21, MISSISSIPPI CODE OF 1972, EQUALS OR EXCEEDS THE REMAINING REVENUE PRODUCED BY THE INDIVIDUAL INCOME TAX, THE INDIVIDUAL INCOME TAX SHALL BE REPEALED;
TO BRING FORWARD SECTION 27-7-3, MISSISSIPPI CODE OF 1972, WHICH DEFINES CERTAIN TERMS UNDER THE STATE INCOME TAX LAW, FOR THE PURPOSES OF POSSIBLE AMENDMENT;
TO BRING FORWARD SECTION 27-7-27, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE INCOME TAXATION OF ESTATES AND TRUSTS FOR PURPOSES OF POSSIBLE AMENDMENT;
TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT;
TO BRING FORWARD SECTIONS 27-7-22.5, 27-7-22.15, 27-7-22.21, 27-7-22.22, 27-7-22.32, 27-7-22.33, 27-7-22.37, 27-7-22.39, 27-7-22.41 AND 27-7-207, MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR VARIOUS INCOME TAX CREDITS, FOR THE PURPOSES OF POSSIBLE AMENDMENT;

~~TO AMEND SECTIONS 57-62-9 AND 57-62-11, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF THE MISSISSIPPI ADVANTAGE JOBS ACT;~~
~~TO BRING FORWARD SECTIONS 27-7-312, 57-62-5 AND 57-62-13, MISSISSIPPI CODE OF 1972, WHICH RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~
~~TO BRING FORWARD SECTIONS 57-89-3 AND 57-89-7, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~
~~TO AMEND SECTIONS 57-99-1, 57-99-3 AND 57-99-5, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN PROVISIONS OF THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE PROGRAM;~~
~~TO BRING FORWARD SECTIONS 57-99-7, 57-99-21, 57-99-23, 57-99-25 AND 57-99-27, MISSISSIPPI CODE OF 1972, WHICH RELATE TO THE MISSISSIPPI MAJOR ECONOMIC IMPACT WITHHOLDING REBATE INCENTIVE PROGRAM, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~
~~TO BRING FORWARD SECTIONS 37-148-3 AND 37-148-5, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH THROUGH BUSINESS ACT, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~
~~TO BRING FORWARD SECTION 57-105-1, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES INCOME TAX AND INSURANCE PREMIUM TAX CREDITS FOR TAXPAYERS HOLDING CERTAIN QUALIFIED EQUITY INVESTMENTS, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~
~~TO BRING FORWARD SECTIONS 27-25-503 AND 27-25-505, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE STATE OIL SEVERANCE TAX LAW, FOR THE PURPOSES OF H.~~

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~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 2(BS\EW) POSSIBLE AMENDMENT;~~

~~TO BRING FORWARD SECTIONS 27-25-703 AND 27-25-705, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE STATE GAS SEVERANCE TAX LAW, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~

~~TO BRING FORWARD SECTIONS 27-65-101, 27-65-103, 27-65-105, 27-65-107 AND 27-65-111, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS SALES TAX EXEMPTIONS, FOR THE PURPOSES OF POSSIBLE AMENDMENT;~~

~~(1)This Sections 1 through 53 of this act shall be known and may be cited as the "Mississippi Tax Freedom Act of 2022." (2)SECTION The2. Legislature finds that:~~

~~(a)Section For27-7-5. fiscalMississippi yearCode 2021, actual General Fund revenue collections of Six1972, Billionis Sevenamended Hundredas Forty-onefollows: Million Three Hundred Eighty four Thousand Nine Hundred Seventy-five Dollars (\$6,741,384,975.00) exceeded the General Fund revenue collections estimate of Five Billion Six Hundred Ninety Million Seven Hundred Thousand Dollars (\$5,600,700,000.00) established by the Joint Legislative Budget Committee;~~

~~(b)27-7-5. The General Fund revenue collections estimate for fiscal year 2022 is Five Billion Nine Hundred Twenty-seven Million Dollars (\$5,927,000,000.00), with an estimate for the first half of fiscal year 2022 of Two Billion Eight Hundred Twenty-four Million Three Hundred Twenty-six Thousand One Hundred Dollars (\$2,824,326,100.00), and actual General Fund revenue collections through the first half of fiscal year 2022 are Three Billion Three Hundred Sixty-nine Million Five Hundred Eighty-three Thousand Seven Hundred Forty-eight Dollars (\$3,369,583,748.00), which H.~~

~~(1) (a) Except as otherwise provided in this section, there is hereby assessed and levied, to be collected and paid as hereinafter provided, for the calendar year 1983 and fiscal years ending during the calendar year 1983 and all taxable years thereafter, upon the entire net income of every resident H.~~

~~531 *HR43/R629PH*~HR43/R629SG* ~ OFFICIAL ~ 22/HR43/R629PHR3/5 22/HR43/R629SG PAGE 3(BS\EW)1~~

~~significantly(BS\EW) exceedindividual, estimatedcorporation, Generalassociation, Fundtrust revenueor collectionsestate, forin suchexcess period;of the credits provided, a tax at the following rates:~~

~~(c)* As* a* result(i) of1. such excess revenue collections during those fiscal years, there is more than a sufficient amount of General Fund revenue available to offset any loss of General Fund revenue during fiscal year 2023 due to changes to the state income tax law made by this act and the motor vehicle ad valorem tax credit established by this act;~~

~~andThrough (d)calendar For Fiscal Year 2024, The Legislative Budget Report for Fiscal Year 2023 has provided an out-year projection2017, foron Fiscalthe Yearfirst 2024Five of Six Billion Seven Hundred Ninety-seven Million One Hundred Thirty-three Thousand Two Hundred Three Dollars (\$6,797,133,203.00)(\$5,000.00) and this continued level of growthtaxable willincome, allowor for a sufficient amount of General Fund revenue to be available to offset any loss part ofthereof, General Fund revenue during fiscal year 2024 due to changes to the staterate incomesshall taxbe lawthree madepercent by(3%); this act and the motor vehicle ad valorem tax credit established by this act.~~

