

By: Minor

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2512

1 AN ACT TO CREATE THE MISSISSIPPI TELECOMMUNICATIONS TAX
2 REFORM ACT; TO PROVIDE THAT CERTAIN PERSONS PROVIDING
3 TELECOMMUNICATIONS SERVICES SHALL BE ENTITLED TO A REFUND FROM THE
4 STATE OF MISSISSIPPI IN AN AMOUNT EQUAL TO 50% OF THE AGGREGATE
5 AMOUNT OF THE AD VALOREM TAX PAID BY SUCH PERSON ON CLASS IV
6 PROPERTY TO LOCAL TAXING DISTRICTS IN THIS STATE; TO PROVIDE THAT
7 SUCH REFUNDS SHALL BE PAID BY THE STATE TAX COMMISSION EXCLUSIVELY
8 FROM THE TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND CREATED
9 BY THIS ACT; TO PROVIDE FOR THE PROPORTIONATE REDUCTION OF SUCH
10 REFUNDS IN THE EVENT THAT THERE ARE INSUFFICIENT MONIES IN THE
11 FUND TO PAY SUCH REFUNDS AND TO PROVIDE FOR THE CARRY FORWARD OF
12 SUCH REFUNDS; TO PROVIDE THAT AMOUNTS IN EXCESS OF THE AMOUNTS
13 NECESSARY TO PAY SUCH REFUNDS AND CARRY FORWARDS SHALL BE
14 TRANSFERRED INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND;
15 TO CREATE THE TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND; TO
16 PROVIDE THAT THE MONEY IN SUCH FUND SHALL BE UTILIZED TO PAY THE
17 REFUND AUTHORIZED BY THIS ACT; TO PROVIDE THAT SUCH FUND SHALL BE
18 ADMINISTERED BY THE STATE TAX COMMISSION; TO REQUIRE A RATE
19 REDUCTION BY CERTAIN TELECOMMUNICATIONS SERVICE PROVIDERS THAT
20 EXPERIENCE A TAX SAVINGS AS A RESULT OF THE PROVISIONS OF THIS
21 ACT; TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972, TO
22 PROVIDE FOR THE LEVY OF A SALES TAX UPON THE PROVISION OF
23 INTERSTATE TELECOMMUNICATIONS SERVICES AT THE RATE OF 5.5%; TO
24 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
25 THE PROCEEDS OF THE SALES TAX ON INTERSTATE TELECOMMUNICATIONS
26 SERVICES SHALL BE DEPOSITED WITHOUT DIVERSION INTO THE
27 TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND; TO AMEND SECTION
28 27-35-319, MISSISSIPPI CODE OF 1972, TO REMOVE PROVISIONS THAT
29 CLASSIFY THE PROPERTY OF TELEPHONE COMPANIES LOCATED IN MORE THAN
30 SIX COUNTIES AS CLASS IV OR CLASS II PROPERTY; TO AMEND SECTION
31 27-35-163, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT, IN APPEALS
32 OF ORDERS OF THE STATE TAX COMMISSION BY A TELEPHONE COMPANY
33 OPERATING IN MORE THAN SIX COUNTIES, THE DISPUTED TAXES SHALL BE
34 PAID UNDER PROTEST AND THAT A TELEPHONE COMPANY WHO PREVAILS IN
35 SUCH AN APPEAL SHALL BE ENTITLED TO A REFUND OR CREDIT OF SUCH
36 TAXES; TO AMEND SECTION 27-51-105, MISSISSIPPI CODE OF 1972, IN
37 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

39 SECTION 1. This act may be cited as the "Mississippi
40 Telecommunications Tax Reform Act."

41 SECTION 2. (1) The Legislature finds that one measure of
42 the state's economic competitiveness is the presence of an
43 efficient and affordable telecommunications infrastructure using

44 the latest technological advancements.

45 (2) The Legislature further finds that the
46 telecommunications industry is undergoing a dramatic change that
47 is altering the identity of its participants, the nature of
48 services that the industry provides, and the methods used to
49 deliver those services.

50 (3) The Legislature finds that the telecommunications
51 industry is becoming increasingly competitive and that full and
52 fair competition within the telecommunications industry is
53 beneficial to all Mississippians.

