

By: Representative Green (34th)

To: Ways and Means

HOUSE BILL NO. 1651

1 AN ACT TO CREATE THE MISSISSIPPI COMMUNICATIONS TAX REFORM
2 ACT; TO PROVIDE THAT EVERY PERSON OR ENTITY PROVIDING
3 COMMUNICATIONS SERVICES SHALL BE ENTITLED TO A REBATE FROM THE
4 STATE OF MISSISSIPPI IN AN AMOUNT EQUAL TO 50% OF THE AGGREGATE
5 AMOUNT OF THE AD VALOREM TAX PAID BY SUCH PERSON OR ENTITY ON
6 CLASS IV PROPERTY TO LOCAL TAXING DISTRICTS IN THIS STATE; TO
7 PROVIDE THAT TO THE EXTENT POSSIBLE SUCH REFUNDS SHALL BE PAID BY
8 THE STATE TAX COMMISSION FROM THE TELECOMMUNICATION AD VALOREM TAX
9 REDUCTION AND LOCAL DISTRIBUTION FUND CREATED BY THIS ACT; TO
10 PROVIDE THAT AMOUNTS IN EXCESS OF THE AMOUNTS NECESSARY TO PAY
11 SUCH REBATES SHALL BE PAID TO MUNICIPALITIES, COUNTIES AND SCHOOL
12 DISTRICTS; TO CREATE THE TELECOMMUNICATION AD VALOREM TAX
13 REDUCTION AND LOCAL DISTRIBUTION FUND; TO PROVIDE THAT THE MONEY
14 IN SUCH FUND SHALL BE UTILIZED TO PAY THE REBATES AUTHORIZED BY
15 THIS ACT; TO PROVIDE THAT SUCH FUND SHALL BE ADMINISTERED BY THE
16 STATE TAX COMMISSION; TO PROHIBIT POLITICAL SUBDIVISIONS FROM
17 LEVYING ANY TAX, CHARGE OR FEE ON COMMUNICATIONS SERVICES OR
18 COMMUNICATIONS SERVICE PROVIDERS AFTER THE EFFECTIVE DATE OF THIS
19 ACT; TO REQUIRE THAT ALL ASPECTS OF A MUNICIPALITY'S MANAGEMENT OF
20 THE PUBLIC RIGHTS-OF-WAY SHALL BE COMPETITIVELY NEUTRAL AND
21 NONDISCRIMINATORY; TO REQUIRE A RATE REDUCTION BY CERTAIN
22 COMMUNICATIONS SERVICE PROVIDERS THAT EXPERIENCE A TAX SAVING AS A
23 RESULT OF THE PROVISIONS OF THIS ACT; TO AMEND SECTIONS 27-65-3
24 AND 27-65-19, MISSISSIPPI CODE OF 1972, TO REVISE THE SALES TAX ON
25 PERSONS OPERATING TELEGRAPH AND TELEPHONE BUSINESSES TO PROVIDE
26 THAT THE TAX IS LEVIED UPON THE AMOUNTS PAID FOR RETAIL PURCHASE
27 OF COMMUNICATIONS SERVICES WHICH EITHER ORIGINATE OR TERMINATE IN
28 THIS STATE; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
29 TO PROVIDE THAT THE PORTION OF THE SALES TAX ON COMMUNICATIONS
30 ATTRIBUTABLE TO INTERSTATE COMMUNICATIONS SERVICES SHALL BE
31 DEPOSITED WITHOUT DIVERSION INTO THE TELECOMMUNICATION AD VALOREM
32 TAX REDUCTION AND LOCAL DISTRIBUTION FUND; TO AMEND SECTION
33 27-35-319, MISSISSIPPI CODE OF 1972, TO REMOVE PROVISIONS THAT
34 CLASSIFY THE PROPERTY OF TELEPHONE COMPANIES LOCATED IN MORE THAN
35 SIX COUNTIES AS CLASS IV OR CLASS II PROPERTY; TO REPEAL SECTIONS
36 21-33-201 THROUGH 21-33-211, MISSISSIPPI CODE OF 1972, WHICH
37 CONSTITUTE THE CITY UTILITY TAX LAW; AND FOR RELATED PURPOSES.

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

39 SECTION 1. This act may be cited as the Mississippi
40 Communications Tax Reform Act.

41 SECTION 2. As used in Sections 1 through 7 of this act:

42 (a) "Communications service" shall have the meaning
43 ascribed to such term in Section 27-65-3.

44 (b) "Local exchange telephone company" shall have the
45 meaning ascribed to such term in Section 27-65-3.

46 (c) "Local taxing district" means any county,
47 municipality, school district or other local entity that levies an
48 ad valorem tax or for which an ad valorem tax is levied, to fund
49 all or a portion of its budget.

50 SECTION 3. (1) (a) Except as otherwise provided in
51 paragraph (b) of this subsection (1), for ad valorem tax payments
52 made after December 31, 1999, every person or entity providing
53 communications services shall be entitled to a refund from the
54 State of Mississippi in an amount equal to fifty percent (50%) of
55 the aggregate amount of the ad valorem tax paid by such person or
56 entity on Class IV property as defined in Section 112, Mississippi
57 Constitution of 1890, to local taxing districts.

58 (b) For ad valorem tax payments made by local exchange
59 telephone companies after December 31, 1999, and prior to December
60 31, 2000, such local exchange telephone companies shall be
61 entitled to a refund from the State of Mississippi in an amount
62 equal to twenty-five percent (25%) of the aggregate amount of the
63 ad valorem tax paid by such company on Class IV property as
64 defined in Section 112, Mississippi Constitution of 1890, to local
65 taxing districts, thereafter any such company shall be entitled to
66 payments in the amount provided for in paragraph (a) of this
67 subsection (1).

