

By: Smith

To: Finance

SENATE BILL NO. 2374

1 AN ACT TO AMEND SECTIONS 27-65-15, 27-65-17, 27-65-19,  
 2 27-65-22, 27-65-23 AND 27-65-25, MISSISSIPPI CODE OF 1972, TO  
 3 PHASE IN A REDUCTION IN THE AMOUNT OF THE SALES TAX ON ALL ITEMS  
 4 CURRENTLY TAXED AT 7% TO 6%; TO AMEND SECTION 27-65-75,  
 5 MISSISSIPPI CODE OF 1972, TO INCREASE THE PERCENTAGE AMOUNT OF THE  
 6 SALES TAX DIVERSIONS TO MUNICIPALITIES, THE SCHOOL AD VALOREM TAX  
 7 REDUCTION FUND AND THE EDUCATION ENHANCEMENT FUND; AND FOR RELATED  
 8 PURPOSES.

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

10 SECTION 1. Section 27-65-15, Mississippi Code of 1972, is  
 11 amended as follows:

12 27-65-15. Upon every person engaging or continuing within  
 13 this state in the business of mining, quarrying, drilling or  
 14 otherwise producing, or causing to be produced for sale, profit,  
 15 or commercial use, limestone, sand, gravel, dirt, coal, lignite or  
 16 other mineral or natural resource products, except timber, oil,  
 17 natural gas and salt, there is hereby levied and assessed and  
 18 shall be collected taxes as follows:

19 (a) Sales to consumers within this state shall be taxed  
 20 under Section 27-65-17 or Section 27-65-19, as the case may be.

21 (b) Sales defined as wholesale or exempt, used by the  
 22 producers as a component material of a contract taxable under  
 23 Section 27-65-21, as a raw material of a manufactured product, or  
 24 delivered outside this state, shall be taxed at (i) six and three

25 fourths percent (6-3/4%) of the gross proceeds of sales through  
26 June 30, 2001, (ii) six and one-half percent (6-1/2%) of the gross  
27 proceeds of sales from and after July 1, 2001, through June 30,  
28 2002, (iii) six and one-fourth percent (6-1/4%) of the gross  
29 proceeds of sales from and after July 1, 2002, through June 30,  
30 2003, and (iv) six percent (6%) of the gross proceeds of sales  
31 from and after July 1, 2003, exclusive of delivery charges, or  
32 value when converted to use, whichever is greater, but not to  
33 exceed Five Cents (5¢) per ton with respect to sand, gravel, dirt,  
34 clay or limestone.

35 The commission shall prescribe equitable and uniform rules  
36 for ascertaining value.

37 All privilege taxes levied upon persons engaged in the  
38 production of natural resource products by this chapter shall be a  
39 lien upon all such products so produced and such lien shall be  
40 entitled to preference over all judgments, executions,  
41 encumbrances or liens, whensoever created. All persons to or  
42 through whom the title to such products pass shall be jointly and  
43 severally liable for such tax until the same is paid in full.

44 The tax imposed in this section shall be collected by the  
45 commissioner from the person in charge of the production  
46 operations, and the commissioner is hereby authorized to make such  
47 investigations and inspections of the production operations, from  
48 time to time, as he may deem necessary for the purpose of  
49 ascertaining the correct amount of tax due.

50 SECTION 2. Section 27-65-17, Mississippi Code of 1972, is  
51 amended as follows:

52 27-65-17. (1) Upon every person engaging or continuing  
53 within this state in the business of selling any tangible personal  
54 property whatsoever there is hereby levied, assessed and shall be  
55 collected a tax equal to (i) six and three fourths percent

56 (6-3/4%) of the gross proceeds of the retail sales of the  
57 business, through June 30, 2001, (ii) six and one-half percent  
58 (6-1/2%) of the gross proceeds of the retail sales of the business  
59 from and after July 1, 2001, through June 30, 2002, (iii) six and  
60 one-fourth percent (6-1/4%) of the gross proceeds of the retail  
61 sales of the business from and after July 1, 2002, through June  
62 30, 2003, and (iv) six percent (6%) of the gross proceeds of the  
63 retail sales of the business from and after July 1, 2003, except  
64 as otherwise provided herein.

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

67 Retail sales of farm implements sold to farmers and used  
68 directly in the production of poultry, ratite, domesticated fish  
69 as defined in Section 69-7-501, livestock, livestock products,  
70 agricultural crops or ornamental plant crops or used for other  
71 agricultural purposes shall be taxed at the rate of three percent  
72 (3%) when used on the farm. The three percent (3%) rate shall  
73 also apply to all equipment used in logging, pulpwood operations  
74 or tree farming which is either (a) self-propelled or which is (b)  
75 mounted so that it is (i) permanently attached to other equipment  
76 which is self-propelled or (ii) permanently attached to other  
77 equipment drawn by a vehicle which is self-propelled.

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

82 Sales of manufacturing machinery or manufacturing machine  
83 parts when made to a manufacturer or custom processor for plant

84 use only when said machinery and machine parts will be used  
85 exclusively and directly within this state in manufacturing a  
86 commodity for sale, rental or in processing for a fee shall be  
87 taxed at the rate of one and one-half percent (1-1/2%).

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

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

96 Wholesale sales of beer shall be taxed at the rate of (i) six  
97 and three fourths percent (6-3/4%) through June 30, 2001, (ii) six  
98 and one-half percent (6-1/2%) from and after July 1, 2001, through  
99 June 30, 2002, (iii) six and one-fourth percent (6-1/4%) from and  
100 after July 1, 2002, through June 30, 2003, and (iv) six percent  
101 (6%) from and after July 1, 2003, and the retailer shall file a  
102 return and compute the retail tax on retail sales but may take  
103 credit for the amount of the tax paid to the wholesaler on said  
104 return covering the subsequent sales of same property, provided  
105 adequate invoices and records are maintained to substantiate the  
106 credit.

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

111 A manufacturer selling at retail in this state shall be

112 required to make returns of the gross proceeds of such sales and  
113 pay the tax imposed in this section.

114 Any person exercising any privilege taxable under Section  
115 27-65-15 and selling his natural resource products at wholesale or  
116 to exempt persons shall pay the tax levied by said section in lieu  
117 of the tax levied by this section.

118 (2) From and after January 1, 1995, retail sales of private  
119 carriers of passengers and light carriers of property, as defined  
120 in Section 27-51-101, shall be taxed an additional two percent  
121 (2%).

122 (3) In lieu of the tax levied in subsection (1) of this  
123 section, there is levied on retail sales of truck-tractors and  
124 semitrailers used in interstate commerce and registered under the  
125 International Registration Plan (IRP) or any similar reciprocity  
126 agreement or compact relating to the proportional registration of  
127 commercial vehicles entered into as provided for in Section  
128 27-19-143, a tax at the rate of three percent (3%) of the portion  
129 of the sale that is attributable to the usage of such  
130 truck-tractor or semitrailer in Mississippi. The portion of the  
131 retail sale that is attributable to the usage of such  
132 truck-tractor or semitrailer in Mississippi is the retail sales  
133 price of the truck-tractor or semitrailer multiplied by the  
134 percentage of the total miles traveled by the vehicle that are  
135 traveled in Mississippi. The tax levied pursuant to this  
136 subsection (3) shall be collected by the State Tax Commission from  
137 the purchaser of such truck-tractor or semitrailer at the time of  
138 registration of such truck-tractor or semitrailer.

