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Stokes v. Jackson Sales & Storage Company

Supreme Court of Mississippi - November 30, 2023 - So.3d - 2023 WL 8291181

Taxpayer petitioned for appeal from county board of supervisors' determination that taxpayer lacked requisite free-port-warehouse license to qualify for exemption from ad valorem property taxes.

The Circuit Court granted taxpayer's motion for declaratory judgment that taxpayer's license was not subject to renewal and was valid and in effect at all times since its original granting, and denied motion by county and county tax assessor to alter judgment. County and county tax assessor appealed.

The Supreme Court held that:

- License was valid and in effect at all times since it was issued;
- Letters from county tax assessor to taxpayer did not revoke license;
- Board had discretion over taxpayer's exemption;
- Board forfeited its right to assess ad valorem property taxes for 2012-2018; but
- Taxpayer was not exempt from ad valorem property taxes for 2019.

Taxpayer's free-port-warehouse license, which qualified it for exemption from ad valorem property taxes, was valid and in effect at all times since it was issued, even though county board of supervisors had authority to require renewal of license and license had not been renewed; license was originally issued by Department of Revenue's predecessor, annual renewal requirement was statutorily removed, but predecessor retained renewal authority, subsequent transfer of authority to issue licenses from predecessor to board did not invalidate licenses previously granted, and after renewal authority was transferred to board from predecessor, board's actions with respect to taxpayer's license did not amount to demand for taxpayer to renew its license.

Letters from county tax assessor to taxpayer did not revoke taxpayer's free-port-warehouse license that qualified it for exemption from ad valorem property taxes, even though taxpayer had failed to meet its reporting requirement since receiving its license; letters merely notified taxpayer that county had no record of taxpayer's license, and county did not have authority to revoke taxpayer's license simply because county kept inaccurate records.

Statute granting county board of supervisors discretion over exempting in-transit personal property from ad valorem taxes extended to exemption granted to taxpayer, as holder of free-port-warehouse license, by Department of Revenue's predecessor when predecessor, not board, had discretion over exemptions; statute's mandate that previously granted exemptions "shall continue in full force and effect" did not amount to grant of exemption in perpetuity, but instead, was intended to make it clear that current licensees did not need to reacquire exemption for same year in which transfer occurred, and statute ratifying any exemption granted before January 1, 2012 did not mandate that such exemptions continue in perpetuity, but instead, prohibited counties from collecting back taxes.

County board of supervisors forfeited its right to assess ad valorem property taxes for 2012-2018

against taxpayer with free-port-warehouse license, although board had discretion over granting taxpayer an exemption, since board affirmatively chose to grant taxpayer an exemption in such years by entering exemption for taxpayer into its meeting minutes, and statute allowing collection of back taxes when any person or property had escaped taxation in any former year or years did not apply, given that taxpayer did not escape taxation, rather, county granted an exemption for which taxpayer was qualified to receive.

Taxpayer was not exempt from ad valorem property taxes for 2019, even though taxpayer had valid free-port-warehouse license and had received exemption for nearly 40 years, since letter from tax assessor put taxpayer on notice that county intended to tax its in-transit personal property, tax assessor rejected taxpayer's argument that its exemption was not an annual exemption subject to county board of supervisors' discretion, and acceptance of taxpayer's argument in prior years did not prohibit rejection of same argument in 2019, given that board had statutory discretion over exemption.

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