

By: Snowden

To: Ways and Means

HOUSE BILL NO. 906

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
 2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN
 3 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS, BUT WHICH WOULD BE
 4 EXEMPT FROM SALES TAX IF SUCH FOOD WAS PURCHASED WITH FOOD STAMPS,
 5 TO 1.3%; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
 6 PROVIDE THAT ALL OF THE SALES TAX COLLECTED ON SUCH RETAIL SALES
 7 OF FOOD WITHIN A MUNICIPALITY SHALL BE ALLOCATED FOR DISTRIBUTION
 8 AND PAID TO SUCH MUNICIPALITY; TO INCREASE THE AMOUNT OF THE SALES
 9 TAX DIVERSION TO THE SCHOOL AD VALOREM TAX REDUCTION FUND AND THE
 10 EDUCATION ENHANCEMENT FUND; AND FOR RELATED PURPOSES.

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

12 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is
 13 amended as follows:[JU1]

14 27-65-17. (1) Upon every person engaging or continuing
 15 within this state in the business of selling any tangible personal
 16 property whatsoever there is hereby levied, assessed and shall be
 17 collected a tax equal to seven percent (7%) of the gross proceeds
 18 of the retail sales of the business, except as otherwise provided
 19 herein.

20 Retail sales of farm tractors shall be taxed at the rate of
 21 one percent (1%) when made to farmers for agricultural purposes.

22 Retail sales of farm implements sold to farmers and used
 23 directly in the production of poultry, ratite, domesticated fish
 24 as defined in Section 69-7-501, livestock, livestock products,
 25 agricultural crops or ornamental plant crops or used for other

26 agricultural purposes shall be taxed at the rate of three percent
27 (3%) when used on the farm. The three percent (3%) rate shall
28 also apply to all equipment used in logging, pulpwood operations
29 or tree farming which is either (a) self-propelled or which is (b)
30 mounted so that it is (i) permanently attached to other equipment
31 which is self-propelled or (ii) permanently attached to other
32 equipment drawn by a vehicle which is self-propelled.

33 Except as otherwise provided in subsection (3) of this
34 section, retail sales of aircraft, automobiles, trucks,
35 truck-tractors, semitrailers and mobile homes shall be taxed at
36 the rate of three percent (3%).

37 Sales of manufacturing machinery or manufacturing machine
38 parts when made to a manufacturer or custom processor for plant
39 use only when said machinery and machine parts will be used
40 exclusively and directly within this state in manufacturing a
41 commodity for sale, rental or in processing for a fee shall be
42 taxed at the rate of one and one-half percent (1-1/2%).

43 Sales of materials for use in track and track structures to a
44 railroad whose rates are fixed by the Interstate Commerce
45 Commission or the Mississippi Public Service Commission shall be
46 taxed at the rate of three percent (3%).

47 Sales of tangible personal property to electric power
48 associations for use in the ordinary and necessary operation of
49 their generating or distribution systems shall be taxed at the
50 rate of one percent (1%).

51 Wholesale sales of beer shall be taxed at the rate of seven
52 percent (7%), and the retailer shall file a return and compute the
53 retail tax on retail sales but may take credit for the amount of
54 the tax paid to the wholesaler on said return covering the
55 subsequent sales of same property, provided adequate invoices and
56 records are maintained to substantiate the credit.

57 Wholesale sales of food and drink for human consumption to
58 full service vending machine operators to be sold through vending
59 machines located apart from and not connected with other taxable
60 businesses shall be taxed at the rate of eight percent (8%).

61 A manufacturer selling at retail in this state shall be
62 required to make returns of the gross proceeds of such sales and
63 pay the tax imposed in this section.

64 Any person exercising any privilege taxable under Section
65 27-65-15 and selling his natural resource products at wholesale or
66 to exempt persons shall pay the tax levied by said section in lieu
67 of the tax levied by this section.

68 (2) From and after January 1, 1995, retail sales of private
69 carriers of passengers and light carriers of property, as defined
70 in Section 27-51-101, shall be taxed an additional two percent
71 (2%).

