

By: Representative Blackmon

To: Ways and Means

HOUSE BILL NO. 1549

1 AN ACT TO AUTHORIZE THE ISSUANCE OF MOTOR VEHICLE LICENSE
2 TAGS BY A MOTOR VEHICLE MANUFACTURER TO MOTOR VEHICLES LEASED BY
3 THE MANUFACTURER TO ITS EMPLOYEES IN AN EMPLOYEE INCENTIVE
4 PROGRAM; TO REQUIRE THE MANUFACTURER TO PAY AN ANNUAL PERMIT FEE
5 TO THE DEPARTMENT OF REVENUE; TO PROVIDE THAT A FEE IN THE AMOUNT
6 OF \$100.00 SHALL BE PAID TO THE DEPARTMENT OF REVENUE IN LIEU OF
7 AD VALOREM TAXES FOR EACH TAG SO ISSUED; TO PROVIDE THAT THE
8 \$100.00 FEE PAID FOR SUCH TAGS SHALL BE PLACED IN A SPECIAL FUND
9 AND THAT A CERTAIN AMOUNT OF THE FEES SO DEPOSITED SHALL BE PAID
10 TO EACH LOCAL TAXING DISTRICT IN WHICH THE MOTOR VEHICLE IS
11 DOMICILED OR THE LOCAL TAXING DISTRICT FROM WHICH SUCH VEHICLE
12 MOST FREQUENTLY LEAVES AND RETURNS; TO PROVIDE THAT FUNDS RECEIVED
13 BY LOCAL TAXING DISTRICTS UNDER THIS ACT SHALL BE CONSIDERED TO
14 BE, AND SHALL BE USED IN THE SAME MANNER AS, THE PROCEEDS OF MOTOR
15 VEHICLE AD VALOREM TAXES; TO AMEND SECTION 27-51-41, MISSISSIPPI
16 CODE OF 1972, TO EXEMPT FROM AD VALOREM TAXES MOTOR VEHICLES
17 LEASED BY A MOTOR VEHICLE MANUFACTURER TO ITS EMPLOYEES UNDER AN
18 EMPLOYEE INCENTIVE PROGRAM; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** (1) As used in this section:

21 (a) "Department" means the Mississippi Department of
22 Revenue.

23 (b) "Employee incentive program" means a benefit
24 offered by a manufacturer to its employees in which new vehicles
25 produced by the manufacturer or its subsidiaries are leased to
26 employees of the manufacturer.



27 (c) "Local taxing district" means any county,
28 municipality, school district or other local entity that levies an
29 ad valorem tax or for which an ad valorem tax is levied, to fund
30 all or a portion of its budget.

31 (d) "Manufacturer" means a motor vehicle manufacturer
32 operating a project as defined in Section 57-75-5(f)(iv) or
33 Section 57-75-5(f)(xxi).

34 (2) A manufacturer may apply to the department for a permit
35 to issue the motor vehicle license tags authorized by this section
36 and shall pay an annual fee of One Thousand Dollars (\$1,000.00)
37 for the permit. After receipt of the permit the manufacturer may
38 be issued distinguishing number motor vehicle license tags of a
39 design determined by the department to be used for motor vehicles
40 leased under the employee incentive program. The manufacturer
41 shall pay a fee in lieu of ad valorem taxes to the Department of
42 Revenue for each tag so issued in the amount of One Hundred
43 Dollars (\$100.00), plus Three Dollars and Seventy-five Cents
44 (\$3.75) for a tag fee. The tags shall be valid for one (1) year
45 from the date the motor vehicle is leased to the employee or the
46 term of the lease, whichever is shorter. The revenue from the fee
47 shall be deposited by the department into the special fund created
48 in this section to the credit of the county in which the motor
49 vehicle for which the tag is issued is domiciled or the local
50 taxing district from which such vehicle most frequently leaves and
51 returns.



52 (3) The manufacturer shall provide the Department of Revenue
53 with any information regarding the lessee and the location at
54 which the leased motor vehicle is domiciled or the location from
55 which the leased vehicle most frequently leaves and returns, that
56 the department requires. The manufacturer shall provide the
57 department with any other information the department considers
58 necessary to implement this section.

