

By: Smith

To: Finance

SENATE BILL NO. 2375

1 AN ACT TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION RETAIL SALES OF CERTAIN FOOD FOR
3 HUMAN CONSUMPTION; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF
4 1972, TO INCREASE THE PERCENTAGE AMOUNT OF THE SALES TAX
5 DIVERSIONS TO MUNICIPALITIES, THE SCHOOL AD VALOREM TAX REDUCTION
6 FUND AND THE EDUCATION ENHANCEMENT FUND; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 27-65-111, Mississippi Code of 1972, is
9 amended as follows:[CRG1]

10 27-65-111. The exemptions from the provisions of this
11 chapter which are not industrial, agricultural or governmental, or
12 which do not relate to utilities or taxes, or which are not
13 properly classified as one of the exemption classifications of
14 this chapter, shall be confined to persons or property exempted by
15 this section or by the Constitution of the United States or the
16 State of Mississippi. No exemptions as now provided by any other
17 section, except the classified exemption sections of this chapter
18 set forth herein, shall be valid as against the tax herein levied.
19 Any subsequent exemption from the tax levied hereunder, except as
20 indicated above, shall be provided by amendments to this section.

21 No exemption provided in this section shall apply to taxes
22 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

23 The tax levied by this chapter shall not apply to the

24 following:

25 (a) Sales of tangible personal property and services to
26 hospitals or infirmaries owned and operated by a corporation or
27 association in which no part of the net earnings inures to the
28 benefit of any private shareholder, group or individual, and which
29 are subject to and governed by Sections 41-7-123 through 41-7-127.

30 Only sales of tangible personal property or services which
31 are ordinary and necessary to the operation of such hospitals and
32 infirmaries are exempted from tax.

33 (b) Sales of daily or weekly newspapers, and
34 periodicals or publications of scientific, literary or educational
35 organizations exempt from federal income taxation under Section
36 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
37 March 31, 1975, and subscription sales of all magazines.

38 (c) Sales of coffins, caskets and other materials used
39 in the preparation of human bodies for burial.

40 (d) Sales of tangible personal property for immediate
41 export to a foreign country.

42 (e) Sales of tangible personal property to an
43 orphanage, old men's or ladies' home, supported wholly or in part
44 by a religious denomination, fraternal nonprofit organization or
45 other nonprofit organization.

46 (f) Sales of tangible personal property, labor or
47 services taxable under Sections 27-65-17, 27-65-19, and 27-65-23,
48 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
49 corporation or association in which no part of the net earnings
50 inures to the benefit of any private shareholder, group or
51 individual.

52 (g) Sales to elementary and secondary grade schools,
53 junior and senior colleges owned and operated by a corporation or
54 association in which no part of the net earnings inures to the

55 benefit of any private shareholder, group or individual, and which
56 are exempt from state income taxation, provided that this
57 exemption does not apply to sales of property or services which
58 are not to be used in the ordinary operation of the school, or
59 which are to be resold to the students or the public.

60 (h) The gross proceeds of retail sales and the use or
61 consumption in this state of drugs and medicines:

62 (i) Prescribed for the treatment of a human being
63 by a person authorized to prescribe the medicines, and dispensed
64 or prescription filled by a registered pharmacist in accordance
65 with law; or

66 (ii) Furnished by a licensed physician, surgeon,
67 dentist or podiatrist to his own patient for treatment of the
68 patient; or

69 (iii) Furnished by a hospital for treatment of any
70 person pursuant to the order of a licensed physician, surgeon,
71 dentist or podiatrist; or

72 (iv) Sold to a licensed physician, surgeon,
73 podiatrist, dentist or hospital for the treatment of a human
74 being; or

75 (v) Sold to this state or any political
76 subdivision or municipal corporation thereof, for use in the
77 treatment of a human being or furnished for the treatment of a
78 human being by a medical facility or clinic maintained by this
79 state or any political subdivision or municipal corporation
80 thereof.