54 (4) The Legislature further finds that existing Mississippi
55 ad valorem property tax laws place certain telephone companies at
56 a competitive disadvantage because their property is classified
57 for ad valorem tax purposes as "public utility property" and is
58 assessed at the rate of thirty percent (30%) of such property's
59 true value while many of their competitors' property is not
60 classified as "public utility property" and is therefore assessed
61 at the rate of fifteen percent (15%) of such property's true
62 value.

63 (5) The Legislature finds that the competitive inequities
64 engendered by such existing Mississippi property tax laws hinder
65 the investment in the state's telecommunications infrastructure.

66 (6) The Legislature finds that the best method to mitigate
67 the effects of such competitive disadvantage is to create a
68 partial exemption for that particular species of property owned by
69 telephone companies that is assessed at the higher rate. This
70 partial exemption is most effectively implemented as an ad valorem
71 tax refund from the State of Mississippi in an amount equal to the
72 portion of the ad valorem taxes paid by such telephone companies
73 that is attributable to the higher assessment rate.

74 (7) The Legislature further finds, however, that it is in
75 the best interests of the State of Mississippi and its political
76 subdivisions that the tax revenues available to the state should
77 not be diminished by the tax refunds granted to such telephone
78 companies; and that an expansion of the sales tax base to include
79 interstate telecommunications services is expected to provide tax
80 revenues to the state that are approximately equal to the amount

81 of the tax refunds granted to such telephone companies.

82 (8) Furthermore, the Legislature finds that it is in the
83 best interests of Mississippi consumers of telecommunications
84 services that any tax savings experienced by such telephone
85 companies be passed on to consumers in the form of reductions in
86 the prices charged for the services provided by such telephone
87 companies.

88 (9) Accordingly, the Legislature finds that there is a
89 compelling public need to effect these changes in the tax system
90 of the state in order to:

91 (a) Avoid placing certain telecommunications services
92 providers at a competitive disadvantage;

93 (b) Provide purchasers of telecommunications services
94 with greater choices and lower prices; and

95 (c) Preserve the revenue base of the existing property
96 tax system for political subdivisions of the state.

97 SECTION 3. (1) With respect to ad valorem taxes becoming
98 due after January 1, 2001, every person providing
99 telecommunications services subject to sales tax under paragraphs
100 (e) and (f) of Section 27-65-19(1), Mississippi Code of 1972, and
101 which operates in more than six (6) counties, shall be entitled to
102 a refund from the State of Mississippi in an amount equal to fifty
103 percent (50%) of the aggregate amount of the ad valorem tax paid
104 by such person on Class IV property, as defined in Section 112,
105 Mississippi Constitution of 1890, to local taxing districts.

106 (2) On or before March 15, 2001, and on or before March 15
107 of each year thereafter, the State Tax Commission shall pay all
108 refunds to which telecommunications service providers are entitled
109 under the provisions of subsection (1) of this section for ad
110 valorem taxes that became due on or before the first day of
111 February immediately preceding March 15.

112 (3) The payments made pursuant to subsection (2) of this
113 section shall be paid by the State Tax Commission exclusively out

114 of the Telecommunications Ad Valorem Tax Reduction Fund created
115 pursuant to Section 4 of this act. To the extent that the amount
116 contained in such fund does not equal or exceed the payments
117 prescribed by this section, such payments shall be proportionately
118 reduced by the amount of the shortfall; provided, however, that
119 any reduction shall be carried forward and paid to the respective
120 telecommunications service provider in any succeeding taxable year
121 or years in which monies remain in the fund after payment of all
122 refunds pursuant to subsection (2) of this section for such year.

123 The State Tax Commission shall determine the amount of any
124 reductions pursuant to this subsection.

125 (4) On or before April 15, 2001, and on or before April 15
126 of each year thereafter, amounts in the Telecommunications Ad
127 Valorem Tax Reduction Fund, which are in excess of the amounts
128 necessary to pay all refunds pursuant to subsection (2) of this
129 section and all amounts carried forward pursuant to subsection (3)
130 of this section shall be transferred into the Motor Vehicle Ad
131 Valorem Tax Reduction Fund established in Section 27-51-105.

