By: Representative Johnson

To: Ways and Means

HOUSE BILL NO. 397

1 2 3 4 5	AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF STATE SALES TAX REVENUE DIVERTED INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND; TO AMEND SECTION 27-51-105, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.
6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
7	SECTION 1. Section 27-65-75, Mississippi Code of 1972, is
8	amended as follows:
9	[Until July 1, 2002, this section reads as follows:]
10	27-65-75. On or before the fifteenth day of each month, the
11	revenue collected under the provisions of this chapter during the
12	preceding month shall be paid and distributed as follows:
13	(1) On or before August 15, 1992, and each succeeding month
14	thereafter through July 15, 1993, eighteen percent (18%) of the
15	total sales tax revenue collected during the preceding month under
16	the provisions of this chapter, except that collected under the
17	provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
18	business activities within a municipal corporation shall be
19	allocated for distribution to such municipality and paid to such
20	municipal corporation. On or before August 15, 1993, and each
21	succeeding month thereafter, eighteen and one-half percent
22	(18-1/2%) of the total sales tax revenue collected during the
23	preceding month under the provisions of this chapter, except that
24	collected under the provisions of Sections 27-65-15, 27-65-19(3),
25	27-65-21, and that collected under Section 27-65-17(2) and the
26	corresponding levy in Section 27-65-23 on the rental or lease of
27	private carriers of passengers and light carriers of property as

<u>defined in Section 27-51-101</u>, on business activities within a

H. B. No. 397 99\HR40\R139.1 PAGE 1

29 municipal corporation shall be allocated for distribution to such

30 municipality and paid to such municipal corporation.

31 A municipal corporation, for the purpose of distributing the

32 tax under this subsection, shall mean and include all incorporated

- 33 cities, towns and villages.
- Monies allocated for distribution and credited to a municipal
- 35 corporation under this subsection may be pledged as security for
- 36 any loan received by the municipal corporation for the purpose of
- 37 capital improvements as authorized under Section 57-1-303, or
- 38 loans as authorized under Section 57-44-7, or water systems
- 39 improvements as authorized under Section 41-3-16.
- In any county having a county seat which is not an
- 41 incorporated municipality, the distribution provided hereunder
- 42 shall be made as though the county seat was an incorporated
- 43 municipality; however, the distribution to such municipality shall
- 44 be paid to the county treasury wherein the municipality is located
- 45 and such funds shall be used for road, bridge and street
- 46 construction or maintenance therein.
- 47 (2) On or before September 15, 1987, and each succeeding
- 48 month thereafter, from the revenue collected under this chapter
- 49 during the preceding month One Million One Hundred Twenty-five
- 50 Thousand Dollars (\$1,125,000.00) shall be allocated for
- 51 distribution to municipal corporations as defined under subsection
- 52 (1) of this section in the proportion that the number of gallons
- 53 of gasoline and diesel fuel sold by distributors to consumers and
- 54 retailers in each such municipality during the preceding fiscal
- 55 year bears to the total gallons of gasoline and diesel fuel sold
- 56 by distributors to consumers and retailers in municipalities
- 57 statewide during the preceding fiscal year. The State Tax
- 58 Commission shall require all distributors of gasoline and diesel
- 59 fuel to report to the commission monthly the total number of
- 60 gallons of gasoline and diesel fuel sold by them to consumers and
- 61 retailers in each municipality during the preceding month. The
- 62 State Tax Commission shall have the authority to promulgate such
- 63 rules and regulations as is necessary to determine the number of
- 64 gallons of gasoline and diesel fuel sold by distributors to
- 65 consumers and retailers in each municipality. In determining the
- 66 percentage allocation of funds under this subsection for the

```
67
    fiscal year beginning July 1, 1987, and ending June 30, 1988, the
68
    State Tax Commission may consider gallons of gasoline and diesel
69
    fuel sold for a period of less than one (1) fiscal year.
    purposes of this subsection, the term "fiscal year" means the
70
71
    fiscal year beginning July 1 of a year.
         (3) On or before September 15, 1987, and on or before the
72
73
    fifteenth day of each succeeding month, until the date specified
74
    in Section 65-39-35, the proceeds derived from contractors' taxes
    levied under Section 27-65-21 on contracts for the construction or
75
76
    reconstruction of highways designated under the Four-Lane Highway
77
    Program created under Section 65-3-97 shall be deposited into the
78
    State Treasury to the credit of the State Highway Fund to be used
79
    to fund such Four-Lane Highway Program. The Mississippi
    Department of Transportation shall provide to the State Tax
80
    Commission such information as is necessary to determine the
81
82
    amount of proceeds to be distributed under this subsection.
83
              On or before August 15, 1994, and on or before the
    fifteenth day of each succeeding month, from the proceeds of
84
85
    gasoline, diesel fuel or kerosene taxes as provided in Section
    27-5-101(a)(ii)1, Four Million Dollars ($4,000,000.00) shall be
86
87
    deposited in the State Treasury to the credit of a special fund
    designated as the "State Aid Road Fund," created by Section
88
89
    65-9-17. Such funds shall be pledged to pay the principal of and
90
    interest on state aid road bonds heretofore issued under Sections
    19-9-51 through 19-9-77, in lieu of and in substitution for the
91
92
    funds heretofore allocated to counties under this section.
93
    funds may not be pledged for the payment of any state aid road
    bonds issued after April 1, 1981; however, this prohibition
94
    against the pledging of any such funds for the payment of bonds
95
96
    shall not apply to any bonds for which intent to issue such bonds
97
    has been published, for the first time, as provided by law prior
    to March 29, 1981. From the amount of taxes paid into the special
98
99
    fund pursuant to this subsection and subsection (9) of this
```