72 (3) In lieu of the tax levied in subsection (1) of this
73 section, there is levied on retail sales of truck-tractors and
74 semitrailers used in interstate commerce and registered under the
75 International Registration Plan (IRP) or any similar reciprocity
76 agreement or compact relating to the proportional registration of
77 commercial vehicles entered into as provided for in Section
78 27-19-143, a tax at the rate of three percent (3%) of the portion
79 of the sale that is attributable to the usage of such
80 truck-tractor or semitrailer in Mississippi. The portion of the
81 retail sale that is attributable to the usage of such
82 truck-tractor or semitrailer in Mississippi is the retail sales
83 price of the truck-tractor or semitrailer multiplied by the
84 percentage of the total miles traveled by the vehicle that are

85 traveled in Mississippi. The tax levied pursuant to this
86 subsection (3) shall be collected by the State Tax Commission from
87 the purchaser of such truck-tractor or semitrailer at the time of
88 registration of such truck-tractor or semitrailer.

89 (4) From and after July 1, 2000, in lieu of the tax levied
90 in subsection (1) of this section, retail sales of food for human
91 consumption not purchased with food stamps issued by the United
92 States Department of Agriculture, or other federal agency, but
93 which would be exempt from the taxes imposed by this chapter under
94 Section 27-65-111(o) if the food items were purchased with food
95 stamps, shall be taxed at the rate of one and three-tenths percent
96 (1.3%).

97 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is
98 amended as follows:[JU2]

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

100 27-65-75. On or before the fifteenth day of each month, the
101 revenue collected under the provisions of this chapter during the
102 preceding month shall be paid and distributed as follows:

103 (1) On or before August 15, 1992, and each succeeding month
104 thereafter through July 15, 1993, eighteen percent (18%) of the
105 total sales tax revenue collected during the preceding month under
106 the provisions of this chapter, except that collected under the
107 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
108 business activities within a municipal corporation shall be
109 allocated for distribution to such municipality and paid to such
110 municipal corporation. On or before August 15, 1993, and each
111 succeeding month thereafter through July 15, 2000, eighteen and
112 one-half percent (18-1/2%) of the total sales tax revenue

113 collected during the preceding month under the provisions of this
114 chapter, except that collected under the provisions of Sections
115 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
116 a municipal corporation shall be allocated for distribution to
117 such municipality and paid to such municipal corporation. On or
118 before August 15, 2000, and each succeeding month thereafter,
119 eighteen and one-half percent (18-1/2%) of the total sales tax
120 revenue collected during the preceding month under the provisions
121 of this chapter, except that collected under the provisions of
122 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on
123 business activities within a municipal corporation and all of the
124 sales tax revenue collected during the preceding month under the
125 provisions of Section 27-65-17(4) on business activities within a
126 municipal corporation shall be allocated for distribution to such
127 municipality and paid to such municipal corporation.

128 A municipal corporation, for the purpose of distributing the
129 tax under this subsection, shall mean and include all incorporated
130 cities, towns and villages.

131 Monies allocated for distribution and credited to a municipal
132 corporation under this subsection may be pledged as security for
133 any loan received by the municipal corporation for the purpose of
134 capital improvements as authorized under Section 57-1-303, or
135 loans as authorized under Section 57-44-7, or water systems
136 improvements as authorized under Section 41-3-16.

137 In any county having a county seat which is not an
138 incorporated municipality, the distribution provided hereunder
139 shall be made as though the county seat was an incorporated
140 municipality; however, the distribution to such municipality shall

141 be paid to the county treasury wherein the municipality is located
142 and such funds shall be used for road, bridge and street
143 construction or maintenance therein.