139 SECTION 3. Section 27-65-19, Mississippi Code of 1972, is

140 amended as follows:

141           27-65-19. (1) (a) Except as otherwise provided in this  
142 subsection, upon every person selling to consumers, electricity,  
143 current, power, potable water, steam, coal, natural gas, liquefied  
144 petroleum gas or other fuel, there is hereby levied, assessed and  
145 shall be collected a tax equal to (i) six and three fourths  
146 percent (6-3/4%) of the gross income of the business through June  
147 30, 2001, (ii) six and one-half percent (6-1/2%) of the gross  
148 income of the business from and after July 1, 2001, through June  
149 30, 2002, (iii) six and one-fourth percent (6-1/4%) of the gross  
150 income of the business from and after July 1, 2002, through June  
151 30, 2003, and (iv) six percent (6%) of the gross income of the  
152 business from and after July 1, 2003. Provided, gross income from  
153 sales to consumers of electricity, current, power, natural gas,  
154 liquefied petroleum gas or other fuel for residential heating,  
155 lighting or other residential noncommercial or nonagricultural  
156 use, and sales of potable water for residential, noncommercial or  
157 nonagricultural use shall be excluded from taxable gross income of  
158 the business. Provided further, upon every such seller using  
159 electricity, current, power, potable water, steam, coal, natural  
160 gas, liquefied petroleum gas or other fuel for nonindustrial  
161 purposes, there is hereby levied, assessed and shall be collected  
162 a tax equal to (i) six and three fourths percent (6-3/4%) of the  
163 cost or value of the product or service used through June 30,  
164 2001, (ii) six and one-half percent (6-1/2%) of the cost or value  
165 of the product or service used from and after July 1, 2001,  
166 through June 30, 2002, (iii) six and one-fourth percent (6-1/4%)  
167 of the cost or value of the product or service used from and after

168 July 1, 2002, through June 30, 2003, and (iv) six percent (6%) of  
169 the cost or value of the product or service used, from and after  
170 July 1, 2003.

171 (b) There is hereby levied, assessed and shall be  
172 collected a tax equal to one and one-half percent (1-1/2%) of the  
173 gross income of the business when the electricity, current, power,  
174 steam, coal, natural gas, liquefied petroleum gas or other fuel is  
175 sold to or used by a manufacturer, custom processor or public  
176 service company for industrial purposes, which shall include that  
177 used to generate electricity, to operate an electrical  
178 distribution or transmission system, to operate pipeline  
179 compressor or pumping stations or to operate railroad locomotives;  
180 provided, however, that:

181 (i) From and after July 1, 2000, through June 30,  
182 2001, sales of fuel used to produce electric power by a company  
183 primarily engaged in the business of producing, generating or  
184 distributing electric power for sale shall be taxed at the rate of  
185 one and one-eighth percent (1.125%);

186 (ii) From and after July 1, 2001, through June 30,  
187 2002, sales of fuel used to produce electric power by a company  
188 primarily engaged in the business of producing, generating or  
189 distributing electric power for sale shall be taxed at the rate of  
190 three-fourths of one percent (0.75%);

191 (iii) From and after July 1, 2002, through June  
192 30, 2003, sales of fuel used to produce electric power by a  
193 company primarily engaged in the business of producing, generating  
194 or distributing electric power for sale shall be taxed at the rate  
195 of three-eighths of one percent (0.375%);

196                   (iv) From and after July 1, 2003, sales of fuel  
197 used to produce electric power by a company primarily engaged in  
198 the business of producing, generating or distributing electric  
199 power for sale shall be exempt from sales tax as provided in  
200 Section 27-65-107.

201                   (c) The one and one-half percent (1-1/2%) industrial  
202 rate provided for in this subsection shall also apply when the  
203 electricity, current, power, steam, coal, natural gas, liquefied  
204 petroleum gas or other fuel is sold to a producer or processor for  
205 use directly in the production of poultry or poultry products, the  
206 production of livestock and livestock products, the production of  
207 plants or food by commercial horticulturists, the processing of  
208 milk and milk products, the processing of poultry and livestock  
209 feed, and the irrigation of farm crops.

210                   (d) The one and one-half percent (1-1/2%) rate provided  
211 for in this subsection shall not apply to sales of fuel for  
212 automobiles, trucks, truck-tractors, buses, farm tractors or  
213 airplanes.

214                   (e) Upon every person operating a telegraph or  
215 telephone business for the transmission of messages or  
216 conversations between points within this state, there is hereby  
217 levied, assessed and shall be collected, a tax equal to (i) six  
218 and three fourths percent (6-3/4%) of the gross income of such  
219 business through June 30, 2001, (ii) six and one-half percent  
220 (6-1/2%) of the gross income of such business from and after July  
221 1, 2001, through June 30, 2002, (iii) six and one-fourth percent  
222 (6-1/4%) of the gross income of such business from and after July  
223 1, 2002, through June 30, 2003, and (iv) six percent (6%) of the

224 gross income of such business from and after July 1, 2003, with no  
225 deduction or allowance for any part of an intrastate rate charge  
226 because of routing across a state line. However, any sale of a  
227 prepaid telephone calling card or prepaid authorization number, or  
228 both, shall be deemed to be the sale of tangible personal property  
229 subject only to such taxes imposed by law on the sale of tangible  
230 personal property. If the sale of a prepaid telephone calling  
231 card or prepaid authorization number does not take place at the  
232 vendor's place of business, it shall be conclusively determined to  
233 take place at the customer's shipping address. The  
234 reauthorization of a prepaid telephone calling card or a prepaid  
235 authorization number shall be conclusively determined to take  
236 place at the customer's billing address.

237 (2) Persons making sales to consumers of electricity,  
238 current, power, natural gas, liquefied petroleum gas or other fuel  
239 for residential heating, lighting or other residential  
240 noncommercial or nonagricultural use or sales of potable water for  
241 residential, noncommercial or nonagricultural use shall indicate  
242 on each statement rendered to customers that such charges are  
243 exempt from sales taxes.

244 (3) There is hereby levied, assessed and shall be paid on  
245 transportation charges on shipments moving between points within  
246 this state when paid directly by the consumer, a tax equal to the  
247 rate applicable to the sale of the property being transported.  
248 Such tax shall be reported and paid directly to the State Tax  
249 Commission by the consumer.

