

By: Snowden

To: Ways and Means

HOUSE BILL NO. 907

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 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE  
 6 THAT ALL OF THE SALES TAX COLLECTED ON SUCH RETAIL SALES OF FOOD  
 7 WITHIN A MUNICIPALITY SHALL BE ALLOCATED FOR DISTRIBUTION AND PAID  
 8 TO SUCH MUNICIPALITY; AND FOR RELATED PURPOSES.

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is  
 12 amended as follows:

13 27-65-17. (1) Upon every person engaging or continuing  
 14 within this state in the business of selling any tangible personal  
 15 property whatsoever there is hereby levied, assessed and shall be  
 16 collected a tax equal to seven percent (7%) of the gross proceeds  
 17 of the retail sales of the business, except as otherwise provided  
 18 herein.

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

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

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

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

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

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

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

50 Wholesale sales of beer shall be taxed at the rate of seven  
51 percent (7%), and the retailer shall file a return and compute the  
52 retail tax on retail sales but may take credit for the amount of

53 the tax paid to the wholesaler on said return covering the  
54 subsequent sales of same property, provided adequate invoices and  
55 records are maintained to substantiate the credit.

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

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

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

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

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

81 truck-tractor or semitrailer in Mississippi is the retail sales  
82 price of the truck-tractor or semitrailer multiplied by the  
83 percentage of the total miles traveled by the vehicle that are  
84 traveled in Mississippi. The tax levied pursuant to this  
85 subsection (3) shall be collected by the State Tax Commission from  
86 the purchaser of such truck-tractor or semitrailer at the time of  
87 registration of such truck-tractor or semitrailer.

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

95 (a) From and after July 1, 2000, through June 30, 2002,  
96 such sales shall be taxed at the rate of one and three-tenths  
97 percent (1.3%);

98 (b) From and after July 1, 2002, such sales shall be  
99 taxed at the rate of one percent (1%).

100 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is  
101 amended as follows:

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

103 27-65-75. On or before the fifteenth day of each month, the  
104 revenue collected under the provisions of this chapter during the  
105 preceding month shall be paid and distributed as follows:

106 (1) On or before August 15, 1992, and each succeeding month  
107 thereafter through July 15, 1993, eighteen percent (18%) of the  
108 total sales tax revenue collected during the preceding month under

109 the provisions of this chapter, except that collected under the  
110 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
111 business activities within a municipal corporation shall be  
112 allocated for distribution to such municipality and paid to such  
113 municipal corporation. On or before August 15, 1993, and each  
114 succeeding month thereafter, through July 15, 2000, eighteen and  
115 one-half percent (18-1/2%) of the total sales tax revenue  
116 collected during the preceding month under the provisions of this  
117 chapter, except that collected under the provisions of Sections  
118 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
119 a municipal corporation shall be allocated for distribution to  
120 such municipality and paid to such municipal corporation. On or  
121 before August 15, 2000, and each succeeding month thereafter,  
122 eighteen and one-half percent (18-1/2%) of the total sales tax  
123 revenue collected during the preceding month under the provisions  
124 of this chapter, except that collected under the provisions of  
125 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on  
126 business activities within a municipal corporation and all of the  
127 sales tax revenue collected during the preceding month under the  
128 provisions of Section 27-65-17(4) on business activities within a  
129 municipal corporation shall be allocated for distribution to such  
130 municipality and paid to such municipal corporation.

131 A municipal corporation, for the purpose of distributing the  
132 tax under this subsection, shall mean and include all incorporated  
133 cities, towns and villages.

134 Monies allocated for distribution and credited to a municipal  
135 corporation under this subsection may be pledged as security for  
136 any loan received by the municipal corporation for the purpose of

137 capital improvements as authorized under Section 57-1-303, or  
138 loans as authorized under Section 57-44-7, or water systems  
139 improvements as authorized under Section 41-3-16.

140 In any county having a county seat which is not an  
141 incorporated municipality, the distribution provided hereunder  
142 shall be made as though the county seat was an incorporated  
143 municipality; however, the distribution to such municipality shall  
144 be paid to the county treasury wherein the municipality is located  
145 and such funds shall be used for road, bridge and street  
146 construction or maintenance therein.