144 (2) On or before September 15, 1987, and each succeeding
145 month thereafter, from the revenue collected under this chapter
146 during the preceding month One Million One Hundred Twenty-five
147 Thousand Dollars (\$1,125,000.00) shall be allocated for
148 distribution to municipal corporations as defined under subsection
149 (1) of this section in the proportion that the number of gallons
150 of gasoline and diesel fuel sold by distributors to consumers and
151 retailers in each such municipality during the preceding fiscal
152 year bears to the total gallons of gasoline and diesel fuel sold
153 by distributors to consumers and retailers in municipalities
154 statewide during the preceding fiscal year. The State Tax
155 Commission shall require all distributors of gasoline and diesel
156 fuel to report to the commission monthly the total number of
157 gallons of gasoline and diesel fuel sold by them to consumers and
158 retailers in each municipality during the preceding month. The
159 State Tax Commission shall have the authority to promulgate such
160 rules and regulations as is necessary to determine the number of
161 gallons of gasoline and diesel fuel sold by distributors to
162 consumers and retailers in each municipality. In determining the
163 percentage allocation of funds under this subsection for the
164 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
165 State Tax Commission may consider gallons of gasoline and diesel
166 fuel sold for a period of less than one (1) fiscal year. For the
167 purposes of this subsection, the term "fiscal year" means the
168 fiscal year beginning July 1 of a year.

169 (3) On or before September 15, 1987, and on or before the
170 fifteenth day of each succeeding month, until the date specified
171 in Section 65-39-35, the proceeds derived from contractors' taxes
172 levied under Section 27-65-21 on contracts for the construction or
173 reconstruction of highways designated under the Four-Lane Highway
174 Program created under Section 65-3-97 shall, except as otherwise
175 provided in Section 31-17-127, be deposited into the State
176 Treasury to the credit of the State Highway Fund to be used to
177 fund such Four-Lane Highway Program. The Mississippi Department
178 of Transportation shall provide to the State Tax Commission such
179 information as is necessary to determine the amount of proceeds to
180 be distributed under this subsection.

181 (4) On or before August 15, 1994, and on or before the
182 fifteenth day of each succeeding month through July 15, 1999, from
183 the proceeds of gasoline, diesel fuel or kerosene taxes as
184 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
185 (\$4,000,000.00) shall be deposited in the State Treasury to the
186 credit of a special fund designated as the "State Aid Road Fund,"
187 created by Section 65-9-17. On or before August 15, 1999, and on
188 or before the fifteenth day of each succeeding month, from the
189 total amount of the proceeds of gasoline, diesel fuel or kerosene
190 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
191 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
192 percent (23.25%) of such funds, whichever is the greater amount,
193 shall be deposited in the State Treasury to the credit of the
194 "State Aid Road Fund," created by Section 65-9-17. Such funds
195 shall be pledged to pay the principal of and interest on state aid
196 road bonds heretofore issued under Sections 19-9-51 through

197 19-9-77, in lieu of and in substitution for the funds heretofore
198 allocated to counties under this section. Such funds may not be
199 pledged for the payment of any state aid road bonds issued after
200 April 1, 1981; however, this prohibition against the pledging of
201 any such funds for the payment of bonds shall not apply to any
202 bonds for which intent to issue such bonds has been published, for
203 the first time, as provided by law prior to March 29, 1981. From
204 the amount of taxes paid into the special fund pursuant to this
205 subsection and subsection (9) of this section, there shall be
206 first deducted and paid the amount necessary to pay the expenses
207 of the Office of State Aid Road Construction, as authorized by the
208 Legislature for all other general and special fund agencies. The
209 remainder of the fund shall be allocated monthly to the several
210 counties in accordance with the following formula:

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

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

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

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

224 The amount of funds allocated to any county under this

225 subsection for any fiscal year after fiscal year 1994 shall not be
226 less than the amount allocated to such county for fiscal year
227 1994. Monies allocated to a county from the State Aid Road Fund
228 for fiscal year 1995 or any fiscal year thereafter that exceed the
229 amount of funds allocated to that county from the State Aid Road
230 Fund for fiscal year 1994, first must be expended by the county
231 for replacement or rehabilitation of bridges on the state aid road
232 system that have a sufficiency rating of less than twenty-five
233 (25), according to National Bridge Inspection standards before
234 such monies may be approved for expenditure by the State Aid Road
235 Engineer on other projects that qualify for the use of state aid
236 road funds.