250 SECTION 4. Section 27-65-22, Mississippi Code of 1972, is  
251 amended as follows:

252           27-65-22. (1) Upon every person engaging or continuing in  
253 any amusement business or activity, which shall include all manner  
254 and forms of entertainment and amusement, all forms of diversion,  
255 sport, recreation or pastime, shows, exhibitions, contests,  
256 displays, games or any other and all methods of obtaining  
257 admission charges, donations, contributions or monetary charges of  
258 any character, from the general public or a limited or selected  
259 number thereof, directly or indirectly in return for other than  
260 tangible property or specific personal or professional services,  
261 whether such amusement is held or conducted in a public or private  
262 building, hotel, tent, pavilion, lot or resort, enclosed or in the  
263 open, there is hereby levied, assessed and shall be collected a  
264 tax equal to (i) six and three fourths percent (6-3/4%) of the  
265 gross income received as admission through June 30, 2001, (ii) six  
266 and one-half percent (6-1/2%) of the gross income received as  
267 admission from and after July 1, 2001, through June 30, 2002,  
268 (iii) six and one-fourth percent (6-1/4%) of the gross income  
269 received as admission from and after July 1, 2002, through June  
270 30, 2003, and (iv) six percent (6%) of the gross income received  
271 as admission from and after July 1, 2003, except as otherwise  
272 provided herein. In lieu of the rate set forth above, there is  
273 hereby imposed, levied and assessed, to be collected as  
274 hereinafter provided, a tax of three percent (3%) of gross revenue  
275 derived from sales of admission to publicly owned enclosed  
276 coliseums and auditoriums (except admissions to athletic contests  
277 between colleges and universities). There is hereby imposed,  
278 levied and assessed a tax of (i) six and three fourths percent  
279 (6-3/4%) of gross revenue derived from sales of admission to

280 events conducted on property managed by the Mississippi Veterans  
281 Memorial Stadium through June 30, 2001, (ii) six and one-half  
282 percent (6-1/2%) of the gross revenue derived from sales of  
283 admission to events conducted on property managed by the  
284 Mississippi Veterans Memorial Stadium from and after July 1, 2001,  
285 through June 30, 2002, (iii) six and one-fourth percent (6-1/4%)  
286 of the gross revenue derived from sales of admission to events  
287 conducted on property managed by the Mississippi Veterans Memorial  
288 Stadium from and after July 1, 2002, through June 30, 2003, and  
289 (iv) six percent (6%) of the gross revenue derived from sales of  
290 admission to events conducted on property managed by the  
291 Mississippi Veterans Memorial Stadium from and after July 1, 2003,  
292 which tax shall be administered in the manner prescribed in this  
293 chapter, subject, however, to the provisions of Sections 55-23-3  
294 through 55-23-11.

295 (2) The operator of any place of amusement in this state  
296 shall collect the tax imposed by this section, in addition to the  
297 price charged for admission to any place of amusement, and under  
298 all circumstances the person conducting the amusement shall be  
299 liable for, and pay the tax imposed based upon the actual charge  
300 for such admission. Where permits are obtained for conducting  
301 temporary amusements by persons who are not the owners, lessees or  
302 custodians of the buildings, lots or places where the amusements  
303 are to be conducted, or where such temporary amusement is  
304 permitted by the owner, lessee or custodian of any place to be  
305 conducted without the procurement of a permit as required by this  
306 chapter, the tax imposed by this chapter shall be paid by the  
307 owner, lessee or custodian of such place where such temporary

308 amusement is held or conducted, unless paid by the person  
309 conducting the amusement, and the applicant for such temporary  
310 permit shall furnish with the application therefor, the name and  
311 address of the owner, lessee or custodian of the premises upon  
312 which such amusement is to be conducted, and such owner, lessee or  
313 custodian shall be notified by the commission of the issuance of  
314 such permit, and of the joint liability for such tax.

315 (3) The tax imposed by this section shall not be levied or  
316 collected upon:

317 (a) Any admissions charged at any place of amusement  
318 operated by a religious, charitable or educational organization,  
319 or by a nonprofit civic club or fraternal organization (i) when  
320 the net proceeds of such admissions do not inure to any one or  
321 more individuals within such organization and are to be used  
322 solely for religious, charitable, educational or civic purposes;  
323 or (ii) when the entire net proceeds are used to defray the normal  
324 operating expenses of such organization, such as loan payments,  
325 maintenance costs, repairs and other operating expenses;

326 (b) Any admissions charged to hear gospel singing when  
327 promoted by a duly constituted local, bona fide nonprofit  
328 charitable or religious organization, irrespective of the fact  
329 that the performers and promoters are paid out of the proceeds of  
330 admissions collected, provided the program is composed entirely of  
331 gospel singing and not generally mixed with hillbilly or popular  
332 singing;

333 (c) Any admissions charged at any athletic games or  
334 contests between high schools or between grammar schools;

335 (d) Any admissions or tickets to or for baseball games

336 between teams operated under a professional league franchise;

337           (e) Any admissions to county, state or community fairs,  
338 or any admissions to entertainments presented in community homes  
339 or houses which are publicly owned and controlled, and the  
340 proceeds of which do not inure to any individual or individuals;

341           (f) Any admissions or tickets to organized garden  
342 pilgrimages and to antebellum and historic houses when sponsored  
343 by an organized civic or garden club;

344           (g) Any admissions to any golf tournament held under  
345 the auspices of the Professional Golf Association or United States  
346 Golf Association wherein touring professionals compete, if such  
347 tournament is sponsored by a nonprofit association incorporated  
348 under the laws of the State of Mississippi where no dividends are  
349 declared and the proceeds do not inure to any individual or group;

350           (h) Any admissions to university or community college  
351 conference, state, regional or national playoffs or championships;

352           (i) Any admissions or fees charged by any county or  
353 municipally owned and operated swimming pools, golf courses and  
354 tennis courts other than sales or rental of tangible personal  
355 property;

356           (j) Any admissions charged for the performance of  
357 symphony orchestras, operas, vocal or instrumental artists in  
358 which professional or amateur performers are compensated out of  
359 the proceeds of such admissions, when sponsored by local music or  
360 charity associations, or amateur dramatic performances or  
361 professional dramatic productions when sponsored by a children's  
362 dramatic association, where no dividends are declared, profits  
363 received, nor any salary or compensation paid to any of the

364 members of such associations, or to any person for procuring or  
365 producing such performance; and

366 (k) Any admissions or tickets to or for hockey games  
367 between teams operated under a professional league franchise.

368 SECTION 5. Section 27-65-23, Mississippi Code of 1972, is  
369 amended as follows:

370 27-65-23. Upon every person engaging or continuing in any of  
371 the following businesses or activities there is hereby levied,  
372 assessed and shall be collected a tax equal to (i) six and three  
373 fourths percent (6-3/4%) of the gross income of the business  
374 through June 30, 2001, (ii) six and one-half percent (6-1/2%) of  
375 the gross income of the business from and after July 1, 2001,  
376 through June 30, 2002, (iii) six and one-fourth percent (6-1/4%)  
377 of the gross income of the business from and after July 1, 2002,  
378 through June 30, 2003, and (iv) six percent (6%) of the gross  
379 income of the business from and after July 1, 2003, except as  
380 otherwise provided:

