

By: Snowden

To: Ways and Means

HOUSE BILL NO. 1553

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 REVISE THE
6 DIVERSION OF THE SALES TAX COLLECTED ON SUCH RETAIL SALES OF FOOD
7 WITHIN A MUNICIPALITY; AND FOR RELATED PURPOSES.

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

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

11 27-65-17. (1) Upon every person engaging or continuing
12 within this state in the business of selling any tangible personal
13 property whatsoever there is hereby levied, assessed and shall be
14 collected a tax equal to seven percent (7%) of the gross proceeds
15 of the retail sales of the business, except as otherwise provided
16 herein.

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

19 Retail sales of farm implements sold to farmers and used
20 directly in the production of poultry, ratite, domesticated fish
21 as defined in Section 69-7-501, livestock, livestock products,
22 agricultural crops or ornamental plant crops or used for other
23 agricultural purposes shall be taxed at the rate of three percent
24 (3%) when used on the farm. The three percent (3%) rate shall
25 also apply to all equipment used in logging, pulpwood operations
26 or tree farming which is either (a) self-propelled or which is (b)
27 mounted so that it is (i) permanently attached to other equipment
28 which is self-propelled or (ii) permanently attached to other

29 equipment drawn by a vehicle which is self-propelled.

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

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

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

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

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

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

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

61 Any person exercising any privilege taxable under Section
62 27-65-15 and selling his natural resource products at wholesale or
63 to exempt persons shall pay the tax levied by said section in lieu
64 of the tax levied by this section.

65 (2) From and after January 1, 1995, retail sales of private

66 carriers of passengers and light carriers of property, as defined
67 in Section 27-51-101, shall be taxed an additional two percent
68 (2%).

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

86 (4) From and after July 1, 2001, in lieu of the tax levied
87 in subsection (1) of this section, retail sales of food for human
88 consumption not purchased with food stamps issued by the United
89 States Department of Agriculture, or other federal agency, but
90 which would be exempt from the taxes imposed by this chapter under
91 Section 27-65-111(o) if the food items were purchased with food
92 stamps, shall be taxed as follows:

93 (a) From and after July 1, 2001, through June 30, 2002,
94 such sales shall be taxed at the rate of six percent (6%);

95 (b) From and after July 1, 2002, through June 30, 2003,
96 such sales shall be taxed at the rate of five percent (5%);

97 (c) From and after July 1, 2003, through June 30, 2004,
98 such sales shall be taxed at the rate of four percent (4%);

99 (d) From and after July 1, 2004, through June 30, 2005,
100 such sales shall be taxed at the rate of three percent (3%);

101 (e) From and after July 1, 2005, such sales shall be
102 taxed at the rate of one percent (1%).

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

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

106 27-65-75. On or before the fifteenth day of each month, the
107 revenue collected under the provisions of this chapter during the
108 preceding month shall be paid and distributed as follows:

109 (1) On or before August 15, 1992, and each succeeding month
110 thereafter through July 15, 1993, eighteen percent (18%) of the
111 total sales tax revenue collected during the preceding month under
112 the provisions of this chapter, except that collected under the
113 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
114 business activities within a municipal corporation shall be
115 allocated for distribution to such municipality and paid to such
116 municipal corporation. On or before August 15, 1993, and each
117 succeeding month thereafter, through July 15, 2003, eighteen and
118 one-half percent (18-1/2%) of the total sales tax revenue
119 collected during the preceding month under the provisions of this
120 chapter, except that collected under the provisions of Sections
121 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
122 a municipal corporation shall be allocated for distribution to
123 such municipality and paid to such municipal corporation. On or
124 before August 15, 2003, and each succeeding month thereafter,
125 through July 15, 2004, eighteen and one-half percent (18-1/2%) of
126 the total sales tax revenue collected during the preceding month
127 under the provisions of this chapter, except that collected under
128 the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
129 27-65-17(4), on business activities within a municipal corporation
130 and twenty-five percent (25%) of the sales tax revenue collected
131 during the preceding month under the provisions of Section

