

By: Dearing

To: Finance

SENATE BILL NO. 2057

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE SALES AND USE TAX UPON CASUAL SALES OF CERTAIN
3 MOTOR VEHICLES BY 2%; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE
4 OF 1972, TO PROVIDE THAT THE REVENUE COLLECTED FROM THE 2%
5 INCREASE IN THE SALES TAX UPON CASUAL SALES OF CERTAIN MOTOR
6 VEHICLES SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR
7 VEHICLE AD VALOREM TAX REDUCTION FUND; TO PROVIDE THAT THE
8 REMAINDER OF THE REVENUE COLLECTED FROM THE SALES TAX UPON CASUAL
9 SALES OF CERTAIN MOTOR VEHICLES SHALL BE DEPOSITED, AFTER
10 DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND;
11 TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE
12 THAT THE REVENUE COLLECTED FROM THE 2% INCREASE IN THE USE TAX
13 UPON CASUAL SALES OF CERTAIN MOTOR VEHICLES SHALL BE DEPOSITED,
14 WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION
15 FUND; TO PROVIDE THAT THE REMAINDER OF THE REVENUE COLLECTED FROM
16 THE USE TAX UPON CASUAL SALES OF CERTAIN MOTOR VEHICLES SHALL BE
17 DEPOSITED, AFTER DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX
18 REDUCTION FUND; AND FOR RELATED PURPOSES.

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

20 SECTION 1. Section 27-65-201, Mississippi Code of 1972, is
21 amended as follows:

22 27-65-201. (1) For the purposes of this section, unless the
23 context otherwise requires, the term "motor vehicle" means a motor
24 vehicle required to be registered or licensed by the county tax
25 collectors pursuant to Section 27-19-43, Mississippi Code of 1972.

26 (2) Upon every person, firm or corporation purchasing other
27 than at wholesale within this state any motor vehicle required to
28 be registered or licensed with the tax collector of any county in
29 this state from any person, firm or corporation which is not a

30 licensed dealer engaged in selling motor vehicles, there shall be
31 levied and collected a sales tax at the rate of three percent (3%)
32 of the true value of the motor vehicle as calculated by using the
33 most current official motor vehicle assessment schedule supplied
34 by the State Tax Commission.

35 (3) Upon every person, firm or corporation purchasing other
36 than at wholesale outside the state any motor vehicle required to
37 be registered or licensed with the tax collector of any county in
38 this state from any person, firm or corporation which is not a
39 licensed dealer engaged in selling motor vehicles, for use,
40 storage or other consumption within this state there is levied a
41 use tax at the rate of three percent (3%) of the true value of the
42 motor vehicle as calculated by using the most current official
43 motor vehicle assessment schedule supplied by the State Tax
44 Commission.

45 (4) Upon every person, firm or corporation that purchases a
46 private carrier of passengers or a light carrier of property as
47 defined in Section 27-51-101, Mississippi Code of 1972, and upon
48 which a sales tax is levied pursuant to subsection (2) of this
49 section, there shall be levied and collected an additional sales
50 tax at a rate of two percent (2%) of the true value of such
51 private carrier of passengers or light carrier of property
52 purchased as calculated by using the most current official motor
53 vehicle assessment schedule supplied by the State Tax Commission.

54 (5) Upon every person, firm or corporation that purchases a
55 private carrier of passengers or a light carrier of property as
56 defined in Section 27-51-101, Mississippi Code of 1972, and upon
57 which a use tax for such purchase is levied pursuant to subsection
58 (3) of this section, there shall be levied an additional use tax
59 at the rate of two percent (2%) of the true value of such private
60 carrier of passengers or light carrier of property purchased as

61 calculated by using the most current official motor vehicle
62 assessment schedule supplied by the State Tax Commission.

63 (6) Where any motor vehicle is taken in trade as a credit or
64 part payment on the sale of a motor vehicle taxable under this
65 section, the tax levied by this section shall be paid on the net
66 difference, that is, the true value of the motor vehicle sold less
67 the credit for the motor vehicle taken in trade.

68 (7) The tax levied by this section shall be collected by the
69 tax collector at the time of, and as a prerequisite to, the
70 registration of or licensing of any such motor vehicle. The tax
71 collector shall give to the person registering the vehicle a
72 receipt in a form prescribed and furnished by the State Tax
73 Commission for the amount of tax collected.

