

By: Representative Busby

To: Ways and Means

HOUSE BILL NO. 574

1 AN ACT TO AMEND SECTION 27-55-11, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE THE RATE OF THE GASOLINE EXCISE TAX; TO AMEND SECTIONS
 3 27-55-519 AND 27-55-521, MISSISSIPPI CODE OF 1972, TO INCREASE THE
 4 RATE OF THE SPECIAL FUEL EXCISE TAX ON DIESEL FUEL; TO AMEND
 5 SECTION 65-39-35, MISSISSIPPI CODE OF 1972, TO EXCLUDE CERTAIN
 6 TAXES FROM THE RATE REDUCTION EFFECTIVE UPON THE COMPLETION OF
 7 CERTAIN TRANSPORTATION PROJECTS; TO AMEND SECTION 27-7-5,
 8 MISSISSIPPI CODE OF 1972, TO PHASE OUT INCOME TAXATION ON TAXABLE
 9 INCOME IN EXCESS OF FIVE THOUSAND DOLLARS UP TO AND INCLUDING TEN
 10 THOUSAND DOLLARS, OR ANY PART THEREOF; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
 13 amended as follows:

14 27-7-5. (1) There is hereby assessed and levied, to be
 15 collected and paid as hereinafter provided, for the calendar year
 16 1983 and fiscal years ending during the calendar year 1983 and all
 17 taxable years thereafter, upon the entire net income of every
 18 resident individual, corporation, association, trust or estate, in
 19 excess of the credits provided, a tax at the following rates:

20 (a) (i) Through calendar year 2017, on the first Five
 21 Thousand Dollars (\$5,000.00) of taxable income, or any part
 22 thereof, the rate shall be three percent (3%);



23 (ii) For calendar year 2018, on the first One
24 Thousand Dollars (\$1,000.00) of taxable income there shall be no
25 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
26 taxable income, or any part thereof, the rate shall be three
27 percent (3%);

28 (iii) For calendar year 2019, on the first Two
29 Thousand Dollars (\$2,000.00) of taxable income there shall be no
30 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
31 taxable income, or any part thereof, the rate shall be three
32 percent (3%);

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

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

43 (vi) For calendar year 2022 and all taxable years
44 thereafter, there shall be no tax levied on the first Five
45 Thousand Dollars (\$5,000.00) of taxable income;

46 (b) (i) Through calendar year 2021, on taxable income
47 in excess of Five Thousand Dollars (\$5,000.00) up to and including



48 Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate
49 shall be four percent (4%);

50 (ii) For calendar year 2022, on taxable income in
51 excess of Five Thousand Dollars (\$5,000.00) up to and including
52 Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate
53 shall be three percent (3%);

54 (iii) For calendar year 2023, on taxable income in
55 excess of Five Thousand Dollars (\$5,000.00) up to and including
56 Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate
57 shall be two percent (2%);

58 (iv) For calendar year 2024, on taxable income in
59 excess of Five Thousand Dollars (\$5,000.00) up to and including
60 Ten Thousand Dollars (\$10,000.00), or any part thereof, the rate
61 shall be one percent (1%);

62 (v) For calendar year 2025 and all taxable years
63 thereafter, there shall be no tax levied on taxable income in
64 excess of Five Thousand Dollars (\$5,000.00) up to and including
65 Ten Thousand Dollars (\$10,000.00), or any part thereof; and

66 (c) On all taxable income in excess of Ten Thousand
67 Dollars (\$10,000.00), the rate shall be five percent (5%).

68 (2) An S corporation, as defined in Section 27-8-3(1)(g),
69 shall not be subject to the income tax imposed under this section.

70 (3) A like tax is hereby imposed to be assessed, collected
71 and paid annually, except as hereinafter provided, at the rate
72 specified in this section and as hereinafter provided, upon and



73 with respect to the entire net income, from all property owned or
74 sold, and from every business, trade or occupation carried on in
75 this state by individuals, corporations, partnerships, trusts or
76 estates, not residents of the State of Mississippi.