~~SECTION* * * 2.~~

~~SectionFor 27-7-21,calendar Mississippiyear Code2018, on the first One Thousand Dollars (\$1,000.00) of 1972,taxable isincome amendedthere asshall follows:be no tax levied, and on the next Four Thousand Dollars (\$4,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);~~

~~27-7-21.* * * 3.~~

~~(a)For Allowancecalendar year 2019, on the first Two Thousand Dollars (\$2,000.00) of deductions,taxable~~

income there shall be no tax levied, and on the next Three Thousand Dollars (\$3,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

~~In the case of 4. a resident individual, the exemptions provided by this section, as applicable to individuals, shall be allowed as deductions in computing taxable income.~~

(b) For Single calendar individuals year 2020, on the first Three Thousand Dollars (\$3,000.00) of taxable income there shall be no tax levied, and on the next Two Thousand Dollars (\$2,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

~~In the case of 5. a single individual, a personal exemption of Five Thousand Two Hundred Fifty Dollars H.~~

B. For calendar year 2021, on the first Four Thousand Dollars (\$4,000.00) of taxable income there shall be no tax levied, and on the next One Thousand Dollars (\$1,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 4(BS\EW) (\$5,250.00) for the 1979 and 1980 calendar years * * *, Six Thousand Dollars (\$6,000.00) for each calendar year thereafter through calendar year 2022, and Thirty-seven Thousand Seven Hundred Dollars (\$37,700.00) for each calendar year thereafter.~~

~~(c) Married individuals.~~

~~In the case of married individuals living together, a joint personal exemption of Eight Thousand Dollars (\$8,000.00) for the 1979 and 1980 calendar years and Nine Thousand Five Hundred Dollars (\$9,500.00) for the 1981 through 1997 calendar years, Ten Thousand Dollars (\$10,000.00) for the calendar year 1998, Eleven Thousand Dollars (\$11,000.00) for the calendar year 1999, * * * Twelve Thousand Dollars (\$12,000.00) for each calendar year thereafter through calendar year 2022, and Seventy-five Thousand Four Hundred Dollars (\$75,400.00) for each calendar year thereafter.~~

~~A husband and wife living together shall receive but one (1) personal exemption in the amounts provided for in this subsection for each calendar year against their aggregate income.~~

~~(d) Head of family individuals.~~

~~In the case of a head of family individual, a personal exemption of Eight Thousand Dollars (\$8,000.00) for the 1979 and 1980 calendar years * * *, Nine Thousand Five Hundred Dollars (\$9,500.00) for each calendar year thereafter through calendar year 2022, and Thirty-six Thousand Six Hundred Dollars (\$36,600.00) for each calendar year thereafter.~~

~~The term "head of family" means an individual who is single, or married but not living with his spouse for the entire taxable H.~~

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~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 5(BS\EW) year, who maintains a household which constitutes the principal place of abode of himself and one or more individuals who are dependents under the provisions of Section 152(a) of the Internal Revenue Code of 1954, as amended.~~

~~The head of family individual shall be entitled to the additional dependent exemption as provided in subsection (e) of this section only to the extent of dependents in excess of the one (1) dependent needed to qualify as head of family.~~

~~(e) Additional exemption for dependents.~~

~~In the case of any individual having a dependent, other than husband or wife, an additional personal exemption of One Thousand Five Hundred Dollars (\$1,500.00) for each such dependent, except as otherwise provided in subsection (d) of this section.~~

~~The term "dependent" as used in this subsection shall mean any person or individual who qualifies as a dependent under the provisions of Section 152, Internal Revenue Code of 1954, as amended.~~

~~(f) Additional exemption for taxpayer or spouse aged sixty-five (65) or more.~~

~~In the case of any taxpayer or the spouse of the taxpayer who has attained the age of sixty-five (65) before the close of his taxable year, an additional exemption of One Thousand Five Hundred Dollars (\$1,500.00).~~

~~(g) Additional exemption for blindness of taxpayer or spouse.~~

~~In the case of any taxpayer or the spouse of the taxpayer who is blind at the close of the taxable year, an additional exemption of One Thousand Five Hundred Dollars (\$1,500.00).~~

~~For H.~~

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~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 6(BS\EW) the purpose of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than~~

~~twenty (20) degrees.~~

~~(h) Husband and wife claiming exemptions.~~

~~In the case of husband and wife living together and filing combined returns, the personal and additional exemptions authorized and allowed by this section may be taken by either, or divided between them in any manner they may choose.~~

~~If the husband and wife fail to choose, the commissioner shall divide the exemptions between husband and wife in an equitable manner.~~

~~In the case of a husband and wife filing separate returns, the personal and additional exemptions authorized and allowed by this section shall be divided equally between the spouses.~~

~~(i) Nonresidents.~~

~~A nonresident individual shall be allowed the same personal and additional exemptions as are authorized for resident individuals in subsection (a) of this section;~~

~~however, the nonresident individual is entitled only to that proportion of the personal and additional exemptions as his net income from sources within the State of Mississippi bears to his total or entire net income from all sources.~~

~~A nonresident individual who is married and whose spouse has income from independent sources must declare the joint income of H.~~

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~~No.~~

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 7(BS\EW) himself and his spouse from sources within and without Mississippi and claim as a personal exemption that proportion of the authorized personal and additional exemptions which the total net income from Mississippi sources bears to the total net income of both spouses from all sources.~~