68 (2) On or before March 15, 2000, and on or before March 15
69 of each year thereafter, the State Tax Commission shall pay all
70 refunds to which communications service providers are entitled
71 under the provisions of subsection (1) of this section for ad
72 valorem taxes that became due on or before the first day of
73 February immediately preceding March 15.

74 (3) To the extent possible, payments made pursuant to
75 subsection (1) of this section shall be paid by the State Tax
76 Commission out of the Telecommunication Ad Valorem Tax Reduction

77 and Local Distribution Fund created pursuant to Section 4 of this
78 act.

79 (4) On or before April 15, 2000, and on or before April 15
80 of each year thereafter, amounts in the Telecommunications Ad
81 Valorem Tax Reduction and Local Distribution Fund in excess of the
82 amounts necessary to make the payments provided for in subsection
83 (1) of this section shall be paid to each local taxing district as
84 follows:

85 (a) One-third (1/3) shall be distributed to each
86 municipality in this state in the proportion that the amount of
87 revenues derived from the provision of communications services in
88 such municipality bears to the total amount of revenues derived
89 from the provision of communications services in all
90 municipalities in this state.

91 (b) One-third (1/3) shall be distributed to each school
92 district in this state in the proportion that the average daily
93 attendance in such school district bears to the total average
94 daily attendance of all public school districts in the state.

95 (c) One-third (1/3) shall be distributed to all other
96 local taxing districts except school districts and municipalities
97 in the proportion that the true value of the Class IV property of
98 communications service providers in such taxing district bears to
99 the true value of all such property in the state.

100 SECTION 4. (1) There is created in the State Treasury a
101 special fund to be known as the Telecommunications Ad Valorem Tax
102 Reduction and Local Distribution Fund, into which shall be
103 deposited the money specified in Section 27-65-75(17) and such
104 other money as the Legislature may provide by appropriation. The
105 money in the fund shall be used to pay the reasonable and
106 necessary expenses incurred by the State Tax Commission in
107 administering the provisions of this act as provided for in
108 subsection (3) of this section and to make the payments provided
109 for in Section 3 of this act.

110 (2) The Telecommunications Ad Valorem Tax Reduction and
111 Local Distribution Fund shall be administered by the State Tax
112 Commission, and money in the fund shall be expended upon
113 appropriation by the Legislature. Unexpended amounts remaining in
114 the fund at the end of the state fiscal year shall not lapse into
115 the State General Fund, and any interest earned on amounts in the
116 fund shall be deposited to the credit of the fund. The State Tax
117 Commission shall make the calculations necessary to make the
118 distributions required pursuant to Section 3 of this act.

119 (3) A portion of the money in the fund may be utilized by
120 the State Tax Commission to pay the reasonable and necessary
121 expenses of the State Tax Commission incurred in administering
122 this act. However, this amount shall not exceed one percent (1%)
123 of the monthly amount deposited in the fund.

124 SECTION 5. (1) Upon the effective date of this act, no
125 political subdivision of this state may levy any tax, charge or
126 fee on communications services or communications service
127 providers, or collect any such taxes, charges or fees from
128 communications services or communications service providers.

129 (2) For purposes of this section, a tax, charge or fee
130 includes any tax, charge, fee or in-kind payment of property or
131 services, which is required by ordinance or agreement to be paid
132 or furnished to a political subdivision by or through a provider
133 of communications services regardless of whether such tax, charge,
134 fee or in-kind payment of property or services is:

135 (a) Designated as a utility tax, franchise fee, sales
136 tax, excise tax, user fee, occupancy fee, occupational or business
137 license tax, subscriber charge or otherwise;

138 (b) Measured by the amounts charged for services or
139 otherwise;

140 (c) Intended as compensation for the use of public
141 rights-of-way; or

142 (d) Permitted or required to be separately stated on

143 the customer's bill.

144 (3) This section shall not apply to ad valorem taxes levied
145 as provided by law or to emergency telephone surcharges levied
146 pursuant to Chapter 5, Title 19, Mississippi Code of 1972.

147 SECTION 6. All aspects of a municipality's or county's
148 management of the public rights-of-way, including without
149 limitation the granting or denial of construction permits and the
150 time periods for approving such permits, shall be competitively
151 neutral and nondiscriminatory.

152 SECTION 7. To the extent that a person or entity providing
153 communications services that are regulated by the Mississippi
154 Public Service Commission experiences a tax saving as a result of
155 the provisions of this act, such saving shall inure
156 proportionately to the benefit of the customers of such person or
157 entity including residential, business and interconnection
158 services. The Mississippi Public Service Commission shall issue a
159 rate reduction order implementing the provisions of this section
160 on or before December 31, 1999.

161 SECTION 8. Section 27-65-3, Mississippi Code of 1972, is
162 amended as follows:

163 27-65-3. The words, terms and phrases, when used in this
164 chapter, shall have the meanings ascribed to them herein:

165 (a) "Tax Commission" means the State Tax Commission of
166 the State of Mississippi.

167 (b) "Commissioner" means the Chairman of the State Tax
168 Commission.

169 (c) "Person" means and includes any individual, firm,
170 copartnership, joint venture, association, corporation, estate,
171 trust or other group or combination acting as a unit, and includes
172 the plural as well as the singular in number. "Person" shall
173 include husband or wife or both where joint benefits are derived
174 from the operation of a business taxed hereunder. "Person" shall
175 also include any state, county, municipal or other agency or

176 association engaging in a business taxable under this chapter.

177 (d) "Tax year" or "taxable year" means either the
178 calendar year or the taxpayer's fiscal year.

179 (e) "Taxpayer" means any person liable for or having
180 paid any tax to the State of Mississippi under the provisions of
181 this chapter.

182 (f) "Sale" or "sales" includes the barter or exchange
183 of property as well as the sale thereof for money or other
184 consideration, and every closed transaction by which the title to
185 taxable property passes shall constitute a taxable event.