381 Air conditioning installation or repairs;

382 Automobile, aircraft, motorcycle, boat or any other  
383 vehicle repairing or servicing;

384 Billiards, pool or domino parlors;

385 Bowling or tenpin alleys;

386 Burglar and fire alarm systems or services;

387 Car washing-automatic, self-service, or manual;

388 Computer software sales and services;

389 Cotton compresses or cotton warehouses;

390 Custom creosoting or treating, custom planing, custom  
391 sawing;

392 Custom meat processing;

393 Electricians, electrical work, wiring, all repairs or  
394 installation of electrical equipment;

395 Elevator or escalator installing, repairing or  
396 servicing;

397 Film developing or photo finishing;

398 Foundries, machine or general repairing;

399 Furniture repairing or upholstering;

400 Grading, excavating, ditching, dredging or landscaping;

401 Hotels, motels, tourist courts or camps, trailer parks;

402 Insulating services or repairs;

403 Jewelry or watch repairing;

404 Laundering, cleaning, pressing or dyeing;

405 Marina services;

406 Mattress renovating;

407 Office and business machine repairing;

408 Parking garages and lots;

409 Plumbing or pipe fitting;

410 Public storage warehouses;

411 Refrigerating equipment repairs;

412 Radio or television installing, repairing or servicing;

413 Renting or leasing personal property used within this  
414 state;

415 Services performed in connection with geophysical  
416 surveying, exploring, developing, drilling, producing,  
417 distributing, or testing of oil, gas, water and other mineral  
418 resources;

419 Shoe repairing;

420 Storage lockers;  
421 Telephone answering or paging services;  
422 Termite or pest control services;  
423 Tin and sheet metal shops;  
424 TV cable systems, subscription TV services, and other  
425 similar activities;  
426 Vulcanizing, repairing or recapping of tires or tubes;  
427 Welding; and  
428 Woodworking or wood turning shops.

429 Income from services taxed herein performed for electric  
430 power associations in the ordinary and necessary operation of  
431 their generating or distribution systems shall be taxed at the  
432 rate of one percent (1%).

433 Income from services taxed herein performed on materials for  
434 use in track or track structures to a railroad whose rates are  
435 fixed by the Interstate Commerce Commission or the Mississippi  
436 Public Service Commission shall be taxed at the rate of three  
437 percent (3%).

438 Income from renting or leasing tangible personal property  
439 used within this state shall be taxed at the same rates as sales  
440 of the same property.

441 Persons doing business in this state who rent transportation  
442 equipment with a situs within or without the state to common,  
443 contract or private commercial carriers are taxed on that part of  
444 the income derived from use within this state. If specific  
445 accounting is impracticable, a formula may be used with approval  
446 of the commissioner.

447 A lessor may deduct from the tax computed on the rental

448 income from tangible personal property a credit for sales or use  
449 tax paid to this state at the time of purchase of the specific  
450 personal property being leased or rented until such credit has  
451 been exhausted.

452 Charges for custom processing and repairing services may be  
453 excluded from gross taxable income when the property on which the  
454 service was performed is delivered to the customer in another  
455 state either by common carrier or in the seller's equipment.

456 When a taxpayer performs unitary services covered by this  
457 section, which are performed both in intrastate and interstate  
458 commerce, the commissioner is hereby invested with authority to  
459 formulate in each particular case and to fix for such taxpayer in  
460 each instance formulae of apportionment which will apportion to  
461 this state, for taxation, that portion of the services which are  
462 performed within the State of Mississippi.

463 SECTION 6. Section 27-65-25, Mississippi Code of 1972, is  
464 amended as follows:

465 27-65-25. Upon every person engaging or continuing within  
466 this state in the business of selling alcoholic beverages, the  
467 sales of which are legal under the provisions of Chapter 1 of  
468 Title 67, Mississippi Code of 1972, there is hereby levied,  
469 assessed and shall be collected a tax equal to (i) six and  
470 one-half percent (6-1/2%) of the gross proceeds of the retail  
471 sales of the business through June 30, 2001, (ii) six and one-half  
472 percent (6-1/2%) of the gross proceeds of the retail sales of the  
473 business from and after July 1, 2001, through June 30, 2002, (iii)  
474 six and one-fourth percent (6-1/4%) of the gross proceeds of the  
475 retail sales of the business from and after July 1, 2002, through

476 June 30, 2003, and (iv) six percent (6%) of the gross proceeds of  
477 the retail sales of the business from and after July 1, 2003. All  
478 sales at wholesale to retailers shall be taxed at the same rate as  
479 provided in this section for retail sales. A retailer in  
480 computing the tax on sales may take credit for the amount of the  
481 tax paid to the wholesaler at the rates provided herein and remit  
482 the difference to the commissioner, provided adequate records and  
483 all invoices are maintained to substantiate the credit claimed.

484 SECTION 7. Section 27-65-75, Mississippi Code of 1972, is  
485 amended as follows:[MS1]

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

487 27-65-75. On or before the fifteenth day of each month, the  
488 revenue collected under the provisions of this chapter during the  
489 preceding month shall be paid and distributed as follows:

490 (1) On or before August 15, 1992, and each succeeding month  
491 thereafter through July 15, 1993, eighteen percent (18%) of the  
492 total sales tax revenue collected during the preceding month under  
493 the provisions of this chapter, except that collected under the  
494 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
495 business activities within a municipal corporation shall be  
496 allocated for distribution to such municipality and paid to such  
497 municipal corporation. On or before August 15, 1993, and each  
498 succeeding month thereafter through July 15, 2000, eighteen and  
499 one-half percent (18-1/2%) of the total sales tax revenue  
500 collected during the preceding month under the provisions of this  
501 chapter, except that collected under the provisions of Sections  
502 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
503 a municipal corporation shall be allocated for distribution to

504 such municipality and paid to such municipal corporation. On or  
505 before August 15, 2000, and each month thereafter through July 15,  
506 2001, nineteen and eighty-one one-thousandths percent (19.081%) of  
507 the total sales tax revenue collected during the preceding month  
508 under the provisions of this chapter, except that collected under  
509 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
510 business activities within a municipal corporation shall be  
511 allocated for distribution to such municipality and paid to such  
512 municipal corporation. On or before August 15, 2001, and each  
513 month thereafter through July 15, 2002, nineteen and seven-tenths  
514 percent (19.7%) of the total sales tax revenue collected during  
515 the preceding month under the provisions of this chapter, except  
516 that collected under the provisions of Sections 27-65-15,  
517 27-65-19(3) and 27-65-21, on business activities within a  
518 municipal corporation shall be allocated for distribution to such  
519 municipality and paid to such municipal corporation. On or before  
520 August 15, 2002, and each month thereafter through July 15, 2003,  
521 twenty and three hundred sixty-one one-thousandths percent  
522 (2.361%) of the total sales tax revenue collected during the  
523 preceding month under the provisions of this chapter, except that  
524 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
525 and 27-65-21, on business activities within a municipal  
526 corporation shall be allocated for distribution to such  
527 municipality and paid to such municipal corporation. On or before  
528 August 15, 2003, and each month thereafter, twenty and sixty-eight  
529 one-thousandths percent (20.068%) of the total sales tax revenue  
530 collected during the preceding month under the provisions of this  
531 chapter, except that collected under the provisions of Sections

532 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
533 a municipal corporation shall be allocated for distribution to  
534 such municipality and paid to such municipal corporation.

535 A municipal corporation, for the purpose of distributing the  
536 tax under this subsection, shall mean and include all incorporated  
537 cities, towns and villages.