237 Any reference in the general laws of this state or the
238 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
239 construed to refer and apply to subsection (4) of Section
240 27-65-75.

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

247 (6) An amount each month beginning August 15, 1983, through
248 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
249 of 1983, shall be paid into the special fund known as the
250 Correctional Facilities Construction Fund created in Section 6 of
251 Chapter 542, Laws of 1983.

252 (7) On or before August 15, 1992, and each succeeding month

253 thereafter through July 15, 2000, two and two hundred sixty-six
254 one-thousandths percent (2.266%) of the total sales tax revenue
255 collected during the preceding month under the provisions of this
256 chapter, except that collected under the provisions of Section
257 27-65-17(2) shall be deposited by the commission into the School
258 Ad Valorem Tax Reduction Fund created pursuant to Section
259 37-61-35. On or before August 15, 2000, and each succeeding month
260 thereafter, two and five hundred ninety-eight one-thousandths
261 percent (2.598%) of the total sales tax revenue collected during
262 the preceding month under the provisions of this chapter, except
263 that collected under the provisions of Sections 27-65-17(2) and
264 27-65-17(4), on business activities within a municipal corporation
265 shall be deposited by the commission into the School Ad Valorem
266 Tax Reduction Fund created pursuant to Section 37-61-35.

267 (8) On or before August 15, 1992, and each succeeding month
268 thereafter through July 15, 2000, nine and seventy-three
269 one-thousandths percent (9.073%) of the total sales tax revenue
270 collected during the preceding month under the provisions of this
271 chapter, except that collected under the provisions of Section
272 27-65-17(2) shall be deposited into the Education Enhancement Fund
273 created pursuant to Section 37-61-33. On or before August 15,
274 2000, and each succeeding month thereafter, ten and four hundred
275 twenty-six one-thousandths percent (10.426%) of the total sales
276 tax revenue collected during the preceding month under the
277 provisions of this chapter, except that collected under the
278 provisions of Sections 27-65-17(2) and 27-65-17(4), on business
279 activities within a municipal corporation shall be deposited into
280 the Education Enhancement Fund created pursuant to Section

281 37-61-33.

282 (9) On or before August 15, 1994, and each succeeding month
283 thereafter, from the revenue collected under this chapter during
284 the preceding month, Two Hundred Fifty Thousand Dollars
285 (\$250,000.00) shall be paid into the State Aid Road Fund.

286 (10) On or before August 15, 1994, and each succeeding month
287 thereafter through August 15, 1995, from the revenue collected
288 under this chapter during the preceding month, Two Million Dollars
289 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
290 Valorem Tax Reduction Fund established in Section 27-51-105.

291 (11) Notwithstanding any other provision of this section to
292 the contrary, on or before February 15, 1995, and each succeeding
293 month thereafter, the sales tax revenue collected during the
294 preceding month under the provisions of Section 27-65-17(2) and
295 the corresponding levy in Section 27-65-23 on the rental or lease
296 of private carriers of passengers and light carriers of property
297 as defined in Section 27-51-101 shall be deposited, without
298 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
299 established in Section 27-51-105.

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

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

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

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

327 (16) It shall be the duty of the municipal officials of any
328 municipality which expands its limits, or of any community which
329 incorporates as a municipality, to notify the commissioner of such
330 action thirty (30) days before the effective date. Failure to so
331 notify the commissioner shall cause such municipality to forfeit
332 the revenue which it would have been entitled to receive during
333 this period of time when the commissioner had no knowledge of the
334 action. If any funds have been erroneously disbursed to any
335 municipality or any overpayment of tax is recovered by the
336 taxpayer, the commissioner may make correction and adjust the

337 error or overpayment with such municipality by withholding the
338 necessary funds from any subsequent payment to be made to the
339 municipality.

