

By: Nettles

To: Ways and Means

HOUSE BILL NO. 120

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE FOR THE PAYMENT OF A PERCENTAGE OF SALES TAX REVENUES
3 GENERATED FROM BUSINESS ACTIVITIES OUTSIDE MUNICIPALITIES TO THE
4 COUNTIES IN WHICH SUCH BUSINESS ACTIVITIES OCCURRED; TO AMEND
5 SECTION 27-65-53, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;
6 AND FOR RELATED PURPOSES.

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

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, except as otherwise
76 provided in Section 31-17-127, be deposited into the State
77 Treasury to the credit of the State Highway Fund to be used to
78 fund such Four-Lane Highway Program. The Mississippi Department
79 of Transportation shall provide to the State Tax Commission such
80 information as is necessary to determine the amount of proceeds to
81 be distributed under this subsection.

82 (4) On or before August 15, 1994, and on or before the

83 fifteenth day of each succeeding month through July 15, 1999, from
84 the proceeds of gasoline, diesel fuel or kerosene taxes as
85 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
86 (\$4,000,000.00) shall be deposited in the State Treasury to the
87 credit of a special fund designated as the "State Aid Road Fund,"
88 created by Section 65-9-17. On or before August 15, 1999, and on
89 or before the fifteenth day of each succeeding month, from the
90 total amount of the proceeds of gasoline, diesel fuel or kerosene
91 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
92 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
93 percent (23.25%) of such funds, whichever is the greater amount,
94 shall be deposited in the State Treasury to the credit of the
95 "State Aid Road Fund," created by Section 65-9-17. Such funds
96 shall be pledged to pay the principal of and interest on state aid
97 road bonds heretofore issued under Sections 19-9-51 through
98 19-9-77, in lieu of and in substitution for the funds heretofore
99 allocated to counties under this section. Such funds may not be
100 pledged for the payment of any state aid road bonds issued after
101 April 1, 1981; however, this prohibition against the pledging of
102 any such funds for the payment of bonds shall not apply to any
103 bonds for which intent to issue such bonds has been published, for
104 the first time, as provided by law prior to March 29, 1981. From
105 the amount of taxes paid into the special fund pursuant to this
106 subsection and subsection (9) of this section, there shall be
107 first deducted and paid the amount necessary to pay the expenses
108 of the Office of State Aid Road Construction, as authorized by the
109 Legislature for all other general and special fund agencies. The
110 remainder of the fund shall be allocated monthly to the several

111 counties in accordance with the following formula:

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

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

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

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

125 The amount of funds allocated to any county under this
126 subsection for any fiscal year after fiscal year 1994 shall not be
127 less than the amount allocated to such county for fiscal year
128 1994. Monies allocated to a county from the State Aid Road Fund
129 for fiscal year 1995 or any fiscal year thereafter that exceed the
130 amount of funds allocated to that county from the State Aid Road
131 Fund for fiscal year 1994, first must be expended by the county
132 for replacement or rehabilitation of bridges on the state aid road
133 system that have a sufficiency rating of less than twenty-five
134 (25), according to National Bridge Inspection standards before
135 such monies may be approved for expenditure by the State Aid Road
136 Engineer on other projects that qualify for the use of state aid
137 road funds.

138 Any reference in the general laws of this state or the

139 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
140 construed to refer and apply to subsection (4) of Section
141 27-65-75.

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

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

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

160 (8) On or before August 15, 1992, and each succeeding month
161 thereafter, nine and seventy-three one-thousandths percent
162 (9.073%) of the total sales tax revenue collected during the
163 preceding month under the provisions of this chapter, except that
164 collected under the provisions of Section 27-65-17(2) shall be
165 deposited into the Education Enhancement Fund created pursuant to
166 Section 37-61-33.

167 (9) On or before August 15, 1994, and each succeeding month
168 thereafter, from the revenue collected under this chapter during
169 the preceding month, Two Hundred Fifty Thousand Dollars
170 (\$250,000.00) shall be paid into the State Aid Road Fund.