section, there shall be first deducted and paid the amount

100

- 101 necessary to pay the expenses of the Office of State Aid Road
- 102 Construction, as authorized by the Legislature for all other
- 103 general and special fund agencies. The remainder of the fund
- 104 shall be allocated monthly to the several counties in accordance
- 105 with the following formula:
- 106 (a) One-third (1/3) shall be allocated to all counties
- 107 in equal shares;
- 108 (b) One-third (1/3) shall be allocated to counties
- 109 based on the proportion that the total number of rural road miles
- in a county bears to the total number of rural road miles in all
- 111 counties of the state; and
- 112 (c) One-third (1/3) shall be allocated to counties
- 113 based on the proportion that the rural population of the county
- 114 bears to the total rural population in all counties of the state,
- 115 according to the latest federal decennial census.
- 116 For the purposes of this subsection, the term "gasoline,
- 117 diesel fuel or kerosene taxes" means such taxes as defined in
- 118 paragraph (f) of Section 27-5-101.
- The amount of funds allocated to any county under this
- 120 subsection for any fiscal year after Fiscal Year 1994 shall not be
- 121 less than the amount allocated to such county for Fiscal Year
- 122 1994. Monies allocated to a county from the State Aid Road Fund
- 123 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
- 124 amount of funds allocated to that county from the State Aid Road
- 125 Fund for Fiscal Year 1994, first must be expended by the county
- 126 for replacement or rehabilitation of bridges on the state aid road
- 127 system that have a sufficiency rating of less than twenty-five
- 128 (25), according to National Bridge Inspection standards before
- 129 such monies may be approved for expenditure by the State Aid Road
- 130 Engineer on other projects that qualify for the use of state aid
- 131 road funds.
- 132 Any reference in the general laws of this state or the
- 133 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
- 134 construed to refer and apply to subsection (4) of Section

- 135 27-65-75.
- 136 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
- 137 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
- 138 the special fund known as the "State Public School Building Fund"
- 139 created and existing under the provisions of Sections 37-47-1
- 140 through 37-47-67. Such payments into said fund are to be made on
- 141 the last day of each succeeding month hereafter.
- 142 (6) An amount each month beginning August 15, 1983, through
- 143 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
- 144 of 1983, shall be paid into the special fund known as the
- 145 Correctional Facilities Construction Fund created in Section 6 of
- 146 Chapter 542, Laws of 1983.
- 147 (7) On or before August 15, 1992, and each succeeding month
- 148 thereafter, two and two hundred sixty-six one-thousandths percent
- 149 (2.266%) of the total sales tax revenue collected during the
- 150 preceding month under the provisions of this chapter, except that
- 151 collected under the provisions of Section 27-65-17(2) shall be
- 152 deposited by the commission into the School Ad Valorem Tax
- 153 Reduction Fund created pursuant to Section 37-61-35.
- 154 (8) On or before August 15, 1992, and each succeeding month
- 155 thereafter, nine and seventy-three one-thousandths percent
- 156 (9.073%) of the total sales tax revenue collected during the
- 157 preceding month under the provisions of this chapter, except that
- 158 collected under the provisions of Section 27-65-17(2) shall be
- 159 deposited into the Education Enhancement Fund created pursuant to
- 160 Section 37-61-33.
- 161 (9) On or before August 15, 1994, and each succeeding month
- 162 thereafter, from the revenue collected under this chapter during
- 163 the preceding month, Two Hundred Fifty Thousand Dollars
- 164 (\$250,000.00) shall be paid into the State Aid Road Fund.
- 165 (10) On or before August 15, 1994, and each succeeding month
- 166 thereafter through August 15, 1995, from the revenue collected
- 167 under this chapter during the preceding month, Two Million Dollars
- 168 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad

PAGE 5

- 169 Valorem Tax Reduction Fund established in Section 27-51-105.
- 170 (11) Notwithstanding any other provision of this section to
- 171 the contrary, on or before February 15, 1995, and each succeeding
- 172 month thereafter, the sales tax revenue collected during the
- 173 preceding month under the provisions of Section 27-65-17(2) and
- the corresponding levy in Section 27-65-23 on the rental or lease 174
- of private carriers of passengers and light carriers of property 175
- as defined in Section 27-51-101 shall be deposited, without 176
- 177 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
- 178 established in Section 27-51-105.
- (12) Notwithstanding any other provision of this section to 179
- 180 the contrary, on or before August 15, 1995, and each succeeding
- 181 month thereafter, the sales tax revenue collected during the
- preceding month under the provisions of Section 27-65-17(1) on 182
- retail sales of private carriers of passengers and light carriers 183
- 184 of property, as defined in Section 27-51-101 and the corresponding
- 185 levy in Section 27-65-23 on the rental or lease of these vehicles,
- shall be deposited, after diversion, into the Motor Vehicle Ad 186
- 187 Valorem Tax Reduction Fund established in Section 27-51-105.
- (13) On or before July 15, 1994, and on or before the 188
- 189 fifteenth day of each succeeding month thereafter, that portion of
- 190 the avails of the tax imposed in Section 27-65-22, which is
- 191 derived from activities held on the Mississippi state fairgrounds
- 192 complex, shall be paid into a special fund hereby created in the
- State Treasury and shall be expended pursuant to legislative 193
- 194 appropriations solely to defray the costs of repairs and
- renovation at such Trade Mart and Coliseum. 195
- (14) On or before August 15, 1998, and each succeeding month 196
- thereafter through July 15, 2005, that portion of the avails of 197
- the tax imposed in Section 27-65-23 which is derived from sales by 198
- 199 cotton compresses or cotton warehouses and which would otherwise
- be paid into the General Fund, shall be deposited in an amount not 200
- 201 to exceed Two Million Dollars (\$2,000,000.00) into the special
- 202 fund created pursuant to Section 69-37-39.

203	(15) On or before August 15, 2001, and each succeeding month
204	thereafter through July 15, 2003, from the revenue collected under
205	this chapter during the preceding month, except that collected
206	under Section 27-65-17(2) and the corresponding levy in Section
207	27-65-23 on the rental or lease of private carriers of passengers
208	and light carriers of property as defined in Section 27-51-101,
209	Two Million Dollars (\$2,000,000.00) shall be deposited into the
210	Motor Vehicle Ad Valorem Tax Reduction Fund established in Section
211	27-51-105. On or before August 15, 2003, and each succeeding
212	month thereafter through July 15, 2005, from the revenue collected
213	under this chapter during the preceding month, except that
214	collected under Section 27-65-17(2) and the corresponding levy in
215	Section 27-65-23 on the rental or lease of private carriers of
216	passengers and light carriers of property as defined in Section
217	27-51-101, Four Million Dollars (\$4,000,000.00) shall be deposited
218	into the Motor Vehicle Ad Valorem Tax Reduction Fund established
219	in Section 27-51-105. On or before August 15, 2005, and each
220	succeeding month thereafter through July 15, 2007, from the
221	revenue collected under this chapter during the preceding month,
222	except that collected under Section 27-65-17(2) and the
223	corresponding levy in Section 27-65-23 on the rental or lease of
224	private carriers of passengers and light carriers of property as
225	defined in Section 27-51-101, Six Million Dollars (\$6,000,000.00)
226	shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction
227	Fund established in Section 27-51-105. On or before August 15,
228	2007, and each succeeding month thereafter, from the revenue
229	collected under this chapter during the preceding month, except
230	that collected under Section 27-65-17(2) and the corresponding
231	levy in Section 27-65-23 on the rental or lease of private
232	carriers of passengers and light carriers of property as defined
233	in Section 27-51-101, Eight Million Dollars (\$8,000,000.00) shall
234	be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund
235	established in Section 27-51-105. The amount deposited into the
236	Motor Vehicle Ad Valorem Tax Reduction Fund under this subsection
	H. B. No. 397 99\HR40\R139.1 PAGE 7

