

By: Carmichael

To: Finance

SENATE BILL NO. 2015

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
 2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF UNPREPARED FOOD
 3 FOR HUMAN CONSUMPTION TO 1.3%; TO AMEND SECTION 27-65-75,
 4 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ALL OF THE SALES TAX
 5 COLLECTED ON RETAIL SALES OF PREPARED FOOD WITHIN A MUNICIPALITY
 6 SHALL BE ALLOCATED FOR DISTRIBUTION AND PAID TO SUCH MUNICIPALITY;
 7 TO INCREASE THE AMOUNT OF THE SALES TAX DIVERSION TO THE SCHOOL AD
 8 VALOREM TAX REDUCTION FUND AND THE EDUCATION ENHANCEMENT FUND; AND
 9 FOR RELATED PURPOSES.

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:[JU1]

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 under Section 27-65-111(o) from the taxes
93 imposed by this chapter if the food items were purchased with food
94 stamps, shall be taxed at the rate of one and three-tenths percent
95 (1.3%).

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

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

99 27-65-75. On or before the fifteenth day of each month, the
100 revenue collected under the provisions of this chapter during the
101 preceding month shall be paid and distributed as follows:

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

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

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

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

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

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

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

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

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

196 19-9-77, in lieu of and in substitution for the funds heretofore
197 allocated to counties under this section. Such funds may not be
198 pledged for the payment of any state aid road bonds issued after
199 April 1, 1981; however, this prohibition against the pledging of
200 any such funds for the payment of bonds shall not apply to any
201 bonds for which intent to issue such bonds has been published, for
202 the first time, as provided by law prior to March 29, 1981. From
203 the amount of taxes paid into the special fund pursuant to this
204 subsection and subsection (9) of this section, there shall be
205 first deducted and paid the amount necessary to pay the expenses
206 of the Office of State Aid Road Construction, as authorized by the
207 Legislature for all other general and special fund agencies. The
208 remainder of the fund shall be allocated monthly to the several
209 counties in accordance with the following formula:

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

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

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

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

223 The amount of funds allocated to any county under this

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

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

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

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

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

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

280 municipal corporation, shall be deposited into the Education
281 Enhancement Fund created pursuant to Section 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 under the provisions of Section
366 27-65-17(4) on business activities within a municipal corporation,
367 shall be allocated for distribution to such municipality and paid
368 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 Section 27-65-17(2) and that collected under the
530 provisions of Section 27-65-17(4) on business activities within a
531 municipal corporation, shall be deposited into the Education

532 Enhancement Fund created pursuant to Section 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. This act shall take effect and be in force from
593 and after July 1, 2000.