171 (10) On or before August 15, 1994, and each succeeding month
172 thereafter through August 15, 1995, from the revenue collected
173 under this chapter during the preceding month, Two Million Dollars
174 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
175 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

194 (13) On or before July 15, 1994, and on or before the

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

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

209 (15) On or before August 15, 2000, and each succeeding month
210 thereafter, eighteen and one-half percent (18 1/2%) of the total
211 sales tax revenue collected during the preceding month under the
212 provisions of this chapter, except that collected under the
213 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, and
214 that collected under the provisions of Section 27-65-17(2) and the
215 corresponding levy in Section 27-65-23 on the rental or lease of
216 private carriers of passengers and light carriers of property as
217 defined in Section 27-51-101, on business activities within a
218 county but outside any municipal corporation, as defined in
219 subsection (1) of this section, shall be allocated for
220 distribution to such county and paid to such county. The amount
221 paid to each county under this subsection (15) shall be in
222 addition to any other funds allocated for distribution to the

223 various counties under this section.

224 (16) The remainder of the amounts collected under the
225 provisions of this chapter shall be paid into the State Treasury
226 to the credit of the General Fund.

227 (17) It shall be the duty of the municipal officials of any
228 municipality which expands its limits, or of any community which
229 incorporates as a municipality, to notify the commissioner of such
230 action thirty (30) days before the effective date. Failure to so
231 notify the commissioner shall cause such municipality to forfeit
232 the revenue which it would have been entitled to receive during
233 this period of time when the commissioner had no knowledge of the
234 action. If any funds have been erroneously disbursed to any
235 municipality or county or any overpayment of tax is recovered by
236 the taxpayer, the commissioner may make correction and adjust the
237 error or overpayment with such municipality or county by
238 withholding the necessary funds from any subsequent payment to be
239 made to the municipality or county.

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

241 27-65-75. On or before the fifteenth day of each month, the
242 revenue collected under the provisions of this chapter during the
243 preceding month shall be paid and distributed as follows:

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

251 municipal corporation. On or before August 15, 1993, and each
252 succeeding month thereafter, eighteen and one-half percent
253 (18-1/2%) of the total sales tax revenue collected during the
254 preceding month under the provisions of this chapter, except that
255 collected under the provisions of Sections 27-65-15, 27-65-19(3)
256 and 27-65-21, on business activities within a municipal
257 corporation shall be allocated for distribution to such
258 municipality and paid to such municipal corporation.

259 A municipal corporation, for the purpose of distributing the
260 tax under this subsection, shall mean and include all incorporated
261 cities, towns and villages.

262 Monies allocated for distribution and credited to a municipal
263 corporation under this subsection may be pledged as security for
264 any loan received by the municipal corporation for the purpose of
265 capital improvements as authorized under Section 57-1-303, or
266 loans as authorized under Section 57-44-7, or water systems
267 improvements as authorized under Section 41-3-16.

268 In any county having a county seat which is not an
269 incorporated municipality, the distribution provided hereunder
270 shall be made as though the county seat was an incorporated
271 municipality; however, the distribution to such municipality shall
272 be paid to the county treasury wherein the municipality is located
273 and such funds shall be used for road, bridge and street
274 construction or maintenance therein.

275 (2) On or before September 15, 1987, and each succeeding
276 month thereafter, from the revenue collected under this chapter
277 during the preceding month One Million One Hundred Twenty-five
278 Thousand Dollars (\$1,125,000.00) shall be allocated for

279 distribution to municipal corporations as defined under subsection
280 (1) of this section in the proportion that the number of gallons
281 of gasoline and diesel fuel sold by distributors to consumers and
282 retailers in each such municipality during the preceding fiscal
283 year bears to the total gallons of gasoline and diesel fuel sold
284 by distributors to consumers and retailers in municipalities
285 statewide during the preceding fiscal year. The State Tax
286 Commission shall require all distributors of gasoline and diesel
287 fuel to report to the commission monthly the total number of
288 gallons of gasoline and diesel fuel sold by them to consumers and
289 retailers in each municipality during the preceding month. The
290 State Tax Commission shall have the authority to promulgate such
291 rules and regulations as is necessary to determine the number of
292 gallons of gasoline and diesel fuel sold by distributors to
293 consumers and retailers in each municipality. In determining the
294 percentage allocation of funds under this subsection for the
295 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
296 State Tax Commission may consider gallons of gasoline and diesel
297 fuel sold for a period of less than one (1) fiscal year. For the
298 purposes of this subsection, the term "fiscal year" means the
299 fiscal year beginning July 1 of a year.