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

341 27-65-75. On or before the fifteenth day of each month, the
342 revenue collected under the provisions of this chapter during the
343 preceding month shall be paid and distributed as follows:

344 (1) On or before August 15, 1992, and each succeeding month
345 thereafter through July 15, 1993, eighteen percent (18%) of the
346 total sales tax revenue collected during the preceding month under
347 the provisions of this chapter, except that collected under the
348 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
349 business activities within a municipal corporation shall be
350 allocated for distribution to such municipality and paid to such
351 municipal corporation. On or before August 15, 1993, and each
352 succeeding month thereafter, through July 15, 2000, eighteen and
353 one-half percent (18-1/2%) of the total sales tax revenue
354 collected during the preceding month under the provisions of this
355 chapter, except that collected under the provisions of Sections
356 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
357 a municipal corporation shall be allocated for distribution to
358 such municipality and paid to such municipal corporation. On or
359 before August 15, 2000, and each succeeding month thereafter,
360 eighteen and one-half percent (18-1/2%) of the total sales tax
361 revenue collected during the preceding month under the provisions
362 of this chapter, except that collected under the provisions of
363 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on
364 business activities within a municipal corporation and all of the

365 sales tax revenue collected during the preceding month under the
366 provisions of Section 27-65-17(4) on business activities within a
367 municipal corporation shall be allocated for distribution to such
368 municipality and paid to such municipal corporation.

369 A municipal corporation, for the purpose of distributing the
370 tax under this subsection, shall mean and include all incorporated
371 cities, towns and villages.

372 Monies allocated for distribution and credited to a municipal
373 corporation under this subsection may be pledged as security for
374 any loan received by the municipal corporation for the purpose of
375 capital improvements as authorized under Section 57-1-303, or
376 loans as authorized under Section 57-44-7, or water systems
377 improvements as authorized under Section 41-3-16.

378 In any county having a county seat which is not an
379 incorporated municipality, the distribution provided hereunder
380 shall be made as though the county seat was an incorporated
381 municipality; however, the distribution to such municipality shall
382 be paid to the county treasury wherein the municipality is located
383 and such funds shall be used for road, bridge and street
384 construction or maintenance therein.

385 (2) On or before September 15, 1987, and each succeeding
386 month thereafter, from the revenue collected under this chapter
387 during the preceding month One Million One Hundred Twenty-five
388 Thousand Dollars (\$1,125,000.00) shall be allocated for
389 distribution to municipal corporations as defined under subsection
390 (1) of this section in the proportion that the number of gallons
391 of gasoline and diesel fuel sold by distributors to consumers and
392 retailers in each such municipality during the preceding fiscal

393 year bears to the total gallons of gasoline and diesel fuel sold
394 by distributors to consumers and retailers in municipalities
395 statewide during the preceding fiscal year. The State Tax
396 Commission shall require all distributors of gasoline and diesel
397 fuel to report to the commission monthly the total number of
398 gallons of gasoline and diesel fuel sold by them to consumers and
399 retailers in each municipality during the preceding month. The
400 State Tax Commission shall have the authority to promulgate such
401 rules and regulations as is necessary to determine the number of
402 gallons of gasoline and diesel fuel sold by distributors to
403 consumers and retailers in each municipality. In determining the
404 percentage allocation of funds under this subsection for the
405 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
406 State Tax Commission may consider gallons of gasoline and diesel
407 fuel sold for a period of less than one (1) fiscal year. For the
408 purposes of this subsection, the term "fiscal year" means the
409 fiscal year beginning July 1 of a year.

410 (3) On or before September 15, 1987, and on or before the
411 fifteenth day of each succeeding month, until the date specified
412 in Section 65-39-35, the proceeds derived from contractors' taxes
413 levied under Section 27-65-21 on contracts for the construction or
414 reconstruction of highways designated under the Four-Lane Highway
415 Program created under Section 65-3-97 shall, except as otherwise
416 provided in Section 31-17-127, be deposited into the State
417 Treasury to the credit of the State Highway Fund to be used to
418 fund such Four-Lane Highway Program. The Mississippi Department
419 of Transportation shall provide to the State Tax Commission such
420 information as is necessary to determine the amount of proceeds to

421 be distributed under this subsection.