74 (8) County tax collectors shall be liable for the tax they
75 are required to collect, and taxes which are in fact collected,
76 under this section and failure to properly collect or maintain
77 proper records shall not relieve them of liability for payment to
78 the State Tax Commission. Deficiencies in collection or payment
79 shall be assessed against the tax collector, or his successor, in
80 the same manner and subject to the same penalties and provisions
81 for appeal as are deficiencies assessed against taxpayers under
82 Chapter 65, Title 27, Mississippi Code of 1972.

83 Each tax collector of the several counties shall, on or
84 before the twentieth day of each month, file a report with and pay
85 to the State Tax Commission all funds collected under the
86 provisions of this section, less a commission of three percent
87 (3%) which shall be retained by the tax collector as a commission
88 for collecting such tax, and such commission shall be deposited in

89 the county general fund. The report required to be filed shall
90 cover all collections made during the calendar month next
91 preceding the date on which the report is due and filed. All
92 funds remitted to the State Tax Commission shall be deposited to
93 the credit of the State General Fund.

94 Any error in the report and remittance to the State Tax
95 Commission may be adjusted on a subsequent report. If the error
96 was in the collection by the tax collector, it shall be adjusted
97 through the tax collector with the taxpayer before credit is
98 allowed by the State Tax Commission.

99 All information relating to the collection of this tax by tax
100 collectors and such records as the State Tax Commission may
101 require shall be preserved in the tax collector's office for a
102 period of three (3) years for audit by the State Tax Commission.

103 (9) The tax levied by this section shall not apply to the
104 following:

105 (a) Transfers of legal ownership of motor vehicles
106 between husband and wife, parent and child, or grandparents and
107 grandchildren, unless the transferor is a licensed dealer of motor
108 vehicles and the transfer of the motor vehicle is made in the
109 regular course of business.

110 (b) Transfers of legal ownership of motor vehicles
111 pursuant to a will or pursuant to any law providing for the
112 distribution of the property of one dying intestate.

113 (c) Transfers of legal ownership of motor vehicles ten
114 (10) or more years after the date of the manufacture of such
115 vehicle.

116 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is

117 amended as follows:[LR1]

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

119 27-65-75. On or before the fifteenth day of each month, the
120 revenue collected under the provisions of this chapter during the
121 preceding month shall be paid and distributed as follows:

122 (1) On or before August 15, 1992, and each succeeding month
123 thereafter through July 15, 1993, eighteen percent (18%) of the
124 total sales tax revenue collected during the preceding month under
125 the provisions of this chapter, except that collected under the
126 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
127 business activities within a municipal corporation shall be
128 allocated for distribution to such municipality and paid to such
129 municipal corporation. On or before August 15, 1993, and each
130 succeeding month thereafter, eighteen and one-half percent
131 (18-1/2%) of the total sales tax revenue collected during the
132 preceding month under the provisions of this chapter, except that
133 collected under the provisions of Sections 27-65-15, 27-65-19(3)
134 and 27-65-21, on business activities within a municipal
135 corporation shall be allocated for distribution to such
136 municipality and paid to such municipal corporation.

137 A municipal corporation, for the purpose of distributing the
138 tax under this subsection, shall mean and include all incorporated
139 cities, towns and villages.

140 Monies allocated for distribution and credited to a municipal
141 corporation under this subsection may be pledged as security for
142 any loan received by the municipal corporation for the purpose of
143 capital improvements as authorized under Section 57-1-303, or
144 loans as authorized under Section 57-44-7, or water systems

145 improvements as authorized under Section 41-3-16.

146 In any county having a county seat which is not an
147 incorporated municipality, the distribution provided hereunder
148 shall be made as though the county seat was an incorporated
149 municipality; however, the distribution to such municipality shall
150 be paid to the county treasury wherein the municipality is located
151 and such funds shall be used for road, bridge and street
152 construction or maintenance therein.

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

173 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
174 State Tax Commission may consider gallons of gasoline and diesel
175 fuel sold for a period of less than one (1) fiscal year. For the
176 purposes of this subsection, the term "fiscal year" means the
177 fiscal year beginning July 1 of a year.