81 "Medicines," as used in this paragraph (h), shall mean and
82 include any substance or preparation intended for use by external

83 or internal application to the human body in the diagnosis, cure,
84 mitigation, treatment or prevention of disease and which is
85 commonly recognized as a substance or preparation intended for
86 such use; provided that "medicines" do not include any auditory,
87 prosthetic, ophthalmic or ocular device or appliance, any dentures
88 or parts thereof or any artificial limbs or their replacement
89 parts, articles which are in the nature of splints, bandages,
90 pads, compresses, supports, dressings, instruments, apparatus,
91 contrivances, appliances, devices or other mechanical, electronic,
92 optical or physical equipment or article or the component parts
93 and accessories thereof, or any alcoholic beverage or any other
94 drug or medicine not commonly referred to as a prescription drug.

95 Notwithstanding the preceding sentence of this paragraph (h),
96 "medicines" as used in this paragraph (h), shall mean and include
97 sutures, whether or not permanently implanted, bone screws, bone
98 pins, pacemakers and other articles permanently implanted in the
99 human body to assist the functioning of any natural organ, artery,
100 vein or limb and which remain or dissolve in the body.

101 "Hospital," as used in this paragraph (h), shall have the
102 meaning ascribed to it in Section 41-9-3, Mississippi Code of
103 1972.

104 Insulin furnished by a registered pharmacist to a person for
105 treatment of diabetes as directed by a physician shall be deemed
106 to be dispensed on prescription within the meaning of this
107 paragraph (h).

108 (i) Retail sales of automobiles, trucks and
109 truck-tractors if exported from this state within forty-eight (48)
110 hours and registered and first used in another state.

111 (j) Sales of tangible personal property or services to
112 the Salvation Army and the Muscular Dystrophy Association, Inc.

113 (k) From July 1, 1985, through December 31, 1992,
114 retail sales of "alcohol blended fuel" as such term is defined in
115 Section 75-55-5. The gasoline-alcohol blend or the straight
116 alcohol eligible for this exemption shall not contain alcohol
117 distilled outside the State of Mississippi.

118 (l) Sales of tangible personal property or services to
119 the Institute for Technology Development.

120 (m) The gross proceeds of retail sales of food and
121 drink for human consumption made through vending machines serviced
122 by full line vendors from and not connected with other taxable
123 businesses.

124 (n) The gross proceeds of sales of motor fuel.

125 (o) Retail sales of food for human consumption
126 purchased with food stamps issued by the United States Department
127 of Agriculture, or other federal agency, from and after October 1,
128 1987, or from and after the expiration of any waiver granted
129 pursuant to federal law, the effect of which waiver is to permit
130 the collection by the state of tax on such retail sales of food
131 for human consumption purchased with food stamps.

132 (p) Sales of cookies for human consumption by the Girl
133 Scouts of America no part of the net earnings from which sales
134 inures to the benefit of any private group or individual.

135 (q) Gifts or sales of tangible personal property or
136 services to public or private nonprofit museums of art.

137 (r) Sales of tangible personal property or services to
138 alumni associations of state-supported colleges or universities.

139 (s) Sales of tangible personal property or services to
140 chapters of the National Association of Junior Auxiliaries, Inc.

141 (t) Sales of tangible personal property or services to
142 domestic violence shelters which qualify for state funding under
143 Sections 93-21-101 through 93-21-113.

144 (u) Sales of tangible personal property or services to
145 the National Multiple Sclerosis Society, Mississippi Chapter.

146 (v) Retail sales of food for human consumption
147 purchased with food instruments issued the Mississippi Band of
148 Choctaw Indians under the Women, Infants and Children Program
149 (WIC) funded by the United States Department of Agriculture.

150 (w) Sales of tangible personal property or services to
151 a private company, as defined in Section 57-61-5, which is making
152 such purchases with proceeds of bonds issued under Section 57-61-1
153 et seq., the Mississippi Business Investment Act.

154 (x) The gross collections from the operation of
155 self-service, coin-operated car washing equipment and sales of the
156 service of washing motor vehicles with portable high pressure
157 washing equipment on the premises of the customer.

158 (y) Retail sales of food for human consumption not
159 purchased with food stamps issued by the United States Department
160 of Agriculture, or other federal agency, but which would be exempt
161 under paragraph (o) of this section from the taxes imposed by this
162 chapter if the food items were purchased with food stamps.