132 SECTION 4. (1) There is created in the State Treasury a
133 special fund to be known as the Telecommunications Ad Valorem Tax
134 Reduction Fund, into which shall be deposited the money specified
135 in Section 27-65-75(15) and such other money as the Legislature
136 may provide by appropriation. The money in the fund shall be used
137 to make the payments provided for in Section 3 of this act.

138 (2) The Telecommunications Ad Valorem Tax Reduction Fund
139 shall be administered by the State Tax Commission, and money in
140 the fund shall be expended upon appropriation by the Legislature.

141 Unexpended amounts remaining in the fund at the end of the state
142 fiscal year shall not lapse into the State General Fund, and any
143 interest earned on amounts in the fund shall be deposited to the
144 credit of the fund. The State Tax Commission shall make the
145 calculations necessary to make the distributions required pursuant
146 to Section 3 of this act, and shall make the transfer of

147 unexpended amounts required to be made pursuant to Section 3 of
148 this act.

149 SECTION 5. To the extent that a person providing
150 telecommunications services that are regulated by the Mississippi
151 Public Service Commission experiences a tax savings as a result of
152 the provisions of this act, such savings shall inure to the
153 benefit of the customers of such person in a manner to be
154 determined by the Mississippi Public Service Commission. The
155 Mississippi Public Service Commission shall issue a rate reduction
156 order implementing the provisions of this section on or before
157 December 31, 2000.

158 SECTION 6. Section 27-65-19, Mississippi Code of 1972, is
159 amended as follows:[WAN1]

160 27-65-19. (1) (a) Except as otherwise provided in this
161 subsection, upon every person selling to consumers, electricity,
162 current, power, potable water, steam, coal, natural gas, liquefied
163 petroleum gas or other fuel, there is hereby levied, assessed and
164 shall be collected a tax equal to seven percent (7%) of the gross
165 income of the business. Provided, gross income from sales to
166 consumers of electricity, current, power, natural gas, liquefied
167 petroleum gas or other fuel for residential heating, lighting or
168 other residential noncommercial or nonagricultural use, and sales
169 of potable water for residential, noncommercial or nonagricultural
170 use shall be excluded from taxable gross income of the business.
171 Provided further, upon every such seller using electricity,
172 current, power, potable water, steam, coal, natural gas, liquefied
173 petroleum gas or other fuel for nonindustrial purposes, there is
174 hereby levied, assessed and shall be collected a tax equal to
175 seven percent (7%) of the cost or value of the product or service
176 used.

177 (b) There is hereby levied, assessed and shall be
178 collected a tax equal to one and one-half percent (1-1/2%) of the
179 gross income of the business when the electricity, current, power,

180 steam, coal, natural gas, liquefied petroleum gas or other fuel is
181 sold to or used by a manufacturer, custom processor or public
182 service company for industrial purposes, which shall include that
183 used to generate electricity, to operate an electrical
184 distribution or transmission system, to operate pipeline
185 compressor or pumping stations or to operate railroad locomotives;
186 provided, however, that:

187 (i) From and after July 1, 2000, through June 30,
188 2001, sales of fuel used to produce electric power by a company
189 primarily engaged in the business of producing, generating or
190 distributing electric power for sale shall be taxed at the rate of
191 one and one-eighth percent (1.125%);

192 (ii) From and after July 1, 2001, through June 30,
193 2002, sales of fuel used to produce electric power by a company
194 primarily engaged in the business of producing, generating or
195 distributing electric power for sale shall be taxed at the rate of
196 three-fourths of one percent (0.75%);

197 (iii) From and after July 1, 2002, through June
198 30, 2003, sales of fuel used to produce electric power by a
199 company primarily engaged in the business of producing, generating
200 or distributing electric power for sale shall be taxed at the rate
201 of three-eighths of one percent (0.375%);

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

207 (c) The one and one-half percent (1-1/2%) industrial
208 rate provided for in this subsection shall also apply when the
209 electricity, current, power, steam, coal, natural gas, liquefied
210 petroleum gas or other fuel is sold to a producer or processor for
211 use directly in the production of poultry or poultry products, the
212 production of livestock and livestock products, the production of

213 plants or food by commercial horticulturists, the processing of
214 milk and milk products, the processing of poultry and livestock
215 feed, and the irrigation of farm crops.