538 Monies allocated for distribution and credited to a municipal  
539 corporation under this subsection may be pledged as security for  
540 any loan received by the municipal corporation for the purpose of  
541 capital improvements as authorized under Section 57-1-303, or  
542 loans as authorized under Section 57-44-7, or water systems  
543 improvements as authorized under Section 41-3-16.

544 In any county having a county seat which is not an  
545 incorporated municipality, the distribution provided hereunder  
546 shall be made as though the county seat was an incorporated  
547 municipality; however, the distribution to such municipality shall  
548 be paid to the county treasury wherein the municipality is located  
549 and such funds shall be used for road, bridge and street  
550 construction or maintenance therein.

551 (2) On or before September 15, 1987, and each succeeding  
552 month thereafter, from the revenue collected under this chapter  
553 during the preceding month One Million One Hundred Twenty-five  
554 Thousand Dollars (\$1,125,000.00) shall be allocated for  
555 distribution to municipal corporations as defined under subsection  
556 (1) of this section in the proportion that the number of gallons  
557 of gasoline and diesel fuel sold by distributors to consumers and  
558 retailers in each such municipality during the preceding fiscal  
559 year bears to the total gallons of gasoline and diesel fuel sold

560 by distributors to consumers and retailers in municipalities  
561 statewide during the preceding fiscal year. The State Tax  
562 Commission shall require all distributors of gasoline and diesel  
563 fuel to report to the commission monthly the total number of  
564 gallons of gasoline and diesel fuel sold by them to consumers and  
565 retailers in each municipality during the preceding month. The  
566 State Tax Commission shall have the authority to promulgate such  
567 rules and regulations as is necessary to determine the number of  
568 gallons of gasoline and diesel fuel sold by distributors to  
569 consumers and retailers in each municipality. In determining the  
570 percentage allocation of funds under this subsection for the  
571 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
572 State Tax Commission may consider gallons of gasoline and diesel  
573 fuel sold for a period of less than one (1) fiscal year. For the  
574 purposes of this subsection, the term "fiscal year" means the  
575 fiscal year beginning July 1 of a year.

576 (3) On or before September 15, 1987, and on or before the  
577 fifteenth day of each succeeding month, until the date specified  
578 in Section 65-39-35, the proceeds derived from contractors' taxes  
579 levied under Section 27-65-21 on contracts for the construction or  
580 reconstruction of highways designated under the Four-Lane Highway  
581 Program created under Section 65-3-97 shall, except as otherwise  
582 provided in Section 31-17-127, be deposited into the State  
583 Treasury to the credit of the State Highway Fund to be used to  
584 fund such Four-Lane Highway Program. The Mississippi Department  
585 of Transportation shall provide to the State Tax Commission such  
586 information as is necessary to determine the amount of proceeds to  
587 be distributed under this subsection.

588           (4) On or before August 15, 1994, and on or before the  
589 fifteenth day of each succeeding month through July 15, 1999, from  
590 the proceeds of gasoline, diesel fuel or kerosene taxes as  
591 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
592 (\$4,000,000.00) shall be deposited in the State Treasury to the  
593 credit of a special fund designated as the "State Aid Road Fund,"  
594 created by Section 65-9-17. On or before August 15, 1999, and on  
595 or before the fifteenth day of each succeeding month, from the  
596 total amount of the proceeds of gasoline, diesel fuel or kerosene  
597 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
598 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
599 percent (23.25%) of such funds, whichever is the greater amount,  
600 shall be deposited in the State Treasury to the credit of the  
601 "State Aid Road Fund," created by Section 65-9-17. Such funds  
602 shall be pledged to pay the principal of and interest on state aid  
603 road bonds heretofore issued under Sections 19-9-51 through  
604 19-9-77, in lieu of and in substitution for the funds heretofore  
605 allocated to counties under this section. Such funds may not be  
606 pledged for the payment of any state aid road bonds issued after  
607 April 1, 1981; however, this prohibition against the pledging of  
608 any such funds for the payment of bonds shall not apply to any  
609 bonds for which intent to issue such bonds has been published, for  
610 the first time, as provided by law prior to March 29, 1981. From  
611 the amount of taxes paid into the special fund pursuant to this  
612 subsection and subsection (9) of this section, there shall be  
613 first deducted and paid the amount necessary to pay the expenses  
614 of the Office of State Aid Road Construction, as authorized by the  
615 Legislature for all other general and special fund agencies. The

616 remainder of the fund shall be allocated monthly to the several  
617 counties in accordance with the following formula:

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

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

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

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

631 The amount of funds allocated to any county under this  
632 subsection for any fiscal year after fiscal year 1994 shall not be  
633 less than the amount allocated to such county for fiscal year  
634 1994. Monies allocated to a county from the State Aid Road Fund  
635 for fiscal year 1995 or any fiscal year thereafter that exceed the  
636 amount of funds allocated to that county from the State Aid Road  
637 Fund for fiscal year 1994, first must be expended by the county  
638 for replacement or rehabilitation of bridges on the state aid road  
639 system that have a sufficiency rating of less than twenty-five  
640 (25), according to National Bridge Inspection standards before  
641 such monies may be approved for expenditure by the State Aid Road  
642 Engineer on other projects that qualify for the use of state aid  
643 road funds.

644 Any reference in the general laws of this state or the  
645 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
646 construed to refer and apply to subsection (4) of Section  
647 27-65-75.

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

654 (6) An amount each month beginning August 15, 1983, through  
655 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
656 of 1983, shall be paid into the special fund known as the  
657 Correctional Facilities Construction Fund created in Section 6 of  
658 Chapter 542, Laws of 1983.

659 (7) On or before August 15, 1992, and each succeeding month  
660 thereafter through July 15, 2000, two and two hundred sixty-six  
661 one-thousandths percent (2.266%) of the total sales tax revenue  
662 collected during the preceding month under the provisions of this  
663 chapter, except that collected under the provisions of Section  
664 27-65-17(2) shall be deposited by the commission into the School  
665 Ad Valorem Tax Reduction Fund created pursuant to Section  
666 37-61-35. On or before August 15, 2000, and each succeeding month  
667 thereafter through July 15, 2001, two and three hundred  
668 thirty-seven one-thousandths percent (2.337%) of the total sales  
669 tax revenue collected during the preceding month under the  
670 provisions of this chapter, except that collected under the  
671 provisions of Section 27-65-17(2) shall be deposited by the

672 commission into the School Ad Valorem Tax Reduction Fund created  
673 pursuant to Section 37-61-35. On or before August 15, 2001, and  
674 each succeeding month thereafter through July 15, 2002, two and  
675 four hundred thirteen one-thousandths percent (2.413%) of the  
676 total sales tax revenue collected during the preceding month under  
677 the provisions of this chapter, except that collected under the  
678 provisions of Section 27-65-17(2) shall be deposited by the  
679 commission into the School Ad Valorem Tax Reduction Fund created  
680 pursuant to Section 37-61-35. On or before August 15, 2002, and  
681 each succeeding month thereafter through July 15, 2003, two and  
682 four hundred ninety-four one-thousandths percent (2.494%) of the  
683 total sales tax revenue collected during the preceding month under  
684 the provisions of this chapter, except that collected under the  
685 provisions of Section 27-65-17(2) shall be deposited by the  
686 commission into the School Ad Valorem Tax Reduction Fund created  
687 pursuant to Section 37-61-35. On or before August 15, 2003, and  
688 each succeeding month thereafter, two and five hundred eighty-one  
689 one-thousandths percent (2.581%) of the total sales tax revenue  
690 collected during the preceding month under the provisions of this  
691 chapter, except that collected under the provisions of Section  
692 27-65-17(2) shall be deposited by the commission into the School  
693 Ad Valorem Tax Reduction Fund created pursuant to Section  
694 37-61-35.