132 27-65-17(4) on business activities within a municipal corporation
133 shall be allocated for distribution to such municipality and paid
134 to such municipal corporation. On or before August 15, 2004, and
135 each succeeding month thereafter, through July 15, 2005, eighteen
136 and one-half percent (18-1/2%) of the total sales tax revenue
137 collected during the preceding month under the provisions of this
138 chapter, except that collected under the provisions of Sections
139 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on business
140 activities within a municipal corporation and thirty-three and
141 three hundred thirty-three one-thousandths percent (33.333%) of
142 the sales tax revenue collected during the preceding month under
143 the provisions of Section 27-65-17(4) on business activities
144 within a municipal corporation shall be allocated for distribution
145 to such municipality and paid to such municipal corporation. On
146 or before August 15, 2005, and each succeeding month thereafter,
147 eighteen and one-half percent (18-1/2%) of the total sales tax
148 revenue collected during the preceding month under the provisions
149 of this chapter, except that collected under the provisions of
150 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on
151 business activities within a municipal corporation and all of the
152 sales tax revenue collected during the preceding month under the
153 provisions of Section 27-65-17(4) on business activities within a
154 municipal corporation shall be allocated for distribution to such
155 municipality and paid to such municipal corporation.

156 A municipal corporation, for the purpose of distributing the
157 tax under this subsection, shall mean and include all incorporated
158 cities, towns and villages.

159 Monies allocated for distribution and credited to a municipal
160 corporation under this subsection may be pledged as security for
161 any loan received by the municipal corporation for the purpose of
162 capital improvements as authorized under Section 57-1-303, or
163 loans as authorized under Section 57-44-7, or water systems
164 improvements as authorized under Section 41-3-16.

165 In any county having a county seat which is not an
166 incorporated municipality, the distribution provided hereunder
167 shall be made as though the county seat was an incorporated
168 municipality; however, the distribution to such municipality shall
169 be paid to the county treasury wherein the municipality is located
170 and such funds shall be used for road, bridge and street
171 construction or maintenance therein.

172 (2) On or before September 15, 1987, and each succeeding
173 month thereafter, from the revenue collected under this chapter
174 during the preceding month One Million One Hundred Twenty-five
175 Thousand Dollars (\$1,125,000.00) shall be allocated for
176 distribution to municipal corporations as defined under subsection
177 (1) of this section in the proportion that the number of gallons
178 of gasoline and diesel fuel sold by distributors to consumers and
179 retailers in each such municipality during the preceding fiscal
180 year bears to the total gallons of gasoline and diesel fuel sold
181 by distributors to consumers and retailers in municipalities
182 statewide during the preceding fiscal year. The State Tax
183 Commission shall require all distributors of gasoline and diesel
184 fuel to report to the commission monthly the total number of
185 gallons of gasoline and diesel fuel sold by them to consumers and
186 retailers in each municipality during the preceding month. The
187 State Tax Commission shall have the authority to promulgate such
188 rules and regulations as is necessary to determine the number of
189 gallons of gasoline and diesel fuel sold by distributors to
190 consumers and retailers in each municipality. In determining the
191 percentage allocation of funds under this subsection for the
192 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
193 State Tax Commission may consider gallons of gasoline and diesel
194 fuel sold for a period of less than one (1) fiscal year. For the
195 purposes of this subsection, the term "fiscal year" means the
196 fiscal year beginning July 1 of a year.

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

198 fifteenth day of each succeeding month, until the date specified
199 in Section 65-39-35, the proceeds derived from contractors' taxes
200 levied under Section 27-65-21 on contracts for the construction or
201 reconstruction of highways designated under the Four-Lane Highway
202 Program created under Section 65-3-97 shall, except as otherwise
203 provided in Section 31-17-127, be deposited into the State
204 Treasury to the credit of the State Highway Fund to be used to
205 fund such Four-Lane Highway Program. The Mississippi Department
206 of Transportation shall provide to the State Tax Commission such
207 information as is necessary to determine the amount of proceeds to
208 be distributed under this subsection.