~~If both spouses have income from sources within Mississippi and wish to file separate returns, their combined personal and additional exemptions shall be that proration of the exemption which their combined net income from Mississippi sources is of their total combined net income from all sources. The amount of the personal and additional exemptions so computed may be divided between them in any manner they choose.~~

~~In the case of married individuals where one (1) spouse is a resident and the other is a nonresident, the personal exemption of the resident individual shall be prorated on the same basis as if both were nonresidents having net income from within and without the State of Mississippi.~~

~~For the purpose of this subsection, the term "net income" means gross income less business expenses incurred in the taxpayer's regular trade or business and computed in accordance with the provisions of the Mississippi Income Tax Law.~~

~~(j) Part-year residents.~~

~~An individual who is a resident of Mississippi for only a part of his taxable year by reason of either moving into the state or moving from the state shall be allowed the same personal and additional exemptions as authorized for resident individuals in subsection (a) of this section;~~

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~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 8(BS\EW) part-year resident shall prorate his exemption on the same basis as nonresidents having net income from within and without the state.~~

~~(k) Estates.~~

~~In the case of an estate, a specific exemption of Six Hundred Dollars (\$600.00).~~

~~(l) Trusts.~~

~~In the case of a trust which, under its governing instrument, is required to distribute all of its income currently, a specific exemption of Three Hundred Dollars (\$300.00).~~

~~In the case of all other trusts, a specific exemption of One Hundred Dollars (\$100.00).~~

~~(m) Corporations, foundations, joint ventures, associations.~~

~~In the case of a corporation, foundation, joint venture or association taxable herein, there shall be allowed no specific exemption, except as provided under the Growth and Prosperity Act, Sections 57-113-1 through 57-113-7, and Sections 57-113-21 through 57-113-27.~~

~~(n) Status.~~

~~The status on the last day of the taxable year, except in the case of the head of family as provided in subsection (d) of this section, shall determine the right to the exemptions provided in this section; provided, that a taxpayer shall be entitled to such exemptions, otherwise allowable, if the husband or wife or dependent has died during the taxable year.~~

~~(o) Fiscal year taxpayers.~~

~~Individual taxpayers reporting on a fiscal year basis shall prorate their exemptions in a manner established by regulations promulgated by the commissioner.~~

531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 9(BS\EW)2(BS\EW) (p)* (i)*
~~On* or* before December 1, 2024, and on or before December 1 of each succeeding year, the Commissioner of Revenue shall calculate the amount of the increases in the personal exemption for single individuals, the personal exemption for married individuals, and the personal exemption for head of family individuals, that will produce a reduction in revenue equal to the tax reduction growth amount calculated as provided in paragraph (ii) of this subsection (p).~~

~~TheFor commissionercalendar shallyear increase2022 eachand ofall thetaxable personalyears exemptions*thereafter, bythere theshall amountbe calculatedno intax thislevied paragraphon (i), rounded down to the nearestfirst OneFive Thousand Dollars (\$1,000.00)(\$5,000.00) increment,of andtaxable theincome; revised personal exemption amounts calculated by the commissioner shall be effective for the next calendar year.~~

~~From* and* after* January(ii) 1On oftaxable theincome nextin succeedingexcess year after the date that the Commissioner of RevenueFive certifiesThousand thatDollars the(\$5,000.00) reductionup into revenueand mandatedincluding byTen thisThousand paragraphDollars (i)(\$10,000.00), equals or exceedsany thepart remainingthereof, revenue produced by the individualrate income tax, the individual income tax shall standbe repealedfour aspercent provided(4%);-in Section 27-7-5.~~

~~(ii)and On* or* before* October(iii) 1,On 2024,all andtaxable onincome orin beforeexcess October 1of eachTen succeedingThousand year,Dollars (\$10,000.00), the Legislative*rate Budget Office shall providebe toFive thepercent Commissioner(5%).-of Revenue the following amounts:~~

~~(b) (i) For calendar year 2023 and all calendar years thereafter, there shall be no tax levied under subparagraph (ii) of paragraph (a) of this subsection on the taxable income of individuals in excess of Five Thousand Dollars (\$5,000.00) up to and including Ten Thousand Dollars (\$10,000.00), or any part thereof;~~

~~and (ii) For calendar year 2024 and all calendar years thereafter, the tax imposed under subparagraph (iii) of paragraph (a) of this subsection upon all taxable income of individuals in excess of Ten Thousand Dollars (\$10,000.00), shall be at the following rates:~~

~~TheFor amountcalendar ofyear the2024, actualon generalsuch fundtaxable revenueincome, collected during the most*rate recentshall fullbe fiscalfour year, and excludingseven-tenths anypercent funds(4.7%); received from a nonrecurring revenue source;~~

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531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 10(BS\EW) 2.

~~The inflation factor, which shall be determined by dividing the CPI-U for the most recent full fiscal year by the CPI-U for the fiscal year 2023.~~

~~As used in this paragraph (ii), "CPI-U" means the United States Consumer Price Index for All Urban Consumers, South Region as defined and reported by the United States Department of Labor, Bureau of Labor Statistics;~~

~~3.~~

~~The adjusted inflation factor, which is the lesser of a.~~

~~the sum of 1 and the product of 0.015 and the number of full fiscal years elapsed since fiscal year 2023 or b.~~

~~the inflation factor determined under subparagraph 2 of this paragraph (ii);~~

~~and 4.~~

~~The tax reduction growth amount for the current fiscal year, which shall be determined by:~~

~~a.~~

~~Multiplying Six Billion One Hundred Seventy-five Million Dollars (\$6,175,000,000.00) by the adjusted inflation factor, and b.~~