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

220 (e) Upon every person operating a telegraph or
221 telephone business for the transmission of messages or
222 conversations between points within this state, there is hereby
223 levied, assessed and shall be collected, a tax equal to seven
224 percent (7%) of the gross income of such business, with no
225 deduction or allowance for any part of an intrastate rate charge
226 because of routing across a state line. Charges by one
227 telecommunications provider to another telecommunications provider
228 for services that are resold by such other telecommunications
229 provider, including, but not limited to, access charges, shall not
230 be subject to the tax levied pursuant to this paragraph (e).

231 However, any sale of a prepaid telephone calling card or prepaid
232 authorization number, or both, shall be deemed to be the sale of
233 tangible personal property subject only to such taxes imposed by
234 law on the sale of tangible personal property. If the sale of a
235 prepaid telephone calling card or prepaid authorization number
236 does not take place at the vendor's place of business, it shall be
237 conclusively determined to take place at the customer's shipping
238 address. The reauthorization of a prepaid telephone calling card
239 or a prepaid authorization number shall be conclusively determined
240 to take place at the customer's billing address.

241 (f) Upon every person operating a telegraph or
242 telecommunications business for the transmission of messages or
243 conversations originating in this state or terminating in this
244 state via interstate telecommunications, which are charged to the
245 customer's service address in this state, regardless of where such

246 amount is billed or paid, there is hereby levied, assessed and
247 shall be collected a tax equal to five and one-half percent (5.5%)
248 of the gross income received by such business from such interstate
249 telecommunications. However, a person, upon proof that he has
250 paid a tax in another state on such event, shall be allowed a
251 credit against the tax imposed in this paragraph (f) on interstate
252 telecommunications charges to the extent that the amount of such
253 tax is properly due and actually paid in such other state and to
254 the extent that the rate of sales tax imposed by and paid to such
255 other state does not exceed the rate of sales tax imposed by this
256 paragraph (f). Charges by one telecommunications provider to
257 another telecommunications provider for services that are resold
258 by such other telecommunications provider, including, but not
259 limited to, access charges, shall not be subject to the tax levied
260 pursuant to this paragraph (f).

261 (2) Persons making sales to consumers of electricity,
262 current, power, natural gas, liquefied petroleum gas or other fuel
263 for residential heating, lighting or other residential
264 noncommercial or nonagricultural use or sales of potable water for
265 residential, noncommercial or nonagricultural use shall indicate
266 on each statement rendered to customers that such charges are
267 exempt from sales taxes.

268 (3) There is hereby levied, assessed and shall be paid on
269 transportation charges on shipments moving between points within
270 this state when paid directly by the consumer, a tax equal to the
271 rate applicable to the sale of the property being transported.
272 Such tax shall be reported and paid directly to the State Tax
273 Commission by the consumer.

274 SECTION 7. Section 27-65-75, Mississippi Code of 1972, is
275 amended as follows:[WAN2]

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

277 27-65-75. On or before the fifteenth day of each month, the
278 revenue collected under the provisions of this chapter during the

279 preceding month shall be paid and distributed as follows:

280 (1) On or before August 15, 1992, and each succeeding month
281 thereafter through July 15, 1993, eighteen percent (18%) of the
282 total sales tax revenue collected during the preceding month under
283 the provisions of this chapter, except that collected under the
284 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
285 business activities within a municipal corporation shall be
286 allocated for distribution to such municipality and paid to such
287 municipal corporation. On or before August 15, 1993, and each
288 succeeding month thereafter, eighteen and one-half percent
289 (18-1/2%) of the total sales tax revenue collected during the
290 preceding month under the provisions of this chapter, except that
291 collected under the provisions of Sections 27-65-15, 27-65-19(3)
292 and 27-65-21, on business activities within a municipal
293 corporation shall be allocated for distribution to such
294 municipality and paid to such municipal corporation.