77 (4) In the case of taxpayers having a fiscal year beginning
78 in a calendar year with a rate in effect that is different than
79 the rate in effect for the next calendar year and ending in the
80 next calendar year, the tax due for that taxable year shall be
81 determined by:

82 (a) Computing for the full fiscal year the amount of
83 tax that would be due under the rates in effect for the calendar
84 year in which the fiscal year begins; and

85 (b) Computing for the full fiscal year the amount of
86 tax that would be due under the rates in effect for the calendar
87 year in which the fiscal year ends; and

88 (c) Applying to the tax computed under paragraph (a)
89 the ratio which the number of months falling within the earlier
90 calendar year bears to the total number of months in the fiscal
91 year; and

92 (d) Applying to the tax computed under paragraph (b)
93 the ratio which the number of months falling within the later
94 calendar year bears to the total number of months within the
95 fiscal year; and



96 (e) Adding to the tax determined under paragraph (c)
97 the tax determined under paragraph (d) the sum of which shall be
98 the amount of tax due for the fiscal year.

99 **SECTION 2.** Section 27-55-11, Mississippi Code of 1972, is
100 amended as follows:

101 27-55-11. (1) (a) Except as otherwise provided in this
102 paragraph (a), any person in business as a distributor of gasoline
103 or who acts as a distributor of gasoline, as defined in this
104 article, shall pay for the privilege of engaging in such business
105 or acting as such distributor an excise tax equal to Eighteen
106 Cents (18¢) per gallon * * * on all gasoline and blend stock
107 stored, sold, distributed, manufactured, refined, distilled,
108 blended or compounded in this state or received in this state for
109 sale, use on the highways, storage, distribution, or for any
110 purpose. From and after July 1, 2021, the rate of the tax imposed
111 under this paragraph (a) shall be as follows:

112 (i) Through June 30, 2022, the tax shall be at the
113 rate of Twenty Cents (20¢) per gallon;

114 (ii) From and after July 1, 2022, through June 30,
115 2023, the tax shall be at the rate of Twenty-two Cents (22¢) per
116 gallon;

117 (iii) From and after July 1, 2023, through June 30,
118 2024, the tax shall be at the rate of Twenty-four Cents (24¢) per
119 gallon; and



120 (iv) From and after July 1, 2024, the tax shall be
121 at the rate of Twenty-six Cents (26¢) per gallon.

122 (b) Any person in business as a distributor of aviation
123 gasoline, or who acts as a distributor of aviation gasoline, shall
124 pay for the privilege of engaging in such business or acting as
125 such distributor an excise tax equal to Six and Four-tenths Cents
126 (6.4¢) per gallon on all aviation gasoline stored, sold,
127 distributed, manufactured, refined, distilled, blended or
128 compounded in this state or received in this state for sale,
129 storage, distribution or for any purpose.

130 (c) The excise taxes collected under this section shall
131 be paid and distributed in accordance with Section 27-5-101.

132 (2) (a) The tax herein imposed and assessed shall be
133 collected and paid to the State of Mississippi but once in respect
134 to any gasoline. The basis for determining the tax liability
135 shall be the correct invoiced gallons, adjusted to sixty (60)
136 degrees Fahrenheit at the refinery or point of origin of shipment
137 when such shipment is made by tank car or by motor carrier. The
138 point of origin of shipment of gasoline transported into this
139 state by pipelines shall be deemed to be that point in this state
140 where such gasoline is withdrawn from the pipeline for storage or
141 distribution, and adjustment to sixty (60) degrees Fahrenheit
142 shall there be made. The basis for determining the tax liability
143 on gasoline shipped into this state in barge cargoes and by
144 pipeline shall be the actual number of gallons adjusted to sixty



145 (60) degrees Fahrenheit unloaded into storage tanks or other
146 containers in this state, such gallonage to be determined by
147 measurement and/or gauge of storage tank or tanks or by any other
148 method authorized by the * * * department. The tank or tanks into
149 which barge cargoes of gasoline are discharged, or into which
150 gasoline transported by pipeline is discharged, shall have correct
151 gauge tables listing capacity, such gauge tables to be prepared by
152 some recognized calibrating agency and to be approved by the * * *
153 department.