- 237 (15) shall be in addition to any other funds allocated for
- 238 <u>distribution to the Motor Vehicle Ad Valorem Tax Reduction Fund</u>
- 239 <u>under this section</u>.
- 240 (16) The remainder of the amounts collected under the
- 241 provisions of this chapter shall be paid into the State Treasury
- 242 to the credit of the General Fund.
- 243 (17) It shall be the duty of the municipal officials of any
- 244 municipality which expands its limits, or of any community which
- 245 incorporates as a municipality, to notify the commissioner of such
- 246 action thirty (30) days before the effective date. Failure to so
- 247 notify the commissioner shall cause such municipality to forfeit
- 248 the revenue which it would have been entitled to receive during
- 249 this period of time when the commissioner had no knowledge of the
- 250 action. If any funds have been erroneously disbursed to any
- 251 municipality or any overpayment of tax is recovered by the
- 252 taxpayer, the commissioner may make correction and adjust the
- 253 error or overpayment with such municipality by withholding the
- 254 necessary funds from any subsequent payment to be made to the
- 255 municipality.
- 256 [From and after July 1, 2002, this section reads as follows:]
- 257 27-65-75. On or before the fifteenth day of each month, the
- 258 revenue collected under the provisions of this chapter during the
- 259 preceding month shall be paid and distributed as follows:
- 260 (1) On or before August 15, 1992, and each succeeding month
- 261 thereafter through July 15, 1993, eighteen percent (18%) of the
- 262 total sales tax revenue collected during the preceding month under
- 263 the provisions of this chapter, except that collected under the
- 264 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
- 265 business activities within a municipal corporation shall be
- 266 allocated for distribution to such municipality and paid to such
- 267 municipal corporation. On or before August 15, 1993, and each
- 268 succeeding month thereafter, eighteen and one-half percent
- 269 (18-1/2%) of the total sales tax revenue collected during the
- 270 preceding month under the provisions of this chapter, except that

```
271 collected under the provisions of Sections 27-65-15, 27-65-17(2),
```

- 272 27-65-19(3) and 27-65-21, on business activities within a
- 273 municipal corporation shall be allocated for distribution to such
- 274 municipality and paid to such municipal corporation.
- 275 A municipal corporation, for the purpose of distributing the
- 276 tax under this subsection, shall mean and include all incorporated
- 277 cities, towns and villages.
- 278 Monies allocated for distribution and credited to a municipal
- 279 corporation under this subsection may be pledged as security for
- 280 any loan received by the municipal corporation for the purpose of
- 281 capital improvements as authorized under Section 57-1-303, or
- loans as authorized under Section 57-44-7, or water systems
- improvements as authorized under Section 41-3-16.
- In any county having a county seat which is not an
- 285 incorporated municipality, the distribution provided hereunder
- 286 shall be made as though the county seat was an incorporated
- 287 municipality; however, the distribution to such municipality shall
- 288 be paid to the county treasury wherein the municipality is located
- 289 and such funds shall be used for road, bridge and street
- 290 construction or maintenance therein.
- 291 (2) On or before September 15, 1987, and each succeeding
- 292 month thereafter, from the revenue collected under this chapter
- 293 during the preceding month One Million One Hundred Twenty-five
- 294 Thousand Dollars (\$1,125,000.00) shall be allocated for
- 295 distribution to municipal corporations as defined under subsection
- 296 (1) of this section in the proportion that the number of gallons
- 297 of gasoline and diesel fuel sold by distributors to consumers and
- 298 retailers in each such municipality during the preceding fiscal
- 299 year bears to the total gallons of gasoline and diesel fuel sold
- 300 by distributors to consumers and retailers in municipalities
- 301 statewide during the preceding fiscal year. The State Tax
- 302 Commission shall require all distributors of gasoline and diesel
- 303 fuel to report to the commission monthly the total number of
- 304 gallons of gasoline and diesel fuel sold by them to consumers and