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

190 (4) On or before August 15, 1994, and on or before the
191 fifteenth day of each succeeding month through July 15, 1999, from
192 the proceeds of gasoline, diesel fuel or kerosene taxes as
193 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
194 (\$4,000,000.00) shall be deposited in the State Treasury to the
195 credit of a special fund designated as the "State Aid Road Fund,"
196 created by Section 65-9-17. On or before August 15, 1999, and on
197 or before the fifteenth day of each succeeding month, from the
198 total amount of the proceeds of gasoline, diesel fuel or kerosene
199 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
200 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth

201 percent (23.25%) of such funds, whichever is the greater amount,
202 shall be deposited in the State Treasury to the credit of the
203 "State Aid Road Fund," created by Section 65-9-17. Such funds
204 shall be pledged to pay the principal of and interest on state aid
205 road bonds heretofore issued under Sections 19-9-51 through
206 19-9-77, in lieu of and in substitution for the funds heretofore
207 allocated to counties under this section. Such funds may not be
208 pledged for the payment of any state aid road bonds issued after
209 April 1, 1981; however, this prohibition against the pledging of
210 any such funds for the payment of bonds shall not apply to any
211 bonds for which intent to issue such bonds has been published, for
212 the first time, as provided by law prior to March 29, 1981. From
213 the amount of taxes paid into the special fund pursuant to this
214 subsection and subsection (9) of this section, there shall be
215 first deducted and paid the amount necessary to pay the expenses
216 of the Office of State Aid Road Construction, as authorized by the
217 Legislature for all other general and special fund agencies. The
218 remainder of the fund shall be allocated monthly to the several
219 counties in accordance with the following formula:

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

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

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

229 according to the latest federal decennial census.

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

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

246 Any reference in the general laws of this state or the
247 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
248 construed to refer and apply to subsection (4) of Section
249 27-65-75.

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

256 (6) An amount each month beginning August 15, 1983, through

257 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
258 of 1983, shall be paid into the special fund known as the
259 Correctional Facilities Construction Fund created in Section 6 of
260 Chapter 542, Laws of 1983.

261 (7) On or before August 15, 1992, and each succeeding month
262 thereafter, two and two hundred sixty-six one-thousandths percent
263 (2.266%) of the total sales tax revenue collected during the
264 preceding month under the provisions of this chapter, except that
265 collected under the provisions of Section 27-65-17(2) shall be
266 deposited by the commission into the School Ad Valorem Tax
267 Reduction Fund created pursuant to Section 37-61-35.

268 (8) On or before August 15, 1992, and each succeeding month
269 thereafter, nine and seventy-three one-thousandths percent
270 (9.073%) of the total sales tax revenue collected during the
271 preceding month under the provisions of this chapter, except that
272 collected under the provisions of Section 27-65-17(2) shall be
273 deposited into the Education Enhancement Fund created pursuant to
274 Section 37-61-33.

275 (9) On or before August 15, 1994, and each succeeding month
276 thereafter, from the revenue collected under this chapter during
277 the preceding month, Two Hundred Fifty Thousand Dollars
278 (\$250,000.00) shall be paid into the State Aid Road Fund.

279 (10) On or before August 15, 1994, and each succeeding month
280 thereafter through August 15, 1995, from the revenue collected
281 under this chapter during the preceding month, Two Million Dollars
282 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
283 Valorem Tax Reduction Fund established in Section 27-51-105.

284 (11) Notwithstanding any other provision of this section to

285 the contrary, on or before February 15, 1995, and each succeeding
286 month thereafter, the sales tax revenue collected during the
287 preceding month under the provisions of Section 27-65-17(2) and
288 the corresponding levy in Section 27-65-23 on the rental or lease
289 of private carriers of passengers and light carriers of property
290 as defined in Section 27-51-101 shall be deposited, without
291 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
292 established in Section 27-51-105.

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

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

310 (14) On or before August 15, 1998, and each succeeding month
311 thereafter through July 15, 2005, that portion of the avails of
312 the tax imposed in Section 27-65-23 which is derived from sales by

313 cotton compresses or cotton warehouses and which would otherwise
314 be paid into the General Fund, shall be deposited in an amount not
315 to exceed Two Million Dollars (\$2,000,000.00) into the special
316 fund created pursuant to Section 69-37-39.

317 (15) Notwithstanding any other provision of this section to
318 the contrary, on or before August 15, 2000, and each succeeding
319 month thereafter, the sales tax revenue collected during the
320 preceding month under the provisions of Section 27-65-201(4),
321 Mississippi Code of 1972, shall be deposited, without diversion,
322 into the Motor Vehicle Ad Valorem Tax Reduction Fund established
323 in Section 27-51-105, Mississippi Code of 1972.

324 (16) Notwithstanding any other provision of this section to
325 the contrary, on or before August 15, 2000, and each succeeding
326 month thereafter, the sales tax revenue collected during the
327 preceding month under the provisions of Section 27-65-201(2),
328 Mississippi Code of 1972, on purchases of private carriers of
329 property or a light carrier of property as defined in Section
330 27-51-101, Mississippi Code of 1972, shall be deposited, after
331 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
332 established in Section 27-51-105, Mississippi Code of 1972.

