

By: Representatives Green (34th), Miles

To: Ways and Means

## HOUSE BILL NO. 458

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE AMOUNT OF FUEL TAXES DIVERTED INTO THE STATE  
3 AID ROAD FUND SHALL BE THE GREATER OF \$4,000,000.00 OR A CERTAIN  
4 PERCENTAGE OF THE MONTHLY AMOUNT OF SUCH TAXES COLLECTED; AND FOR  
5 RELATED PURPOSES. BE IT ENACTED BY THE LEGISLATURE OF THE STATE  
6 OF MISSISSIPPI:

7  
8 SECTION 1. Section 27-65-75, Mississippi Code of 1972, is  
9 amended as follows:

10 **[Until July 1, 2002, this section reads as follows:]**

11 27-65-75. On or before the fifteenth day of each month, the  
12 revenue collected under the provisions of this chapter during the  
13 preceding month shall be paid and distributed as follows:

14 (1) On or before August 15, 1992, and each succeeding month  
15 thereafter through July 15, 1993, eighteen percent (18%) of the  
16 total sales tax revenue collected during the preceding month under  
17 the provisions of this chapter, except that collected under the  
18 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
19 business activities within a municipal corporation shall be  
20 allocated for distribution to such municipality and paid to such  
21 municipal corporation. On or before August 15, 1993, and each  
22 succeeding month thereafter, eighteen and one-half percent  
23 (18-1/2%) of the total sales tax revenue collected during the  
24 preceding month under the provisions of this chapter, except that  
25 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
26 and 27-65-21, on business activities within a municipal  
27 corporation shall be allocated for distribution to such  
28 municipality and paid to such municipal corporation.

29           A municipal corporation, for the purpose of distributing the  
30 tax under this subsection, shall mean and include all incorporated  
31 cities, towns and villages.

32           Monies allocated for distribution and credited to a municipal  
33 corporation under this subsection may be pledged as security for  
34 any loan received by the municipal corporation for the purpose of  
35 capital improvements as authorized under Section 57-1-303, or  
36 loans as authorized under Section 57-44-7, or water systems  
37 improvements as authorized under Section 41-3-16.

38           In any county having a county seat which is not an  
39 incorporated municipality, the distribution provided hereunder  
40 shall be made as though the county seat was an incorporated  
41 municipality; however, the distribution to such municipality shall  
42 be paid to the county treasury wherein the municipality is located  
43 and such funds shall be used for road, bridge and street  
44 construction or maintenance therein.

45           (2) On or before September 15, 1987, and each succeeding  
46 month thereafter, from the revenue collected under this chapter  
47 during the preceding month One Million One Hundred Twenty-five  
48 Thousand Dollars (\$1,125,000.00) shall be allocated for  
49 distribution to municipal corporations as defined under subsection  
50 (1) of this section in the proportion that the number of gallons  
51 of gasoline and diesel fuel sold by distributors to consumers and  
52 retailers in each such municipality during the preceding fiscal  
53 year bears to the total gallons of gasoline and diesel fuel sold  
54 by distributors to consumers and retailers in municipalities  
55 statewide during the preceding fiscal year. The State Tax  
56 Commission shall require all distributors of gasoline and diesel  
57 fuel to report to the commission monthly the total number of  
58 gallons of gasoline and diesel fuel sold by them to consumers and  
59 retailers in each municipality during the preceding month. The  
60 State Tax Commission shall have the authority to promulgate such  
61 rules and regulations as is necessary to determine the number of

62 gallons of gasoline and diesel fuel sold by distributors to  
63 consumers and retailers in each municipality. In determining the  
64 percentage allocation of funds under this subsection for the  
65 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
66 State Tax Commission may consider gallons of gasoline and diesel  
67 fuel sold for a period of less than one (1) fiscal year. For the  
68 purposes of this subsection, the term "fiscal year" means the  
69 fiscal year beginning July 1 of a year.

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

81 (4) On or before August 15, 1994, and on or before the  
82 fifteenth day of each succeeding month through July 15, 1999, from  
83 the proceeds of gasoline, diesel fuel or kerosene taxes as  
84 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
85 (\$4,000,000.00) shall be deposited in the State Treasury to the  
86 credit of a special fund designated as the "State Aid Road Fund,"  
87 created by Section 65-9-17. On or before August 15, 1999, and on  
88 or before the fifteenth day of each succeeding month, from the  
89 total amount of the proceeds of gasoline, diesel fuel or kerosene  
90 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
91 (\$4,000,000.00) or an amount equal to nineteen percent (19%) of  
92 such funds, whichever is the greater amount, shall be deposited in  
93 the State Treasury to the credit of the "State Aid Road Fund,"  
94 created by Section 65-9-17. Such funds shall be pledged to pay