154 (b) The tax levied herein shall accrue at the time
155 gasoline is withdrawn from a refinery in this state except when
156 withdrawal is by pipeline, barge, ship or vessel. The refiner
157 shall pay to the * * * department the tax levied herein when
158 gasoline is sold or delivered to persons who do not hold gasoline
159 distributor permits. The refiner shall report to the * * *
160 department all sales and deliveries of gasoline to bonded
161 distributors of gasoline. The bonded distributor of gasoline who
162 purchases, receives or acquires gasoline from a refinery in this
163 state shall report such gasoline and pay the tax levied herein.

164 (c) Gasoline imported by common carrier shall be deemed
165 to be received by the distributor of gasoline, and the tax levied
166 herein shall accrue, when the car or tank truck containing such
167 gasoline is unloaded by the carrier.

168 (d) With respect to distributors or other persons who
169 bring, ship, have transported, or have brought into this state



170 gasoline by means other than through a common carrier, the tax
171 accrues and the tax liability attaches on the distributor or other
172 person for each gallon of gasoline brought into the state at the
173 time when and at the point where such gasoline is brought into the
174 state.

175 (e) The tax levied herein shall accrue on blend stock
176 at the time it is blended with gasoline. The blender shall pay to
177 the * * * department the tax levied herein when blend stock is
178 sold or delivered to persons who do not hold gasoline distributor
179 permits. The blender shall report to the * * * department all
180 sales and deliveries of blend stock to bonded distributors of
181 gasoline. The bonded distributor of gasoline who purchases,
182 receives or acquires blend stock from a blender in this state
183 shall report blend stock and pay the tax levied herein.

184 **SECTION 3.** Section 27-55-519, Mississippi Code of 1972, is
185 amended as follows:

186 27-55-519. (1) Any person engaged in business as a
187 distributor of special fuel or who acts as a distributor of
188 special fuel, as defined in this article, shall pay for the
189 privilege of engaging in such business or acting as such
190 distributor an excise tax on all special fuel stored, used, sold,
191 distributed, manufactured, refined, distilled, blended or
192 compounded in this state or received in this state for sale,
193 storage, distribution or for any purpose, adjusted to sixty (60)
194 degrees Fahrenheit.



195 The excise tax shall become due and payable when:

196 (a) Special fuel is withdrawn from storage at a
197 refinery, marine or pipeline terminal, except when withdrawal is
198 by barge or pipeline.

199 (b) Special fuel imported by a common carrier is
200 unloaded by that carrier unless the special fuel is unloaded
201 directly into the storage tanks of a refinery, marine or pipeline
202 terminal.

203 (c) Special fuel imported by any person other than a
204 common carrier enters the State of Mississippi unless the special
205 fuel is unloaded directly into the storage tanks of a refinery,
206 marine or pipeline terminal.

207 (d) Special fuel is blended in this state unless such
208 blending occurs in a refinery, marine or pipeline terminal.

209 (e) Special fuel is acquired tax free.

210 (2) The special fuel excise tax shall be as follows:

211 (a) (i) Eighteen Cents (18¢) per gallon on undyed
212 diesel fuel until * * * July 1, 2021;

213 (ii) From and after July 1, 2021, through June 30,
214 2022, Twenty-one Cents (21¢) per gallon on undyed diesel fuel;

215 (iii) From and after July 1, 2022, through June 30,
216 2023, Twenty-four Cents (24¢) per gallon on undyed diesel fuel;

217 (iv) From and after July 1, 2023, through June 30,
218 2024, Twenty-seven Cents (27¢) per gallon on undyed diesel fuel; and



219 (v) From and after July 1, 2024, Thirty Cents (30¢)
220 per gallon on undyed diesel fuel;

221 (b) Five and Three-fourths Cents (5.75¢) per gallon on
222 all special fuel except undyed diesel fuel and special fuel used
223 as fuels in aircraft; and

224 (c) Five and One-fourth Cents (5.25¢) per gallon on
225 special fuel used as fuel in aircraft.