209 (4) On or before August 15, 1994, and on or before the
210 fifteenth day of each succeeding month through July 15, 1999, from
211 the proceeds of gasoline, diesel fuel or kerosene taxes as
212 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
213 (\$4,000,000.00) shall be deposited in the State Treasury to the
214 credit of a special fund designated as the "State Aid Road Fund,"
215 created by Section 65-9-17. On or before August 15, 1999, and on
216 or before the fifteenth day of each succeeding month, from the
217 total amount of the proceeds of gasoline, diesel fuel or kerosene
218 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
219 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
220 percent (23.25%) of such funds, whichever is the greater amount,
221 shall be deposited in the State Treasury to the credit of the
222 "State Aid Road Fund," created by Section 65-9-17. Such funds
223 shall be pledged to pay the principal of and interest on state aid
224 road bonds heretofore issued under Sections 19-9-51 through
225 19-9-77, in lieu of and in substitution for the funds heretofore
226 allocated to counties under this section. Such funds may not be
227 pledged for the payment of any state aid road bonds issued after
228 April 1, 1981; however, this prohibition against the pledging of
229 any such funds for the payment of bonds shall not apply to any
230 bonds for which intent to issue such bonds has been published, for

231 the first time, as provided by law prior to March 29, 1981. From
232 the amount of taxes paid into the special fund pursuant to this
233 subsection and subsection (9) of this section, there shall be
234 first deducted and paid the amount necessary to pay the expenses
235 of the Office of State Aid Road Construction, as authorized by the
236 Legislature for all other general and special fund agencies. The
237 remainder of the fund shall be allocated monthly to the several
238 counties in accordance with the following formula:

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

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

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

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

252 The amount of funds allocated to any county under this
253 subsection for any fiscal year after fiscal year 1994 shall not be
254 less than the amount allocated to such county for fiscal year
255 1994. Monies allocated to a county from the State Aid Road Fund
256 for fiscal year 1995 or any fiscal year thereafter that exceed the
257 amount of funds allocated to that county from the State Aid Road
258 Fund for fiscal year 1994, first must be expended by the county
259 for replacement or rehabilitation of bridges on the state aid road
260 system that have a sufficiency rating of less than twenty-five
261 (25), according to National Bridge Inspection standards before
262 such monies may be approved for expenditure by the State Aid Road
263 Engineer on other projects that qualify for the use of state aid

264 road funds.

265 Any reference in the general laws of this state or the
266 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
267 construed to refer and apply to subsection (4) of Section
268 27-65-75.

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

275 (6) An amount each month beginning August 15, 1983, through
276 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
277 of 1983, shall be paid into the special fund known as the
278 Correctional Facilities Construction Fund created in Section 6 of
279 Chapter 542, Laws of 1983.

280 (7) On or before August 15, 1992, and each succeeding month
281 thereafter, two and two hundred sixty-six one-thousandths percent
282 (2.266%) of the total sales tax revenue collected during the
283 preceding month under the provisions of this chapter, except that
284 collected under the provisions of Section 27-65-17(2) shall be
285 deposited by the commission into the School Ad Valorem Tax
286 Reduction Fund created pursuant to Section 37-61-35.

287 (8) On or before August 15, 1992, and each succeeding month
288 thereafter, nine and seventy-three one-thousandths percent
289 (9.073%) of the total sales tax revenue collected during the
290 preceding month under the provisions of this chapter, except that
291 collected under the provisions of Section 27-65-17(2) shall be
292 deposited into the Education Enhancement Fund created pursuant to
293 Section 37-61-33.