95 the principal of and interest on state aid road bonds heretofore  
96 issued under Sections 19-9-51 through 19-9-77, in lieu of and in  
97 substitution for the funds heretofore allocated to counties under  
98 this section. Such funds may not be pledged for the payment of  
99 any state aid road bonds issued after April 1, 1981; however, this  
100 prohibition against the pledging of any such funds for the payment  
101 of bonds shall not apply to any bonds for which intent to issue  
102 such bonds has been published, for the first time, as provided by  
103 law prior to March 29, 1981. From the amount of taxes paid into  
104 the special fund pursuant to this subsection and subsection (9) of  
105 this section, there shall be first deducted and paid the amount  
106 necessary to pay the expenses of the Office of State Aid Road  
107 Construction, as authorized by the Legislature for all other  
108 general and special fund agencies. The remainder of the fund  
109 shall be allocated monthly to the several counties in accordance  
110 with the following formula:

111 (a) One-third (1/3) shall be allocated to all counties  
112 in equal shares;

113 (b) One-third (1/3) shall be allocated to counties  
114 based on the proportion that the total number of rural road miles  
115 in a county bears to the total number of rural road miles in all  
116 counties of the state; and

117 (c) One-third (1/3) shall be allocated to counties  
118 based on the proportion that the rural population of the county  
119 bears to the total rural population in all counties of the state,  
120 according to the latest federal decennial census.

121 For the purposes of this subsection, the term "gasoline,  
122 diesel fuel or kerosene taxes" means such taxes as defined in  
123 paragraph (f) of Section 27-5-101.

124 The amount of funds allocated to any county under this  
125 subsection for any fiscal year after fiscal year 1994 shall not be  
126 less than the amount allocated to such county for fiscal year  
127 1994. Monies allocated to a county from the State Aid Road Fund

128 for fiscal year 1995 or any fiscal year thereafter that exceed the  
129 amount of funds year 1994, first must be expended by the county  
130 for replacement or rehabilitation of bridges on the state aid road  
131 system that have a sufficiency rating of less than twenty-five  
132 (25), according to National Bridge Inspection standards before  
133 such monies may be approved for expenditure by the State Aid Road  
134 Engineer on other projects that qualify for the use of state aid  
135 road funds.

136 Any reference in the general laws of this state or the  
137 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
138 construed to refer and apply to subsection (4) of Section  
139 27-65-75.

140 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
141 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
142 the special fund known as the "State Public School Building Fund"  
143 created and existing under the provisions of Sections 37-47-1  
144 through 37-47-67. Such payments into said fund are to be made on  
145 the last day of each succeeding month hereafter.

146 (6) An amount each month beginning August 15, 1983, through  
147 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
148 of 1983, shall be paid into the special fund known as the  
149 Correctional Facilities Construction Fund created in Section 6 of  
150 Chapter 542, Laws of 1983.

151 (7) On or before August 15, 1992, and each succeeding month  
152 thereafter, two and two hundred sixty-six one-thousandths percent  
153 (2.266%) of the total sales tax revenue collected during the  
154 preceding month under the provisions of this chapter, except that  
155 collected under the provisions of Section 27-65-17(2) shall be  
156 deposited by the commission into the School Ad Valorem Tax  
157 Reduction Fund created pursuant to Section 37-61-35.

158 (8) On or before August 15, 1992, and each succeeding month  
159 thereafter, nine and seventy-three one-thousandths percent  
160 (9.073%) of the total sales tax revenue collected during the

161 preceding month under the provisions of this chapter, except that  
162 collected under the provisions of Section 27-65-17(2) shall be  
163 deposited into the Education Enhancement Fund created pursuant to  
164 Section 37-61-33.

165 (9) On or before August 15, 1994, and each succeeding month  
166 thereafter, from the revenue collected under this chapter during  
167 the preceding month, Two Hundred Fifty Thousand Dollars  
168 (\$250,000.00) shall be paid into the State Aid Road Fund.

169 (10) On or before August 15, 1994, and each succeeding month  
170 thereafter through August 15, 1995, from the revenue collected  
171 under this chapter during the preceding month, Two Million Dollars  
172 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
173 Valorem Tax Reduction Fund established in Section 27-51-105.

174 (11) Notwithstanding any other provision of this section to  
175 the contrary, on or before February 15, 1995, and each succeeding  
176 month thereafter, the sales tax revenue collected during the  
177 preceding month under the provisions of Section 27-65-17(2) and  
178 the corresponding levy in Section 27-65-23 on the rental or lease  
179 of private carriers of passengers and light carriers of property  
180 as defined in Section 27-51-101 shall be deposited, without  
181 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
182 established in Section 27-51-105.