226 **SECTION 4.** Section 27-55-521, Mississippi Code of 1972, is
227 amended as follows:

228 27-55-521. (1) An excise tax at the rate of Eighteen Cents
229 (18¢) per gallon * * * is levied on any person engaged in business
230 as a distributor of special fuel or who acts as such who sells:

231 (a) Special fuel, except diesel fuel, for use in
232 performing contracts for construction, reconstruction, maintenance
233 or repairs, where such contracts are entered into with the State
234 of Mississippi, any political subdivision of the State of
235 Mississippi, or any department, agency, institution of the State
236 of Mississippi or any political subdivision thereof.

237 (b) * * * Kerosene to a state or local governmental
238 entity for use on the highways in a motor vehicle.

239 (c) Special fuel, except diesel fuel, for use on the
240 highway.

241 (2) An excise tax at the rate of Eighteen Cents (18¢) per
242 gallon * * * is levied on any person who:



243 (a) Uses * * * kerosene in a motor vehicle on the
244 highways of this state in violation of Section 27-55-539.

245 (b) Purchases or acquires * * * kerosene for nonhighway
246 use and subsequently uses such * * * kerosene in a motor vehicle
247 on the highways of this state.

248 (c) Purchases or acquires special fuel, except diesel
249 fuel, for use in performing contracts as specified in this
250 section.

251 (3) An excise tax at the rate provided in Section
252 27-55-519(2) (a) is levied on any person engaged in business as a
253 distributor of special fuel or who acts as such who sells:

254 (a) Diesel fuel for use in performing contracts for
255 construction, reconstruction, maintenance or repairs, where such
256 contracts are entered into with the State of Mississippi, any
257 political subdivision of the State of Mississippi, or any
258 department, agency, institution of the State of Mississippi or any
259 political subdivision thereof.

260 (b) Dyed diesel fuel to a state or local governmental
261 entity for use on the highways in a motor vehicle.

262 (c) Diesel fuel, for use on the highway.

263 (4) An excise tax at the rate provided in Section
264 27-55-519(2) (a) is levied on any person who:

265 (a) Uses dyed diesel fuel in a motor vehicle on the
266 highways of this state in violation of Section 27-55-539.



267 (b) Purchases or acquires undyed diesel fuel for
268 nonhighway use and subsequently uses such diesel fuel in a motor
269 vehicle on the highways of this state.

270 (c) Purchases or acquires diesel fuel, for use in
271 performing contracts as specified in this section.

272 **SECTION 5.** Section 65-39-35, Mississippi Code of 1972, is
273 amended as follows:

274 65-39-35. The date upon which the taxes and fees levied and
275 charged under the provisions of Sections * * * 27-57-37, 27-59-11,
276 27-19-43, 27-19-309 * * * and 27-65-75 * * * are reduced under
277 such sections shall be the first day of the month immediately
278 following the date upon which:

279 (a) The Mississippi Transportation Commission certifies
280 to the * * * Department of Revenue that:

281 (i) The highway program created under Section
282 65-3-97 and the Gaming Counties Infrastructure Program created
283 under Section 65-39-3, are completed and no funds are any longer
284 necessary to pay the costs of such programs; and

285 (ii) The Mississippi Transportation Commission
286 will not declare the necessity for additional borrowings under
287 Section 65-9-27, or for additional bonds under Sections 65-39-5
288 through 65-39-33; and

289 (b) The State Treasurer certifies:

290 (i) That the amount on deposit in the Gaming
291 Counties Bond Sinking Fund, together with earnings on investments



292 to accrue to such fund, is equal to or greater than the aggregate
293 of the entire principal, redemption premium (if any), and interest
294 due and to become due (until the final maturity date or earlier
295 scheduled redemption date) on all general obligation bonds issued
296 under Sections 65-39-5 through 65-39-33; and

297 (ii) That all principal, interest, cost and other
298 expenses for all bonds, notes or other borrowings under Section
299 65-9-27 and Section 31-17-127 (including redemption notes, if any)
300 have been paid and are completely satisfied.

301 **SECTION 6.** This act shall take effect and be in force from
302 and after July 1, 2021.