59 (4) (a) There is created in the State Treasury a special
60 fund into which shall be deposited the proceeds of the fee
61 specified in subsection (2) of this section. The money in the
62 fund shall be used for the purpose of making payments to county
63 tax collectors as required by this section. The fund shall be
64 administered by the Department of Revenue. Money in the fund
65 shall be expended upon appropriation by the Legislature.
66 Unexpended amounts remaining in the fund at the end of the state
67 fiscal year shall not lapse into the State General Fund, and any
68 investment earnings on amounts in the fund shall be deposited to
69 the credit of the fund.

70 (b) On or before the tenth day of each month, the
71 department shall make payments from the fund created in this
72 section to the appropriate county tax collectors for distribution
73 to the local taxing districts in the amounts required by this
74 section. The amount that each local taxing district shall receive
75 shall be determined by the department based on documentation
76 provided by the county tax collectors and manufacturers under



77 guidelines established by the department calculated as provided in
78 this paragraph. Payments shall be made to a local taxing district
79 from the monthly amount received by the county tax collector based
80 on the proportion of that revenue that the local taxing district
81 received from motor vehicle ad valorem tax revenue in the month
82 prior to the payment bears to the total motor vehicle ad valorem
83 tax revenue received in that month by all local taxing districts
84 in the county.

85 (c) The county tax collector shall pay the funds
86 received under this subsection to the local taxing district or
87 districts in which the motor vehicle is domiciled or the local
88 taxing district or districts from which such vehicles most
89 frequently leave and return in the amounts calculated by the
90 department.

91 (d) Funds received by local taxing districts under this
92 section shall be considered to be, and shall be used in the same
93 manner as, the proceeds of motor vehicle ad valorem taxes.

94 **SECTION 2.** Section 27-51-41, Mississippi Code of 1972, is
95 amended as follows:

96 27-51-41. (1) The exemptions from the provisions of this
97 chapter shall be confined to those persons or property exempted by
98 this chapter or by the provisions of the Constitution of the
99 United States or the State of Mississippi. No exemption as now
100 provided by any other statute shall be valid as against the tax
101 levied by this chapter. Any subsequent exemption from the tax



102 levied hereunder shall be provided by amendment to this section
103 which shall be inserted in the bill at length.

104 (2) The following shall be exempt from ad valorem taxation:

105 (a) All motor vehicles, as defined in this chapter, and
106 including motor-propelled farm implements and vehicles, while in
107 the hands of bona fide dealers as merchandise and which are not
108 being operated upon the highways of this state.

109 (b) All motor vehicles belonging to the federal
110 government or the State of Mississippi or any agencies or
111 instrumentalities thereof.

112 (c) All motor vehicles owned by any school district in
113 the state.

114 (d) All motor vehicles owned by any fire protection
115 district incorporated in accordance with Sections 19-5-151 through
116 19-5-207 or by any fire protection grading district incorporated
117 in accordance with Sections 19-5-215 through 19-5-241.

118 (e) All motor vehicles owned by units of the
119 Mississippi National Guard.

120 (f) All motor vehicles which are exempted from highway
121 privilege taxes under Section 27-19-1 et seq.

122 (g) All motor vehicles operated in this state as common
123 and contract carriers of property, private commercial carriers of
124 property, private carriers of property and buses, all of which
125 have a gross weight in excess of ten thousand (10,000) pounds.



126 (h) Antique automobiles as defined in Section 27-19-47,
127 and antique pickup trucks as provided for under Section
128 27-19-47.2, Mississippi Code of 1972.

129 (i) Street rods as defined in Section 27-19-56.6.

130 (j) One (1) motor vehicle owned by a disabled American
131 veteran, or by the spouse of a deceased disabled American veteran,
132 who is entitled to purchase a distinctive license plate or tag in
133 accordance with Section 27-19-53, regardless of the license plate
134 or tag issued to the disabled American veteran or the veteran's
135 spouse if the disabled American veteran is deceased.