186 "Sale" shall also include the passing of title to property
187 for a consideration of coupons, trading stamps or by any other
188 means when redemption is subsequent to the original sale by which
189 the coupon, stamp or other obligation was created.

190 The situs of a sale for the purpose of distributing taxes to
191 municipalities shall be the same as the location of the business
192 from which the sale is made except that:

193 (i) Retail sales along a route from a vehicle or
194 otherwise by a transient vendor shall take the situs of delivery
195 to the customer.

196 (ii) The situs of wholesale sales of tangible
197 personal property taxed at wholesale rates, the amount of which is
198 allowed as a credit against the sales tax liability of the
199 retailer, shall be the same as the location of the business of the
200 retailer receiving the credit.

201 (iii) The situs of wholesale sales of tangible
202 personal property taxed at wholesale rates, the amount of which is
203 not allowed as a credit against the sales tax liability of the
204 retailer, shall have a rural situs.

205 (iv) Income received from the renting or leasing
206 of property used for transportation purposes between cities or
207 counties shall have a rural situs.

208 (g) "Delivery charges" shall mean and include any

209 expenses incurred by a seller in acquiring merchandise for sale in
210 the regular course of business commonly known as "freight-in" or
211 "transportation costs-in." "Delivery charges" also include any
212 charges made by the seller for delivery of property sold to the
213 purchaser.

214 (h) "Gross proceeds of sales" means the value
215 proceeding or accruing from the full sale price of tangible
216 personal property, including installation charges, carrying
217 charges, or any other addition to the selling price on account of
218 deferred payments by the purchaser, without any deduction for
219 delivery charges, cost of property sold, other expenses or losses,
220 or taxes of any kind except those expressly exempt by this
221 chapter.

222 Where a trade-in is taken as part payment on tangible
223 personal property sold, "gross proceeds of sales" shall include
224 only the difference received between the selling price of the
225 tangible personal property and the amount allowed for a trade-in
226 of property of the same kind. When the trade-in is subsequently
227 sold, the selling price thereof shall be included in "gross
228 proceeds of sales."

229 "Gross proceeds of sales" shall include the value of any
230 goods, wares, merchandise or property purchased at wholesale or
231 manufactured, and any mineral or natural resources produced which
232 are excluded from the tax levied by Section 27-65-15, which are
233 withdrawn or used from an established business or from the stock
234 in trade for consumption or any other use in the business or by
235 the owner.

236 "Gross proceeds of sales" shall not include bad check or
237 draft service charges as provided for in Section 97-19-57.

238 (i) "Gross income" means the total charges for service
239 or the total receipts (actual or accrued) derived from trades,
240 business or commerce by reason of the investment of capital in the
241 business engaged in, including the sale or rental of tangible

242 personal property, compensation for labor and services performed,
243 and including the receipts from the sales of property retained as
244 toll, without any deduction for rebates, cost of property sold,
245 cost of materials used, labor costs, interest paid, losses or any
246 expense whatever.

247 "Gross income" shall also include the cost of property given
248 as compensation when said property is consumed by a person
249 performing a taxable service for the donor.

250 However, "gross income" or "gross proceeds of sales" shall
251 not be construed to include the value of goods returned by
252 customers when the total sale price is refunded either in cash or
253 by credit, or cash discounts allowed and taken on sales. Cash
254 discounts shall not include the value of trading stamps given with
255 a sale of property.

256 (j) "Tangible personal property" means personal
257 property perceptible to the human senses or by chemical analysis
258 as opposed to real property or intangibles and shall include
259 property sold on an installed basis which may become a part of
260 real or personal property.

261 (k) "Installation charges" shall mean and include the
262 charge for the application of tangible personal property to real
263 or personal property without regard to whether or not it becomes a
264 part of the real property or retains its personal property
265 classification. It shall include, but not be limited to, sales in
266 place of roofing, tile, glass, carpets, drapes, fences, awnings,
267 window air conditioning units, gasoline pumps, window guards,
268 floor coverings, carports, store fixtures, aluminum and plastic
269 siding, tombstones and similar personal property.

270 (l) "Newspaper" means a periodical which:

271 (i) Is not published primarily for advertising
272 purposes and has not contained more than seventy-five percent
273 (75%) advertising in more than one-half (1/2) of its issues during
274 any consecutive twelve-month period excluding separate advertising

275 supplements inserted into but separately identifiable from any
276 regular issue or issues;

277 (ii) Has been established and published
278 continuously for at least twelve (12) months;

279 (iii) Is regularly issued at stated intervals no
280 less frequently than once a week, bears a date of issue, and is
281 numbered consecutively; provided, however, that publication on
282 legal holidays of this state or of the United States and on
283 Saturdays and Sundays shall not be required, and failure to
284 publish not more than two (2) regular issues in any calendar year
285 shall not exclude a periodical from this definition;

286 (iv) Is issued from a known office of publication,
287 which shall be the principal public business office of the
288 newspaper and need not be the place at which the periodical is
289 printed and a newspaper shall be deemed to be "published" at the
290 place where its known office of publication is located;

291 (v) Is formed of printed sheets; provided,
292 however, that a periodical that is reproduced by the stencil,
293 mimeograph or hectograph process shall not be considered to be a
294 "newspaper"; and

295 (vi) Is originated and published for the
296 dissemination of current news and intelligence of varied, broad
297 and general public interest, announcements and notices, opinions
298 as editorials on a regular or irregular basis, and advertising and
299 miscellaneous reading matter.

300 The term "newspaper" shall include periodicals which are
301 designed primarily for free circulation or for circulation at
302 nominal rates as well as those which are designed for circulation
303 at more than a nominal rate.

