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Chapter No. 411

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SENATE BILL NO. 2847

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2847

AN ACT TO AMEND SECTION 27-55-527, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT SPECIAL FUEL SOLD TO BE CONSUMED AS FUEL BY PLANES USED BY A COMMERCIAL AIRLINE NEW INTERSTATE AIR SERVICE OFFERED BY A NEW CARRIER IN THE MARKET, FOR INTERSTATE SERVICE TO A NEW CITY BY AN EXISTING AIRLINE OR FOR ADDITIONAL INTERSTATE SERVICE TO A CITY ALREADY SERVED BY A COMMERCIAL AIRLINE, SHALL NOT BE SUBJECT TO THE TAX LEVIED ON SPECIAL FUEL FOR A PERIOD OF 12 MONTHS AFTER THE DATE THE ROUTE IS ESTABLISHED; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-55-527, Mississippi Code of 1972, is amended as follows:

27-55-527. (1) There shall not be included in the measure of the tax levied in this article any special fuel:

(a) Sold or delivered by a bonded distributor of special fuel to a second bonded distributor of special fuel within this state, but nothing in this exclusion shall exempt the second bonded distributor of special fuel from paying the tax unless the second bonded distributor of special fuel sells or delivers said special fuel to a third bonded distributor of special fuel, in

which event the third bonded distributor of special fuel shall be liable for the tax.

(b) Sold to the United States government for use of the Armed Forces only, and delivered in quantities of not less than four thousand (4,000) gallons.

(c) Delivered to a bonded warehouse for storage within this state for the United States Department of Interior.

(d) Exported to a destination beyond the borders of this state by a bonded distributor of special fuel when the tax on such special fuel has been paid or on which the tax liability imposed by this article has accrued against such bonded distributor.

(e) Imported by, or sold to, any refiner or processor in this state for the purpose of being refined or further processed.

(f) Sold or delivered to any person within this state to be used as a herbicide or as a solvent for insecticides, wood preservatives and like products, or when so used in a commercial process that they become a component part of any manufactured product or where used as a processing agent in the treatment of raw material in manufacturing any product.

(g) Sold or delivered to be used for test purposes at any regularly established testing laboratory in this state.

(h) Sold to be consumed as fuel by any boat, vessel, ship, towboat or dredgeboat, or sold to the holder of a Marine

Dealers Permit for resale or distribution as fuel for a boat, vessel, ship, towboat or dredgeboat.

(i) Sold as bunker oil or sold to be used for the generation of heat in a firebox or furnace.

(j) Sold or delivered to be used for the purpose of generating electricity.

(k) Sold for use as fuel in a railroad locomotive when subject to the tax levied by Section 27-59-301 et seq.

(l) Sold or delivered in bond, or sold or delivered, to any person within a foreign-trade zone within this state and sold, used, consumed, distributed, stored or withdrawn from storage and used to propel aircraft on an international flight including any interim stops within the United States so long as the origin or ultimate destination of the aircraft is outside the United States and District of Columbia. As used in this paragraph, "foreign-trade zone" means a foreign-trade zone operated and maintained by a public or private corporation under the provisions of Sections 59-3-31 through 59-3-37.

(m) Sold to be consumed as fuel by planes used by a commercial airline for new interstate air service offered by a new carrier in the market, for interstate service to a new city by an existing airline or for additional interstate service to a city already served by a commercial airline, for a period of twelve (12) months after the date the service is established.

(2) The exemptions set forth in paragraphs (f), (h), (i) and (j) of subsection (1) of this section shall not apply to special fuel used in performing contracts for construction, reconstruction, maintenance or repairs, where such contracts are entered into with the State of Mississippi, any political subdivision of the State of Mississippi, or any department, agency or institution of the State of Mississippi or any political subdivision thereof.

(3) Evidence of exempt transactions provided in this section and the subsections thereof shall consist of copies of invoices, documents or any other evidence that may be required by the commission.

(4) Any person other than a bonded distributor of special fuel who has delivered or sold special fuel on which the tax has been paid by him to the vendor may, if the special fuel is subject to exemption under this article, assign his claim for exemption to any bonded distributor of special fuel in this state. Such distributor may deduct the amount of the tax exemption from his next special fuel report, provided the distributor furnishes evidence satisfactory to the commission that the claim for exemption is valid.

(5) When special fuel is withdrawn from the storage tank of a refiner, processor, marine or pipeline terminal operator and the tax is paid on such special fuel and it or any part thereof cannot be delivered to a purchaser, said refiner, processor, marine or

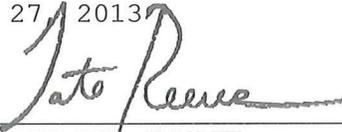
pipeline terminal operator may deduct the tax on all or that portion of such special fuel not delivered to a purchaser from its next special fuel distributor's tax report, provided that such refiner, processor, marine or pipeline terminal operator submits with such tax report: (a) a written report setting forth the reasons why such delivery could not be made, and (b) proof or evidence satisfactory to the commission that the tax in question had theretofore been paid to the commission, and (c) proof or evidence satisfactory to the commission that the nondelivered special fuel was actually returned to the refinery, processor, marine or pipeline terminal from which it was taken for the purpose of delivering it to a purchaser; and provided further, that immediately upon ascertainment by the refiner, processor, marine or pipeline terminal operator that said special fuel cannot be delivered, he or it shall immediately notify the commission of this fact and before moving his or its truck or other means of transporting such special fuel from the intended point of delivery; and should the commission desire to inspect such truck or other means of conveyance, such refiner, processor, marine or pipeline terminal operator shall arrange for such inspection at that point or at such other point that may be designated by the commission.

(6) In order to claim exemptions provided for under this article, the distributor of special fuel must file claims therefor

within three (3) years from the date of sale or delivery;
otherwise, claims for such exemptions shall be disallowed.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2013.

PASSED BY THE SENATE
February 27, 2013



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 13, 2013



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

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