695 (8) On or before August 15, 1992, and each succeeding month  
696 thereafter through July 15, 2000, nine and seventy-three  
697 one-thousandths percent (9.073%) of the total sales tax revenue  
698 collected during the preceding month under the provisions of this  
699 chapter, except that collected under the provisions of Section

700 27-65-17(2) shall be deposited into the Education Enhancement Fund  
701 created pursuant to Section 37-61-33. On or before August 15,  
702 2000, and each succeeding month thereafter through July 15, 2001,  
703 nine and three hundred fifty-eight one-thousandths percent  
704 (9.358%) of the total sales tax revenue collected during the  
705 preceding month under the provisions of this chapter, except that  
706 collected under the provisions of Section 27-65-17(2), shall be  
707 deposited into the Education Enhancement Fund created pursuant to  
708 Section 37-61-33. On or before August 15, 2001, and each  
709 succeeding month thereafter through July 15, 2002, nine and six  
710 hundred sixty-two one-thousandths percent (9.662%) of the total  
711 sales tax revenue collected during the preceding month under the  
712 provisions of this chapter, except that collected under the  
713 provisions of Section 27-65-17(2), shall be deposited into the  
714 Education Enhancement Fund created pursuant to Section 37-61-33.  
715 On or before August 15, 2002, and each succeeding month thereafter  
716 through July 15, 2003, nine and nine hundred eighty-six  
717 one-thousandths percent (9.986%) of the total sales tax revenue  
718 collected during the preceding month under the provisions of this  
719 chapter, except that collected under the provisions of Section  
720 27-65-17(2) shall be deposited into the Education Enhancement Fund  
721 created pursuant to Section 37-61-33. On or before August 15,  
722 2003, and each succeeding month thereafter, ten and three hundred  
723 thirty-three one-thousandths percent (10.333%) of the total sales  
724 tax revenue collected during the preceding month under the  
725 provisions of this chapter, except that collected under the  
726 provisions of Section 27-65-17(2) shall be deposited into the  
727 Education Enhancement Fund created pursuant to Section 37-61-33.

728           (9) On or before August 15, 1994, and each succeeding month  
729 thereafter, from the revenue collected under this chapter during  
730 the preceding month, Two Hundred Fifty Thousand Dollars  
731 (\$250,000.00) shall be paid into the State Aid Road Fund.

732           (10) On or before August 15, 1994, and each succeeding month  
733 thereafter through August 15, 1995, from the revenue collected  
734 under this chapter during the preceding month, Two Million Dollars  
735 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
736 Valorem Tax Reduction Fund established in Section 27-51-105.

737           (11) Notwithstanding any other provision of this section to  
738 the contrary, on or before February 15, 1995, and each succeeding  
739 month thereafter, the sales tax revenue collected during the  
740 preceding month under the provisions of Section 27-65-17(2) and  
741 the corresponding levy in Section 27-65-23 on the rental or lease  
742 of private carriers of passengers and light carriers of property  
743 as defined in Section 27-51-101 shall be deposited, without  
744 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
745 established in Section 27-51-105.

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

755           (13) On or before July 15, 1994, and on or before the

756 fifteenth day of each succeeding month thereafter, that portion of  
757 the avails of the tax imposed in Section 27-65-22, which is  
758 derived from activities held on the Mississippi State Fairgrounds  
759 Complex, shall be paid into a special fund hereby created in the  
760 State Treasury and shall be expended pursuant to legislative  
761 appropriations solely to defray the costs of repairs and  
762 renovation at such Trade Mart and Coliseum.

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

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

773 (16) It shall be the duty of the municipal officials of any  
774 municipality which expands its limits, or of any community which  
775 incorporates as a municipality, to notify the commissioner of such  
776 action thirty (30) days before the effective date. Failure to so  
777 notify the commissioner shall cause such municipality to forfeit  
778 the revenue which it would have been entitled to receive during  
779 this period of time when the commissioner had no knowledge of the  
780 action. If any funds have been erroneously disbursed to any  
781 municipality or any overpayment of tax is recovered by the  
782 taxpayer, the commissioner may make correction and adjust the  
783 error or overpayment with such municipality by withholding the

784 necessary funds from any subsequent payment to be made to the  
785 municipality.

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

787 27-65-75. On or before the fifteenth day of each month, the  
788 revenue collected under the provisions of this chapter during the  
789 preceding month shall be paid and distributed as follows:

790 (1) On or before August 15, 1992, and each succeeding month  
791 thereafter through July 15, 1993, eighteen percent (18%) of the  
792 total sales tax revenue collected during the preceding month under  
793 the provisions of this chapter, except that collected under the  
794 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
795 business activities within a municipal corporation shall be  
796 allocated for distribution to such municipality and paid to such  
797 municipal corporation. On or before August 15, 1993, and each  
798 succeeding month thereafter through July 15, 2000, eighteen and  
799 one-half percent (18-1/2%) of the total sales tax revenue  
800 collected during the preceding month under the provisions of this  
801 chapter, except that collected under the provisions of Sections  
802 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
803 a municipal corporation shall be allocated for distribution to  
804 such municipality and paid to such municipal corporation. On or  
805 before August 15, 2000, and each month thereafter through July 15,  
806 2001, nineteen and eighty-one one-thousandths percent (19.081%) of  
807 the total sales tax revenue collected during the preceding month  
808 under the provisions of this chapter, except that collected under  
809 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
810 business activities within a municipal corporation shall be  
811 allocated for distribution to such municipality and paid to such

812 municipal corporation. On or before August 15, 2001, and each  
813 month thereafter through July 15, 2002, nineteen and seven-tenths  
814 percent (19.7%) of the total sales tax revenue collected during  
815 the preceding month under the provisions of this chapter, except  
816 that collected under the provisions of Sections 27-65-15,  
817 27-65-19(3) and 27-65-21, on business activities within a  
818 municipal corporation shall be allocated for distribution to such  
819 municipality and paid to such municipal corporation. On or before  
820 August 15, 2002, and each month thereafter through July 15, 2003,  
821 twenty and three hundred sixty-one one-thousandths percent  
822 (2.361%) of the total sales tax revenue collected during the  
823 preceding month under the provisions of this chapter, except that  
824 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
825 and 27-65-21, on business activities within a municipal  
826 corporation shall be allocated for distribution to such  
827 municipality and paid to such municipal corporation. On or before  
828 August 15, 2003, and each month thereafter, twenty and sixty-eight  
829 one-thousandths percent (20.068%) of the total sales tax revenue  
830 collected during the preceding month under the provisions of this  
831 chapter, except that collected under the provisions of Sections  
832 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
833 a municipal corporation shall be allocated for distribution to  
834 such municipality and paid to such municipal corporation.