294 (9) On or before August 15, 1994, and each succeeding month
295 thereafter, from the revenue collected under this chapter during
296 the preceding month, Two Hundred Fifty Thousand Dollars

297 (\$250,000.00) shall be paid into the State Aid Road Fund.

298 (10) On or before August 15, 1994, and each succeeding month
299 thereafter through August 15, 1995, from the revenue collected
300 under this chapter during the preceding month, Two Million Dollars
301 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
302 Valorem Tax Reduction Fund established in Section 27-51-105.

303 (11) Notwithstanding any other provision of this section to
304 the contrary, on or before February 15, 1995, and each succeeding
305 month thereafter, the sales tax revenue collected during the
306 preceding month under the provisions of Section 27-65-17(2) and
307 the corresponding levy in Section 27-65-23 on the rental or lease
308 of private carriers of passengers and light carriers of property
309 as defined in Section 27-51-101 shall be deposited, without
310 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
311 established in Section 27-51-105.

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

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

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

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

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

339 (16) It shall be the duty of the municipal officials of any
340 municipality which expands its limits, or of any community which
341 incorporates as a municipality, to notify the commissioner of such
342 action thirty (30) days before the effective date. Failure to so
343 notify the commissioner shall cause such municipality to forfeit
344 the revenue which it would have been entitled to receive during
345 this period of time when the commissioner had no knowledge of the
346 action. If any funds have been erroneously disbursed to any
347 municipality or any overpayment of tax is recovered by the
348 taxpayer, the commissioner may make correction and adjust the
349 error or overpayment with such municipality by withholding the
350 necessary funds from any subsequent payment to be made to the
351 municipality.

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

353 27-65-75. On or before the fifteenth day of each month, the
354 revenue collected under the provisions of this chapter during the
355 preceding month shall be paid and distributed as follows:

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

363 municipal corporation. On or before August 15, 1993, and each
364 succeeding month thereafter, through July 15, 2003, eighteen and
365 one-half percent (18-1/2%) of the total sales tax revenue
366 collected during the preceding month under the provisions of this
367 chapter, except that collected under the provisions of Sections
368 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
369 a municipal corporation shall be allocated for distribution to
370 such municipality and paid to such municipal corporation. On or
371 before August 15, 2003, and each succeeding month thereafter,
372 through July 15, 2004, eighteen and one-half percent (18-1/2%) of
373 the total sales tax revenue collected during the preceding month
374 under the provisions of this chapter, except that collected under
375 the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
376 27-65-17(4), on business activities within a municipal corporation
377 and twenty-five percent (25%) of the sales tax revenue collected
378 during the preceding month under the provisions of Section
379 27-65-17(4) on business activities within a municipal corporation
380 shall be allocated for distribution to such municipality and paid
381 to such municipal corporation. On or before August 15, 2004, and
382 each succeeding month thereafter, through July 15, 2005, eighteen
383 and one-half percent (18-1/2%) of the total sales tax revenue
384 collected during the preceding month under the provisions of this
385 chapter, except that collected under the provisions of Sections
386 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on business
387 activities within a municipal corporation and thirty-three and
388 three hundred thirty-three one-thousandths percent (33.333%) of
389 the sales tax revenue collected during the preceding month under
390 the provisions of Section 27-65-17(4) on business activities
391 within a municipal corporation shall be allocated for distribution
392 to such municipality and paid to such municipal corporation. On
393 or before August 15, 2005, and each succeeding month thereafter,
394 eighteen and one-half percent (18-1/2%) of the total sales tax
395 revenue collected during the preceding month under the provisions

396 of this chapter, except that collected under the provisions of
397 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on
398 business activities within a municipal corporation and all of the
399 sales tax revenue collected during the preceding month under the
400 provisions of Section 27-65-17(4) on business activities within a
401 municipal corporation shall be allocated for distribution to such
402 municipality and paid to such municipal corporation.

403 A municipal corporation, for the purpose of distributing the
404 tax under this subsection, shall mean and include all incorporated
405 cities, towns and villages.