136 (k) One (1) motor vehicle owned by the unremarried
137 surviving spouse of a member of the Armed Forces of the United
138 States who, while on active duty, is killed or dies and one (1)
139 motor vehicle owned by the unremarried surviving spouse of a
140 member of a reserve component of the Armed Forces of the United
141 States or of the National Guard who, while on active duty for
142 training, is killed or dies.

143 (l) Motor vehicles owned by recipients of the
144 Congressional Medal of Honor or by former prisoners of war, or by
145 spouses of such deceased persons, in accordance with Section
146 27-19-54.

147 (m) (i) One (1) private carrier of passengers, as
148 defined in Section 27-19-3, owned by any religious society,
149 ecclesiastical body or any congregation thereof which is used
150 exclusively for such society and not for profit.



151 (ii) All motor vehicles owned by any such
152 religious society or any educational institution having a seating
153 capacity greater than seven (7) passengers and used exclusively
154 for transporting passengers for religious or educational purposes
155 and not for profit.

156 (n) All motor vehicles primarily used as rentals under
157 rental agreements with a term of not more than thirty (30)
158 continuous days each and under the control of persons who are
159 engaged in the business of renting such motor vehicles and who are
160 subject to the tax under Section 27-65-231.

161 (o) Antique motorcycles as defined in Section
162 27-19-47.1.

163 (p) One (1) motor vehicle owned by a recipient of the
164 Purple Heart, and one (1) motor vehicle owned by the unremarried
165 surviving spouse of a recipient of the Purple Heart, as provided
166 in Section 27-19-56.5.

167 (q) Motor vehicles that are eligible to display an
168 authentic historical license plate as provided for in Section
169 27-19-56.11.

170 (r) Motor vehicles that are (i) designed or adapted to
171 be used exclusively in the preparation and loading of chemicals or
172 other material for aerial agricultural application to crops; and
173 (ii) only incidentally used on public roadways in this state.

174 (s) One (1) motor vehicle owned by the mother of a
175 service member who was killed in action or died in a combat zone



176 after September 11, 2001, while serving in the Armed Forces of the
177 United States as provided for in Section 27-19-56.162.

178 (t) One (1) motor vehicle owned by the unremarried
179 spouse of a service member who was killed in action or died in a
180 combat zone after September 11, 2001, while serving in the Armed
181 Forces of the United States as provided for in Section
182 27-19-56.162.

183 (u) Buses and other motor vehicles that are (a) owned
184 and operated by an entity that has entered into a contract with a
185 school board under Section 37-41-31 for the purpose of
186 transporting students to and from schools and (b) used by the
187 entity for such transportation purposes. This paragraph (u) shall
188 apply to contracts entered into or renewed on or after July 1,
189 2010.

190 (v) One (1) motor vehicle owned by a recipient of the
191 Silver Star, and one (1) motor vehicle owned by the unremarried
192 surviving spouse of a recipient of the Silver Star, as provided in
193 Section 27-19-56.284.

194 (w) One (1) motor vehicle owned by a person who is a
195 law enforcement officer and who (i) was wounded or otherwise
196 received intentional or accidental bodily injury, regardless of
197 whether occurring before or after July 1, 2014, while engaged in
198 the performance of his official duties, provided the wound or
199 injury was not self-inflicted, (ii) was required to receive
200 medical treatment for the wound or injury due to the nature and



201 extent of the wound or injury, and (iii) is eligible to receive a
202 special license plate or tag under Section 27-19-56 as a result of
203 such wound or injury, regardless of whether the person obtains
204 such a plate or tag. Application for the exemption provided in
205 this paragraph (w) may be made at the time of initial registration
206 of a vehicle and renewal of registration. In addition, an
207 applicant for the exemption must provide official written
208 documentation that (i) the applicant is a law enforcement officer
209 who was wounded or otherwise received intentional or accidental
210 bodily injury while engaged in the performance of his official
211 duties and that the wound or injury was not self-inflicted along
212 with official written documentation verifying receipt of medical
213 treatment for the wound or injury and the nature and extent of the
214 wound or injury, and (ii) the applicant is eligible to receive a
215 special license plate or tag under Section 27-19-56 as a result of
216 such wound or injury, regardless of whether the person obtains
217 such a plate or tag.