183 (12) Notwithstanding any other provision of this section to  
184 the contrary, on or before August 15, 1995, and each succeeding  
185 month thereafter, the sales tax revenue collected during the  
186 preceding month under the provisions of Section 27-65-17(1) on  
187 retail sales of private carriers of passengers and light carriers  
188 of property, as defined in Section 27-51-101 and the corresponding  
189 levy in Section 27-65-23 on the rental or lease of these vehicles,  
190 shall be deposited, after diversion, into the Motor Vehicle Ad  
191 Valorem Tax Reduction Fund established in Section 27-51-105.

192 (13) On or before July 15, 1994, and on or before the  
193 fifteenth day of each succeeding month thereafter, that portion of

194 the avails of the tax imposed in Section 27-65-22, which is  
195 derived from activities held on the Mississippi state fairgrounds  
196 complex, shall be paid into a special fund hereby created in the  
197 State Treasury and shall be expended pursuant to legislative  
198 appropriations solely to defray the costs of repairs and  
199 renovation at such Trade Mart and Coliseum.

200 (14) On or before August 15, 1998, and each succeeding month  
201 thereafter through July 15, 2005, that portion of the avails of  
202 the tax imposed in Section 27-65-23 which is derived from sales by  
203 cotton compresses or cotton warehouses and which would otherwise  
204 be paid into the General Fund, shall be deposited in an amount not  
205 to exceed Two Million Dollars (\$2,000,000.00) into the special  
206 fund created pursuant to Section 69-37-39.

207 (15) The remainder of the amounts collected under the  
208 provisions of this chapter shall be paid into the State Treasury  
209 to the credit of the General Fund.

210 (16) It shall be the duty of the municipal officials of any  
211 municipality which expands its limits, or of any community which  
212 incorporates as a municipality, to notify the commissioner of such  
213 action thirty (30) days before the effective date. Failure to so  
214 notify the commissioner shall cause such municipality to forfeit  
215 the revenue which it would have been entitled to receive during  
216 this period of time when the commissioner had no knowledge of the  
217 action. If any funds have been erroneously disbursed to any  
218 municipality or any overpayment of tax is recovered by the  
219 taxpayer, the commissioner may make correction and adjust the  
220 error or overpayment with such municipality by withholding the  
221 necessary funds from any subsequent payment to be made to the  
222 municipality.

223 **[From and after July 1, 2002, this section reads as follows:]**

224 27-65-75. On or before the fifteenth day of each month, the  
225 revenue collected under the provisions of this chapter during the  
226 preceding month shall be paid and distributed as follows:

227           (1) On or before August 15, 1992, and each succeeding month  
228 thereafter through July 15, 1993, eighteen percent (18%) of the  
229 total sales tax revenue collected during the preceding month under  
230 the provisions of this chapter, except that collected under the  
231 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
232 business activities within a municipal corporation shall be  
233 allocated for distribution to such municipality and paid to such  
234 municipal corporation. On or before August 15, 1993, and each  
235 succeeding month thereafter, eighteen and one-half percent  
236 (18-1/2%) of the total sales tax revenue collected during the  
237 preceding month under the provisions of this chapter, except that  
238 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
239 and 27-65-21, on business activities within a municipal  
240 corporation shall be allocated for distribution to such  
241 municipality and paid to such municipal corporation.

242           A municipal corporation, for the purpose of distributing the  
243 tax under this subsection, shall mean and include all incorporated  
244 cities, towns and villages.

245           Monies allocated for distribution and credited to a municipal  
246 corporation under this subsection may be pledged as security for  
247 any loan received by the municipal corporation for the purpose of  
248 capital improvements as authorized under Section 57-1-303, or  
249 loans as authorized under Section 57-44-7, or water systems  
250 improvements as authorized under Section 41-3-16.

251           In any county having a county seat which is not an  
252 incorporated municipality, the distribution provided hereunder  
253 shall be made as though the county seat was an incorporated  
254 municipality; however, the distribution to such municipality shall  
255 be paid to the county treasury wherein the municipality is located  
256 and such funds shall be used for road, bridge and street  
257 construction or maintenance therein.