406 Monies allocated for distribution and credited to a municipal
407 corporation under this subsection may be pledged as security for
408 any loan received by the municipal corporation for the purpose of
409 capital improvements as authorized under Section 57-1-303, or
410 loans as authorized under Section 57-44-7, or water systems
411 improvements as authorized under Section 41-3-16.

412 In any county having a county seat which is not an
413 incorporated municipality, the distribution provided hereunder
414 shall be made as though the county seat was an incorporated
415 municipality; however, the distribution to such municipality shall
416 be paid to the county treasury wherein the municipality is located
417 and such funds shall be used for road, bridge and street
418 construction or maintenance therein.

419 (2) On or before September 15, 1987, and each succeeding
420 month thereafter, from the revenue collected under this chapter
421 during the preceding month One Million One Hundred Twenty-five
422 Thousand Dollars (\$1,125,000.00) shall be allocated for
423 distribution to municipal corporations as defined under subsection
424 (1) of this section in the proportion that the number of gallons
425 of gasoline and diesel fuel sold by distributors to consumers and
426 retailers in each such municipality during the preceding fiscal
427 year bears to the total gallons of gasoline and diesel fuel sold
428 by distributors to consumers and retailers in municipalities

429 statewide during the preceding fiscal year. The State Tax
430 Commission shall require all distributors of gasoline and diesel
431 fuel to report to the commission monthly the total number of
432 gallons of gasoline and diesel fuel sold by them to consumers and
433 retailers in each municipality during the preceding month. The
434 State Tax Commission shall have the authority to promulgate such
435 rules and regulations as is necessary to determine the number of
436 gallons of gasoline and diesel fuel sold by distributors to
437 consumers and retailers in each municipality. In determining the
438 percentage allocation of funds under this subsection for the
439 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
440 State Tax Commission may consider gallons of gasoline and diesel
441 fuel sold for a period of less than one (1) fiscal year. For the
442 purposes of this subsection, the term "fiscal year" means the
443 fiscal year beginning July 1 of a year.

444 (3) On or before September 15, 1987, and on or before the
445 fifteenth day of each succeeding month, until the date specified
446 in Section 65-39-35, the proceeds derived from contractors' taxes
447 levied under Section 27-65-21 on contracts for the construction or
448 reconstruction of highways designated under the Four-Lane Highway
449 Program created under Section 65-3-97 shall, except as otherwise
450 provided in Section 31-17-127, be deposited into the State
451 Treasury to the credit of the State Highway Fund to be used to
452 fund such Four-Lane Highway Program. The Mississippi Department
453 of Transportation shall provide to the State Tax Commission such
454 information as is necessary to determine the amount of proceeds to
455 be distributed under this subsection.

456 (4) On or before August 15, 1994, and on or before the
457 fifteenth day of each succeeding month through July 15, 1999, from
458 the proceeds of gasoline, diesel fuel or kerosene taxes as
459 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
460 (\$4,000,000.00) shall be deposited in the State Treasury to the
461 credit of a special fund designated as the "State Aid Road Fund,"

462 created by Section 65-9-17. On or before August 15, 1999, and on
463 or before the fifteenth day of each succeeding month, from the
464 total amount of the proceeds of gasoline, diesel fuel or kerosene
465 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
466 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
467 percent (23.25%) of such funds, whichever is the greater amount,
468 shall be deposited in the State Treasury to the credit of the
469 "State Aid Road Fund," created by Section 65-9-17. Such funds
470 shall be pledged to pay the principal of and interest on state aid
471 road bonds heretofore issued under Sections 19-9-51 through
472 19-9-77, in lieu of and in substitution for the funds heretofore
473 allocated to counties under this section. Such funds may not be
474 pledged for the payment of any state aid road bonds issued after
475 April 1, 1981; however, this prohibition against the pledging of
476 any such funds for the payment of bonds shall not apply to any
477 bonds for which intent to issue such bonds has been published, for
478 the first time, as provided by law prior to March 29, 1981. From
479 the amount of taxes paid into the special fund pursuant to this
480 subsection and subsection (9) of this section, there shall be
481 first deducted and paid the amount necessary to pay the expenses
482 of the Office of State Aid Road Construction, as authorized by the
483 Legislature for all other general and special fund agencies. The
484 remainder of the fund shall be allocated monthly to the several
485 counties in accordance with the following formula:

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

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

492 (c) One-third (1/3) shall be allocated to counties
493 based on the proportion that the rural population of the county
494 bears to the total rural population in all counties of the state,

495 according to the latest federal decennial census.

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

499 The amount of funds allocated to any county under this
500 subsection for any fiscal year after fiscal year 1994 shall not be
501 less than the amount allocated to such county for fiscal year
502 1994. Monies allocated to a county from the State Aid Road Fund
503 for fiscal year 1995 or any fiscal year thereafter that exceed the
504 amount of funds allocated to that county from the State Aid Road
505 Fund for fiscal year 1994, first must be expended by the county
506 for replacement or rehabilitation of bridges on the state aid road
507 system that have a sufficiency rating of less than twenty-five
508 (25), according to National Bridge Inspection standards before
509 such monies may be approved for expenditure by the State Aid Road
510 Engineer on other projects that qualify for the use of state aid
511 road funds.

512 Any reference in the general laws of this state or the
513 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
514 construed to refer and apply to subsection (4) of Section
515 27-65-75.

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

522 (6) An amount each month beginning August 15, 1983, through
523 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
524 of 1983, shall be paid into the special fund known as the
525 Correctional Facilities Construction Fund created in Section 6 of
526 Chapter 542, Laws of 1983.

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

528 thereafter, two and two hundred sixty-six one-thousandths percent
529 (2.266%) of the total sales tax revenue collected during the
530 preceding month under the provisions of this chapter, except that
531 collected under the provisions of Section 27-65-17(2), not to
532 exceed the fiscal year 1997 appropriated level shall be deposited
533 by the commission into the School Ad Valorem Tax Reduction Fund
534 created pursuant to Section 37-61-35, with the balance to be
535 transferred to the Education Enhancement Fund created under
536 Section 37-61-33 for appropriation by the Legislature as other
537 education needs and not subject to the percentage set asides set
538 forth in Section 37-61-33.

539 (8) On or before August 15, 1992, and each succeeding month
540 thereafter, nine and seventy-three one-thousandths percent
541 (9.073%) of the total sales tax revenue collected during the
542 preceding month under the provisions of this chapter, except that
543 collected under the provisions of Section 27-65-17(2) shall be
544 deposited into the Education Enhancement Fund created pursuant to
545 Section 37-61-33.

546 (9) On or before August 15, 1994, and each succeeding month
547 thereafter, from the revenue collected under this chapter during
548 the preceding month, Two Hundred Fifty Thousand Dollars
549 (\$250,000.00) shall be paid into the State Aid Road Fund.

550 (10) On or before August 15, 1994, and each succeeding month
551 thereafter through August 15, 1995, from the revenue collected
552 under this chapter during the preceding month, Two Million Dollars
553 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
554 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

587 (16) It shall be the duty of the municipal officials of any
588 municipality which expands its limits, or of any community which
589 incorporates as a municipality, to notify the commissioner of such
590 action thirty (30) days before the effective date. Failure to so
591 notify the commissioner shall cause such municipality to forfeit
592 the revenue which it would have been entitled to receive during
593 this period of time when the commissioner had no knowledge of the

594 action. If any funds have been erroneously disbursed to any
595 municipality or any overpayment of tax is recovered by the
596 taxpayer, the commissioner may make correction and adjust the
597 error or overpayment with such municipality by withholding the
598 necessary funds from any subsequent payment to be made to the
599 municipality.

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

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