~~Subtracting the amount determined under item a of this subparagraph 4, and an amount equal to the amount of general fund revenue loss during the most recent full fiscal year due to the reduction in the sales tax rate under Section 27-65-17(1)(n), from the amount of the actual general fund revenue collected during the most recent full fiscal year.~~

~~(q) Notwithstanding any other provision of this section, with regard to the personal exemptions authorized under this section, a taxpayer may elect to have the taxpayer's individual H.~~

~~B.~~

~~No.~~

531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 11(BS\EW) income tax liability for any year after calendar year 2022 assessed with the personal exemptions authorized under this section as it existed on

~~January 1, 2022, or with the personal exemptions authorized under this section, as amended by this act.~~
~~SECTION 3.~~

~~Section 27-65-17, Mississippi Code of 1972, is amended as follows:~~
~~27-65-17.~~

~~(1) (a) Except as otherwise provided in this section, upon every person engaging or continuing within this state in the business of selling any tangible personal property whatsoever there is hereby levied, assessed and shall be collected a tax equal to * * * eight and one-half percent (8-1/2%) of the gross proceeds of the retail sales of the business.~~

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

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

~~(ii) The one and one-half percent (1-1/2%) rate shall also apply to all equipment used in logging, pulpwood H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 12(BS\EW) operations or tree farming, and parts and labor used to maintain and/or repair such equipment, which is either:~~

~~1.~~

~~Self-propelled, or 2.~~

~~Mounted so that it is permanently attached to other equipment which is self-propelled or attached to other equipment drawn by a vehicle which is self-propelled.~~

~~In order to be eligible for the rate of tax provided for in this subparagraph (ii), such sales must be made to a professional logger.~~

~~For the purposes of this subparagraph (ii), a "professional logger" is a person, corporation, limited liability company or other entity, or an agent thereof, who possesses a professional logger's permit issued by the Department of Revenue and who presents the permit to the seller at the time of purchase. The department shall establish an application process for a professional logger's permit to be issued, which shall include a requirement that the applicant submit a copy of documentation verifying that the applicant is certified according to Sustainable Forestry Initiative guidelines.~~

~~Upon a determination that an applicant is a professional logger, the department shall issue the applicant a numbered professional logger's permit.~~

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

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~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 13(BS\EW) (e) Sales of manufacturing machinery or manufacturing machine parts when made to a manufacturer or custom processor for plant use only when the machinery and machine parts will be used exclusively and directly within this state in manufacturing a commodity for sale, rental or in processing for a fee shall be taxed at the rate of one and one-half percent (1-1/2%).~~

~~(f) Sales of machinery and machine parts when made to a technology intensive enterprise for plant use only when the machinery and machine parts will be used exclusively and directly within this state for industrial purposes, including, but not limited to, manufacturing or research and development activities, shall be taxed at the rate of one and one-half percent (1-1/2%).~~

~~In order to be considered a technology intensive enterprise for purposes of this paragraph:~~

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

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

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

~~(iv) The enterprise shall manufacture plastics, chemicals, automobiles, aircraft, computers or electronics;~~

~~or shall be a research and development facility, a computer design or related facility, or a software publishing facility or other H.~~

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~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 14(BS\EW) technology intensive facility or enterprise as determined by the Mississippi Development Authority;~~

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

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

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

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

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

~~(j) Wholesale sales of food and drink for human consumption to full-service vending machine operators to be sold through vending machines located apart from and not connected with H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 15(BS\EW) other taxable businesses shall be taxed at the rate of eight percent (8%).~~

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

~~(l) Sales of the factory-built components of modular homes, panelized homes and pre-cut homes, and panel constructed homes consisting of structural insulated panels, shall be taxed at the rate of three percent (3%).~~

~~(m) Sales of materials used in the repair, renovation, addition to, expansion and/or improvement of buildings and related facilities used by a dairy producer shall be taxed at the rate of three and one-half percent (3-1/2%).~~

~~For the purposes of this paragraph (m), "dairy producer" means any person engaged in the production of milk for commercial use.~~

~~(n) From and after July 1, 2022, retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt under Section 27-65-111(o) from the taxes imposed by this chapter if the food items were purchased with food stamps, shall be taxed as follows:~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 16(BS\EW) (i) From and after July 1, 2022, through June 30, 2023, such sales shall be taxed at the rate of five and one-half percent (5-1/2%);~~

~~(ii) From and after July 1, 2023, through June 30, 2024, such sales shall be taxed at the rate of five and one-fourth percent (5-1/4%);~~

~~(iii) From and after July 1, 2024, through June 30, 2025, such sales shall be taxed at the rate of five percent (5%);~~

~~(iv) From and after July 1, 2025, through June 30, 2026, such sales shall be taxed at the rate of four and three-fourths percent (4-3/4%);~~

~~(v) From and after July 1, 2026, through June 30, 2027, such sales shall be taxed at the rate of four and one-half percent (4-1/2%);~~

~~(vi) From and after July 1, 2027, through June 30, 2028, such sales shall be taxed at the rate of four and one-fourth percent (4-1/4%);~~

~~and (vii) From and after July 1, 2028, such sales shall be taxed at the rate of four percent (4%).~~

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

~~H.~~

~~B.~~

No.

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 17(BS\EW) (3) A manufacturer selling at retail in this state shall be required to make returns of the gross proceeds of such sales and pay the tax imposed in this section.~~

~~SECTION 4.~~

~~Section 27-65-10, Mississippi Code of 1972, is amended as follows:~~

~~27-65-10.~~

~~(1) (a) (i) Except as otherwise provided in this subsection, upon every person selling to consumers, electricity, current, power, potable water, steam, coal, natural gas, liquefied petroleum gas or other fuel, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) of the gross income of the business.~~

~~Provided, gross income from sales to consumers of electricity, current, power, natural gas, liquefied petroleum gas or other fuel for residential heating, lighting or other residential noncommercial or nonagricultural use, and sales of potable water for residential, noncommercial or nonagricultural use shall be excluded from taxable gross income of the business.~~

~~Provided further, upon every such seller using electricity, current, power, potable water, steam, coal, natural gas, liquefied petroleum gas or other fuel for nonindustrial purposes, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) of the cost or value of the product or service used.~~

~~(ii) Gross income from sales to a church that is exempt from federal income taxation under 26 USCS Section 501(c)(3) of electricity, current, power, natural gas, liquefied H.~~

~~B.~~

No.