147 (2) On or before September 15, 1987, and each succeeding  
148 month thereafter, from the revenue collected under this chapter  
149 during the preceding month One Million One Hundred Twenty-five  
150 Thousand Dollars (\$1,125,000.00) shall be allocated for  
151 distribution to municipal corporations as defined under subsection  
152 (1) of this section in the proportion that the number of gallons  
153 of gasoline and diesel fuel sold by distributors to consumers and  
154 retailers in each such municipality during the preceding fiscal  
155 year bears to the total gallons of gasoline and diesel fuel sold  
156 by distributors to consumers and retailers in municipalities  
157 statewide during the preceding fiscal year. The State Tax  
158 Commission shall require all distributors of gasoline and diesel  
159 fuel to report to the commission monthly the total number of  
160 gallons of gasoline and diesel fuel sold by them to consumers and  
161 retailers in each municipality during the preceding month. The  
162 State Tax Commission shall have the authority to promulgate such  
163 rules and regulations as is necessary to determine the number of  
164 gallons of gasoline and diesel fuel sold by distributors to

165 consumers and retailers in each municipality. In determining the  
166 percentage allocation of funds under this subsection for the  
167 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
168 State Tax Commission may consider gallons of gasoline and diesel  
169 fuel sold for a period of less than one (1) fiscal year. For the  
170 purposes of this subsection, the term "fiscal year" means the  
171 fiscal year beginning July 1 of a year.

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

184 (4) On or before August 15, 1994, and on or before the  
185 fifteenth day of each succeeding month through July 15, 1999, from  
186 the proceeds of gasoline, diesel fuel or kerosene taxes as  
187 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
188 (\$4,000,000.00) shall be deposited in the State Treasury to the  
189 credit of a special fund designated as the "State Aid Road Fund,"  
190 created by Section 65-9-17. On or before August 15, 1999, and on  
191 or before the fifteenth day of each succeeding month, from the  
192 total amount of the proceeds of gasoline, diesel fuel or kerosene

193 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
194 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
195 percent (23.25%) of such funds, whichever is the greater amount,  
196 shall be deposited in the State Treasury to the credit of the  
197 "State Aid Road Fund," created by Section 65-9-17. Such funds  
198 shall be pledged to pay the principal of and interest on state aid  
199 road bonds heretofore issued under Sections 19-9-51 through  
200 19-9-77, in lieu of and in substitution for the funds heretofore  
201 allocated to counties under this section. Such funds may not be  
202 pledged for the payment of any state aid road bonds issued after  
203 April 1, 1981; however, this prohibition against the pledging of  
204 any such funds for the payment of bonds shall not apply to any  
205 bonds for which intent to issue such bonds has been published, for  
206 the first time, as provided by law prior to March 29, 1981. From  
207 the amount of taxes paid into the special fund pursuant to this  
208 subsection and subsection (9) of this section, there shall be  
209 first deducted and paid the amount necessary to pay the expenses  
210 of the Office of State Aid Road Construction, as authorized by the  
211 Legislature for all other general and special fund agencies. The  
212 remainder of the fund shall be allocated monthly to the several  
213 counties in accordance with the following formula:

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

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

220           (c) One-third (1/3) shall be allocated to counties



221 based on the proportion that the rural population of the county  
222 bears to the total rural population in all counties of the state,  
223 according to the latest federal decennial census.

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

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

240 Any reference in the general laws of this state or the  
241 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
242 construed to refer and apply to subsection (4) of Section  
243 27-65-75.

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

249 the last day of each succeeding month hereafter.

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

255 (7) On or before August 15, 1992, and each succeeding month  
256 thereafter, two and two hundred sixty-six one-thousandths percent  
257 (2.266%) of the total sales tax revenue collected during the  
258 preceding month under the provisions of this chapter, except that  
259 collected under the provisions of Section 27-65-17(2) shall be  
260 deposited by the commission into the School Ad Valorem Tax  
261 Reduction Fund created pursuant to Section 37-61-35.

262 (8) On or before August 15, 1992, and each succeeding month  
263 thereafter, nine and seventy-three one-thousandths percent  
264 (9.073%) of the total sales tax revenue collected during the  
265 preceding month under the provisions of this chapter, except that  
266 collected under the provisions of Section 27-65-17(2) shall be  
267 deposited into the Education Enhancement Fund created pursuant to  
268 Section 37-61-33.