163 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is
164 amended as follows:[CRG2]

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

166 27-65-75. On or before the fifteenth day of each month, the

167 revenue collected under the provisions of this chapter during the
168 preceding month shall be paid and distributed as follows:

169 (1) On or before August 15, 1992, and each succeeding month
170 thereafter through July 15, 1993, eighteen percent (18%) of the
171 total sales tax revenue collected during the preceding month under
172 the provisions of this chapter, except that collected under the
173 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
174 business activities within a municipal corporation shall be
175 allocated for distribution to such municipality and paid to such
176 municipal corporation. On or before August 15, 1993, and each
177 succeeding month thereafter through July 1, 2000, eighteen and
178 one-half percent (18-1/2%) of the total sales tax revenue
179 collected during the preceding month under the provisions of this
180 chapter, except that collected under the provisions of Sections
181 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
182 a municipal corporation shall be allocated for distribution to
183 such municipality and paid to such municipal corporation. On or
184 before August 15, 2000, and each month thereafter, twenty-one and
185 thirty-five one-hundredths percent (21.35%) of the total sales tax
186 revenue collected during the preceding month under the provisions
187 of this chapter, except that collected under the provisions of
188 Sections 27-65-15, 27-65-19(3) and 27-65-21, on business
189 activities within a municipal corporation shall be allocated for
190 distribution to such municipality and paid to such municipal
191 corporation.

192 A municipal corporation, for the purpose of distributing the
193 tax under this subsection, shall mean and include all incorporated
194 cities, towns and villages.

195 Monies allocated for distribution and credited to a municipal
196 corporation under this subsection may be pledged as security for
197 any loan received by the municipal corporation for the purpose of
198 capital improvements as authorized under Section 57-1-303, or
199 loans as authorized under Section 57-44-7, or water systems
200 improvements as authorized under Section 41-3-16.

201 In any county having a county seat which is not an
202 incorporated municipality, the distribution provided hereunder
203 shall be made as though the county seat was an incorporated
204 municipality; however, the distribution to such municipality shall
205 be paid to the county treasury wherein the municipality is located
206 and such funds shall be used for road, bridge and street
207 construction or maintenance therein.

208 (2) On or before September 15, 1987, and each succeeding
209 month thereafter, from the revenue collected under this chapter
210 during the preceding month One Million One Hundred Twenty-five
211 Thousand Dollars (\$1,125,000.00) shall be allocated for
212 distribution to municipal corporations as defined under subsection
213 (1) of this section in the proportion that the number of gallons
214 of gasoline and diesel fuel sold by distributors to consumers and
215 retailers in each such municipality during the preceding fiscal
216 year bears to the total gallons of gasoline and diesel fuel sold
217 by distributors to consumers and retailers in municipalities
218 statewide during the preceding fiscal year. The State Tax
219 Commission shall require all distributors of gasoline and diesel
220 fuel to report to the commission monthly the total number of
221 gallons of gasoline and diesel fuel sold by them to consumers and
222 retailers in each municipality during the preceding month. The

223 State Tax Commission shall have the authority to promulgate such
224 rules and regulations as is necessary to determine the number of
225 gallons of gasoline and diesel fuel sold by distributors to
226 consumers and retailers in each municipality. In determining the
227 percentage allocation of funds under this subsection for the
228 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
229 State Tax Commission may consider gallons of gasoline and diesel
230 fuel sold for a period of less than one (1) fiscal year. For the
231 purposes of this subsection, the term "fiscal year" means the
232 fiscal year beginning July 1 of a year.

233 (3) On or before September 15, 1987, and on or before the
234 fifteenth day of each succeeding month, until the date specified
235 in Section 65-39-35, the proceeds derived from contractors' taxes
236 levied under Section 27-65-21 on contracts for the construction or
237 reconstruction of highways designated under the Four-Lane Highway
238 Program created under Section 65-3-97 shall, except as otherwise
239 provided in Section 31-17-127, be deposited into the State
240 Treasury to the credit of the State Highway Fund to be used to
241 fund such Four-Lane Highway Program. The Mississippi Department
242 of Transportation shall provide to the State Tax Commission such
243 information as is necessary to determine the amount of proceeds to
244 be distributed under this subsection.