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 18(BS\EW) petroleum gas or other fuel for heating, lighting or other use, and sales of potable water to such a church shall be excluded from taxable gross income of the business if the electricity, current, power, natural gas, liquefied petroleum gas or potable water is utilized on property that is primarily used for religious or educational purposes.~~

~~(b) (i) There is hereby levied, assessed and shall be collected a tax equal to one and one-half percent (1-1/2%) of the gross income of the business from the sale of naturally occurring carbon dioxide and anthropogenic carbon dioxide lawfully injected into the earth for:~~

~~1.~~

~~Use in an enhanced oil recovery project, including, but not limited to, use for cycling, repressuring or lifting of oil;~~

~~or 2.~~

~~Permanent sequestration in a geological formation.~~

~~(ii) The one and one-half percent (1-1/2%) rate provided for in this subsection shall apply to electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel that is sold to a producer of oil and gas for use directly in enhanced oil recovery using carbon dioxide and/or the permanent sequestration of carbon dioxide in a geological formation.~~

~~(c) The one and one-half percent (1-1/2%) rate provided for in this subsection shall not apply to sales of fuel for H.~~

~~B.~~

No.

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 19(BS\EW) automobiles, trucks, truck tractors, buses, farm tractors or airplanes.~~

~~(d) (i) Upon every person providing services in this state, there is hereby levied, assessed and shall be collected:~~

~~1.~~

~~A tax equal to * * * eight and one-half percent (8-1/2%) of the gross income received from all charges for intrastate telecommunications services.~~

~~AFor taxcalendar equalyear to2025, *on *such *taxable eightincome, and one-half percent (8-1/2%)) of the grossrate incomeshall receivedbe fromfour alland chargesfour-tenths forpercent interstate(4.4%); telecommunications services.~~

~~3.~~

~~A tax equal to * * * eight and one-half percent (8-1/2%) of the gross income received from all charges for international telecommunications services.~~

~~4.~~

~~A tax equal to * * * eight and one-half percent (8-1/2%) of the gross income received from all charges for ancillary services.~~

~~5.~~

~~A tax equal to * * * eight and one-half percent (8-1/2%) of the gross income received from all charges for products delivered electronically, including, but not limited to, software, music, games, reading materials or ring tones.~~

~~(ii) A person, upon proof that he has paid a tax in another state on an event described in subparagraph (i) of this paragraph (d), shall be allowed a credit against the tax imposed in this paragraph (d) on interstate telecommunications service charges to the extent that the amount of such tax is properly due~~
~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 20(BS\EW) and actually paid in such other state and to the extent that the rate of sales tax imposed by and paid in such other state does not exceed the rate of sales tax imposed by this paragraph (d).~~

~~(iii) Charges by one (1) telecommunications provider to another telecommunications provider holding a permit issued under Section 27-65-27 for services that are resold by such other telecommunications provider, including, but not limited to, access charges, shall not be subject to the tax levied pursuant to this paragraph (d).~~

~~(iv) For purposes of this paragraph (d):~~

~~1.~~

~~"Telecommunications service" means the electronic transmission, conveyance or routing of voice, data, audio, video or any other information or signals to a point, or between points.~~

~~The term "telecommunications service" includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added.~~

~~The term "telecommunications service" shall not include:~~

~~a.~~

~~Data processing and information services that allow data to be generated, acquired, stored, processed or retrieved and delivered by an electronic transmission~~
~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 21(BS\EW) to a purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;~~

~~b.~~

~~Installation or maintenance of wiring or equipment on a customer's premises;~~

~~c.~~

~~Tangible personal property;~~

~~d.~~

~~Advertising, including, but not limited to, directory advertising;~~

~~e.~~

~~Billing and collection services provided to third parties;~~

~~f.~~

~~Internet access service;~~

~~g.~~

~~Radio and television audio and video programming services regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider.~~

~~Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 USCS 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;~~

~~h.~~

~~Ancillary services;~~

~~or i.~~

~~Digital products delivered electronically, including, but not limited to, software, music, video, reading materials or ring tones.~~

~~2.~~

~~"Ancillary services" means services that are associated with or incidental to the provision of telecommunications services, including, but not limited to, H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 22(BS\EW) detailed telecommunications billing, directory assistance, vertical service and voice mail service.~~

~~a-~~

~~"Conference bridging" means an ancillary service that links two (2) or more participants of an audio or video conference call and may include the provision of a telephone number.~~

~~Conference bridging does not include the telecommunications services used to reach the conference bridge.~~

~~b-~~

~~"Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.~~

~~c-~~

~~"Directory assistance" means an ancillary service of providing telephone number information and/or address information.~~

~~d-~~

~~"Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.~~

~~e-~~

~~"Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages.~~

~~Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.~~

~~H-~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 23(BS\EW) 3-~~

~~"Intrastate" means telecommunications service that originates in one (1) United States state or United States territory or possession, and terminates in the same United States state or United States territory or possession.~~

~~4-~~

~~"Interstate" means a telecommunications service that originates in one (1) United States state or United States territory or possession, and terminates in a different United States state or United States territory or possession.~~