218 (x) One (1) motor vehicle owned by an honorably
219 discharged veteran of the Armed Forces of the United States who
220 served during World War II, and one (1) motor vehicle owned by the
221 unremarried surviving spouse of such veteran, as provided in
222 Section 27-19-56.438.

223 (y) Motor vehicles in an "employee incentive program"
224 as defined in Section 1 of this act.



225 (3) Any claim for tax exemption by authority of the
226 above-mentioned code sections or by any other legal authority
227 shall be set out in the application for the road and bridge
228 privilege license, and the specific legal authority for such tax
229 exemption claim shall be cited in said application, and such
230 authority cited shall be shown by the tax collector on the tax
231 receipt as his authority for not collecting such ad valorem taxes,
232 and the tax collector shall carry forward such information in his
233 tax collection reports.

234 (4) Any motor vehicle driven over the highways of this state
235 to the extent that the owner of such motor vehicle is required to
236 purchase a road and bridge privilege license in this state, yet
237 the legal situs of such motor vehicle is located in another state,
238 shall be exempt from ad valorem taxes authorized by this chapter.

239 (5) If a taxpayer shall sell, trade or otherwise dispose of
240 a vehicle on which the ad valorem and road and bridge privilege
241 taxes have been paid in any county in the state, he shall remove
242 the license plate from the vehicle. Such license plate must be
243 surrendered to the issuing authority with the corresponding tax
244 receipt, if required, and credit shall be allowed for the taxes
245 paid for the remaining tax year on like privilege or ad valorem
246 taxes due on another vehicle owned by the seller or transferor or
247 by the seller's or transferor's spouse or dependent child. If the
248 seller or transferor does not elect to receive such credit at the
249 time the license plate is surrendered, the issuing authority shall



250 issue a certificate of credit to the seller or transferor, or to
251 the seller's or transferor's spouse or dependent child, or to any
252 other person, business or corporation, at the direction of the
253 seller or transferor, for the remaining unexpired taxes prorated
254 from the first day of the month following the month in which the
255 license plate is surrendered. The total of such credit may be
256 used by the person or entity to whom the certificate of credit is
257 issued, regardless of the relative amounts attributed to privilege
258 taxes or to county, school or municipal ad valorem taxes. Any
259 credit allowed for taxes due or any certificate of credit issued
260 may be applied to like taxes owed in any county by the person to
261 whom the credit is allowed or by the person possessing the
262 certificate of credit. No credit, however, shall be allowed on
263 the charge made for the license plate. Such license plates
264 surrendered to the tax collector shall be retained by him, and in
265 no event shall such license plate be attached to any vehicle after
266 being surrendered to the tax collector, nor shall any license
267 plate be transferred from one (1) vehicle to any other vehicle.

268 (6) If the person owning a vehicle subject to taxation under
269 the provisions of this chapter does not operate such vehicle on
270 the highways of this state from the date of acquisition or, if
271 previously registered, from the end of the anniversary month of
272 the tag and decals to the date on which he makes application for a
273 current license tag or decals, he shall pay such ad valorem tax
274 for a period of twelve (12) months beginning with the first day of



275 the month in which he applies for a current license tag or decals
276 under Chapter 19, Title 27, Mississippi Code of 1972. The owner
277 shall submit an affidavit with an application attesting to the
278 fact that the vehicle was not operated on the highways of this
279 state from the date of acquisition or, if previously registered,
280 from the end of the anniversary month of the tag and decals to the
281 date on which he makes application for the current license tag or
282 decals.

283 (7) Any person found violating any of the provisions of this
284 section shall be arrested and tried, and if found guilty shall be
285 fined in an amount double the total amount of taxes involved.

286 **SECTION 3.** This act shall take effect and be in force from
287 and after July 1, 2018.