333 (17) The remainder of the amounts collected under the
334 provisions of this chapter shall be paid into the State Treasury
335 to the credit of the General Fund.

336 (18) It shall be the duty of the municipal officials of any
337 municipality which expands its limits, or of any community which
338 incorporates as a municipality, to notify the commissioner of such
339 action thirty (30) days before the effective date. Failure to so
340 notify the commissioner shall cause such municipality to forfeit

341 the revenue which it would have been entitled to receive during
342 this period of time when the commissioner had no knowledge of the
343 action. If any funds have been erroneously disbursed to any
344 municipality or any overpayment of tax is recovered by the
345 taxpayer, the commissioner may make correction and adjust the
346 error or overpayment with such municipality by withholding the
347 necessary funds from any subsequent payment to be made to the
348 municipality.

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

350 27-65-75. On or before the fifteenth day of each month, the
351 revenue collected under the provisions of this chapter during the
352 preceding month shall be paid and distributed as follows:

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

368 A municipal corporation, for the purpose of distributing the

369 tax under this subsection, shall mean and include all incorporated
370 cities, towns and villages.

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

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

384 (2) On or before September 15, 1987, and each succeeding
385 month thereafter, from the revenue collected under this chapter
386 during the preceding month One Million One Hundred Twenty-five
387 Thousand Dollars (\$1,125,000.00) shall be allocated for
388 distribution to municipal corporations as defined under subsection
389 (1) of this section in the proportion that the number of gallons
390 of gasoline and diesel fuel sold by distributors to consumers and
391 retailers in each such municipality during the preceding fiscal
392 year bears to the total gallons of gasoline and diesel fuel sold
393 by distributors to consumers and retailers in municipalities
394 statewide during the preceding fiscal year. The State Tax
395 Commission shall require all distributors of gasoline and diesel
396 fuel to report to the commission monthly the total number of

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

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

421 (4) On or before August 15, 1994, and on or before the
422 fifteenth day of each succeeding month through July 15, 1999, from
423 the proceeds of gasoline, diesel fuel or kerosene taxes as
424 provided in Section 27-5-101(a)(ii)1, Four Million Dollars

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

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

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

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

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

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

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

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

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

492 (7) On or before August 15, 1992, and each succeeding month
493 thereafter, two and two hundred sixty-six one-thousandths percent
494 (2.266%) 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), not to
497 exceed the fiscal year 1997 appropriated level shall be deposited
498 by the commission into the School Ad Valorem Tax Reduction Fund
499 created pursuant to Section 37-61-35, with the balance to be
500 transferred to the Education Enhancement Fund created under
501 Section 37-61-33 for appropriation by the Legislature as other
502 education needs and not subject to the percentage set asides set
503 forth in Section 37-61-33.

504 (8) On or before August 15, 1992, and each succeeding month
505 thereafter, nine and seventy-three one-thousandths percent
506 (9.073%) of the total sales tax revenue collected during the
507 preceding month under the provisions of this chapter, except that
508 collected under the provisions of Section 27-65-17(2) shall be

509 deposited into the Education Enhancement Fund created pursuant to
510 Section 37-61-33.

511 (9) On or before August 15, 1994, and each succeeding month
512 thereafter, from the revenue collected under this chapter during
513 the preceding month, Two Hundred Fifty Thousand Dollars
514 (\$250,000.00) shall be paid into the State Aid Road Fund.

515 (10) On or before August 15, 1994, and each succeeding month
516 thereafter through August 15, 1995, from the revenue collected
517 under this chapter during the preceding month, Two Million Dollars
518 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
519 Valorem Tax Reduction Fund established in Section 27-51-105.

520 (11) Notwithstanding any other provision of this section to the
521 contrary, on or before February 15, 1995, and each succeeding
522 month thereafter, the sales tax revenue collected during the
523 preceding month under the provisions of Section 27-65-17(2) and
524 the corresponding levy in Section 27-65-23 on the rental or lease
525 of private carriers of passengers and light carriers of property
526 as defined in Section 27-51-101 shall be deposited, without
527 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
528 established in Section 27-51-105.