295 A municipal corporation, for the purpose of distributing the
296 tax under this subsection, shall mean and include all incorporated
297 cities, towns and villages.

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

304 In any county having a county seat which is not an
305 incorporated municipality, the distribution provided hereunder
306 shall be made as though the county seat was an incorporated
307 municipality; however, the distribution to such municipality shall
308 be paid to the county treasury wherein the municipality is located
309 and such funds shall be used for road, bridge and street
310 construction or maintenance therein.

311 (2) On or before September 15, 1987, and each succeeding

312 month thereafter, from the revenue collected under this chapter
313 during the preceding month One Million One Hundred Twenty-five
314 Thousand Dollars (\$1,125,000.00) shall be allocated for
315 distribution to municipal corporations as defined under subsection
316 (1) of this section in the proportion that the number of gallons
317 of gasoline and diesel fuel sold by distributors to consumers and
318 retailers in each such municipality during the preceding fiscal
319 year bears to the total gallons of gasoline and diesel fuel sold
320 by distributors to consumers and retailers in municipalities
321 statewide during the preceding fiscal year. The State Tax
322 Commission shall require all distributors of gasoline and diesel
323 fuel to report to the commission monthly the total number of
324 gallons of gasoline and diesel fuel sold by them to consumers and
325 retailers in each municipality during the preceding month. The
326 State Tax Commission shall have the authority to promulgate such
327 rules and regulations as is necessary to determine the number of
328 gallons of gasoline and diesel fuel sold by distributors to
329 consumers and retailers in each municipality. In determining the
330 percentage allocation of funds under this subsection for the
331 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
332 State Tax Commission may consider gallons of gasoline and diesel
333 fuel sold for a period of less than one (1) fiscal year. For the
334 purposes of this subsection, the term "fiscal year" means the
335 fiscal year beginning July 1 of a year.

336 (3) On or before September 15, 1987, and on or before the
337 fifteenth day of each succeeding month, until the date specified
338 in Section 65-39-35, the proceeds derived from contractors' taxes
339 levied under Section 27-65-21 on contracts for the construction or
340 reconstruction of highways designated under the Four-Lane Highway
341 Program created under Section 65-3-97 shall, except as otherwise
342 provided in Section 31-17-127, be deposited into the State
343 Treasury to the credit of the State Highway Fund to be used to
344 fund such Four-Lane Highway Program. The Mississippi Department

345 of Transportation shall provide to the State Tax Commission such
346 information as is necessary to determine the amount of proceeds to
347 be distributed under this subsection.

348 (4) On or before August 15, 1994, and on or before the
349 fifteenth day of each succeeding month through July 15, 1999, from
350 the proceeds of gasoline, diesel fuel or kerosene taxes as
351 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
352 (\$4,000,000.00) shall be deposited in the State Treasury to the
353 credit of a special fund designated as the "State Aid Road Fund,"
354 created by Section 65-9-17. On or before August 15, 1999, and on
355 or before the fifteenth day of each succeeding month, from the
356 total amount of the proceeds of gasoline, diesel fuel or kerosene
357 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
358 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
359 percent (23.25%) of such funds, whichever is the greater amount,
360 shall be deposited in the State Treasury to the credit of the
361 "State Aid Road Fund," created by Section 65-9-17. Such funds
362 shall be pledged to pay the principal of and interest on state aid
363 road bonds heretofore issued under Sections 19-9-51 through
364 19-9-77, in lieu of and in substitution for the funds heretofore
365 allocated to counties under this section. Such funds may not be
366 pledged for the payment of any state aid road bonds issued after
367 April 1, 1981; however, this prohibition against the pledging of
368 any such funds for the payment of bonds shall not apply to any
369 bonds for which intent to issue such bonds has been published, for
370 the first time, as provided by law prior to March 29, 1981. From
371 the amount of taxes paid into the special fund pursuant to this
372 subsection and subsection (9) of this section, there shall be
373 first deducted and paid the amount necessary to pay the expenses
374 of the Office of State Aid Road Construction, as authorized by the
375 Legislature for all other general and special fund agencies. The
376 remainder of the fund shall be allocated monthly to the several
377 counties in accordance with the following formula:

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

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

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

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

391 The amount of funds allocated to any county under this
392 subsection for any fiscal year after fiscal year 1994 shall not be
393 less than the amount allocated to such county for fiscal year
394 1994. Monies allocated to a county from the State Aid Road Fund
395 for fiscal year 1995 or any fiscal year thereafter that exceed the
396 amount of funds allocated to that county from the State Aid Road
397 Fund for fiscal year 1994, first must be expended by the county
398 for replacement or rehabilitation of bridges on the state aid road
399 system that have a sufficiency rating of less than twenty-five
400 (25), according to National Bridge Inspection standards before
401 such monies may be approved for expenditure by the State Aid Road
402 Engineer on other projects that qualify for the use of state aid
403 road funds.

404 Any reference in the general laws of this state or the
405 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
406 construed to refer and apply to subsection (4) of Section
407 27-65-75.

408 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
409 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
410 the special fund known as the "State Public School Building Fund"

411 created and existing under the provisions of Sections 37-47-1
412 through 37-47-67. Such payments into said fund are to be made on
413 the last day of each succeeding month hereafter.

414 (6) An amount each month beginning August 15, 1983, through
415 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
416 of 1983, shall be paid into the special fund known as the
417 Correctional Facilities Construction Fund created in Section 6 of
418 Chapter 542, Laws of 1983.

419 (7) On or before August 15, 1992, and each succeeding month
420 thereafter, two and two hundred sixty-six one-thousandths percent
421 (2.266%) of the total sales tax revenue collected during the
422 preceding month under the provisions of this chapter, except that
423 collected under the provisions of Section 27-65-17(2) shall be
424 deposited by the commission into the School Ad Valorem Tax
425 Reduction Fund created pursuant to Section 37-61-35.

426 (8) On or before August 15, 1992, and each succeeding month
427 thereafter, nine and seventy-three one-thousandths percent
428 (9.073%) of the total sales tax revenue collected during the
429 preceding month under the provisions of this chapter, except that
430 collected under the provisions of Section 27-65-17(2) shall be
431 deposited into the Education Enhancement Fund created pursuant to
432 Section 37-61-33.

433 (9) On or before August 15, 1994, and each succeeding month
434 thereafter, from the revenue collected under this chapter during
435 the preceding month, Two Hundred Fifty Thousand Dollars
436 (\$250,000.00) shall be paid into the State Aid Road Fund.

437 (10) On or before August 15, 1994, and each succeeding month
438 thereafter through August 15, 1995, from the revenue collected
439 under this chapter during the preceding month, Two Million Dollars
440 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
441 Valorem Tax Reduction Fund established in Section 27-51-105.

442 (11) Notwithstanding any other provision of this section to
443 the contrary, on or before February 15, 1995, and each succeeding

444 month thereafter, the sales tax revenue collected during the
445 preceding month under the provisions of Section 27-65-17(2) and
446 the corresponding levy in Section 27-65-23 on the rental or lease
447 of private carriers of passengers and light carriers of property
448 as defined in Section 27-51-101 shall be deposited, without
449 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
450 established in Section 27-51-105.

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

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

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

475 (15) Notwithstanding any other provision of this section to
476 the contrary, on or before September 15, 2000, and each succeeding

477 month thereafter, the sales tax revenue collected during the
478 preceding month under the provisions of Section 27-65-19(f), shall
479 be deposited, without diversion, into the Telecommunications Ad
480 Valorem Tax Reduction Fund established in Section 4 of Senate Bill
481 No. 2512, 2000 Regular Session.

482 (16) The remainder of the amounts collected under the
483 provisions of this chapter shall be paid into the State Treasury
484 to the credit of the General Fund.

485 (17) It shall be the duty of the municipal officials of any
486 municipality which expands its limits, or of any community which
487 incorporates as a municipality, to notify the commissioner of such
488 action thirty (30) days before the effective date. Failure to so
489 notify the commissioner shall cause such municipality to forfeit
490 the revenue which it would have been entitled to receive during
491 this period of time when the commissioner had no knowledge of the
492 action. If any funds have been erroneously disbursed to any
493 municipality or any overpayment of tax is recovered by the
494 taxpayer, the commissioner may make correction and adjust the
495 error or overpayment with such municipality by withholding the
496 necessary funds from any subsequent payment to be made to the
497 municipality.