835 A municipal corporation, for the purpose of distributing the  
836 tax under this subsection, shall mean and include all incorporated  
837 cities, towns and villages.

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

840 any loan received by the municipal corporation for the purpose of  
841 capital improvements as authorized under Section 57-1-303, or  
842 loans as authorized under Section 57-44-7, or water systems  
843 improvements as authorized under Section 41-3-16.

844 In any county having a county seat which is not an  
845 incorporated municipality, the distribution provided hereunder  
846 shall be made as though the county seat was an incorporated  
847 municipality; however, the distribution to such municipality shall  
848 be paid to the county treasury wherein the municipality is located  
849 and such funds shall be used for road, bridge and street  
850 construction or maintenance therein.

851 (2) On or before September 15, 1987, and each succeeding  
852 month thereafter, from the revenue collected under this chapter  
853 during the preceding month One Million One Hundred Twenty-five  
854 Thousand Dollars (\$1,125,000.00) shall be allocated for  
855 distribution to municipal corporations as defined under subsection  
856 (1) of this section in the proportion that the number of gallons  
857 of gasoline and diesel fuel sold by distributors to consumers and  
858 retailers in each such municipality during the preceding fiscal  
859 year bears to the total gallons of gasoline and diesel fuel sold  
860 by distributors to consumers and retailers in municipalities  
861 statewide during the preceding fiscal year. The State Tax  
862 Commission shall require all distributors of gasoline and diesel  
863 fuel to report to the commission monthly the total number of  
864 gallons of gasoline and diesel fuel sold by them to consumers and  
865 retailers in each municipality during the preceding month. The  
866 State Tax Commission shall have the authority to promulgate such  
867 rules and regulations as is necessary to determine the number of

868 gallons of gasoline and diesel fuel sold by distributors to  
869 consumers and retailers in each municipality. In determining the  
870 percentage allocation of funds under this subsection for the  
871 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
872 State Tax Commission may consider gallons of gasoline and diesel  
873 fuel sold for a period of less than one (1) fiscal year. For the  
874 purposes of this subsection, the term "fiscal year" means the  
875 fiscal year beginning July 1 of a year.

876 (3) On or before September 15, 1987, and on or before the  
877 fifteenth day of each succeeding month, until the date specified  
878 in Section 65-39-35, the proceeds derived from contractors' taxes  
879 levied under Section 27-65-21 on contracts for the construction or  
880 reconstruction of highways designated under the Four-Lane Highway  
881 Program created under Section 65-3-97 shall, except as otherwise  
882 provided in Section 31-17-127, be deposited into the State  
883 Treasury to the credit of the State Highway Fund to be used to  
884 fund such Four-Lane Highway Program. The Mississippi Department  
885 of Transportation shall provide to the State Tax Commission such  
886 information as is necessary to determine the amount of proceeds to  
887 be distributed under this subsection.

888 (4) On or before August 15, 1994, and on or before the  
889 fifteenth day of each succeeding month through July 15, 1999, from  
890 the proceeds of gasoline, diesel fuel or kerosene taxes as  
891 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
892 (\$4,000,000.00) shall be deposited in the State Treasury to the  
893 credit of a special fund designated as the "State Aid Road Fund,"  
894 created by Section 65-9-17. On or before August 15, 1999, and on  
895 or before the fifteenth day of each succeeding month, from the

896 total amount of the proceeds of gasoline, diesel fuel or kerosene  
897 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
898 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
899 percent (23.25%) of such funds, whichever is the greater amount,  
900 shall be deposited in the State Treasury to the credit of the  
901 "State Aid Road Fund," created by Section 65-9-17. Such funds  
902 shall be pledged to pay the principal of and interest on state aid  
903 road bonds heretofore issued under Sections 19-9-51 through  
904 19-9-77, in lieu of and in substitution for the funds heretofore  
905 allocated to counties under this section. Such funds may not be  
906 pledged for the payment of any state aid road bonds issued after  
907 April 1, 1981; however, this prohibition against the pledging of  
908 any such funds for the payment of bonds shall not apply to any  
909 bonds for which intent to issue such bonds has been published, for  
910 the first time, as provided by law prior to March 29, 1981. From  
911 the amount of taxes paid into the special fund pursuant to this  
912 subsection and subsection (9) of this section, there shall be  
913 first deducted and paid the amount necessary to pay the expenses  
914 of the Office of State Aid Road Construction, as authorized by the  
915 Legislature for all other general and special fund agencies. The  
916 remainder of the fund shall be allocated monthly to the several  
917 counties in accordance with the following formula:

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

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

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

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

931           The amount of funds allocated to any county under this  
932 subsection for any fiscal year after fiscal year 1994 shall not be  
933 less than the amount allocated to such county for fiscal year  
934 1994. Monies allocated to a county from the State Aid Road Fund  
935 for fiscal year 1995 or any fiscal year thereafter that exceed the  
936 amount of funds allocated to that county from the State Aid Road  
937 Fund for fiscal year 1994, first must be expended by the county  
938 for replacement or rehabilitation of bridges on the state aid road  
939 system that have a sufficiency rating of less than twenty-five  
940 (25), according to National Bridge Inspection standards before  
941 such monies may be approved for expenditure by the State Aid Road  
942 Engineer on other projects that qualify for the use of state aid  
943 road funds.

944           Any reference in the general laws of this state or the  
945 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
946 construed to refer and apply to subsection (4) of Section  
947 27-65-75.

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

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

954 (6) An amount each month beginning August 15, 1983, through  
955 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
956 of 1983, shall be paid into the special fund known as the  
957 Correctional Facilities Construction Fund created in Section 6 of  
958 Chapter 542, Laws of 1983.

959 (7) On or before August 15, 1992, and each succeeding month  
960 thereafter through July 15, 2000, two and two hundred sixty-six  
961 one-thousandths percent (2.266%) of the total sales tax revenue  
962 collected during the preceding month under the provisions of this  
963 chapter, except that collected under the provisions of Section  
964 27-65-17(2), \* \* \* shall be deposited by the commission into the  
965 School Ad Valorem Tax Reduction Fund created pursuant to Section  
966 37-61-35 \* \* \*. On or before August 15, 2000, and each succeeding  
967 month thereafter through July 15, 2001, nine and three hundred  
968 fifty-eight one-thousandths percent (9.358%) of the total sales  
969 tax revenue collected during the preceding month under the  
970 provisions of this chapter, except that collected under the  
971 provisions of Section 27-65-17(2), shall be deposited by the  
972 commission into the School Ad Valorem Tax Reduction Fund created  
973 pursuant to Section 37-61-35. On or before August 15, 2001, and  
974 each succeeding month thereafter through July 15, 2002, nine and  
975 six hundred sixty-two one-thousandths percent (9.662%) of the  
976 total sales tax revenue collected during the preceding month under  
977 the provisions of this chapter, except, that collected under the  
978 provisions of Section 27-65-17(2) shall be deposited by the  
979 commission into the School Ad Valorem Tax Reduction Fund created

