

By: Stringer

To: Ways and Means

HOUSE BILL NO. 567

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, on
214 business activities within a county but outside any municipal
215 corporation, as defined in subsection (1) of this section, shall
216 be allocated for distribution and paid to the county in which the
217 business activity occurred. The amount paid to each county under
218 this subsection (15) shall be in addition to any other funds
219 allocated for distribution to the various counties under this
220 section.

221 (16) The remainder of the amounts collected under the
222 provisions of this chapter shall be paid into the State Treasury

223 to the credit of the General Fund.

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

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

238 27-65-75. On or before the fifteenth day of each month, the
239 revenue collected under the provisions of this chapter during the
240 preceding month shall be paid and distributed as follows:

241 (1) On or before August 15, 1992, and each succeeding month
242 thereafter through July 15, 1993, eighteen percent (18%) of the
243 total sales tax revenue collected during the preceding month under
244 the provisions of this chapter, except that collected under the
245 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
246 business activities within a municipal corporation shall be
247 allocated for distribution to such municipality and paid to such
248 municipal corporation. On or before August 15, 1993, and each
249 succeeding month thereafter, eighteen and one-half percent
250 (18-1/2%) of the total sales tax revenue collected during the

251 preceding month under the provisions of this chapter, except that
252 collected under the provisions of Sections 27-65-15, 27-65-19(3)
253 and 27-65-21, on business activities within a municipal
254 corporation shall be allocated for distribution to such
255 municipality and paid to such municipal corporation.

256 A municipal corporation, for the purpose of distributing the
257 tax under this subsection, shall mean and include all incorporated
258 cities, towns and villages.

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

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

272 (2) On or before September 15, 1987, and each succeeding
273 month thereafter, from the revenue collected under this chapter
274 during the preceding month One Million One Hundred Twenty-five
275 Thousand Dollars (\$1,125,000.00) shall be allocated for
276 distribution to municipal corporations as defined under subsection
277 (1) of this section in the proportion that the number of gallons
278 of gasoline and diesel fuel sold by distributors to consumers and

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

297 (3) On or before September 15, 1987, and on or before the
298 fifteenth day of each succeeding month, until the date specified
299 in Section 65-39-35, the proceeds derived from contractors' taxes
300 levied under Section 27-65-21 on contracts for the construction or
301 reconstruction of highways designated under the Four-Lane Highway
302 Program created under Section 65-3-97 shall, except as otherwise
303 provided in Section 31-17-127, be deposited into the State
304 Treasury to the credit of the State Highway Fund to be used to
305 fund such Four-Lane Highway Program. The Mississippi Department
306 of Transportation shall provide to the State Tax Commission such

307 information as is necessary to determine the amount of proceeds to
308 be distributed under this subsection.

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

335 of the Office of State Aid Road Construction, as authorized by the
336 Legislature for all other general and special fund agencies. The
337 remainder of the fund shall be allocated monthly to the several
338 counties in accordance with the following formula:

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

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

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

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

352 The amount of funds allocated to any county under this
353 subsection for any fiscal year after fiscal year 1994 shall not be
354 less than the amount allocated to such county for fiscal year
355 1994. Monies allocated to a county from the State Aid Road Fund
356 for fiscal year 1995 or any fiscal year thereafter that exceed the
357 amount of funds allocated to that county from the State Aid Road
358 Fund for fiscal year 1994, first must be expended by the county
359 for replacement or rehabilitation of bridges on the state aid road
360 system that have a sufficiency rating of less than twenty-five
361 (25), according to National Bridge Inspection standards before
362 such monies may be approved for expenditure by the State Aid Road

363 Engineer on other projects that qualify for the use of state aid
364 road funds.

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

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

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

380 (7) On or before August 15, 1992, and each succeeding month
381 thereafter, two and two hundred sixty-six one-thousandths percent
382 (2.266%) of the total sales tax revenue collected during the
383 preceding month under the provisions of this chapter, except that
384 collected under the provisions of Section 27-65-17(2), not to
385 exceed the fiscal year 1997 appropriated level shall be deposited
386 by the commission into the School Ad Valorem Tax Reduction Fund
387 created pursuant to Section 37-61-35, with the balance to be
388 transferred to the Education Enhancement Fund created under
389 Section 37-61-33 for appropriation by the Legislature as other
390 education needs and not subject to the percentage set asides set

391 forth in Section 37-61-33.

392 (8) On or before August 15, 1992, and each succeeding month
393 thereafter, nine and seventy-three one-thousandths percent
394 (9.073%) of the total sales tax revenue collected during the
395 preceding month under the provisions of this chapter, except that
396 collected under the provisions of Section 27-65-17(2) shall be
397 deposited into the Education Enhancement Fund created pursuant to
398 Section 37-61-33.

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

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

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

414 (12) Notwithstanding any other provision of this section to
415 the contrary, on or before August 15, 1995, and each succeeding
416 month thereafter, the sales tax revenue collected during the
417 preceding month under the provisions of Section 27-65-17(1) on
418 retail sales of private carriers of passengers and light carriers

419 of property, as defined in Section 27-51-101, shall be deposited,
420 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
421 Fund established in Section 27-51-105.

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

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

437 (15) On or before August 15, 2000, and each succeeding month
438 thereafter, eighteen and one-half percent (18-1/2%) of the total
439 sales tax revenue collected during the preceding month under the
440 provisions of this chapter, except that collected under the
441 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
442 business activities within a county but outside any municipal
443 corporation, as defined in subsection (1) of this section, shall
444 be allocated for distribution and paid to the county in which the
445 business activity occurred. The amount paid to each county under
446 this subsection (15) shall be in addition to any other funds

447 allocated for distribution to the various counties under this
448 section.

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

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

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

467 27-65-53. If the commissioner finds that the taxpayer has
468 overpaid his tax for any reason and the taxpayer has discontinued
469 business and there is no subsequent liability upon which the
470 excess may be credited, or if the amount of the excess so paid
471 shall exceed the estimated liability for the next twelve (12)
472 months, the excess shall be refunded to the taxpayer. Such amount
473 shall be certified to the State Auditor of Public Accounts by the
474 commission. The * * * Auditor may make such investigation and

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

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

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

502 SECTION 3. This act shall take effect and be in force from

503 and after July 1, 2000.