305 retailers in each municipality during the preceding month. State Tax Commission shall have the authority to promulgate such 306 307 rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to 308 309 consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the 310 fiscal year beginning July 1, 1987, and ending June 30, 1988, the 311 312 State Tax Commission may consider gallons of gasoline and diesel 313 fuel sold for a period of less than one (1) fiscal year. For the 314 purposes of this subsection, the term "fiscal year" means the 315 fiscal year beginning July 1 of a year.

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes levied under Section 27-65-21 on contracts for the construction or reconstruction of highways designated under the Four-Lane Highway Program created under Section 65-3-97 shall be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund such Four-Lane Highway Program. The Mississippi Department of Transportation shall provide to the State Tax Commission such information as is necessary to determine the amount of proceeds to be distributed under this subsection.

On or before August 15, 1994, and on or before the

- 328 fifteenth day of each succeeding month, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 329 330 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be 331 deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 332 65-9-17. Such funds shall be pledged to pay the principal of and 333 334 interest on state aid road bonds heretofore issued under Sections 335 19-9-51 through 19-9-77, in lieu of and in substitution for the funds heretofore allocated to counties under this section. 336 337 funds may not be pledged for the payment of any state aid road
- 338 bonds issued after April 1, 1981; however, this prohibition

316

317

318

319

320

321

322

323

324

325

326

327

- 339 against the pledging of any such funds for the payment of bonds
- 340 shall not apply to any bonds for which intent to issue such bonds
- 341 has been published, for the first time, as provided by law prior
- 342 to March 29, 1981. From the amount of taxes paid into the special
- 343 fund pursuant to this subsection and subsection (9) of this
- 344 section, there shall be first deducted and paid the amount
- 345 necessary to pay the expenses of the Office of State Aid Road
- 346 Construction, as authorized by the Legislature for all other
- 347 general and special fund agencies. The remainder of the fund
- 348 shall be allocated monthly to the several counties in accordance
- 349 with the following formula:
- 350 (a) One-third (1/3) shall be allocated to all counties
- 351 in equal shares;
- 352 (b) One-third (1/3) shall be allocated to counties
- 353 based on the proportion that the total number of rural road miles
- 354 in a county bears to the total number of rural road miles in all
- 355 counties of the state; and
- 356 (c) One-third (1/3) shall be allocated to counties
- 357 based on the proportion that the rural population of the county
- 358 bears to the total rural population in all counties of the state,
- 359 according to the latest federal decennial census.
- For the purposes of this subsection, the term "gasoline,
- 361 diesel fuel or kerosene taxes" means such taxes as defined in
- 362 paragraph (f) of Section 27-5-101.
- 363 The amount of funds allocated to any county under this
- 364 subsection for any fiscal year after Fiscal Year 1994 shall not be
- 365 less than the amount allocated to such county for Fiscal Year
- 366 1994. Monies allocated to a county from the State Aid Road Fund
- 367 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
- 368 amount of funds allocated to that county from the State Aid Road
- 369 Fund for Fiscal Year 1994, first must be expended by the county
- 370 for replacement or rehabilitation of bridges on the state aid road
- 371 system that have a sufficiency rating of less than twenty-five
- 372 (25), according to National Bridge Inspection standards before