258           (2) On or before September 15, 1987, and each succeeding  
259 month thereafter, from the revenue collected under this chapter



260 during the preceding month One Million One Hundred Twenty-five  
261 Thousand Dollars (\$1,125,000.00) shall be allocated for  
262 distribution to municipal corporations as defined under subsection  
263 (1) of this section in the proportion that the number of gallons  
264 of gasoline and diesel fuel sold by distributors to consumers and  
265 retailers in each such municipality during the preceding fiscal  
266 year bears to the total gallons of gasoline and diesel fuel sold  
267 by distributors to consumers and retailers in municipalities  
268 statewide during the preceding fiscal year. The State Tax  
269 Commission shall require all distributors of gasoline and diesel  
270 fuel to report to the commission monthly the total number of  
271 gallons of gasoline and diesel fuel sold by them to consumers and  
272 retailers in each municipality during the preceding month. The  
273 State Tax Commission shall have the authority to promulgate such  
274 rules and regulations as is necessary to determine the number of  
275 gallons of gasoline and diesel fuel sold by distributors to  
276 consumers and retailers in each municipality. In determining the  
277 percentage allocation of funds under this subsection for the  
278 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
279 State Tax Commission may consider gallons of gasoline and diesel  
280 fuel sold for a period of less than one (1) fiscal year. For the  
281 purposes of this subsection, the term "fiscal year" means the  
282 fiscal year beginning July 1 of a year.

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

293 amount of proceeds to be distributed under this subsection.

294 (4) On or before August 15, 1994, and on or before the  
295 fifteenth day of each succeeding month through July 15, 1999, from  
296 the proceeds of gasoline, diesel fuel or kerosene taxes as  
297 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
298 (\$4,000,000.00) shall be deposited in the State Treasury to the  
299 credit of a special fund designated as the "State Aid Road Fund,"  
300 created by Section 65-9-17. On or before August 15, 1999, and on  
301 or before the fifteenth day of each succeeding month, from the  
302 total amount of the proceeds of gasoline, diesel fuel or kerosene  
303 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
304 (\$4,000,000.00) or an amount equal to nineteen percent (19%) of  
305 such funds, whichever is the greater amount, shall be deposited in  
306 the State Treasury to the credit of the "State Aid Road Fund,"  
307 created by Section 65-9-17. Such funds shall be pledged to pay  
308 the principal of and interest on state aid road bonds heretofore  
309 issued under Sections 19-9-51 through 19-9-77, in lieu of and in  
310 substitution for the funds heretofore allocated to counties under  
311 this section. Such funds may not be pledged for the payment of  
312 any state aid road bonds issued after April 1, 1981; however, this  
313 prohibition against the pledging of any such funds for the payment  
314 of bonds shall not apply to any bonds for which intent to issue  
315 such bonds has been published, for the first time, as provided by  
316 law prior to March 29, 1981. From the amount of taxes paid into  
317 the special fund pursuant to this subsection and subsection (9) of  
318 this section, there shall be first deducted and paid the amount  
319 necessary to pay the expenses of the Office of State Aid Road  
320 Construction, as authorized by the Legislature for all other  
321 general and special fund agencies. The remainder of the fund  
322 shall be allocated monthly to the several counties in accordance  
323 with the following formula:

324 (a) One-third (1/3) shall be allocated to all counties  
325 in equal shares;

326           (b) One-third (1/3) shall be allocated to counties  
327 based on the proportion that the total number of rural road miles  
328 in a county bears to the total number of rural road miles in all  
329 counties of the state; and

330           (c) One-third (1/3) shall be allocated to counties  
331 based on the proportion that the rural population of the county  
332 bears to the total rural population in all counties of the state,  
333 according to the latest federal decennial census.

334           For the purposes of this subsection, the term "gasoline,  
335 diesel fuel or kerosene taxes" means such taxes as defined in  
336 paragraph (f) of Section 27-5-101.

337           The amount of funds allocated to any county under this  
338 subsection for any fiscal year after fiscal year 1994 shall not be  
339 less than the amount allocated to such county for fiscal year  
340 1994. Monies allocated to a county from the State Aid Road Fund  
341 for fiscal year 1995 or any fiscal year thereafter that exceed the  
342 amount of funds allocated to that county from the State Aid Road  
343 Fund for fiscal year 1994, first must be expended by the county  
344 for replacement or rehabilitation of bridges on the state aid road  
345 system that have a sufficiency rating of less than twenty-five  
346 (25), according to National Bridge Inspection standards before  
347 such monies may be approved for expenditure by the State Aid Road  
348 Engineer on other projects that qualify for the use of state aid  
349 road funds.

350           Any reference in the general laws of this state or the  
351 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
352 construed to refer and apply to subsection (4) of Section  
353 27-65-75.

354           (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
355 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
356 the special fund known as the "State Public School Building Fund"  
357 created and existing under the provisions of Sections 37-47-1  
358 through 37-47-67. Such payments into said fund are to be made on

359 the last day of each succeeding month hereafter.

