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Chapter No. 167
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HOUSE BILL NO. 1590

Originated in House  Clerk

HOUSE BILL NO. 1590

AN ACT TO AMEND SECTIONS 27-59-3 AND 27-59-11, MISSISSIPPI CODE OF 1972, TO DEFINE THE TERM "DIESEL GALLON EQUIVALENT" FOR THE PURPOSE OF THE TAX ON LIQUEFIED NATURAL GAS; TO PROVIDE THAT THE TAX LEVIED ON LIQUEFIED NATURAL GAS SHALL BE LEVIED ON EACH DIESEL GALLON EQUIVALENT OF LIQUEFIED NATURAL GAS; TO AMEND SECTION 27-59-29, MISSISSIPPI CODE OF 1972, TO EXEMPT MOTOR VEHICLES THAT USE LIQUEFIED NATURAL GAS AND NO OTHER COMPRESSED GAS FROM THE REQUIREMENT OF OBTAINING A DECAL FROM THE DEPARTMENT OF REVENUE; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-59-3, Mississippi Code of 1972, is amended as follows:

27-59-3. The words, terms and phrases as used in this chapter shall have the following meanings unless the context requires otherwise:

(a) "Person" means any individual, firm, copartnership, joint venture, association, corporation, estate, trust, or any other group or combination acting as a unit, and the plural as well as the singular number unless the intention to give a more limited meaning is disclosed by the context.

(b) "Highway" means and includes every way or place, of whatever nature, including public roads, toll roads, streets, and alleys of the state generally open to the use of the public or to be opened or reopened to the use of the public for the purpose of vehicular travel, and notwithstanding that * * * they may be temporarily closed for the purpose of construction, reconstruction, maintenance or repair. Provided further, that the confines of a highway shall include the entire width and length of the right-of-way.

(c) "Motor vehicle" means every vehicle licensed for highway use by which any person or property is transported or drawn upon the highways of this state and which is self-propelled.

(d) "Liquefied compressed gas" means gases derived from petroleum or natural gas which are in the gaseous state at normal atmospheric temperature and pressure, but which may be maintained in the liquid state at normal atmospheric temperature by suitable pressure. * * * The term shall be deemed to mean and include methane, ethane, propane, ethylene, propylene, butylene, butane, isobutane, and any and all liquid flammable materials derived from petroleum or natural gas having a vapor pressure exceeding forty (40) pounds per square inch, absolute, at one hundred (100) degrees F. Normal storage of these gases is a liquid under pressure.

(e) "Compressed natural gas" and "liquefied natural gas" mean natural gas after it has been compressed or liquefied

for use as a fuel in a motor vehicle and shall not include natural gas prior to such final compression or liquefaction.

(f) "Compressed gas" means "liquefied compressed gas," "liquefied natural gas," "compressed natural gas" and any other liquefied or compressed gas that is used or is usable as fuel in a motor vehicle.

(g) "Use" means, in addition to its original meaning, the receipt of compressed gas by any person into the fuel supply tank of a motor vehicle or into a receptacle from which compressed gas is supplied by any person to his own or other motor vehicles.

(h) "Terminal" means a tank farm within this state with the minimum storage capacity for the receipt of a full barge delivery or common carrier pipeline delivery of compressed gas.

(i) "Refiner" or "processor" means every person who shall produce, manufacture, refine, distill, compress or liquefy compressed gas in this state.

(j) "Public utility" means a person engaged in the distribution of natural gas whose rates are subject to regulation by the Public Service Commission of the State of Mississippi.

(k) "Distributor" means any person who sells or delivers compressed gas for use in the operation of a motor vehicle or motor vehicles on the highways of this state and any person who shall import, receive, purchase, acquire, manufacture, refine, use, store or sell any compressed gas in this state, on which the excise taxes hereinafter levied by this chapter have not

been paid or the payment of which is not covered by the bond of a qualified Mississippi distributor of compressed gas. All "refiners" and "processors" shall qualify as distributors of compressed gas. All persons operating marine or pipeline terminals and all persons operating underground storage facilities exclusive of those storing natural gas shall qualify as distributors of compressed gas. No person may qualify as a distributor for the sole purpose of using compressed gas as a fuel to propel a motor vehicle or motor vehicles owned by him on the highways of this state.

(l) "User" means any person who uses compressed gas to propel a motor vehicle over the highways of this state.

(m) "Commission" or "department" means the Department of Revenue of the State of Mississippi, either acting directly or through its duly authorized officers, agents and employees.

(n) "United States government" means and includes all purchasing officers of the Armed Forces of the United States and the United States Property and Fiscal Officer for the State of Mississippi or any other state, appointed pursuant to Section 708, Title 32, United States Code, when purchasing compressed gas with federal funds for the account of and use by a component of the Armed Forces as defined herein.

(o) "Armed Forces" means and includes all components of the Armed Forces of the United States, including the Army National Guard, the Army National Guard of the United States, the Air

National Guard and the Air National Guard of the United States, as those terms are defined in Section 101, Title 10, United States Code, and any other reserve component of the Armed Forces of the United States enumerated in Section 261, Title 10, United States Code.