304 The term "newspaper" shall not include a publication or
305 periodical which is published, sponsored by, is directly supported
306 financially by, or is published to further the interests of, or is
307 directed to, or has a circulation restricted in whole or in part

308 to any particular sect, denomination, labor or fraternal
309 organization or other special group or class or citizens.

310 For purposes of this paragraph, a periodical designed
311 primarily for free circulation or circulation at nominal rates
312 shall not be considered to be a newspaper unless such periodical
313 has made an application for such status to the Tax Commission in
314 the manner prescribed by the commission and has provided to the
315 Tax Commission documentation satisfactory to the commission
316 showing that such periodical meets the requirements of the
317 definition of the term "newspaper." However, if such periodical
318 has been determined to be a newspaper under action taken by the
319 State Tax Commission on or before April 11, 1996, such periodical
320 shall be considered to be a newspaper without the necessity of
321 applying for such status. A determination by the State Tax
322 Commission that a publication is a newspaper shall be limited to
323 the application of this chapter and shall not establish that the
324 publication is a newspaper for any other purpose.

325 (m) "Communications service" means the provision,
326 transmission, conveyance or routing, for a consideration, of
327 voice, data, video or any other information or signals of the
328 purchaser's choosing to a point, or between or among points,
329 specified by the purchaser, by or through any electronic, radio or
330 similar medium or method now in existence or hereafter devised.
331 The term "communications service" shall include, but not be
332 limited to, local telephone services, toll telephone services,
333 telegraph services, teletypewriter services, teleconferencing
334 services, private line services, channel services and mobile
335 communications services. The term "communications service" shall
336 not include cable television service and shall not include
337 information and data services, including the storage of data or
338 information for subsequent retrieval, the retrieval of data or
339 information, or the processing, or reception and processing, of
340 data or information intended to change its form or content.

341 (n) "Interstate communications service" means any
342 communications service which either originates in this state or
343 terminates in this state but does not both originate and terminate
344 in this state.

345 (o) "Local telephone service" means the access to a
346 local telephone system and the privilege of communications within
347 a local calling area.

348 (p) "Toll telephone service" means: (i) communications
349 for which there is a toll charge that varies in amount according
350 to the distance and/or elapsed transmission time of the
351 communication; or (ii) a service that entitles the subscriber or
352 user, upon the payment of a periodic charge, to the privilege of
353 an unlimited number of communications to or from a location
354 outside of a local calling area.

355 The term "toll telephone service" includes, but is not
356 limited to, wide-area telephone services.

357 (q) "Mobile communications service" means any one-way
358 or two-way radio communications service carried on between mobile
359 stations or receivers and land stations, and by mobile stations
360 communicating among themselves, and shall include, but not be
361 limited to, cellular communications services, personal
362 communications services, paging services, specialized mobile radio
363 services and any other form of mobile one-way or two-way
364 communications service.

365 (r) "Prepaid telephone calling arrangement" means any
366 right to exclusively purchase telecommunications services, which
367 must be paid for in advance and which enables the origination of
368 calls using an access number and/or authorization code, whether
369 manually or electronically dialed.

370 (s) "Service address" means the location of the
371 communications equipment from which communications services are
372 originated or at which communications services are received by the
373 customer. In the event that this is not a defined location, as in

374 the case of mobile phones, paging systems, maritime systems,
375 air-to-ground systems and the like, "service address" shall mean
376 the location of the customer's primary use of the communications
377 equipment, as determined by the customer's residence address or
378 business address, whichever more accurately reflects the
379 jurisdiction in which the customer typically uses the mobile
380 communications service; provided, however, that such address shall
381 be in a state that includes the service area of the mobile
382 communications service provider.

383 SECTION 9. Section 27-65-19, Mississippi Code of 1972, is
384 amended as follows:

385 27-65-19. (1) (a) Except as otherwise provided in this
386 subsection, upon every person selling to consumers, electricity,
387 current, power, potable water, steam, coal, natural gas, liquefied
388 petroleum gas or other fuel, there is hereby levied, assessed and
389 shall be collected a tax equal to seven percent (7%) of the gross
390 income of the business. Provided, gross income from sales to
391 consumers of electricity, current, power, natural gas, liquefied
392 petroleum gas or other fuel for residential heating, lighting or
393 other residential noncommercial or nonagricultural use, and sales
394 of potable water for residential, noncommercial or nonagricultural
395 use shall be excluded from taxable gross income of the business.
396 Provided further, upon every such seller using electricity,
397 current, power, potable water, steam, coal, natural gas, liquefied
398 petroleum gas or other fuel for nonindustrial purposes, there is
399 hereby levied, assessed and shall be collected a tax equal to
400 seven percent (7%) of the cost or value of the product or service
401 used.

402 (b) There is hereby levied, assessed and shall be
403 collected a tax equal to one and one-half percent (1-1/2%) of the
404 gross income of the business when the electricity, current, power,
405 steam, coal, natural gas, liquefied petroleum gas or other fuel is
406 sold to or used by a manufacturer, custom processor or public

407 service company for industrial purposes, which shall include that
408 used to generate electricity, to operate an electrical
409 distribution or transmission system, to operate pipeline
410 compressor or pumping stations or to operate railroad locomotives;
411 provided, however, that:

412 (i) From and after July 1, 2000, through June 30,
413 2001, sales of fuel used to produce electric power by a company
414 primarily engaged in the business of producing, generating or
415 distributing electric power for sale shall be taxed at the rate of
416 one and one-eighth percent (1.125%);

417 (ii) From and after July 1, 2001, through June 30,
418 2002, sales of fuel used to produce electric power by a company
419 primarily engaged in the business of producing, generating or
420 distributing electric power for sale shall be taxed at the rate of
421 three-fourths of one percent (0.75%);

422 (iii) From and after July 1, 2002, through June
423 30, 2003, sales of fuel used to produce electric power by a
424 company primarily engaged in the business of producing, generating
425 or distributing electric power for sale shall be taxed at the rate
426 of three-eighths of one percent (0.375%);

427 (iv) From and after July 1, 2003, sales of fuel
428 used to produce electric power by a company primarily engaged in
429 the business of producing, generating or distributing electric
430 power for sale shall be exempt from sales tax as provided in
431 Section 27-65-107.