245 (4) On or before August 15, 1994, and on or before the
246 fifteenth day of each succeeding month through July 15, 1999, from
247 the proceeds of gasoline, diesel fuel or kerosene taxes as
248 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
249 (\$4,000,000.00) shall be deposited in the State Treasury to the
250 credit of a special fund designated as the "State Aid Road Fund,"

251 created by Section 65-9-17. On or before August 15, 1999, and on
252 or before the fifteenth day of each succeeding month, from the
253 total amount of the proceeds of gasoline, diesel fuel or kerosene
254 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
255 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
256 percent (23.25%) of such funds, whichever is the greater amount,
257 shall be deposited in the State Treasury to the credit of the
258 "State Aid Road Fund," created by Section 65-9-17. Such funds
259 shall be pledged to pay the principal of and interest on state aid
260 road bonds heretofore issued under Sections 19-9-51 through
261 19-9-77, in lieu of and in substitution for the funds heretofore
262 allocated to counties under this section. Such funds may not be
263 pledged for the payment of any state aid road bonds issued after
264 April 1, 1981; however, this prohibition against the pledging of
265 any such funds for the payment of bonds shall not apply to any
266 bonds for which intent to issue such bonds has been published, for
267 the first time, as provided by law prior to March 29, 1981. From
268 the amount of taxes paid into the special fund pursuant to this
269 subsection and subsection (9) of this section, there shall be
270 first deducted and paid the amount necessary to pay the expenses
271 of the Office of State Aid Road Construction, as authorized by the
272 Legislature for all other general and special fund agencies. The
273 remainder of the fund shall be allocated monthly to the several
274 counties in accordance with the following formula:

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

277 (b) One-third (1/3) shall be allocated to counties
278 based on the proportion that the total number of rural road miles

279 in a county bears to the total number of rural road miles in all
280 counties of the state; and

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

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

288 The amount of funds allocated to any county under this
289 subsection for any fiscal year after fiscal year 1994 shall not be
290 less than the amount allocated to such county for fiscal year
291 1994. Monies allocated to a county from the State Aid Road Fund
292 for fiscal year 1995 or any fiscal year thereafter that exceed the
293 amount of funds allocated to that county from the State Aid Road
294 Fund for fiscal year 1994, first must be expended by the county
295 for replacement or rehabilitation of bridges on the state aid road
296 system that have a sufficiency rating of less than twenty-five
297 (25), according to National Bridge Inspection standards before
298 such monies may be approved for expenditure by the State Aid Road
299 Engineer on other projects that qualify for the use of state aid
300 road funds.

301 Any reference in the general laws of this state or the
302 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
303 construed to refer and apply to subsection (4) of Section
304 27-65-75.

305 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
306 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into

307 the special fund known as the "State Public School Building Fund"
308 created and existing under the provisions of Sections 37-47-1
309 through 37-47-67. Such payments into said fund are to be made on
310 the last day of each succeeding month hereafter.

311 (6) An amount each month beginning August 15, 1983, through
312 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
313 of 1983, shall be paid into the special fund known as the
314 Correctional Facilities Construction Fund created in Section 6 of
315 Chapter 542, Laws of 1983.

316 (7) On or before August 15, 1992, and each succeeding month
317 thereafter July 15, 2000, two and two hundred sixty-six
318 one-thousandths percent (2.266%) of the total sales tax revenue
319 collected during the preceding month under the provisions of this
320 chapter, except that collected under the provisions of Section
321 27-65-17(2) shall be deposited by the commission into the School
322 Ad Valorem Tax Reduction Fund created pursuant to Section
323 37-61-35. On or before August 15, 2000, and each succeeding month
324 thereafter, two and six hundred fifteen one-thousandths percent
325 (2.615%) of the total sales tax revenue collected during the
326 preceding month under the provisions of this chapter, except that
327 collected under the provisions of Section 27-65-17(2) shall be
328 deposited by the commission into the School Ad Valorem Tax
329 Reduction Fund created pursuant to Section 37-61-35.

330 (8) On or before August 15, 1992, and each succeeding month
331 thereafter July 15, 2000, nine and seventy-three one-thousandths
332 percent (9.073%) of the total sales tax revenue collected during
333 the preceding month under the provisions of this chapter, except
334 that collected under the provisions of Section 27-65-17(2) shall

335 be deposited into the Education Enhancement Fund created pursuant
336 to Section 37-61-33. On or before August 15, 2000, and each
337 succeeding month thereafter, ten and four hundred seventy
338 one-thousandths percent (10.470%) of the total sales tax revenue
339 collected during the preceding month under the provisions of this
340 chapter, except that collected under the provisions of Section
341 27-65-17(2) shall be deposited into the Education Enhancement Fund
342 created pursuant to Section 37-61-33.