(p) "Diesel gallon equivalent" means six and six one-hundredths (6.06) pounds of liquefied natural gas. Provided, however, that should the National Conference on Weights and Measures subsequent to this act becoming law adopt a diesel gallon equivalent definition different than six and six one-hundredths (6.06) pounds for liquefied natural gas, the term "diesel gallon equivalent" shall mean and have the same definition as the National Conference on Weights and Measures definition.

SECTION 2. Section 27-59-11, Mississippi Code of 1972, is amended as follows:

27-59-11. (1) A tax at the rate of One-fourth Cent (1/4¢) per gallon is hereby levied upon any person engaged in business as a distributor of compressed gas, excepting natural gas, for the privilege of engaging in such business or acting as such distributor. The tax shall be based on all compressed gas, excepting natural gas, stored, used, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, storage, distribution or for any other purpose.

The tax levied herein shall become due and payable when:

(a) Compressed gas is withdrawn from storage at a refinery, marine or pipeline terminal, or underground caverns or cavities except when withdrawal is by pipeline or barge;

(b) Compressed gas imported by a common carrier is unloaded by that carrier unless the compressed gas is unloaded directly into an underground cavern or cavity for storage or directly into the storage tanks of a refinery, marine or pipeline terminal; or

(c) Compressed gas imported by any person, other than a common carrier, enters the State of Mississippi, unless the compressed gas is unloaded directly into an underground cavern or cavity for storage or directly into the storage tanks of a refinery, marine or pipeline terminal.

(2) (a) A tax at the rate of Seventeen Cents (17¢) per gallon until the date specified in Section 65-39-35, and Thirteen and Four-tenths Cents (13.4¢) per gallon thereafter, is levied upon any distributor of compressed gas for the privilege of engaging in the business of selling or delivering compressed gas, excepting compressed natural gas and liquefied natural gas, for use in a motor vehicle or motor vehicles on the highways of this state.

(b) A tax at the rate of Eighteen Cents (18¢) per one hundred (100) cubic feet until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic feet thereafter, is levied upon any

distributor of compressed gas for the privilege of engaging in the business of selling or delivering compressed natural gas * * * for use in a motor vehicle or motor vehicles on the highways of this state.

(c) A tax at the rate of Eighteen Cents (18¢) per diesel gallon equivalent until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per diesel gallon equivalent thereafter, is levied upon any distributor of liquefied natural gas for the privilege of engaging in the business of selling or delivering liquefied natural gas for use in a motor vehicle or motor vehicles on the highways of this state.

(d) A tax at the rate of Eighteen Cents (18¢) per one hundred (100) cubic feet until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic feet thereafter, is levied upon any public utility for the privilege of engaging in the business of selling or delivering natural gas to a user for the purpose of being used as a fuel in a motor vehicle or motor vehicles on the highways of this state, and the taxes shall be collected from the user whenever practical.

(e) The taxes levied in this subsection shall not apply when sales or deliveries are made to persons who are holders of permitted compressed gas user's decals.

(3) Upon every person operating on the highways of this state a motor vehicle or motor vehicles using or capable of using

any compressed gas, except liquefied natural gas, as a motor fuel and having a gross license tag weight classification of ten thousand (10,000) pounds or less, there is hereby levied an annual privilege tax of One Hundred Ninety-five Dollars (\$195.00) until the date specified in Section 65-39-35, and One Hundred Sixty-five Dollars (\$165.00) thereafter.

(4) (a) Upon every person operating on the highways of this state a motor vehicle or motor vehicles using or capable of using compressed gas and having a gross license tag weight classification greater than ten thousand (10,000) pounds, there is hereby levied:

(i) A privilege tax of Seventeen Cents (17¢) per gallon until the date specified in Section 65-39-35, and Thirteen and Four-tenths Cents (13.4¢) per gallon thereafter, on all compressed gas, excepting compressed natural gas and liquefied natural gas, used on the highways of this state * * *;

(ii) * * * A privilege tax of Eighteen Cents (18¢) per one hundred (100) cubic feet until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic feet thereafter, on all compressed natural gas * * * used on the highways of this state * * *;

(iii) A privilege tax of Eighteen Cents (18¢) per diesel gallon equivalent until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per diesel

gallon equivalent thereafter, on all liquefied natural gas used on the highways of this state.

(b) The taxes levied in this * * * subsection shall not apply to owners or operators classified by the * * * department as nonpermitted users.

(5) All owners and operators of motor vehicles that have a gross license tag weight classification greater than ten thousand (10,000) pounds, but not exceeding twenty thousand (20,000) pounds shall prepay Two Hundred Twenty-five Dollars (\$225.00) of * * * the tax annually, and all owners and operators of motor vehicles that have a gross license tag weight classification greater than twenty thousand (20,000) pounds shall prepay Three Hundred Dollars (\$300.00) of * * * the tax annually. On motor vehicles that have a gross license tag weight exceeding ten thousand (10,000) pounds, that are exclusively used by a farmer for transporting farm products produced on his own farm and also farm supplies, materials and equipment used in the growing or production of his agricultural products and have a "farm" or "F" motor vehicle license tag, the prepaid portion of * * * the privilege tax shall be One Hundred Fifty Dollars (\$150.00).