432 (c) The one and one-half percent (1-1/2%) industrial
433 rate provided for in this subsection shall also apply when the
434 electricity, current, power, steam, coal, natural gas, liquefied
435 petroleum gas or other fuel is sold to a producer or processor for
436 use directly in the production of poultry or poultry products, the
437 production of livestock and livestock products, the production of
438 plants or food by commercial horticulturists, the processing of
439 milk and milk products, the processing of poultry and livestock

440 feed, and the irrigation of farm crops.

441 (d) The one and one-half percent (1-1/2%) rate provided
442 for in this subsection shall not apply to sales of fuel for
443 automobiles, trucks, truck-tractors, buses, farm tractors or
444 airplanes.

445 (e) (i) Except as otherwise provided in this
446 subsection, upon every person engaged in the business of providing
447 communications services there is hereby levied, assessed and shall
448 be collected, a tax equal to seven percent (7%) of the amounts
449 paid for the retail purchase of such communications services which
450 either originate or terminate in this state and which are charged
451 to a service address in this state, regardless of where such
452 amounts are billed or paid. However, the transfer for a
453 consideration of prepaid telephone calling arrangements and the
454 recharge of prepaid telephone calling arrangements shall be
455 taxable at the point of sale and not at the point of usage. If
456 the sale or recharge of a prepaid telephone calling arrangement
457 does not take place at the vendor's place of business, the sale or
458 recharge shall be conclusively determined to take place at the
459 customer's shipping address, or if there is no item shipped, at
460 the customer's billing address or the location associated with the
461 customer's mobile telephone number.

462 (ii) Amounts paid for the retail purchase of
463 communications service shall include amounts paid for, or
464 attributable to, the connection, movement, change or termination
465 of a communications service, but shall not include amounts paid
466 for or attributable to:

467 (A) Communications services which are resold,
468 used as a component part of, or integrated into a communications
469 service, including, but not limited to, carrier access charges,
470 right of access charges, interconnection charges paid by the
471 providers of mobile communications services or other
472 communications services, charges for the sale of unbundled network

473 elements, and any other intercompany charges for the use of
474 facilities for providing communications services.

475 (B) Any excise tax, sales tax, or similar
476 tax, fee or assessment levied by the United States or any state or
477 local government, including, but not limited to, emergency
478 telephone surcharges, upon the purchase, sale, use or consumption
479 of any communications service, which is permitted or required to
480 be added to the purchase price of such service.

481 (C) Services which are ancillary to the
482 provision of communications service but are not directly related
483 to the transmission of voice, data or information, including, but
484 not limited to, detailed billing services, bad check charges and
485 late payment charges.

486 (D) Communications services which have been
487 obtained through fraudulent means or reimbursements between
488 communications service providers intended to cover the cost of
489 fraudulent communications activity.

490 (iii) To prevent actual multistate taxation of a
491 communications service subject to taxation under this section, any
492 taxpayer, upon proof that such taxpayer has paid a state or local
493 tax in another state on such service, shall be allowed a credit
494 against the tax imposed by this section to the extent of the
495 amount of such tax paid in such other state.

496 (2) Persons making sales to consumers of electricity,
497 current, power, natural gas, liquefied petroleum gas or other fuel
498 for residential heating, lighting or other residential
499 noncommercial or nonagricultural use or sales of potable water for
500 residential, noncommercial or nonagricultural use shall indicate
501 on each statement rendered to customers that such charges are
502 exempt from sales taxes.

503 (3) There is hereby levied, assessed and shall be paid on
504 transportation charges on shipments moving between points within
505 this state when paid directly by the consumer, a tax equal to the

506 rate applicable to the sale of the property being transported.
507 Such tax shall be reported and paid directly to the State Tax
508 Commission by the consumer.

509 SECTION 10. Section 27-65-75, Mississippi Code of 1972, is
510 amended as follows:

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

512 27-65-75. On or before the fifteenth day of each month, the
513 revenue collected under the provisions of this chapter during the
514 preceding month shall be paid and distributed as follows:

515 (1) On or before August 15, 1992, and each succeeding month
516 thereafter through July 15, 1993, eighteen percent (18%) of the
517 total sales tax revenue collected during the preceding month under
518 the provisions of this chapter, except that collected under the
519 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
520 business activities within a municipal corporation shall be
521 allocated for distribution to such municipality and paid to such
522 municipal corporation. On or before August 15, 1993, and each
523 succeeding month thereafter, eighteen and one-half percent
524 (18-1/2%) of the total sales tax revenue collected during the
525 preceding month under the provisions of this chapter, except that
526 collected under the provisions of Sections 27-65-15, 27-65-19(3)
527 and 27-65-21, on business activities within a municipal
528 corporation shall be allocated for distribution to such
529 municipality and paid to such municipal corporation.

530 A municipal corporation, for the purpose of distributing the
531 tax under this subsection, shall mean and include all incorporated
532 cities, towns and villages.

533 Monies allocated for distribution and credited to a municipal
534 corporation under this subsection may be pledged as security for
535 any loan received by the municipal corporation for the purpose of
536 capital improvements as authorized under Section 57-1-303, or
537 loans as authorized under Section 57-44-7, or water systems
538 improvements as authorized under Section 41-3-16.

539 In any county having a county seat which is not an
540 incorporated municipality, the distribution provided hereunder
541 shall be made as though the county seat was an incorporated
542 municipality; however, the distribution to such municipality shall
543 be paid to the county treasury wherein the municipality is located
544 and such funds shall be used for road, bridge and street
545 construction or maintenance therein.