~~5-~~

~~"International" means a telecommunications service that originates or terminates in the United States and terminates or originates outside the United States, respectively.~~

~~(v) For purposes of paragraph (d), the following sourcing rules shall apply:~~

~~1-~~

~~Except for the defined telecommunications services in item 3 of this subparagraph, the sales of telecommunications services sold on a call-by-call basis shall be sourced to:~~

~~a-~~

~~Each level of taxing jurisdiction where the call originates and terminates in that jurisdiction, or b. Each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.~~

~~2-~~

~~Except for the defined telecommunications services in item 3 of this subparagraph, a sale of telecommunications services sold on a basis other than a H.~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 24(BS\EW) call-by-call basis, is sourced to the customer's place of primary use.~~

~~3-~~

~~The sale of the following telecommunications services shall be sourced to each level of taxing jurisdiction as follows:~~

~~a-~~

~~A sale of mobile telecommunications services other than air-to-ground radiotelephone service and prepaid calling service is sourced to the customer's place of primary use as required by the Mobile Telecommunication Sourcing Act.~~

~~A.~~

~~A home service provider shall be responsible for obtaining and maintaining the customer's place of primary use.~~

~~The home service provider shall be entitled to rely on the applicable residential or business street address supplied by such customer, if the home service provider's reliance is in good faith; and the home service provider shall be held harmless from liability for any additional taxes based on a different determination of the place of primary use for taxes that are customarily passed on to the customer as a separate itemized charge.~~

~~A home service provider shall be allowed to treat the address used for purposes of the tax levied by this chapter for any customer under a service contract in effect on August 1, 2002, as that customer's place of primary use for the remaining term of such service contract or agreement, excluding any extension or renewal of such service contract or agreement.~~

~~Month-to-month H.~~

~~B.~~

~~No.~~

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 25(BS\EW) services provided after the expiration of a contract shall be treated as an extension or renewal of such contract or agreement.~~

~~B.~~

~~If the commissioner determines that the address used by a home service provider as a customer's place of primary use does not meet the definition of the term "place of primary use" as defined in subitem a.A. of this item 3, the commissioner shall give binding notice to the home service provider to change the place of primary use on a prospective basis from the date of notice of determination; however, the customer shall have the opportunity, prior to such notice of determination, to demonstrate that such address satisfies the definition.~~

~~C.~~

~~The department has the right to collect any taxes due directly from the home service provider's customer that has failed to provide an address that meets the definition of the term "place of primary use" which resulted in a failure of tax otherwise due being remitted.~~

~~b.~~

~~A sale of postpaid calling service is sourced to the origination point of the telecommunications signal as first identified by either:~~

~~A.~~

~~The seller's telecommunications system;~~

~~or B.~~

~~Information received by the seller from its service provider, where the system used to transport such signals is not that of the seller.~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R620PH* ~ OFFICIAL ~ 22/HR43/R620PH PAGE 26(BS\EW) c.~~

~~A sale of a prepaid calling service or prepaid wireless calling service shall be subject to the tax imposed by this paragraph if the sale takes place in this state.~~

~~If the customer physically purchases a prepaid calling service or prepaid wireless calling service at the vendor's place of business, the sale is deemed to take place at the vendor's place of business.~~

~~If the customer does not physically purchase the service at the vendor's place of business, the sale of a prepaid calling card or prepaid wireless calling card is deemed to take place at the first of the following locations that applies to the sale:~~

~~A.~~

~~The customer's shipping address, if the sale involves a shipment;~~

~~B.~~

~~The customer's billing address;~~

~~C.~~

~~Any other address of the customer that is known by the vendor;~~

~~or D.~~

~~The address of the vendor, or alternatively, in the case of a prepaid wireless calling service, the location associated with the mobile telephone number.~~

~~4.~~

~~A sale of a private communication service is sourced as follows:~~

~~a-~~

~~Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located.~~

~~H-~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 27(BS\EW) b-~~

~~Service where all customer termination points are located entirely within one (1) jurisdiction or levels of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located.~~

~~c-~~

~~Service for segments of a channel between two (2) customer channel termination points located in different jurisdictions and which segments of a channel are separately charged is sourced fifty percent (50%) in each level of jurisdiction in which the customer channel termination points are located.~~

~~d-~~

~~Service for segments of a channel located in more than one (1) jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.~~

~~5-~~

~~A sale of ancillary services is sourced to the customer's place of primary use.~~

~~(vi) For purposes of subparagraph (v) of this paragraph (d):~~

~~1-~~

~~"Air to ground radiotelephone service" means a radio service, as that term is defined in 47 CFR 22.99, in H.~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 28(BS\EW) which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.~~

~~2-~~

~~"Call-by-call basis" means any method of charging for telecommunications services where the price is measured by individual calls.~~

~~3-~~

~~"Communications channel" means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.~~

~~4-~~

~~"Customer" means the person or entity that contracts with the seller of telecommunications services.~~

~~If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service.~~

~~Customer does not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider's licensed service area.~~

~~5-~~

~~"Customer channel termination point" means the location where the customer either inputs or receives the communications.~~

~~6-~~

~~"End user" means the person who utilizes the telecommunications service.~~

~~In the case of an entity, "end user" means the individual who utilizes the service on behalf of the entity.~~

~~H-~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 29(BS\EW) 7-~~

~~"Home service provider" has the meaning ascribed to such term in Section 124(5) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).~~

~~8-~~

~~"Mobile telecommunications service" has the meaning ascribed to such term in Section 124(7) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).~~

~~9.~~

~~"Place of primary use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer.~~

~~In the case of mobile telecommunications services, the place of primary use must be within the licensed service area of the home service provider.~~

~~10.~~

~~"Post-paid calling service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service.~~