980 pursuant to Section 37-61-35. On or before August 15, 2002, and  
981 each succeeding month thereafter through July 15, 2003, nine and  
982 nine hundred eighty-six one-thousandths percent (9.986%) of the  
983 total sales tax revenue collected during the preceding month under  
984 the provisions of this chapter, except that collected under the  
985 provisions of Section 27-65-17(2), not to exceed the fiscal year  
986 1997 appropriated level, shall be deposited by the commission into  
987 the School Ad Valorem Tax Reduction Fund created pursuant to  
988 Section 37-61-35, with the balance to be transferred to the  
989 Education Enhancement Fund created under Section 37-61-33 for  
990 appropriation by the Legislature as other education needs and not  
991 subject to the percentage set aside set forth in Section 37-61-33.  
992 On or before August 15, 2003, and each succeeding month  
993 thereafter, ten and three hundred thirty-three one-thousandths  
994 percent (10.333%) of the total sales tax revenue collected during  
995 the preceding month under the provisions of this chapter, except  
996 that collected under the provisions of Section 27-65-17(2), not to  
997 exceed the fiscal year 1997 appropriated level, shall be deposited  
998 by the commission into the School Ad Valorem Tax Reduction Fund  
999 created pursuant to Section 37-61-35, with the balance to be  
1000 transferred to the Education Enhancement Fund created under  
1001 Section 37-61-33 for appropriation by the Legislature as other  
1002 education needs and not subject to the percentage set aside set  
1003 forth in Section 37-61-33.

1004 (8) On or before August 15, 1992, and each succeeding month  
1005 thereafter through July 15, 2000, nine and seventy-three  
1006 one-thousandths percent (9.073%) of the total sales tax revenue  
1007 collected during the preceding month under the provisions of this

1008 chapter, except that collected under the provisions of Section  
1009 27-65-17(2) shall be deposited into the Education Enhancement Fund  
1010 created pursuant to Section 37-61-33. On or before August 15,  
1011 2000, and each succeeding month thereafter through July 15, 2001,  
1012 nine and three hundred fifty-eight one-thousandths percent  
1013 (9.358%) of the total sales tax revenue collected during the  
1014 preceding month under the provisions of this chapter, except that  
1015 collected under the provisions of Section 27-65-17(2), shall be  
1016 deposited into the Education Enhancement Fund created pursuant to  
1017 Section 37-61-33. On or before August 15, 2001, and each  
1018 succeeding month thereafter through July 15, 2002, nine and six  
1019 hundred sixty-two one-thousandths percent (9.662%) of the total  
1020 sales tax revenue collected during the preceding month under the  
1021 provisions of this chapter, except that collected under the  
1022 provisions of Section 27-65-17(2), shall be deposited into the  
1023 Education Enhancement Fund created pursuant to Section 37-61-33.  
1024 On or before August 15, 2002, and each succeeding month thereafter  
1025 through July 15, 2003, nine and nine hundred eighty-six  
1026 one-thousandths percent (9.986%) of the total sales tax revenue  
1027 collected during the preceding month under the provisions of this  
1028 chapter, except that collected under the provisions of Section  
1029 27-65-17(2) shall be deposited into the Education Enhancement Fund  
1030 created pursuant to Section 37-61-33. On or before August 15,  
1031 2003, and each succeeding month thereafter, ten and three hundred  
1032 thirty-three one-thousandths percent (10.333%) of the total sales  
1033 tax revenue collected during the preceding month under the  
1034 provisions of this chapter, except that collected under the  
1035 provisions of Section 27-65-17(2) shall be deposited into the

1036 Education Enhancement Fund created pursuant to Section 37-61-33.

1037       (9) On or before August 15, 1994, and each succeeding month  
1038 thereafter, from the revenue collected under this chapter during  
1039 the preceding month, Two Hundred Fifty Thousand Dollars  
1040 (\$250,000.00) shall be paid into the State Aid Road Fund.

1041       (10) On or before August 15, 1994, and each succeeding month  
1042 thereafter through August 15, 1995, from the revenue collected  
1043 under this chapter during the preceding month, Two Million Dollars  
1044 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1045 Valorem Tax Reduction Fund established in Section 27-51-105.

1046       (11) Notwithstanding any other provision of this section to  
1047 the contrary, on or before February 15, 1995, and each succeeding  
1048 month thereafter, the sales tax revenue collected during the  
1049 preceding month under the provisions of Section 27-65-17(2) and  
1050 the corresponding levy in Section 27-65-23 on the rental or lease  
1051 of private carriers of passengers and light carriers of property  
1052 as defined in Section 27-51-101, shall be deposited, without  
1053 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
1054 established in Section 27-51-105.

1055       (12) Notwithstanding any other provision of this section to  
1056 the contrary, on or before August 15, 1995, and each succeeding  
1057 month thereafter, the sales tax revenue collected during the  
1058 preceding month under the provisions of Section 27-65-17(1) on  
1059 retail sales of private carriers of passengers and light carriers  
1060 of property, as defined in Section 27-51-101, and the  
1061 corresponding levy in Section 27-65-23 on the rental or lease of  
1062 these vehicles, shall be deposited, after diversion, into the  
1063 Motor Vehicle Ad Valorem Tax Reduction Fund established in Section

1064 27-51-105.

1065           (13) On or before July 15, 1994, and on or before the  
1066 fifteenth day of each succeeding month thereafter, that portion of  
1067 the avails of the tax imposed in Section 27-65-22, which is  
1068 derived from activities held on the Mississippi state fairgrounds  
1069 complex, shall be paid into a special fund hereby created in the  
1070 State Treasury and shall be expended pursuant to legislative  
1071 appropriations solely to defray the costs of repairs and  
1072 renovation at such Trade Mart and Coliseum.

1073           (14) On or before August 15, 1998, and each succeeding month  
1074 thereafter through July 15, 2005, that portion of the avails of  
1075 the tax imposed in Section 27-65-23 which is derived from sales by  
1076 cotton compresses or cotton warehouses and which would otherwise  
1077 be paid into the General Fund, shall be deposited in an amount not  
1078 to exceed Two Million Dollars (\$2,000,000.00) into the special  
1079 fund created pursuant to Section 69-37-39.

1080           (15) The remainder of the amounts collected under the  
1081 provisions of this chapter shall be paid into the State Treasury  
1082 to the credit of the General Fund.

1083           (16) It shall be the duty of the municipal officials of any  
1084 municipality which expands its limits, or of any community which  
1085 incorporates as a municipality, to notify the commissioner of such  
1086 action thirty (30) days before the effective date. Failure to so  
1087 notify the commissioner shall cause such municipality to forfeit  
1088 the revenue which it would have been entitled to receive during  
1089 this period of time when the commissioner had no knowledge of the  
1090 action. If any funds have been erroneously disbursed to any  
1091 municipality or any overpayment of tax is recovered by the

1092 taxpayer, the commissioner may make correction and adjust the  
1093 error or overpayment with such municipality by withholding the  
1094 necessary funds from any subsequent payment to be made to the  
1095 municipality.

1096 SECTION 8. This act shall take effect and be in force from  
1097 and after July 1, 2000.