546 (2) On or before September 15, 1987, and each succeeding
547 month thereafter, from the revenue collected under this chapter
548 during the preceding month One Million One Hundred Twenty-five
549 Thousand Dollars (\$1,125,000.00) shall be allocated for
550 distribution to municipal corporations as defined under subsection
551 (1) of this section in the proportion that the number of gallons
552 of gasoline and diesel fuel sold by distributors to consumers and
553 retailers in each such municipality during the preceding fiscal
554 year bears to the total gallons of gasoline and diesel fuel sold
555 by distributors to consumers and retailers in municipalities
556 statewide during the preceding fiscal year. The State Tax
557 Commission shall require all distributors of gasoline and diesel
558 fuel to report to the commission monthly the total number of
559 gallons of gasoline and diesel fuel sold by them to consumers and
560 retailers in each municipality during the preceding month. The
561 State Tax Commission shall have the authority to promulgate such
562 rules and regulations as is necessary to determine the number of
563 gallons of gasoline and diesel fuel sold by distributors to
564 consumers and retailers in each municipality. In determining the
565 percentage allocation of funds under this subsection for the
566 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
567 State Tax Commission may consider gallons of gasoline and diesel
568 fuel sold for a period of less than one (1) fiscal year. For the
569 purposes of this subsection, the term "fiscal year" means the
570 fiscal year beginning July 1 of a year.

571 (3) On or before September 15, 1987, and on or before the

572 fifteenth day of each succeeding month, until the date specified
573 in Section 65-39-35, the proceeds derived from contractors' taxes
574 levied under Section 27-65-21 on contracts for the construction or
575 reconstruction of highways designated under the Four-Lane Highway
576 Program created under Section 65-3-97 shall be deposited into the
577 State Treasury to the credit of the State Highway Fund to be used
578 to fund such Four-Lane Highway Program. The Mississippi
579 Department of Transportation shall provide to the State Tax
580 Commission such information as is necessary to determine the
581 amount of proceeds to be distributed under this subsection.

582 (4) On or before August 15, 1994, and on or before the
583 fifteenth day of each succeeding month, from the proceeds of
584 gasoline, diesel fuel or kerosene taxes as provided in Section
585 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
586 deposited in the State Treasury to the credit of a special fund
587 designated as the "State Aid Road Fund," created by Section
588 65-9-17. Such funds shall be pledged to pay the principal of and
589 interest on state aid road bonds heretofore issued under Sections
590 19-9-51 through 19-9-77, in lieu of and in substitution for the
591 funds heretofore allocated to counties under this section. Such
592 funds may not be pledged for the payment of any state aid road
593 bonds issued after April 1, 1981; however, this prohibition
594 against the pledging of any such funds for the payment of bonds
595 shall not apply to any bonds for which intent to issue such bonds
596 has been published, for the first time, as provided by law prior
597 to March 29, 1981. From the amount of taxes paid into the special
598 fund pursuant to this subsection and subsection (9) of this
599 section, there shall be first deducted and paid the amount
600 necessary to pay the expenses of the Office of State Aid Road
601 Construction, as authorized by the Legislature for all other
602 general and special fund agencies. The remainder of the fund
603 shall be allocated monthly to the several counties in accordance
604 with the following formula:

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

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

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

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

618 The amount of funds allocated to any county under this
619 subsection for any fiscal year after fiscal year 1994 shall not be
620 less than the amount allocated to such county for fiscal year
621 1994. Monies allocated to a county from the State Aid Road Fund
622 for fiscal year 1995 or any fiscal year thereafter that exceed the
623 amount of funds allocated to that county from the State Aid Road
624 Fund for fiscal year 1994, first must be expended by the county
625 for replacement or rehabilitation of bridges on the state aid road
626 system that have a sufficiency rating of less than twenty-five
627 (25), according to National Bridge Inspection standards before
628 such monies may be approved for expenditure by the State Aid Road
629 Engineer on other projects that qualify for the use of state aid
630 road funds.

631 Any reference in the general laws of this state or the
632 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
633 construed to refer and apply to subsection (4) of Section
634 27-65-75.

635 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
636 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
637 the special fund known as the "State Public School Building Fund"

638 created and existing under the provisions of Sections 37-47-1
639 through 37-47-67. Such payments into said fund are to be made on
640 the last day of each succeeding month hereafter.

641 (6) An amount each month beginning August 15, 1983, through
642 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
643 of 1983, shall be paid into the special fund known as the
644 Correctional Facilities Construction Fund created in Section 6 of
645 Chapter 542, Laws of 1983.

646 (7) On or before August 15, 1992, and each succeeding month
647 thereafter, two and two hundred sixty-six one-thousandths percent
648 (2.266%) of the total sales tax revenue collected during the
649 preceding month under the provisions of this chapter, except that
650 collected under the provisions of Section 27-65-17(2) shall be
651 deposited by the commission into the School Ad Valorem Tax
652 Reduction Fund created pursuant to Section 37-61-35.

653 (8) On or before August 15, 1992, and each succeeding month
654 thereafter, nine and seventy-three one-thousandths percent
655 (9.073%) of the total sales tax revenue collected during the
656 preceding month under the provisions of this chapter, except that
657 collected under the provisions of Section 27-65-17(2) shall be
658 deposited into the Education Enhancement Fund created pursuant to
659 Section 37-61-33.

660 (9) On or before August 15, 1994, and each succeeding month
661 thereafter, from the revenue collected under this chapter during
662 the preceding month, Two Hundred Fifty Thousand Dollars
663 (\$250,000.00) shall be paid into the State Aid Road Fund.

664 (10) On or before August 15, 1994, and each succeeding month
665 thereafter through August 15, 1995, from the revenue collected
666 under this chapter during the preceding month, Two Million Dollars
667 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
668 Valorem Tax Reduction Fund established in Section 27-51-105.