269 (9) On or before August 15, 1994, and each succeeding month  
270 thereafter, from the revenue collected under this chapter during  
271 the preceding month, Two Hundred Fifty Thousand Dollars  
272 (\$250,000.00) shall be paid into the State Aid Road Fund.

273 (10) On or before August 15, 1994, and each succeeding month  
274 thereafter through August 15, 1995, from the revenue collected  
275 under this chapter during the preceding month, Two Million Dollars  
276 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad

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

278 (11) Notwithstanding any other provision of this section to  
279 the contrary, on or before February 15, 1995, and each succeeding  
280 month thereafter, the sales tax revenue collected during the  
281 preceding month under the provisions of Section 27-65-17(2) and  
282 the corresponding levy in Section 27-65-23 on the rental or lease  
283 of private carriers of passengers and light carriers of property  
284 as defined in Section 27-51-101 shall be deposited, without  
285 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
286 established in Section 27-51-105.

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

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

304 (14) On or before August 15, 1998, and each succeeding month

305 thereafter through July 15, 2005, that portion of the avails of  
306 the tax imposed in Section 27-65-23 which is derived from sales by  
307 cotton compresses or cotton warehouses and which would otherwise  
308 be paid into the General Fund, shall be deposited in an amount not  
309 to exceed Two Million Dollars (\$2,000,000.00) into the special  
310 fund created pursuant to Section 69-37-39.

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

314 (16) It shall be the duty of the municipal officials of any  
315 municipality which expands its limits, or of any community which  
316 incorporates as a municipality, to notify the commissioner of such  
317 action thirty (30) days before the effective date. Failure to so  
318 notify the commissioner shall cause such municipality to forfeit  
319 the revenue which it would have been entitled to receive during  
320 this period of time when the commissioner had no knowledge of the  
321 action. If any funds have been erroneously disbursed to any  
322 municipality or any overpayment of tax is recovered by the  
323 taxpayer, the commissioner may make correction and adjust the  
324 error or overpayment with such municipality by withholding the  
325 necessary funds from any subsequent payment to be made to the  
326 municipality.

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

328 27-65-75. On or before the fifteenth day of each month, the  
329 revenue collected under the provisions of this chapter during the  
330 preceding month shall be paid and distributed as follows:

331 (1) On or before August 15, 1992, and each succeeding month  
332 thereafter through July 15, 1993, eighteen percent (18%) of the

333 total sales tax revenue collected during the preceding month under  
334 the provisions of this chapter, except that collected under the  
335 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
336 business activities within a municipal corporation shall be  
337 allocated for distribution to such municipality and paid to such  
338 municipal corporation. On or before August 15, 1993, and each  
339 succeeding month thereafter, through July 15, 2000, eighteen and  
340 one-half percent (18-1/2%) of the total sales tax revenue  
341 collected during the preceding month under the provisions of this  
342 chapter, except that collected under the provisions of Sections  
343 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
344 a municipal corporation shall be allocated for distribution to  
345 such municipality and paid to such municipal corporation. On or  
346 before August 15, 2000, and each succeeding month thereafter,  
347 eighteen and one-half percent (18-1/2%) of the total sales tax  
348 revenue collected during the preceding month under the provisions  
349 of this chapter, except that collected under the provisions of  
350 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on  
351 business activities within a municipal corporation and all of the  
352 sales tax revenue collected during the preceding month under the  
353 provisions of Section 27-65-17(4) on business activities within a  
354 municipal corporation shall be allocated for distribution to such  
355 municipality and paid to such municipal corporation.

356 A municipal corporation, for the purpose of distributing the  
357 tax under this subsection, shall mean and include all incorporated  
358 cities, towns and villages.

359 Monies allocated for distribution and credited to a municipal  
360 corporation under this subsection may be pledged as security for

361 any loan received by the municipal corporation for the purpose of  
362 capital improvements as authorized under Section 57-1-303, or  
363 loans as authorized under Section 57-44-7, or water systems  
364 improvements as authorized under Section 41-3-16.

365 In any county having a county seat which is not an  
366 incorporated municipality, the distribution provided hereunder  
367 shall be made as though the county seat was an incorporated  
368 municipality; however, the distribution to such municipality shall  
369 be paid to the county treasury wherein the municipality is located  
370 and such funds shall be used for road, bridge and street  
371 construction or maintenance therein.