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

499 27-65-75. On or before the fifteenth day of each month, the
500 revenue collected under the provisions of this chapter during the
501 preceding month shall be paid and distributed as follows:

502 (1) On or before August 15, 1992, and each succeeding month
503 thereafter through July 15, 1993, eighteen percent (18%) of the
504 total sales tax revenue collected during the preceding month under
505 the provisions of this chapter, except that collected under the
506 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
507 business activities within a municipal corporation shall be
508 allocated for distribution to such municipality and paid to such
509 municipal corporation. On or before August 15, 1993, and each

510 succeeding month thereafter, eighteen and one-half percent
511 (18-1/2%) of the total sales tax revenue collected during the
512 preceding month under the provisions of this chapter, except that
513 collected under the provisions of Sections 27-65-15, 27-65-19(3)
514 and 27-65-21, on business activities within a municipal
515 corporation shall be allocated for distribution to such
516 municipality and paid to such municipal corporation.

517 A municipal corporation, for the purpose of distributing the
518 tax under this subsection, shall mean and include all incorporated
519 cities, towns and villages.

520 Monies allocated for distribution and credited to a municipal
521 corporation under this subsection may be pledged as security for
522 any loan received by the municipal corporation for the purpose of
523 capital improvements as authorized under Section 57-1-303, or
524 loans as authorized under Section 57-44-7, or water systems
525 improvements as authorized under Section 41-3-16.

526 In any county having a county seat which is not an
527 incorporated municipality, the distribution provided hereunder
528 shall be made as though the county seat was an incorporated
529 municipality; however, the distribution to such municipality shall
530 be paid to the county treasury wherein the municipality is located
531 and such funds shall be used for road, bridge and street
532 construction or maintenance therein.

533 (2) On or before September 15, 1987, and each succeeding
534 month thereafter, from the revenue collected under this chapter
535 during the preceding month One Million One Hundred Twenty-five
536 Thousand Dollars (\$1,125,000.00) shall be allocated for
537 distribution to municipal corporations as defined under subsection
538 (1) of this section in the proportion that the number of gallons
539 of gasoline and diesel fuel sold by distributors to consumers and
540 retailers in each such municipality during the preceding fiscal
541 year bears to the total gallons of gasoline and diesel fuel sold
542 by distributors to consumers and retailers in municipalities

543 statewide during the preceding fiscal year. The State Tax
544 Commission shall require all distributors of gasoline and diesel
545 fuel to report to the commission monthly the total number of
546 gallons of gasoline and diesel fuel sold by them to consumers and
547 retailers in each municipality during the preceding month. The
548 State Tax Commission shall have the authority to promulgate such
549 rules and regulations as is necessary to determine the number of
550 gallons of gasoline and diesel fuel sold by distributors to
551 consumers and retailers in each municipality. In determining the
552 percentage allocation of funds under this subsection for the
553 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
554 State Tax Commission may consider gallons of gasoline and diesel
555 fuel sold for a period of less than one (1) fiscal year. For the
556 purposes of this subsection, the term "fiscal year" means the
557 fiscal year beginning July 1 of a year.

558 (3) On or before September 15, 1987, and on or before the
559 fifteenth day of each succeeding month, until the date specified
560 in Section 65-39-35, the proceeds derived from contractors' taxes
561 levied under Section 27-65-21 on contracts for the construction or
562 reconstruction of highways designated under the Four-Lane Highway
563 Program created under Section 65-3-97 shall, except as otherwise
564 provided in Section 31-17-127, be deposited into the State
565 Treasury to the credit of the State Highway Fund to be used to
566 fund such Four-Lane Highway Program. The Mississippi Department
567 of Transportation shall provide to the State Tax Commission such
568 information as is necessary to determine the amount of proceeds to
569 be distributed under this subsection.