669 (11) Notwithstanding any other provision of this section to
670 the contrary, on or before February 15, 1995, and each succeeding

671 month thereafter, the sales tax revenue collected during the
672 preceding month under the provisions of Section 27-65-17(2) and
673 the corresponding levy in Section 27-65-23 on the rental or lease
674 of private carriers of passengers and light carriers of property
675 as defined in Section 27-51-101 shall be deposited, without
676 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
677 established in Section 27-51-105.

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

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

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

702 (15) The remainder of the amounts collected under the
703 provisions of this chapter shall be paid into the State Treasury

704 to the credit of the General Fund.

705 (16) It shall be the duty of the municipal officials of any
706 municipality which expands its limits, or of any community which
707 incorporates as a municipality, to notify the commissioner of such
708 action thirty (30) days before the effective date. Failure to so
709 notify the commissioner shall cause such municipality to forfeit
710 the revenue which it would have been entitled to receive during
711 this period of time when the commissioner had no knowledge of the
712 action. If any funds have been erroneously disbursed to any
713 municipality or any overpayment of tax is recovered by the
714 taxpayer, the commissioner may make correction and adjust the
715 error or overpayment with such municipality by withholding the
716 necessary funds from any subsequent payment to be made to the
717 municipality.

718 (17) Notwithstanding any other provision of this section to
719 the contrary, on or before August 15, 1999, and each succeeding
720 month thereafter, the sales tax revenue collected during the
721 preceding month under the provisions of Section 27-65-19(e) with
722 respect to interstate communications services, shall be deposited,
723 without diversion, into the Telecommunications Ad Valorem Tax
724 Reduction and Local Distribution Fund established in Section 4 of
725 House Bill No. _____, 1999 Regular Session.

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

727 27-65-75. On or before the fifteenth day of each month, the
728 revenue collected under the provisions of this chapter during the
729 preceding month shall be paid and distributed as follows:

730 (1) On or before August 15, 1992, and each succeeding month
731 thereafter through July 15, 1993, eighteen percent (18%) of the
732 total sales tax revenue collected during the preceding month under
733 the provisions of this chapter, except that collected under the
734 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
735 business activities within a municipal corporation shall be
736 allocated for distribution to such municipality and paid to such

737 municipal corporation. On or before August 15, 1993, and each
738 succeeding month thereafter, eighteen and one-half percent
739 (18-1/2%) of the total sales tax revenue collected during the
740 preceding month under the provisions of this chapter, except that
741 collected under the provisions of Sections 27-65-15, 27-65-19(3)
742 and 27-65-21, on business activities within a municipal
743 corporation shall be allocated for distribution to such
744 municipality and paid to such municipal corporation.

745 A municipal corporation, for the purpose of distributing the
746 tax under this subsection, shall mean and include all incorporated
747 cities, towns and villages.

748 Monies allocated for distribution and credited to a municipal
749 corporation under this subsection may be pledged as security for
750 any loan received by the municipal corporation for the purpose of
751 capital improvements as authorized under Section 57-1-303, or
752 loans as authorized under Section 57-44-7, or water systems
753 improvements as authorized under Section 41-3-16.

754 In any county having a county seat which is not an
755 incorporated municipality, the distribution provided hereunder
756 shall be made as though the county seat was an incorporated
757 municipality; however, the distribution to such municipality shall
758 be paid to the county treasury wherein the municipality is located
759 and such funds shall be used for road, bridge and street
760 construction or maintenance therein.

761 (2) On or before September 15, 1987, and each succeeding
762 month thereafter, from the revenue collected under this chapter
763 during the preceding month One Million One Hundred Twenty-five
764 Thousand Dollars (\$1,125,000.00) shall be allocated for
765 distribution to municipal corporations as defined under subsection
766 (1) of this section in the proportion that the number of gallons
767 of gasoline and diesel fuel sold by distributors to consumers and
768 retailers in each such municipality during the preceding fiscal
769 year bears to the total gallons of gasoline and diesel fuel sold

770 by distributors to consumers and retailers in municipalities
771 statewide during the preceding fiscal year. The State Tax
772 Commission shall require all distributors of gasoline and diesel
773 fuel to report to the commission monthly the total number of
774 gallons of gasoline and diesel fuel sold by them to consumers and
775 retailers in each municipality during the preceding month. The
776 State Tax Commission shall have the authority to promulgate such
777 rules and regulations as is necessary to determine the number of
778 gallons of gasoline and diesel fuel sold by distributors to
779 consumers and retailers in each municipality. In determining the
780 percentage allocation of funds under this subsection for the
781 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
782 State Tax Commission may consider gallons of gasoline and diesel
783 fuel sold for a period of less than one (1) fiscal year. For the
784 purposes of this subsection, the term "fiscal year" means the
785 fiscal year beginning July 1 of a year.

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

797 (4) On or before August 15, 1994, and on or before the
798 fifteenth day of each succeeding month from the proceeds of
799 gasoline, diesel fuel or kerosene taxes as provided in Section
800 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
801 deposited in the State Treasury to the credit of a special fund
802 designated as the "State Aid Road Fund," created by Section

803 65-9-17. Such funds shall be pledged to pay the principal of and
804 interest on state aid road bonds heretofore issued under Sections
805 19-9-51 through 19-9-77, in lieu of and in substitution for the
806 funds heretofore allocated to counties under this section. Such
807 funds may not be pledged for the payment of any state aid road
808 bonds issued after April 1, 1981; however, this prohibition
809 against the pledging of any such funds for the payment of bonds
810 shall not apply to any bonds for which intent to issue such bonds
811 has been published, for the first time, as provided by law prior
812 to March 29, 1981. From the amount of taxes paid into the special
813 fund pursuant to this subsection and subsection (9) of this
814 section, there shall be first deducted and paid the amount
815 necessary to pay the expenses of the Office of State Aid Road
816 Construction, as authorized by the Legislature for all other
817 general and special fund agencies. The remainder of the fund
818 shall be allocated monthly to the several counties in accordance
819 with the following formula:

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

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

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

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

833 The amount of funds allocated to any county under this
834 subsection for any fiscal year after fiscal year 1994 shall not be
835 less than the amount allocated to such county for fiscal year

836 1994. Monies allocated to a county from the State Aid Road Fund
837 for fiscal year 1995 or any fiscal year thereafter that exceed the
838 amount of funds allocated to that county from the State Aid Road
839 Fund for fiscal year 1994, first must be expended by the county
840 for replacement or rehabilitation of bridges on the state aid road
841 system that have a sufficiency rating of less than twenty-five
842 (25), according to National Bridge Inspection standards before
843 such monies may be approved for expenditure by the State Aid Road
844 Engineer on other projects that qualify for the use of state aid
845 road funds.

846 Any reference in the general laws of this state or the
847 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
848 construed to refer and apply to subsection (4) of Section
849 27-65-75.

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

856 (6) An amount each month beginning August 15, 1983, through
857 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
858 of 1983, shall be paid into the special fund known as the
859 Correctional Facilities Construction Fund created in Section 6 of
860 Chapter 542, Laws of 1983.

861 (7) On or before August 15, 1992, and each succeeding month
862 thereafter, two and two hundred sixty-six one-thousandths percent
863 (2.266%) of the total sales tax revenue collected during the
864 preceding month under the provisions of this chapter, except that
865 collected under the provisions of Section 27-65-17(2), not to
866 exceed the fiscal year 1997 appropriated level shall be deposited
867 by the commission into the School Ad Valorem Tax Reduction Fund
868 created pursuant to Section 37-61-35, with the balance to be

869 transferred to the Education Enhancement Fund created under
870 Section 37-61-33 for appropriation by the Legislature as other
871 education needs and not subject to the percentage set asides set
872 forth in Section 37-61-33.

873 (8) On or before August 15, 1992, and each succeeding month
874 thereafter, nine and seventy-three one-thousandths percent
875 (9.073%) of the total sales tax revenue collected during the
876 preceding month under the provisions of this chapter, except that
877 collected under the provisions of Section 27-65-17(2) shall be
878 deposited into the Education Enhancement Fund created pursuant to
879 Section 37-61-33.

880 (9) On or before August 15, 1994, and each succeeding month
881 thereafter, from the revenue collected under this chapter during
882 the preceding month, Two Hundred Fifty Thousand Dollars
883 (\$250,000.00) shall be paid into the State Aid Road Fund.

884 (10) On or before August 15, 1994, and each succeeding month
885 thereafter through August 15, 1995, from the revenue collected
886 under this chapter during the preceding month, Two Million Dollars
887 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
888 Valorem Tax Reduction Fund established in Section 27-51-105.

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

895 (12) Notwithstanding any other provision of this section to
896 the contrary, on or before August 15, 1995, and each succeeding
897 month thereafter, the sales tax revenue collected during the
898 preceding month under the provisions of Section 27-65-17(1) on
899 retail sales of private carriers of passengers and light carriers
900 of property, as defined in Section 27-51-101, shall be deposited,
901 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction

902 Fund established in Section 27-51-105.

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

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

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

921 (16) It shall be the duty of the municipal officials of any
922 municipality which expands its limits, or of any community which
923 incorporates as a municipality, to notify the commissioner of such
924 action thirty (30) days before the effective date. Failure to so
925 notify the commissioner shall cause such municipality to forfeit
926 the revenue which it would have been entitled to receive during
927 this period of time when the commissioner had no knowledge of the
928 action. If any funds have been erroneously disbursed to any
929 municipality or any overpayment of tax is recovered by the
930 taxpayer, the commissioner may make correction and adjust the
931 error or overpayment with such municipality by withholding the
932 necessary funds from any subsequent payment to be made to the
933 municipality.

934 (17) Notwithstanding any other provision of this section to

935 the contrary, on or before August 15, 1999, and each succeeding
936 month thereafter, the sales tax revenue collected during the
937 preceding month under the provisions of Section 27-65-19(e) with
938 respect to interstate communications services, shall be deposited,
939 without diversion, into the Telecommunications Ad Valorem Tax
940 Reduction and Local Distribution Fund established in Section 4 of
941 House Bill No. _____, 1999 Regular Session.

942 SECTION 11. Section 27-35-319, Mississippi Code of 1972, is
943 amended as follows:

944 27-35-319. * * * Notwithstanding the provisions of Sections
945 27-35-31, 27-35-309, 27-35-317 and 27-35-323, when all the
946 property of a telephone company is located in not more than six
947 (6) counties, it shall be assessed and taxed as that of a person;
948 and the laws, providing for the assessment and collection of taxes
949 on the property of persons, shall apply to the assessment and
950 collection of taxes on the property of such companies. All shares
951 or certificates of stock issued by any such corporation or company
952 shall be exempt from taxation and shall not be returned for
953 assessment. Its land and tangible personal property shall be
954 assessed and taxed where situated on the first day of January of
955 the year.

956 * * *

957 SECTION 12. Sections 21-33-201, 21-33-203, 21-33-205,
958 21-33-207, 21-33-209 and 21-33-211, Mississippi Code of 1972,
959 which constitute the City Utility Tax Law, are hereby repealed.

960 SECTION 13. Sections 8 and 9 of this act shall be effective
961 with respect to taxable services reflected on bills submitted by
962 communications service providers to their customers which are
963 dated on or after July 1, 1999, regardless of when such services
964 are provided. Section 12 of this act shall take effect on January
965 1, 2000. The remaining provisions of this act shall take effect
966 and be in force from and after July 1, 1999.