300 (3) On or before September 15, 1987, and on or before the
301 fifteenth day of each succeeding month, until the date specified
302 in Section 65-39-35, the proceeds derived from contractors' taxes
303 levied under Section 27-65-21 on contracts for the construction or
304 reconstruction of highways designated under the Four-Lane Highway
305 Program created under Section 65-3-97 shall, except as otherwise
306 provided in Section 31-17-127, be deposited into the State

307 Treasury to the credit of the State Highway Fund to be used to
308 fund such Four-Lane Highway Program. The Mississippi Department
309 of Transportation shall provide to the State Tax Commission such
310 information as is necessary to determine the amount of proceeds to
311 be distributed under this subsection.

312 (4) On or before August 15, 1994, and on or before the
313 fifteenth day of each succeeding month through July 15, 1999, from
314 the proceeds of gasoline, diesel fuel or kerosene taxes as
315 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
316 (\$4,000,000.00) shall be deposited in the State Treasury to the
317 credit of a special fund designated as the "State Aid Road Fund,"
318 created by Section 65-9-17. On or before August 15, 1999, and on
319 or before the fifteenth day of each succeeding month, from the
320 total amount of the proceeds of gasoline, diesel fuel or kerosene
321 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
322 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
323 percent (23.25%) of such funds, whichever is the greater amount,
324 shall be deposited in the State Treasury to the credit of the
325 "State Aid Road Fund," created by Section 65-9-17. Such funds
326 shall be pledged to pay the principal of and interest on state aid
327 road bonds heretofore issued under Sections 19-9-51 through
328 19-9-77, in lieu of and in substitution for the funds heretofore
329 allocated to counties under this section. Such funds may not be
330 pledged for the payment of any state aid road bonds issued after
331 April 1, 1981; however, this prohibition against the pledging of
332 any such funds for the payment of bonds shall not apply to any
333 bonds for which intent to issue such bonds has been published, for
334 the first time, as provided by law prior to March 29, 1981. From

335 the amount of taxes paid into the special fund pursuant to this
336 subsection and subsection (9) of this section, there shall be
337 first deducted and paid the amount necessary to pay the expenses
338 of the Office of State Aid Road Construction, as authorized by the
339 Legislature for all other general and special fund agencies. The
340 remainder of the fund shall be allocated monthly to the several
341 counties in accordance with the following formula:

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

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

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

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

355 The amount of funds allocated to any county under this
356 subsection for any fiscal year after fiscal year 1994 shall not be
357 less than the amount allocated to such county for fiscal year
358 1994. Monies allocated to a county from the State Aid Road Fund
359 for fiscal year 1995 or any fiscal year thereafter that exceed the
360 amount of funds allocated to that county from the State Aid Road
361 Fund for fiscal year 1994, first must be expended by the county
362 for replacement or rehabilitation of bridges on the state aid road

363 system that have a sufficiency rating of less than twenty-five
364 (25), according to National Bridge Inspection standards before
365 such monies may be approved for expenditure by the State Aid Road
366 Engineer on other projects that qualify for the use of state aid
367 road funds.

368 Any reference in the general laws of this state or the
369 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
370 construed to refer and apply to subsection (4) of Section
371 27-65-75.

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

378 (6) An amount each month beginning August 15, 1983, through
379 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
380 of 1983, shall be paid into the special fund known as the
381 Correctional Facilities Construction Fund created in Section 6 of
382 Chapter 542, Laws of 1983.

383 (7) On or before August 15, 1992, and each succeeding month
384 thereafter, two and two hundred sixty-six one-thousandths percent
385 (2.266%) of the total sales tax revenue collected during the
386 preceding month under the provisions of this chapter, except that
387 collected under the provisions of Section 27-65-17(2), not to
388 exceed the fiscal year 1997 appropriated level shall be deposited
389 by the commission into the School Ad Valorem Tax Reduction Fund
390 created pursuant to Section 37-61-35, with the balance to be

391 transferred to the Education Enhancement Fund created under
392 Section 37-61-33 for appropriation by the Legislature as other
393 education needs and not subject to the percentage set asides set
394 forth in Section 37-61-33.

395 (8) On or before August 15, 1992, and each succeeding month
396 thereafter, nine and seventy-three one-thousandths percent
397 (9.073%) of the total sales tax revenue collected during the
398 preceding month under the provisions of this chapter, except that
399 collected under the provisions of Section 27-65-17(2) shall be
400 deposited into the Education Enhancement Fund created pursuant to
401 Section 37-61-33.