343 (9) On or before August 15, 1994, and each succeeding month
344 thereafter, from the revenue collected under this chapter during
345 the preceding month, Two Hundred Fifty Thousand Dollars
346 (\$250,000.00) shall be paid into the State Aid Road Fund.

347 (10) On or before August 15, 1994, and each succeeding month
348 thereafter through August 15, 1995, from the revenue collected
349 under this chapter during the preceding month, Two Million Dollars
350 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
351 Valorem Tax Reduction Fund established in Section 27-51-105.

352 (11) Notwithstanding any other provision of this section to
353 the contrary, on or before February 15, 1995, and each succeeding
354 month thereafter, the sales tax revenue collected during the
355 preceding month under the provisions of Section 27-65-17(2) and
356 the corresponding levy in Section 27-65-23 on the rental or lease
357 of private carriers of passengers and light carriers of property
358 as defined in Section 27-51-101 shall be deposited, without
359 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
360 established in Section 27-51-105.

361 (12) Notwithstanding any other provision of this section to
362 the contrary, on or before August 15, 1995, and each succeeding

363 month thereafter, the sales tax revenue collected during the
364 preceding month under the provisions of Section 27-65-17(1) on
365 retail sales of private carriers of passengers and light carriers
366 of property, as defined in Section 27-51-101 and the corresponding
367 levy in Section 27-65-23 on the rental or lease of these vehicles,
368 shall be deposited, after diversion, into the Motor Vehicle Ad
369 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

388 (16) It shall be the duty of the municipal officials of any
389 municipality which expands its limits, or of any community which
390 incorporates as a municipality, to notify the commissioner of such

391 action thirty (30) days before the effective date. Failure to so
392 notify the commissioner shall cause such municipality to forfeit
393 the revenue which it would have been entitled to receive during
394 this period of time when the commissioner had no knowledge of the
395 action. If any funds have been erroneously disbursed to any
396 municipality or any overpayment of tax is recovered by the
397 taxpayer, the commissioner may make correction and adjust the
398 error or overpayment with such municipality by withholding the
399 necessary funds from any subsequent payment to be made to the
400 municipality.

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

402 27-65-75. On or before the fifteenth day of each month, the
403 revenue collected under the provisions of this chapter during the
404 preceding month shall be paid and distributed as follows:

405 (1) On or before August 15, 1992, and each succeeding month
406 thereafter through July 15, 1993, eighteen percent (18%) of the
407 total sales tax revenue collected during the preceding month under
408 the provisions of this chapter, except that collected under the
409 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
410 business activities within a municipal corporation shall be
411 allocated for distribution to such municipality and paid to such
412 municipal corporation. On or before August 15, 1993, and each
413 succeeding month thereafter through July 15, 2000, eighteen and
414 one-half percent (18-1/2%) of the total sales tax revenue
415 collected during the preceding month under the provisions of this
416 chapter, except that collected under the provisions of Sections
417 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
418 a municipal corporation shall be allocated for distribution to

419 such municipality and paid to such municipal corporation. On or
420 before August 15, 2000, and each month thereafter, twenty-one and
421 thirty-five one-hundredths percent (21.35%) of the total sales tax
422 revenue collected during the preceding month under the provisions
423 of this chapter, except that collected under the provisions of
424 Sections 27-65-15, 27-65-19(3) and 27-65-21, on business
425 activities within a municipal corporation shall be allocated for
426 distribution to such municipality and paid to such municipal
427 corporation.

428 A municipal corporation, for the purpose of distributing the
429 tax under this subsection, shall mean and include all incorporated
430 cities, towns and villages.

431 Monies allocated for distribution and credited to a municipal
432 corporation under this subsection may be pledged as security for
433 any loan received by the municipal corporation for the purpose of
434 capital improvements as authorized under Section 57-1-303, or
435 loans as authorized under Section 57-44-7, or water systems
436 improvements as authorized under Section 41-3-16.

437 In any county having a county seat which is not an
438 incorporated municipality, the distribution provided hereunder
439 shall be made as though the county seat was an incorporated
440 municipality; however, the distribution to such municipality shall
441 be paid to the county treasury wherein the municipality is located
442 and such funds shall be used for road, bridge and street
443 construction or maintenance therein.