(6) The * * * department, in its discretion, may authorize or require the owner or operator of five (5) or more motor vehicles that use or are capable of using compressed gas on the highway to pay the excise tax on all compressed gas purchased for any purpose and the excise tax shall be collected by the

distributor of compressed gas at the time of sale or delivery. The owners or operators authorized or required to do so shall be classified as nonpermitted users.

SECTION 3. Section 27-59-29, Mississippi Code of 1972, is amended as follows:

27-59-29. (1) Any person operating a motor vehicle or motor vehicles of any type on the highways of the State of Mississippi that use or are capable of using any compressed gas, except liquefied natural gas, as a motor fuel shall, before operating such motor vehicle or motor vehicles, obtain from the * * * department a compressed gas user's decal.

(2) The owner or operator of * * * a motor vehicle or motor vehicles described in subsection (1) of this section shall * * * file with the * * * department an application for a compressed gas user's decal for each vehicle not later than fifteen (15) days after the installation of the compressed gas carburetion equipment or the acquisition of the motor vehicle or motor vehicles. * * * The application shall be made on forms prescribed by the * * * department and shall contain such information as the * * * department may deem reasonably necessary for administration of this chapter.

(3) No motor vehicle privilege license tag and decal shall be issued by the county tax collector to the operator of a motor vehicle that uses or is capable of using compressed gas on the highways of this state unless an application for a compressed gas

user's decal has been filed or the motor vehicle bears a current compressed gas user's decal. The county tax collector shall require an application and the annual privilege tax required by this chapter from each applicant for a motor vehicle privilege license tag and decals, whether the tag and decals are to be issued by the tax collector or by the * * * department. If * * * the applicant has obtained the approval of the * * * department to operate as a "nonpermitted user," then the prepayment of taxes is not required; however, an application for a decal must be made. The county tax collector shall forward the application and fee to the * * * department within fifteen (15) days from the date it is received by him, and the county tax collector shall be entitled to retain One Dollar (\$1.00) for each application and fee received by him and forwarded to the * * * department. * * * The fee shall be forfeited by the county tax collector if he fails to forward any application and remittance within fifteen (15) days of receipt by him. Every person engaged in business as a dealer of compressed gas carburetion equipment or in the business of installing * * * compressed gas carburetion equipment shall, at the time of installation, collect the compressed gas user's annual privilege tax. If the operator of * * * the motor vehicle has obtained the approval of the * * * department to operate as a nonpermitted user, then the prepayment of taxes is not required; however, an application for a decal must be made. The dealer or installer shall forward any application and remittance to the * * *

department within fifteen (15) days of receipt by him. The dealer and installer shall be subject to the same requirements and penalties as a distributor of compressed gas. This subsection shall not apply to a motor vehicle that uses liquefied natural gas and no other compressed gas.

(4) No automobile or truck dealer shall operate any motor vehicle, for demonstration purposes bearing a Mississippi motor vehicle dealer tag, that uses or is capable of using compressed gas on the highways of this state, unless said dealer has paid the annual privilege tax applicable to each vehicle and secured from the * * * department a certificate of authority to operate the motor vehicle or motor vehicles on the highways of this state for demonstration purposes only. No dealer may receive or use a certificate of authority for the operation of any motor vehicle that does not bear a Mississippi dealer tag.

(5) Motor vehicles using or capable of using compressed gas as a motor fuel and:

(a) Having a gross license tag weight classification of ten thousand (10,000) pounds or less shall be designated "Class I" motor vehicles;

(b) Having a gross license tag weight classification of ten thousand (10,000) pounds but not exceeding twenty thousand (20,000) pounds shall be designated "Class II" motor vehicles;

(c) Having a gross license tag weight classification greater than twenty thousand (20,000) pounds shall be designated "Class III" motor vehicles; and

(d) Owned or operated by nonpermitted users shall be designated "Class IV" motor vehicles.

(6) The * * * department shall provide for the issuance of the decals required to be issued by this section for each of the * * * user's classifications described in subsection (5) of this section and * * * the decals shall be in * * * a form and size as the * * * department may prescribe. * * * The decals shall be displayed on the motor vehicle at all times and in a manner prescribed by the * * * department.

(7) The decals issued under this section shall expire at the same time as the motor vehicle privilege license tag expires and shall be valid for one (1) year; * * * however, * * * when a motor vehicle is converted to a compressed gas other than liquefied natural gas in a month other than when the license tag is purchased or renewed, then the pro rata portion of the annual privilege tax shall be due on the number of months until the motor vehicle privilege license tag expires. Provided further, that when a motor vehicle equipped with a compressed gas carburetion system is acquired or a motor vehicle is converted to a compressed gas other than liquefied natural gas, the compressed gas decal year shall begin with the month following the month in which the motor vehicle is acquired or converted.

SECTION 4. This act shall take effect and be in force from
and after July 1, 2015.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 25, 2014



SPEAKER OF THE HOUSE OF REPRESENTATIVES

~~PASSED BY THE SENATE~~
March 18, 2014



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

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