- 373 such monies may be approved for expenditure by the State Aid Road
- 374 Engineer on other projects that qualify for the use of state aid
- 375 road funds.
- 376 Any reference in the general laws of this state or the
- 377 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
- 378 construed to refer and apply to subsection (4) of Section
- 379 27-65-75.
- 380 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
- 381 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
- 382 the special fund known as the "State Public School Building Fund"
- 383 created and existing under the provisions of Sections 37-47-1
- 384 through 37-47-67. Such payments into said fund are to be made on
- 385 the last day of each succeeding month hereafter.
- 386 (6) An amount each month beginning August 15, 1983, through
- 387 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
- 388 of 1983, shall be paid into the special fund known as the
- 389 Correctional Facilities Construction Fund created in Section 6 of
- 390 Chapter 542, Laws of 1983.
- 391 (7) On or before August 15, 1992, and each succeeding month
- 392 thereafter, two and two hundred sixty-six one-thousandths percent
- 393 (2.266%) of the total sales tax revenue collected during the
- 394 preceding month under the provisions of this chapter, except that
- 395 collected under the provisions of Section 27-65-17(2), not to
- 396 exceed the Fiscal Year 1997 appropriated level shall be deposited
- 397 by the commission into the School Ad Valorem Tax Reduction Fund
- 398 created pursuant to Section 37-61-35, with the balance to be
- 399 transferred to the Education Enhancement Fund created under
- 400 Section 37-61-33 for appropriation by the Legislature as other
- 401 education needs and not subject to the percentage set asides set
- 402 forth in Section 37-61-33.
- 403 (8) On or before August 15, 1992, and each succeeding month
- 404 thereafter, nine and seventy-three one-thousandths percent
- 405 (9.073%) of the total sales tax revenue collected during the
- 406 preceding month under the provisions of this chapter, except that

- 407 collected under the provisions of Section 27-65-17(2) shall be
- 408 deposited into the Education Enhancement Fund created pursuant to
- 409 Section 37-61-33.
- 410 (9) On or before August 15, 1994, and each succeeding month
- 411 thereafter, from the revenue collected under this chapter during
- 412 the preceding month, Two Hundred Fifty Thousand Dollars
- 413 (\$250,000.00) shall be paid into the State Aid Road Fund.
- 414 (10) On or before August 15, 1994, and each succeeding month
- 415 thereafter through August 15, 1995, from the revenue collected
- 416 under this chapter during the preceding month, Two Million Dollars
- 417 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
- 418 Valorem Tax Reduction Fund established in Section 27-51-105.
- 419 (11) Notwithstanding any other provision of this section to
- 420 the contrary, on or before February 15, 1995, and each succeeding
- 421 month thereafter, the sales tax revenue collected during the
- 422 preceding month under the provisions of Section 27-65-17(2) shall
- 423 be deposited, without diversion, into the Motor Vehicle Ad Valorem
- 424 Tax Reduction Fund established in Section 27-51-105.
- 425 (12) Notwithstanding any other provision of this section to
- 426 the contrary, on or before August 15, 1995, and each succeeding
- 427 month thereafter, the sales tax revenue collected during the
- 428 preceding month under the provisions of Section 27-65-17(1) on
- 429 retail sales of private carriers of passengers and light carriers
- 430 of property, as defined in Section 27-51-101, shall be deposited,
- 431 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
- 432 Fund established in Section 27-51-105.
- 433 (13) On or before July 15, 1994, and on or before the
- 434 fifteenth day of each succeeding month thereafter, that portion of
- 435 the avails of the tax imposed in Section 27-65-22, which is
- 436 derived from activities held on the Mississippi state fairgrounds
- 437 complex, shall be paid into a special fund hereby created in the
- 438 State Treasury and shall be expended pursuant to legislative
- 439 appropriations solely to defray the costs of repairs and
- 440 renovation at such Trade Mart and Coliseum.

```
441
                On or before August 15, 1998, and each succeeding month
     thereafter through July 15, 2005, that portion of the avails of
442
443
     the tax imposed in Section 27-65-23 which is derived from sales by
444
     cotton compresses or cotton warehouses and which would otherwise
445
     be paid into the General Fund, shall be deposited in an amount not
     to exceed Two Million Dollars ($2,000,000.00) into the special
446
447
     fund created pursuant to Section 69-37-39.
448
          (15)
                On or before August 15, 2001, and each succeeding month
     thereafter through July 15, 2003, from the revenue collected under
449
450
     this chapter during the preceding month, except that collected
     under Section 27-65-17(2), Two Million Dollars ($2,000,000.00)
451
452
     shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction
453
     Fund established in Section 27-51-105. On or before August 15,
454
     2003, and each succeeding month thereafter through July 15, 2005,
455
     from the revenue collected under this chapter during the preceding
456
     month, except that collected under Section 27-65-17(2), Four
457
     Million Dollars ($4,000,000.00) shall be deposited into the Motor
     Vehicle Ad Valorem Tax Reduction Fund established in Section
458
459
     27-51-105. On or before August 15, 2005, and each succeeding
     month thereafter through July 15, 2007, from the revenue collected
460
461
     under this chapter during the preceding month, except that
     collected under Section 27-65-17(2), Six Million Dollars
462
463
     ($6,000,000.00) shall be deposited into the Motor Vehicle Ad
464
     Valorem Tax Reduction Fund established in Section 27-51-105. On
     or before August 15, 2007, and each succeeding month thereafter,
465
466
     from the revenue collected under this chapter during the preceding
467
     month, except that collected under Section 27-65-17(2), Eight
     Million Dollars ($8,000,000.00) shall be deposited into the Motor
468
     Vehicle Ad Valorem Tax Reduction Fund established in Section
469
     27-51-105. The amount deposited into the Motor Vehicle Ad Valorem
470
471
     Tax Reduction Fund under this subsection (15) shall be in addition
     to any other funds allocated for distribution to the Motor Vehicle
472
473
     Ad Valorem Tax Reduction Fund under this section.
```