~~A post-paid calling service includes a telecommunications service, except a prepaid wireless calling service that would be a prepaid calling service except it is not exclusively a telecommunications service.~~

~~11.~~

~~"Prepaid calling service" means the right to access exclusively telecommunications services, which must be H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 30(BS\EW) paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.~~

~~12.~~

~~"Prepaid wireless calling service" means a telecommunications service that provides the right to utilize mobile wireless service as well as other nontelecommunications services, including the download of digital products delivered electronically, content and ancillary service, which must be paid for in advance that is sold in predetermined units or dollars of which the number declines with use in a known amount.~~

~~13.~~

~~"Private communication service" means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations and any other associated services that are provided in connection with the use of such channel or channels.~~

~~14.~~

~~"Service address" means:~~

~~a.~~

~~The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid.~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 31(BS\EW) b.~~

~~If the location in subitem a of this item 14 is not known, the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider, where the system used to transport such signals is not that of the seller.~~

~~6.~~

~~If the location in subitems a and b of this item 14 are not known, the location of the customer's place of primary use.~~

~~(vii) 1.~~

~~For purposes of this subparagraph (vii), "bundled transaction" means a transaction that consists of distinct and identifiable properties or services which are sold for a single nonitemized price but which are treated differently for tax purposes.~~

~~2.~~

~~In the case of a bundled transaction that includes telecommunications services, ancillary services, Internet access, or audio or video programming services taxed under this chapter in which the price of the bundled transaction is attributable to properties or services that are taxable and nontaxable, the portion of the price that is attributable to any nontaxable property or service shall be subject to the~~

~~tax unless the provider can reasonably identify that portion from its books and records kept in the regular course of business.~~

~~3-~~

~~In the case of a bundled transaction that includes telecommunications services, ancillary services, Internet H.~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 32(BS\EW) access, audio or video programming services subject to tax under this chapter in which the price is attributable to properties or services that are subject to the tax but the tax revenue from the different properties or services are dedicated to different funds or purposes, the provider shall allocate the price among the properties or services:~~

~~a-~~

~~By reasonably identifying the portion of the price attributable to each of the properties and services from its books and records kept in the regular course of business;~~

~~or b-~~

~~Based on a reasonable allocation methodology approved by the department.~~

~~4-~~

~~This subparagraph (vii) shall not create a right of action for a customer to require that the provider or the department, for purposes of determining the amount of tax applicable to a bundled transaction, allocate the price to the different portions of the transaction in order to minimize the amount of tax charged to the customer.~~

~~A customer shall not be entitled to rely on the fact that a portion of the price is attributable to properties or services not subject to tax unless the provider elects, after receiving a written request from the customer in the form required by the provider, to provide verifiable data based upon the provider's books and records that are kept in the regular course of business that reasonably H.~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 33(BS\EW) identifies the portion of the price attributable to the properties or services not subject to the tax.~~

~~(2) Persons making sales to consumers of electricity, current, power, natural gas, liquefied petroleum gas or other fuel for residential heating, lighting or other residential noncommercial or nonagricultural use or sales of potable water for residential, noncommercial or nonagricultural use shall indicate on each statement rendered to customers that such charges are exempt from sales taxes.~~

~~(3) There is hereby levied, assessed and shall be paid on transportation charges on shipments moving between points within this state when paid directly by the consumer, a tax equal to the rate applicable to the sale of the property being transported.~~

~~Such tax shall be reported and paid directly to the Department of Revenue by the consumer.~~

~~SECTION 5-~~

~~Section 27-65-22, Mississippi Code of 1972, is amended as follows:~~

~~27-65-22.~~

~~(1) Upon every person engaging or continuing in any amusement business or activity, which shall include all manner and forms of entertainment and amusement, all forms of diversion, sport, recreation or pastime, shows, exhibitions, contests, displays, games or any other and all methods of obtaining admission charges, donations, contributions or monetary charges of any character, from the general public or a limited or selected number thereof, directly or indirectly in return for other than H.~~

~~B-~~

~~No-~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 34(BS\EW) tangible property or specific personal or professional services, whether such amusement is held or conducted in a public or private building, hotel, tent, pavilion, lot or resort, enclosed or in the open, there is hereby levied, assessed and shall be collected a tax equal to * * * eight and one-half percent (8-1/2%)) of the gross income received as admission, except as otherwise provided herein.~~

~~In lieu of the rate set forth above, there is hereby imposed, levied and assessed, to be collected as hereinafter provided, a tax of three percent (3%) of gross revenue derived from sales of admission to publicly owned enclosed coliseums and auditoriums (except admissions to athletic contests between colleges and universities).~~

~~There is hereby imposed, levied and assessed a tax of * * * eight and one-half percent (8-1/2%) of gross revenue derived from sales of admission to events conducted on property managed by the Mississippi Veterans Memorial Stadium, which tax shall be administered in the manner prescribed in this chapter, subject, however, to the provisions of Sections 55-23-3 through 55-23-11.~~

~~(2) The operator of any place of amusement in this state shall collect the tax imposed by this section, in addition to the price charged for admission to any place of amusement, and under all circumstances the person conducting the amusement shall be liable for, and pay the tax imposed based upon the actual charge for such admission.~~

~~Where permits are obtained for conducting temporary amusements by persons who are not the owners, lessees or H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 35(BS\EW) custodians of the buildings, lots or places where the amusements are to be conducted, or where such temporary amusement is permitted by the owner, lessee or custodian of any place to be conducted without the procurement of a permit as required by this chapter, the tax imposed by this chapter shall be paid by the owner, lessee or custodian of such place where such temporary amusement is held or conducted, unless paid by the person conducting the amusement, and the applicant for such temporary permit shall furnish with the application therefor, the name and address of the owner, lessee or custodian of the premises upon which such amusement is to be conducted, and such owner, lessee or custodian shall be notified by the commission of the issuance of such permit, and of the joint liability for such tax.~~