360 (6) An amount each month beginning August 15, 1983, through  
361 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
362 of 1983, shall be paid into the special fund known as the  
363 Correctional Facilities Construction Fund created in Section 6 of  
364 Chapter 542, Laws of 1983.

365 (7) On or before August 15, 1992, and each succeeding month  
366 thereafter, two and two hundred sixty-six one-thousandths percent  
367 (2.266%) of the total sales tax revenue collected during the  
368 preceding month under the provisions of this chapter, except that  
369 collected under the provisions of Section 27-65-17(2), not to  
370 exceed the fiscal year 1997 appropriated level shall be deposited  
371 by the commission into the School Ad Valorem Tax Reduction Fund  
372 created pursuant to Section 37-61-35, with the balance to be  
373 transferred to the Education Enhancement Fund created under  
374 Section 37-61-33 for appropriation by the Legislature as other  
375 education needs and not subject to the percentage set asides set  
376 forth in Section 37-61-33.

377 (8) On or before August 15, 1992, and each succeeding month  
378 thereafter, nine and seventy-three one-thousandths percent  
379 (9.073%) of the total sales tax revenue collected during the  
380 preceding month under the provisions of this chapter, except that  
381 collected under the provisions of Section 27-65-17(2) shall be  
382 deposited into the Education Enhancement Fund created pursuant to  
383 Section 37-61-33.

384 (9) On or before August 15, 1994, and each succeeding month  
385 thereafter, from the revenue collected under this chapter during  
386 the preceding month, Two Hundred Fifty Thousand Dollars  
387 (\$250,000.00) shall be paid into the State Aid Road Fund.

388 (10) On or before August 15, 1994, and each succeeding month  
389 thereafter through August 15, 1995, from the revenue collected  
390 under this chapter during the preceding month, Two Million Dollars  
391 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad

392 Valorem Tax Reduction Fund established in Section 27-51-105.

393 (11) Notwithstanding any other provision of this section to  
394 the contrary, on or before February 15, 1995, and each succeeding  
395 month thereafter, the sales tax revenue collected during the  
396 preceding month under the provisions of Section 27-65-17(2) shall  
397 be deposited, without diversion, into the Motor Vehicle Ad Valorem  
398 Tax Reduction Fund established in Section 27-51-105.

399 (12) Notwithstanding any other provision of this section to  
400 the contrary, on or before August 15, 1995, and each succeeding  
401 month thereafter, the sales tax revenue collected during the  
402 preceding month under the provisions of Section 27-65-17(1) on  
403 retail sales of private carriers of passengers and light carriers  
404 of property, as defined in Section 27-51-101, shall be deposited,  
405 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction  
406 Fund established in Section 27-51-105.

407 (13) On or before July 15, 1994, and on or before the  
408 fifteenth day of each succeeding month thereafter, that portion of  
409 the avails of the tax imposed in Section 27-65-22, which is  
410 derived from activities held on the Mississippi state fairgrounds  
411 complex, shall be paid into a special fund hereby created in the  
412 State Treasury and shall be expended pursuant to legislative  
413 appropriations solely to defray the costs of repairs and  
414 renovation at such Trade Mart and Coliseum.

415 (14) On or before August 15, 1998, and each succeeding month  
416 thereafter through July 15, 2005, that portion of the avails of  
417 the tax imposed in Section 27-65-23 which is derived from sales by  
418 cotton compresses or cotton warehouses and which would otherwise  
419 be paid into the General Fund, shall be deposited in an amount not  
420 to exceed Two Million Dollars (\$2,000,000.00) into the special  
421 fund created pursuant to Section 69-37-39.

422 (15) The remainder of the amounts collected under the  
423 provisions of this chapter shall be paid into the State Treasury  
424 to the credit of the General Fund.

425           (16) It shall be the duty of the municipal officials of any  
426 municipality which expands its limits, or of any community which  
427 incorporates as a municipality, to notify the commissioner of such  
428 action thirty (30) days before the effective date. Failure to so  
429 notify the commissioner shall cause such municipality to forfeit  
430 the revenue which it would have been entitled to receive during  
431 this period of time when the commissioner had no knowledge of the  
432 action. If any funds have been erroneously disbursed to any  
433 municipality or any overpayment of tax is recovered by the  
434 taxpayer, the commissioner may make correction and adjust the  
435 error or overpayment with such municipality by withholding the  
436 necessary funds from any subsequent payment to be made to the  
437 municipality.

438           SECTION 2. This act shall take effect and be in force from  
439 and after its passage.