444 (2) On or before September 15, 1987, and each succeeding
445 month thereafter, from the revenue collected under this chapter
446 during the preceding month One Million One Hundred Twenty-five

447 Thousand Dollars (\$1,125,000.00) shall be allocated for
448 distribution to municipal corporations as defined under subsection
449 (1) of this section in the proportion that the number of gallons
450 of gasoline and diesel fuel sold by distributors to consumers and
451 retailers in each such municipality during the preceding fiscal
452 year bears to the total gallons of gasoline and diesel fuel sold
453 by distributors to consumers and retailers in municipalities
454 statewide during the preceding fiscal year. The State Tax
455 Commission shall require all distributors of gasoline and diesel
456 fuel to report to the commission monthly the total number of
457 gallons of gasoline and diesel fuel sold by them to consumers and
458 retailers in each municipality during the preceding month. The
459 State Tax Commission shall have the authority to promulgate such
460 rules and regulations as is necessary to determine the number of
461 gallons of gasoline and diesel fuel sold by distributors to
462 consumers and retailers in each municipality. In determining the
463 percentage allocation of funds under this subsection for the
464 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
465 State Tax Commission may consider gallons of gasoline and diesel
466 fuel sold for a period of less than one (1) fiscal year. For the
467 purposes of this subsection, the term "fiscal year" means the
468 fiscal year beginning July 1 of a year.

469 (3) On or before September 15, 1987, and on or before the
470 fifteenth day of each succeeding month, until the date specified
471 in Section 65-39-35, the proceeds derived from contractors' taxes
472 levied under Section 27-65-21 on contracts for the construction or
473 reconstruction of highways designated under the Four-Lane Highway
474 Program created under Section 65-3-97 shall, except as otherwise

475 provided in Section 31-17-127, be deposited into the State
476 Treasury to the credit of the State Highway Fund to be used to
477 fund such Four-Lane Highway Program. The Mississippi Department
478 of Transportation shall provide to the State Tax Commission such
479 information as is necessary to determine the amount of proceeds to
480 be distributed under this subsection.

481 (4) On or before August 15, 1994, and on or before the
482 fifteenth day of each succeeding month through July 15, 1999, from
483 the proceeds of gasoline, diesel fuel or kerosene taxes as
484 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
485 (\$4,000,000.00) shall be deposited in the State Treasury to the
486 credit of a special fund designated as the "State Aid Road Fund,"
487 created by Section 65-9-17. On or before August 15, 1999, and on
488 or before the fifteenth day of each succeeding month, from the
489 total amount of the proceeds of gasoline, diesel fuel or kerosene
490 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
491 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
492 percent (23.25%) of such funds, whichever is the greater amount,
493 shall be deposited in the State Treasury to the credit of the
494 "State Aid Road Fund," created by Section 65-9-17. Such funds
495 shall be pledged to pay the principal of and interest on state aid
496 road bonds heretofore issued under Sections 19-9-51 through
497 19-9-77, in lieu of and in substitution for the funds heretofore
498 allocated to counties under this section. Such funds may not be
499 pledged for the payment of any state aid road bonds issued after
500 April 1, 1981; however, this prohibition against the pledging of
501 any such funds for the payment of bonds shall not apply to any
502 bonds for which intent to issue such bonds has been published, for

503 the first time, as provided by law prior to March 29, 1981. From
504 the amount of taxes paid into the special fund pursuant to this
505 subsection and subsection (9) of this section, there shall be
506 first deducted and paid the amount necessary to pay the expenses
507 of the Office of State Aid Road Construction, as authorized by the
508 Legislature for all other general and special fund agencies. The
509 remainder of the fund shall be allocated monthly to the several
510 counties in accordance with the following formula:

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

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

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

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

524 The amount of funds allocated to any county under this
525 subsection for any fiscal year after fiscal year 1994 shall not be
526 less than the amount allocated to such county for fiscal year
527 1994. Monies allocated to a county from the State Aid Road Fund
528 for fiscal year 1995 or any fiscal year thereafter that exceed the
529 amount of funds allocated to that county from the State Aid Road
530 Fund for fiscal year 1994, first must be expended by the county

531 for replacement or rehabilitation of bridges on the state aid road
532 system that have a sufficiency rating of less than twenty-five
533 (25), according to National Bridge Inspection standards before
534 such monies may be approved for expenditure by the State Aid Road
535 Engineer on other projects that qualify for the use of state aid
536 road funds.