372 (2) On or before September 15, 1987, and each succeeding  
373 month thereafter, from the revenue collected under this chapter  
374 during the preceding month One Million One Hundred Twenty-five  
375 Thousand Dollars (\$1,125,000.00) shall be allocated for  
376 distribution to municipal corporations as defined under subsection  
377 (1) of this section in the proportion that the number of gallons  
378 of gasoline and diesel fuel sold by distributors to consumers and  
379 retailers in each such municipality during the preceding fiscal  
380 year bears to the total gallons of gasoline and diesel fuel sold  
381 by distributors to consumers and retailers in municipalities  
382 statewide during the preceding fiscal year. The State Tax  
383 Commission shall require all distributors of gasoline and diesel  
384 fuel to report to the commission monthly the total number of  
385 gallons of gasoline and diesel fuel sold by them to consumers and  
386 retailers in each municipality during the preceding month. The  
387 State Tax Commission shall have the authority to promulgate such  
388 rules and regulations as is necessary to determine the number of

389 gallons of gasoline and diesel fuel sold by distributors to  
390 consumers and retailers in each municipality. In determining the  
391 percentage allocation of funds under this subsection for the  
392 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
393 State Tax Commission may consider gallons of gasoline and diesel  
394 fuel sold for a period of less than one (1) fiscal year. For the  
395 purposes of this subsection, the term "fiscal year" means the  
396 fiscal year beginning July 1 of a year.

397 (3) On or before September 15, 1987, and on or before the  
398 fifteenth day of each succeeding month, until the date specified  
399 in Section 65-39-35, the proceeds derived from contractors' taxes  
400 levied under Section 27-65-21 on contracts for the construction or  
401 reconstruction of highways designated under the Four-Lane Highway  
402 Program created under Section 65-3-97 shall, except as otherwise  
403 provided in Section 31-17-127, be deposited into the State  
404 Treasury to the credit of the State Highway Fund to be used to  
405 fund such Four-Lane Highway Program. The Mississippi Department  
406 of Transportation shall provide to the State Tax Commission such  
407 information as is necessary to determine the amount of proceeds to  
408 be distributed under this subsection.

409 (4) On or before August 15, 1994, and on or before the  
410 fifteenth day of each succeeding month through July 15, 1999, from  
411 the proceeds of gasoline, diesel fuel or kerosene taxes as  
412 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
413 (\$4,000,000.00) shall be deposited in the State Treasury to the  
414 credit of a special fund designated as the "State Aid Road Fund,"  
415 created by Section 65-9-17. On or before August 15, 1999, and on  
416 or before the fifteenth day of each succeeding month, from the

417 total amount of the proceeds of gasoline, diesel fuel or kerosene  
418 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
419 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
420 percent (23.25%) of such funds, whichever is the greater amount,  
421 shall be deposited in the State Treasury to the credit of the  
422 "State Aid Road Fund," created by Section 65-9-17. Such funds  
423 shall be pledged to pay the principal of and interest on state aid  
424 road bonds heretofore issued under Sections 19-9-51 through  
425 19-9-77, in lieu of and in substitution for the funds heretofore  
426 allocated to counties under this section. Such funds may not be  
427 pledged for the payment of any state aid road bonds issued after  
428 April 1, 1981; however, this prohibition against the pledging of  
429 any such funds for the payment of bonds shall not apply to any  
430 bonds for which intent to issue such bonds has been published, for  
431 the first time, as provided by law prior to March 29, 1981. From  
432 the amount of taxes paid into the special fund pursuant to this  
433 subsection and subsection (9) of this section, there shall be  
434 first deducted and paid the amount necessary to pay the expenses  
435 of the Office of State Aid Road Construction, as authorized by the  
436 Legislature for all other general and special fund agencies. The  
437 remainder of the fund shall be allocated monthly to the several  
438 counties in accordance with the following formula:

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

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



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

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

452           The amount of funds allocated to any county under this  
453 subsection for any fiscal year after fiscal year 1994 shall not be  
454 less than the amount allocated to such county for fiscal year  
455 1994. Monies allocated to a county from the State Aid Road Fund  
456 for fiscal year 1995 or any fiscal year thereafter that exceed the  
457 amount of funds allocated to that county from the State Aid Road  
458 Fund for fiscal year 1994, first must be expended by the county  
459 for replacement or rehabilitation of bridges on the state aid road  
460 system that have a sufficiency rating of less than twenty-five  
461 (25), according to National Bridge Inspection standards before  
462 such monies may be approved for expenditure by the State Aid Road  
463 Engineer on other projects that qualify for the use of state aid  
464 road funds.