422 (4) On or before August 15, 1994, and on or before the
423 fifteenth day of each succeeding month through July 15, 1999, from
424 the proceeds of gasoline, diesel fuel or kerosene taxes as
425 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
426 (\$4,000,000.00) shall be deposited in the State Treasury to the
427 credit of a special fund designated as the "State Aid Road Fund,"
428 created by Section 65-9-17. On or before August 15, 1999, and on
429 or before the fifteenth day of each succeeding month, from the
430 total amount of the proceeds of gasoline, diesel fuel or kerosene
431 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
432 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
433 percent (23.25%) of such funds, whichever is the greater amount,
434 shall be deposited in the State Treasury to the credit of the
435 "State Aid Road Fund," created by Section 65-9-17. Such funds
436 shall be pledged to pay the principal of and interest on state aid
437 road bonds heretofore issued under Sections 19-9-51 through
438 19-9-77, in lieu of and in substitution for the funds heretofore
439 allocated to counties under this section. Such funds may not be
440 pledged for the payment of any state aid road bonds issued after
441 April 1, 1981; however, this prohibition against the pledging of
442 any such funds for the payment of bonds shall not apply to any
443 bonds for which intent to issue such bonds has been published, for
444 the first time, as provided by law prior to March 29, 1981. From
445 the amount of taxes paid into the special fund pursuant to this
446 subsection and subsection (9) of this section, there shall be
447 first deducted and paid the amount necessary to pay the expenses
448 of the Office of State Aid Road Construction, as authorized by the

449 Legislature for all other general and special fund agencies. The
450 remainder of the fund shall be allocated monthly to the several
451 counties in accordance with the following formula:

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

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

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

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

465 The amount of funds allocated to any county under this
466 subsection for any fiscal year after fiscal year 1994 shall not be
467 less than the amount allocated to such county for fiscal year
468 1994. Monies allocated to a county from the State Aid Road Fund
469 for fiscal year 1995 or any fiscal year thereafter that exceed the
470 amount of funds allocated to that county from the State Aid Road
471 Fund for fiscal year 1994, first must be expended by the county
472 for replacement or rehabilitation of bridges on the state aid road
473 system that have a sufficiency rating of less than twenty-five
474 (25), according to National Bridge Inspection standards before
475 such monies may be approved for expenditure by the State Aid Road
476 Engineer on other projects that qualify for the use of state aid

477 road funds.

478 Any reference in the general laws of this state or the
479 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
480 construed to refer and apply to subsection (4) of Section
481 27-65-75.

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

488 (6) An amount each month beginning August 15, 1983, through
489 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
490 of 1983, shall be paid into the special fund known as the
491 Correctional Facilities Construction Fund created in Section 6 of
492 Chapter 542, Laws of 1983.

493 (7) On or before August 15, 1992, and each succeeding month
494 thereafter through July 15, 2000, two and two hundred sixty-six
495 one-thousandths percent (2.266%) of the total sales tax revenue
496 collected during the preceding month under the provisions of this
497 chapter, except that collected under the provisions of Section
498 27-65-17(2), not to exceed the fiscal year 1997 appropriated level
499 shall be deposited by the commission into the School Ad Valorem
500 Tax Reduction Fund created pursuant to Section 37-61-35, with the
501 balance to be transferred to the Education Enhancement Fund
502 created under Section 37-61-33 for appropriation by the
503 Legislature as other education needs and not subject to the
504 percentage set asides set forth in Section 37-61-33. On or before

505 August 15, 2000, and each succeeding month thereafter, two and
506 five hundred ninety-eight one-thousandths percent (2.598%) of the
507 total sales tax revenue collected during the preceding month under
508 the provisions of this chapter, except that collected under the
509 provisions of Section 27-65-17(2), not to exceed the fiscal year
510 1997 appropriated level, and that collected under the provisions
511 of Section 27-65-17(4), on business activities within a municipal
512 corporation shall be deposited by the commission into the School
513 Ad Valorem Tax Reduction Fund created pursuant to Section
514 37-61-35, with the balance to be transferred to the Education
515 Enhancement Fund created under Section 37-61-33 for appropriation
516 by the Legislature as other education needs and not subject to the
517 percentage set asides set forth in Section 37-61-33.