529 (12) Notwithstanding any other provision of this section to
530 the contrary, on or before August 15, 1995, and each succeeding
531 month thereafter, the sales tax revenue collected during the
532 preceding month under the provisions of Section 27-65-17(1) on
533 retail sales of private carriers of passengers and light carriers
534 of property, as defined in Section 27-51-101, and the
535 corresponding levy in Section 27-65-23 on the rental or lease of
536 these vehicles, shall be deposited, after diversion, into the

537 Motor Vehicle Ad Valorem Tax Reduction Fund established in Section
538 27-51-105.

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

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

554 (15) Notwithstanding any other provision of this section to
555 the contrary, on or before August 15, 2000, and each succeeding
556 month thereafter, the sales tax revenue collected during the
557 preceding month under the provisions of Section 27-65-201(4),
558 Mississippi Code of 1972, shall be deposited, without diversion,
559 into the Motor Vehicle Ad Valorem Tax Reduction Fund established
560 in Section 27-51-105, Mississippi Code of 1972.

561 (16) Notwithstanding any other provision of this section to
562 the contrary, on or before August 15, 2000, and each succeeding
563 month thereafter, the sales tax revenue collected during the
564 preceding month under the provisions of Section 27-65-201(2),

565 Mississippi Code of 1972, on purchases of private carriers of
566 property or a light carrier of property as defined in Section
567 27-51-101, Mississippi Code of 1972, shall be deposited, after
568 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
569 established in Section 27-51-105, Mississippi Code of 1972.

570 (17) The remainder of the amounts collected under the
571 provisions of this chapter shall be paid into the State Treasury
572 to the credit of the General Fund.

573 (18) It shall be the duty of the municipal officials of any
574 municipality which expands its limits, or of any community which
575 incorporates as a municipality, to notify the commissioner of such
576 action thirty (30) days before the effective date. Failure to so
577 notify the commissioner shall cause such municipality to forfeit
578 the revenue which it would have been entitled to receive during
579 this period of time when the commissioner had no knowledge of the
580 action. If any funds have been erroneously disbursed to any
581 municipality or any overpayment of tax is recovered by the
582 taxpayer, the commissioner may make correction and adjust the
583 error or overpayment with such municipality by withholding the
584 necessary funds from any subsequent payment to be made to the
585 municipality.

586 SECTION 3. Section 27-67-31, Mississippi Code of 1972, is
587 amended as follows: [LR2]

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

589 27-67-31. All administrative provisions of the sales tax
590 law, and amendments thereto, including those which fix damages,
591 penalties and interest for failure to comply with the provisions
592 of said sales tax law, and all other requirements and duties

593 imposed upon taxpayer, shall apply to all persons liable for use
594 taxes under the provisions of this article. The commissioner
595 shall exercise all power and authority and perform all duties with
596 respect to taxpayers under this article as are provided in said
597 sales tax law, except where there is conflict, then the provisions
598 of this article shall control.

599 The commissioner may require transportation companies to
600 permit the examination of waybills, freight bills, or other
601 documents covering shipments of tangible personal property into
602 this state.

603 On or before the fifteenth day of each month, the amount
604 received from taxes, damages and interest under the provisions of
605 this article during the preceding month shall be paid and
606 distributed as follows:

607 (a) On or before July 15, 1994, and each succeeding
608 month thereafter, two and two hundred sixty-six one-thousandths
609 percent (2.266%) of the total use tax revenue collected during the
610 preceding month under the provisions of this article shall be
611 deposited in the School Ad Valorem Tax Reduction Fund created
612 pursuant to Section 37-61-35.

613 (b) On or before July 15, 1994, and each succeeding
614 month thereafter, nine and seventy-three one-thousandths percent
615 (9.073%) of the total use tax revenue collected during the
616 preceding month under the provisions of this article shall be
617 deposited into the Education Enhancement Fund created pursuant to
618 Section 37-61-33.

619 (c) On or before July 15, 1997, and on or before the
620 fifteenth day of each succeeding month thereafter, the revenue

621 collected under the provisions of this article imposed and levied
622 as a result of Section 27-65-17(2) and the corresponding levy in
623 Section 27-65-23 on the rental or lease of private carriers of
624 passengers and light carriers of property as defined in Section
625 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
626 Reduction Fund created pursuant to Section 27-51-105.

627 (d) On or before July 15, 1997, and on or before the
628 fifteenth day of each succeeding month thereafter and after the
629 deposits required by paragraphs (a) and (b) of this section are
630 made, the remaining revenue collected under the provisions of this
631 article imposed and levied as a result of Section 27-65-17(1) and
632 the corresponding levy in Section 27-65-23 on the rental or lease
633 of private carriers of passengers and light carriers of property
634 as defined in Section 27-51-101 shall be deposited into the Motor
635 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
636 27-51-105.