465           Any reference in the general laws of this state or the  
466 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
467 construed to refer and apply to subsection (4) of Section  
468 27-65-75.

469           (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
470 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
471 the special fund known as the "State Public School Building Fund"  
472 created and existing under the provisions of Sections 37-47-1

473 through 37-47-67. Such payments into said fund are to be made on  
474 the last day of each succeeding month hereafter.

475 (6) An amount each month beginning August 15, 1983, through  
476 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
477 of 1983, shall be paid into the special fund known as the  
478 Correctional Facilities Construction Fund created in Section 6 of  
479 Chapter 542, Laws of 1983.

480 (7) On or before August 15, 1992, and each succeeding month  
481 thereafter, two and two hundred sixty-six one-thousandths percent  
482 (2.266%) of the total sales tax revenue collected during the  
483 preceding month under the provisions of this chapter, except that  
484 collected under the provisions of Section 27-65-17(2), not to  
485 exceed the fiscal year 1997 appropriated level shall be deposited  
486 by the commission into the School Ad Valorem Tax Reduction Fund  
487 created pursuant to Section 37-61-35, with the balance to be  
488 transferred to the Education Enhancement Fund created under  
489 Section 37-61-33 for appropriation by the Legislature as other  
490 education needs and not subject to the percentage set asides set  
491 forth in Section 37-61-33.

492 (8) On or before August 15, 1992, and each succeeding month  
493 thereafter, nine and seventy-three one-thousandths percent  
494 (9.073%) of the total sales tax revenue collected during the  
495 preceding month under the provisions of this chapter, except that  
496 collected under the provisions of Section 27-65-17(2) shall be  
497 deposited into the Education Enhancement Fund created pursuant to  
498 Section 37-61-33.

499 (9) On or before August 15, 1994, and each succeeding month  
500 thereafter, from the revenue collected under this chapter during

501 the preceding month, Two Hundred Fifty Thousand Dollars  
502 (\$250,000.00) shall be paid into the State Aid Road Fund.

503 (10) On or before August 15, 1994, and each succeeding month  
504 thereafter through August 15, 1995, from the revenue collected  
505 under this chapter during the preceding month, Two Million Dollars  
506 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
507 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

522 (13) On or before July 15, 1994, and on or before the  
523 fifteenth day of each succeeding month thereafter, that portion of  
524 the avails of the tax imposed in Section 27-65-22, which is  
525 derived from activities held on the Mississippi state fairgrounds  
526 complex, shall be paid into a special fund hereby created in the  
527 State Treasury and shall be expended pursuant to legislative  
528 appropriations solely to defray the costs of repairs and

529 renovation at such Trade Mart and Coliseum.

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

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

540           (16) It shall be the duty of the municipal officials of any  
541 municipality which expands its limits, or of any community which  
542 incorporates as a municipality, to notify the commissioner of such  
543 action thirty (30) days before the effective date. Failure to so  
544 notify the commissioner shall cause such municipality to forfeit  
545 the revenue which it would have been entitled to receive during  
546 this period of time when the commissioner had no knowledge of the  
547 action. If any funds have been erroneously disbursed to any  
548 municipality or any overpayment of tax is recovered by the  
549 taxpayer, the commissioner may make correction and adjust the  
550 error or overpayment with such municipality by withholding the  
551 necessary funds from any subsequent payment to be made to the  
552 municipality.

553           SECTION 3. Nothing in this act shall affect or defeat any  
554 claim, assessment, appeal, suit, right or cause of action for  
555 taxes due or accrued under the sales tax laws before the date on  
556 which this act becomes effective, whether such claims,

557 assessments, appeals, suits or actions have been begun before the  
558 date on which this act becomes effective or are begun thereafter;  
559 and the provisions of the sales tax laws are expressly continued  
560 in full force, effect and operation for the purpose of the  
561 assessment, collection and enrollment of liens for any taxes due  
562 or accrued and the execution of any warrant under such laws before  
563 the date on which this act becomes effective, and for the  
564 imposition of any penalties, forfeitures or claims for failure to  
565 comply with such laws.

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