~~(3) The tax imposed by this section shall not be levied or collected upon:~~

~~(a) Any admissions charged at any place of amusement operated by a religious, charitable or educational organization, or by a nonprofit civic club or fraternal organization (i) when the net proceeds of such admissions do not inure to any one or more individuals within such organization and are to be used solely for religious, charitable, educational or civic purposes;~~

~~or (ii) when the entire net proceeds are used to defray the normal operating expenses of such organization, such as loan payments, maintenance costs, repairs and other operating expenses;~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 36(BS\EW) (b) Any admissions charged to hear gospel singing when promoted by a duly constituted local, bona fide nonprofit charitable or religious organization, irrespective of the fact that the performers and promoters are paid out of the proceeds of admissions collected, provided the program is composed entirely of gospel singing and not generally mixed with hillbilly or popular singing;~~

~~(c) Any admissions charged at any athletic games or contests between high schools or between grammar schools;~~

~~(d) Any admissions or tickets to or for baseball games between teams operated under a professional league franchise;~~

~~(e) Any admissions to county, state or community fairs, or any admissions to entertainments presented in community homes or houses which are publicly owned and controlled, and the proceeds of which do not inure to any individual or individuals;~~

~~(f) Any admissions or tickets to organized garden pilgrimages and to antebellum and historic houses when sponsored by an organized civic or garden club;~~

~~(g) Any admissions to any golf tournament held under the auspices of the Professional Golf Association or United States Golf Association wherein touring professionals compete, if such tournament is sponsored by a nonprofit association incorporated under the laws of the State of Mississippi where no dividends are declared and the proceeds do not inure to any individual or group;~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 37(BS\EW) (h) Any admissions to university or community college conference, state, regional or national playoffs or championships;~~

~~(i) Any admissions or fees charged by any county or municipally owned and operated swimming pools, golf courses and tennis courts other than sales or rental of tangible personal property;~~

~~(j) Any admissions charged for the performance of symphony orchestras, operas, vocal or instrumental artists in which professional or amateur performers are compensated out of the proceeds of such admissions, when sponsored by local music or charity associations, or amateur dramatic performances or professional dramatic productions when sponsored by a children's dramatic association, where no dividends are declared, profits received, nor any salary or compensation paid to any of the members of such associations, or to any person for procuring or producing such performance;~~

~~(k) Any admissions or tickets to or for hockey games between teams operated under a professional league franchise;~~

~~(l) Any admissions or tickets to or for events sanctioned by the Mississippi Athletic Commission that~~

~~are held within publicly owned enclosed coliseums and auditoriums;~~

~~(m) Guided tours on any navigable waters of this state, which include providing accommodations, guide services and/or related equipment operated by or under the direction of the person providing the tour, for the purposes of outdoor tourism;~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 38(BS\EW) (n) Any admissions to events held solely for religious or charitable purposes at livestock facilities, agriculture facilities or other facilities constructed, renovated or expanded with funds from the grant program authorized under Section 18 of Chapter 530, Laws of 1995;~~

~~and (o) (i) Any admissions charged at events, activities or entertainments:~~

~~1.~~

~~which are open to the public and held in or on parks, lands or buildings which are publicly owned, leased, used and/or controlled by a municipality, or any agency thereof;~~

~~2.~~

~~which are created and sponsored by the municipality, or an agency thereof;~~

~~and 3.~~

~~The proceeds of which do not inure to the benefit of any individual or individuals;~~

~~however, (ii) The governing authorities of a municipality may require the tax imposed by this section to be levied and collected at events, activities or entertainments described in subparagraph (i) of this paragraph by:~~

~~1.~~

~~Adopting an ordinance requiring the levy and collection of the tax;~~

~~2.~~

~~Providing the Department of Revenue with a certified copy of the ordinance requiring the tax to be levied and assessed at least thirty (30) days prior to the effective date of the ordinance;~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 39(BS\EW) (iii) If the ordinance described in subparagraph (ii) of this paragraph is repealed, the municipality shall provide the Department of Revenue with a certified copy of the repeal of the ordinance at least thirty (30) days prior to the effective date of the repeal.~~

~~SECTION 6.~~

~~Section 27-65-23, Mississippi Code of 1972, is amended as follows:~~

~~27-65-23.~~

~~Upon every person engaging or continuing in any of the following businesses or activities there is hereby levied, assessed and shall be collected a tax equal to * * * eight and one-half percent (8 1/2%) of the gross income of the business, except as otherwise provided:~~

~~Air-conditioning installation or repairs;~~

~~Automobile, motorcycle, boat or any other vehicle repairing or servicing;~~

~~Billiards, pool or domino parlors;~~

~~Bowling or tenpin alleys;~~

~~Burglar and fire alarm systems or services;~~

~~Car washing -- automatic, self-service, or manual;~~

~~Computer software sales and services;~~

~~Cotton compresses or cotton warehouses;~~

~~Custom creosoting or treating, custom planing, custom sawing;~~

~~Custom meat processing;~~

~~H.~~

~~B.~~

~~No.~~

~~531 *HR43/R629PH* ~ OFFICIAL ~ 22/HR43/R629PH PAGE 40(BS\EW) Electricians, electrical work, wiring, all repairs or installation of electrical equipment;~~

~~Elevator or escalator installing, repairing or servicing;~~

~~Film developing or photo finishing;~~

~~Foundries, machine or general repairing;~~

~~Furniture repairing or upholstering;~~

~~Grading, excavating, ditching, dredging or landscaping;~~

~~Hotels (as defined in Section 41-49-3), motels, tourist courts or camps, trailer parks;~~

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