637 (e) On or before August 15, 2000, and on or before the
638 fifteenth day of each succeeding month thereafter, the revenue
639 collected under the provisions of this article imposed and levied
640 pursuant to Section 27-65-201(5) shall be deposited into the Motor
641 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
642 27-51-105.

643 (f) On or before August 15, 2000, and on or before the
644 fifteenth day of each succeeding month thereafter and after the
645 deposits required by paragraphs (a) and (b) of this section are
646 made, the remaining revenue collected under the provisions of this
647 article imposed and levied pursuant to Section 27-65-201(3) on
648 private carriers of passengers and light carriers of property as

649 defined in Section 27-51-101 shall be deposited into the Motor
650 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
651 27-51-105.

652 (g) The remainder of the amount received from taxes,
653 damages and interest under the provisions of this article shall be
654 paid into the General Fund of the State Treasury by the
655 commissioner.

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

657 27-67-31. All administrative provisions of the sales tax
658 law, and amendments thereto, including those which fix damages,
659 penalties and interest for failure to comply with the provisions
660 of said sales tax law, and all other requirements and duties
661 imposed upon taxpayer, shall apply to all persons liable for use
662 taxes under the provisions of this article. The commissioner
663 shall exercise all power and authority and perform all duties with
664 respect to taxpayers under this article as are provided in said
665 sales tax law, except where there is conflict, then the provisions
666 of this article shall control.

667 The commissioner may require transportation companies to
668 permit the examination of waybills, freight bills, or other
669 documents covering shipments of tangible personal property into
670 this state.

671 On or before the fifteenth day of each month, the amount
672 received from taxes, damages and interest under the provisions of
673 this article during the preceding month shall be paid and
674 distributed as follows:

675 (a) On or before July 15, 1994, and each succeeding
676 month thereafter, two and two hundred sixty-six one-thousandths

677 percent (2.266%) of the total use tax revenue collected during the
678 preceding month under the provisions of this article not to exceed
679 the fiscal year 1997 appropriated level shall be deposited in the
680 School Ad Valorem Tax Reduction Fund created pursuant to Section
681 37-61-35, with the balance to be transferred to the Education
682 Enhancement Fund created under Section 37-61-33 for appropriation
683 by the Legislature as other education needs and not subject to the
684 percentage set asides set forth in Section 37-61-33.

685 (b) On or before July 15, 1994, and each succeeding
686 month thereafter, nine and seventy-three one-thousandths percent
687 (9.073%) of the total use tax revenue collected during the
688 preceding month under the provisions of this article shall be
689 deposited into the Education Enhancement Fund created pursuant to
690 Section 37-61-33.

691 (c) On or before July 15, 1997, and on or before the
692 fifteenth day of each succeeding month thereafter, the revenue
693 collected under the provisions of this article imposed and levied
694 as a result of Section 27-65-17(2) and the corresponding levy in
695 Section 27-65-23 on the rental or lease of private carriers of
696 passengers and light carriers of property as defined in Section
697 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
698 Reduction Fund created pursuant to Section 27-51-105.

699 (d) On or before July 15, 1997, and on or before the
700 fifteenth day of each succeeding month thereafter and after the
701 deposits required by paragraphs (a) and (b) of this section are
702 made, the remaining revenue collected under the provisions of this
703 article imposed and levied as a result of Section 27-65-17(1) and
704 the corresponding levy in Section 27-65-23 on the rental or lease

705 of private carriers of passengers and light carriers of property
706 as defined in Section 27-51-101 shall be deposited into the Motor
707 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
708 27-51-105.

709 (e) On or before August 15, 2000, and on or before the
710 fifteenth day of each succeeding month thereafter, the revenue
711 collected under the provisions of this article imposed and levied
712 pursuant to Section 27-65-201(5) shall be deposited into the Motor
713 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
714 27-51-105.

715 (f) On or before August 15, 2000, and on or before the
716 fifteenth day of each succeeding month thereafter and after the
717 deposits required by paragraphs (a) and (b) of this section are
718 made, the remaining revenue collected under the provisions of this
719 article imposed and levied pursuant to Section 27-65-201(3) on
720 private carriers of passengers and light carriers of property as
721 defined in Section 27-51-101 shall be deposited into the Motor
722 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
723 27-51-105.

724 (g) The remainder of the amount received from taxes,
725 damages and interest under the provisions of this article shall be
726 paid into the General Fund of the State Treasury by the
727 commissioner.

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