The remainder of the amounts collected under the

474

<u>(16)</u>

99\HR40\R139.1

397

H. B. No.

PAGE 14

- provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund.
- 477 (17) It shall be the duty of the municipal officials of any
- 478 municipality which expands its limits, or of any community which
- 479 incorporates as a municipality, to notify the commissioner of such
- 480 action thirty (30) days before the effective date. Failure to so
- 481 notify the commissioner shall cause such municipality to forfeit
- 482 the revenue which it would have been entitled to receive during
- 483 this period of time when the commissioner had no knowledge of the
- 484 action. If any funds have been erroneously disbursed to any
- 485 municipality or any overpayment of tax is recovered by the
- 486 taxpayer, the commissioner may make correction and adjust the
- 487 error or overpayment with such municipality by withholding the
- 488 necessary funds from any subsequent payment to be made to the
- 489 municipality.
- SECTION 2. Section 27-51-105, Mississippi Code of 1972, is
- 491 amended as follows:
- [Through July 1, 2001, this section shall read as follows:]
- 493 27-51-105. (1) There is created in the State Treasury a
- 494 special fund to be known as the Motor Vehicle Ad Valorem Tax
- 495 Reduction Fund, into which shall be deposited the monies specified
- 496 in Section 27-65-75(10), (11) and (12), and such other monies as
- 497 the Legislature may provide by appropriation. The monies in the
- 498 fund shall be used for the purpose of making payments to counties
- 499 for the reduction in motor vehicle ad valorem tax revenues
- 500 incurred by local taxing districts in the county as a result of
- 501 the ad valorem tax credit for private carriers of passengers and
- 502 light carriers of property that is provided for by Section
- 503 27-51-103.
- 504 (2) The Motor Vehicle Ad Valorem Tax Reduction Fund shall be
- 505 administered by the State Tax Commission, and monies in the fund
- 506 shall be expended upon appropriation by the Legislature.
- 507 Unexpended amounts remaining in the fund at the end of the state
- 508 fiscal year shall not lapse into the State General Fund, and any

509 interest earned on amounts in the fund shall be deposited to the

510 credit of the fund.

[From and after July 1, 2001, this section shall read as

- 512 **follows:**]
- 513 27-51-105. (1) There is created in the State Treasury a
- 514 special fund to be known as the Motor Vehicle Ad Valorem Tax
- 515 Reduction Fund, into which shall be deposited the monies specified
- 516 in Section 27-65-75(10), (11), (12) and (15), and such other
- 517 monies as the Legislature may provide by appropriation. The
- 518 monies in the fund shall be used for the purpose of making
- 519 payments to counties for the reduction in motor vehicle ad valorem
- 520 tax revenues incurred by local taxing districts in the county as a
- 521 result of the ad valorem tax credit for private carriers of
- 522 passengers and light carriers of property that is provided for by
- 523 Section 27-51-103.
- 524 (2) The Motor Vehicle Ad Valorem Tax Reduction Fund shall be
- 525 administered by the State Tax Commission, and monies in the fund
- 526 shall be expended upon appropriation by the Legislature.
- 527 Unexpended amounts remaining in the fund at the end of the state
- 528 fiscal year shall not lapse into the State General Fund, and any
- 529 interest earned on amounts in the fund shall be deposited to the
- 530 credit of the fund.
- SECTION 3. This act shall take effect and be in force from
- 532 and after July 1, 1999.