537 Any reference in the general laws of this state or the
538 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
539 construed to refer and apply to subsection (4) of Section
540 27-65-75.

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

547 (6) An amount each month beginning August 15, 1983, through
548 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
549 of 1983, shall be paid into the special fund known as the
550 Correctional Facilities Construction Fund created in Section 6 of
551 Chapter 542, Laws of 1983.

552 (7) On or before August 15, 1992, and each succeeding month
553 thereafter through July 15, 2000, two and two hundred sixty-six
554 one-thousandths percent (2.266%) of the total sales tax revenue
555 collected during the preceding month under the provisions of this
556 chapter, except that collected under the provisions of Section
557 27-65-17(2), * * * shall be deposited by the commission into the
558 School Ad Valorem Tax Reduction Fund created pursuant to Section

559 37-61-35 * * *. On or before August 15, 2000, and each succeeding
560 month thereafter through July 15, 2002, two and six hundred
561 fifteen one-thousandths percent (2.615%) of the total sales tax
562 revenue collected during the preceding month under the provisions
563 of this chapter, except that collected under the provisions of
564 Section 27-65-17(2) shall be deposited by the commission into the
565 School Ad Valorem Tax Reduction Fund created pursuant to Section
566 37-61-35. On or before August 15, 2002, and each succeeding month
567 thereafter, two and six hundred fifteen one-thousandths percent
568 (2.615%) of the total sales tax revenue collected during the
569 preceding month under the provisions of this chapter, except that
570 collected under the provisions of Section 27-65-17(2), not to
571 exceed the fiscal year 1997 appropriated level, shall be deposited
572 by the commission into the School Ad Valorem Tax Reduction Fund
573 created pursuant to Section 37-61-35, with the balance to be
574 transferred to the Education Enhancement Fund created under
575 Section 37-61-33 for appropriation by the Legislature as other
576 education needs and not subject to the percentage set aside set
577 forth in Section 37-61-33.

578 (8) On or before August 15, 1992, and each succeeding month
579 thereafter through July 15, 2000, nine and seventy-three
580 one-thousandths percent (9.073%) of the total sales tax revenue
581 collected during the preceding month under the provisions of this
582 chapter, except that collected under the provisions of Section
583 27-65-17(2) shall be deposited into the Education Enhancement Fund
584 created pursuant to Section 37-61-33. On or before August 15,
585 2000, and each succeeding month thereafter, ten and four hundred
586 seventy one-thousandths percent (10.470%) of the total sales tax

587 revenue collected during the preceding month under the provisions
588 of this chapter, except that collected under the provisions of
589 Section 27-65-17(2) shall be deposited into the Education
590 Enhancement Fund created pursuant to Section 37-61-33.

591 (9) On or before August 15, 1994, and each succeeding month
592 thereafter, from the revenue collected under this chapter during
593 the preceding month, Two Hundred Fifty Thousand Dollars
594 (\$250,000.00) shall be paid into the State Aid Road Fund.

595 (10) On or before August 15, 1994, and each succeeding month
596 thereafter through August 15, 1995, from the revenue collected
597 under this chapter during the preceding month, Two Million Dollars
598 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
599 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

615 fifteenth day of each succeeding month thereafter, that portion of
616 the avails of the tax imposed in Section 27-65-22, which is
617 derived from activities held on the Mississippi state fairgrounds
618 complex, shall be paid into a special fund hereby created in the
619 State Treasury and shall be expended pursuant to legislative
620 appropriations solely to defray the costs of repairs and
621 renovation at such Trade Mart and Coliseum.

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

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

632 (16) It shall be the duty of the municipal officials of any
633 municipality which expands its limits, or of any community which
634 incorporates as a municipality, to notify the commissioner of such
635 action thirty (30) days before the effective date. Failure to so
636 notify the commissioner shall cause such municipality to forfeit
637 the revenue which it would have been entitled to receive during
638 this period of time when the commissioner had no knowledge of the
639 action. If any funds have been erroneously disbursed to any
640 municipality or any overpayment of tax is recovered by the
641 taxpayer, the commissioner may make correction and adjust the
642 error or overpayment with such municipality by withholding the

643 necessary funds from any subsequent payment to be made to the
644 municipality.

645 SECTION 3. This act shall take effect and be in force from
646 and after July 1, 2000.