402 (9) On or before August 15, 1994, and each succeeding month
403 thereafter, from the revenue collected under this chapter during
404 the preceding month, Two Hundred Fifty Thousand Dollars
405 (\$250,000.00) shall be paid into the State Aid Road Fund.

406 (10) On or before August 15, 1994, and each succeeding month
407 thereafter through August 15, 1995, from the revenue collected
408 under this chapter during the preceding month, Two Million Dollars
409 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
410 Valorem Tax Reduction Fund established in Section 27-51-105.

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

417 (12) Notwithstanding any other provision of this section to
418 the contrary, on or before August 15, 1995, and each succeeding

419 month thereafter, the sales tax revenue collected during the
420 preceding month under the provisions of Section 27-65-17(1) on
421 retail sales of private carriers of passengers and light carriers
422 of property, as defined in Section 27-51-101, shall be deposited,
423 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
424 Fund established in Section 27-51-105.

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

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

440 (15) On or before August 15, 2000, and each succeeding month
441 thereafter, eighteen and one-half percent (18 1/2%) of the total
442 sales tax revenue collected during the preceding month under the
443 provisions of this chapter, except that collected under the
444 provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and
445 27-65-21, on business activities within a county but outside any
446 municipal corporation, as defined in subsection (1) of this

447 section, shall be allocated for distribution to such county and
448 paid to such county. The amount paid to each county under this
449 subsection (15) shall be in addition to any other funds allocated
450 for distribution to the various counties under this section.

451 (16) The remainder of the amounts collected under the
452 provisions of this chapter shall be paid into the State Treasury
453 to the credit of the General Fund.

454 (17) It shall be the duty of the municipal officials of any
455 municipality which expands its limits, or of any community which
456 incorporates as a municipality, to notify the commissioner of such
457 action thirty (30) days before the effective date. Failure to so
458 notify the commissioner shall cause such municipality to forfeit
459 the revenue which it would have been entitled to receive during
460 this period of time when the commissioner had no knowledge of the
461 action. If any funds have been erroneously disbursed to any
462 municipality or county or any overpayment of tax is recovered by
463 the taxpayer, the commissioner may make correction and adjust the
464 error or overpayment with such municipality or county by
465 withholding the necessary funds from any subsequent payment to be
466 made to the municipality or county.

467 SECTION 2. Section 27-65-53, Mississippi Code of 1972, is
468 amended as follows:

469 27-65-53. If the commissioner finds that the taxpayer has
470 overpaid his tax for any reason and the taxpayer has discontinued
471 business and there is no subsequent liability upon which the
472 excess may be credited, or if the amount of the excess so paid
473 shall exceed the estimated liability for the next twelve (12)
474 months, the excess shall be refunded to the taxpayer. Such amount

475 shall be certified to the State Auditor of Public Accounts by the
476 commission. The * * * auditor may make such investigation and
477 audit of the claim as he finds necessary. If he finds that the
478 commissioner is correct in his determination, the auditor may
479 issue his warrant to the State Treasurer in favor of the taxpayer
480 for the amount of tax erroneously paid into the State Treasury,
481 such refunds to be made from current sales tax collections. If
482 part of the overpayment has been disbursed to any municipality or
483 county, under authority of Section 27-65-75, the municipality or
484 county, having erroneously received the money, shall adjust the
485 amount with the commissioner, or the overpayment may be withheld
486 by the state from any funds due by the state to the municipality
487 or county.

488 * * * Where the taxpayer has overpaid his tax, the
489 commissioner may give credit for same and allow the taxpayer to
490 take credit on a subsequent return or, if necessary, in his
491 discretion, have the taxpayer file for a refund as provided
492 herein.

493 If any overpayment of tax as reflected in an application or
494 amended return, or both, filed by the taxpayer, and verified by
495 the commissioner or otherwise determined to be due by the
496 commissioner or commission, is not refunded or credited to a
497 taxpayer's account within ninety (90) days after the application
498 or amended return is filed or the date the commission or
499 commissioner determines a refund is due, whichever is later,
500 interest at the rate of one percent (1%) per month shall be
501 allowed on such overpayment computed for the period after
502 expiration of the ninety-day period provided herein to the date of

503 payment.

504 SECTION 3. This act shall take effect and be in force from
505 and after July 1, 2000.