518 (8) On or before August 15, 1992, and each succeeding month
519 thereafter through July 15, 2000, nine and seventy-three
520 one-thousandths percent (9.073%) of the total sales tax revenue
521 collected during the preceding month under the provisions of this
522 chapter, except that collected under the provisions of Section
523 27-65-17(2) shall be deposited into the Education Enhancement Fund
524 created pursuant to Section 37-61-33. On or before August 15,
525 2000, and each succeeding month thereafter, ten and four hundred
526 twenty-six one-thousandths percent (10.426%) of the total sales
527 tax revenue collected during the preceding month under the
528 provisions of this chapter, except that collected under the
529 provisions of Sections 27-65-17(2) and 27-65-17(4), on business
530 activities within a municipal corporation shall be deposited into
531 the Education Enhancement Fund created pursuant to Section
532 37-61-33.

533 (9) On or before August 15, 1994, and each succeeding month
534 thereafter, from the revenue collected under this chapter during
535 the preceding month, Two Hundred Fifty Thousand Dollars
536 (\$250,000.00) shall be paid into the State Aid Road Fund.

537 (10) On or before August 15, 1994, and each succeeding month
538 thereafter through August 15, 1995, from the revenue collected
539 under this chapter during the preceding month, Two Million Dollars
540 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
541 Valorem Tax Reduction Fund established in Section 27-51-105.

542 (11) Notwithstanding any other provision of this section to
543 the contrary, on or before February 15, 1995, and each succeeding
544 month thereafter, the sales tax revenue collected during the
545 preceding month under the provisions of Section 27-65-17(2) and
546 the corresponding levy in Section 27-65-23 on the rental or lease
547 of private carriers of passengers and light carriers of property
548 as defined in Section 27-51-101, shall be deposited, without
549 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
550 established in Section 27-51-105.

551 (12) Notwithstanding any other provision of this section to
552 the contrary, on or before August 15, 1995, and each succeeding
553 month thereafter, the sales tax revenue collected during the
554 preceding month under the provisions of Section 27-65-17(1) on
555 retail sales of private carriers of passengers and light carriers
556 of property, as defined in Section 27-51-101, and the
557 corresponding levy in Section 27-65-23 on the rental or lease of
558 these vehicles, shall be deposited, after diversion, into the
559 Motor Vehicle Ad Valorem Tax Reduction Fund established in Section
560 27-51-105.

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

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

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

579 (16) It shall be the duty of the municipal officials of any
580 municipality which expands its limits, or of any community which
581 incorporates as a municipality, to notify the commissioner of such
582 action thirty (30) days before the effective date. Failure to so
583 notify the commissioner shall cause such municipality to forfeit
584 the revenue which it would have been entitled to receive during
585 this period of time when the commissioner had no knowledge of the
586 action. If any funds have been erroneously disbursed to any
587 municipality or any overpayment of tax is recovered by the
588 taxpayer, the commissioner may make correction and adjust the

589 error or overpayment with such municipality by withholding the
590 necessary funds from any subsequent payment to be made to the
591 municipality.

592 SECTION 3. Nothing in this act shall affect or defeat any
593 claim, assessment, appeal, suit, right or cause of action for
594 taxes due or accrued under the sales tax laws before the date on
595 which this act becomes effective, whether such claims,
596 assessments, appeals, suits or actions have been begun before the
597 date on which this act becomes effective or are begun thereafter;
598 and the provisions of the sales tax laws are expressly continued
599 in full force, effect and operation for the purpose of the
600 assessment, collection and enrollment of liens for any taxes due
601 or accrued and the execution of any warrant under such laws before
602 the date on which this act becomes effective, and for the
603 imposition of any penalties, forfeitures or claims for failure to
604 comply with such laws.

605 SECTION 4. This act shall take effect and be in force from
606 and after July 1, 2000.