570 (4) On or before August 15, 1994, and on or before the
571 fifteenth day of each succeeding month through July 15, 1999, from
572 the proceeds of gasoline, diesel fuel or kerosene taxes as
573 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
574 (\$4,000,000.00) shall be deposited in the State Treasury to the
575 credit of a special fund designated as the "State Aid Road Fund,"

576 created by Section 65-9-17. On or before August 15, 1999, and on
577 or before the fifteenth day of each succeeding month, from the
578 total amount of the proceeds of gasoline, diesel fuel or kerosene
579 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
580 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
581 percent (23.25%) of such funds, whichever is the greater amount,
582 shall be deposited in the State Treasury to the credit of the
583 "State Aid Road Fund," created by Section 65-9-17. Such funds
584 shall be pledged to pay the principal of and interest on state aid
585 road bonds heretofore issued under Sections 19-9-51 through
586 19-9-77, in lieu of and in substitution for the funds heretofore
587 allocated to counties under this section. Such funds may not be
588 pledged for the payment of any state aid road bonds issued after
589 April 1, 1981; however, this prohibition against the pledging of
590 any such funds for the payment of bonds shall not apply to any
591 bonds for which intent to issue such bonds has been published, for
592 the first time, as provided by law prior to March 29, 1981. From
593 the amount of taxes paid into the special fund pursuant to this
594 subsection and subsection (9) of this section, there shall be
595 first deducted and paid the amount necessary to pay the expenses
596 of the Office of State Aid Road Construction, as authorized by the
597 Legislature for all other general and special fund agencies. The
598 remainder of the fund shall be allocated monthly to the several
599 counties in accordance with the following formula:

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

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

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

609 according to the latest federal decennial census.

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

613 The amount of funds allocated to any county under this
614 subsection for any fiscal year after fiscal year 1994 shall not be
615 less than the amount allocated to such county for fiscal year
616 1994. Monies allocated to a county from the State Aid Road Fund
617 for fiscal year 1995 or any fiscal year thereafter that exceed the
618 amount of funds allocated to that county from the State Aid Road
619 Fund for fiscal year 1994, first must be expended by the county
620 for replacement or rehabilitation of bridges on the state aid road
621 system that have a sufficiency rating of less than twenty-five
622 (25), according to National Bridge Inspection standards before
623 such monies may be approved for expenditure by the State Aid Road
624 Engineer on other projects that qualify for the use of state aid
625 road funds.

626 Any reference in the general laws of this state or the
627 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
628 construed to refer and apply to subsection (4) of Section
629 27-65-75.

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

636 (6) An amount each month beginning August 15, 1983, through
637 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
638 of 1983, shall be paid into the special fund known as the
639 Correctional Facilities Construction Fund created in Section 6 of
640 Chapter 542, Laws of 1983.

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

642 thereafter, two and two hundred sixty-six one-thousandths percent
643 (2.266%) of the total sales tax revenue collected during the
644 preceding month under the provisions of this chapter, except that
645 collected under the provisions of Section 27-65-17(2), not to
646 exceed the fiscal year 1997 appropriated level shall be deposited
647 by the commission into the School Ad Valorem Tax Reduction Fund
648 created pursuant to Section 37-61-35, with the balance to be
649 transferred to the Education Enhancement Fund created under
650 Section 37-61-33 for appropriation by the Legislature as other
651 education needs and not subject to the percentage set asides set
652 forth in Section 37-61-33.

653 (8) On or before August 15, 1992, and each succeeding month
654 thereafter, nine and seventy-three one-thousandths percent
655 (9.073%) of the total sales tax revenue collected during the
656 preceding month under the provisions of this chapter, except that
657 collected under the provisions of Section 27-65-17(2) shall be
658 deposited into the Education Enhancement Fund created pursuant to
659 Section 37-61-33.

660 (9) On or before August 15, 1994, and each succeeding month
661 thereafter, from the revenue collected under this chapter during
662 the preceding month, Two Hundred Fifty Thousand Dollars
663 (\$250,000.00) shall be paid into the State Aid Road Fund.

664 (10) On or before August 15, 1994, and each succeeding month
665 thereafter through August 15, 1995, from the revenue collected
666 under this chapter during the preceding month, Two Million Dollars
667 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
668 Valorem Tax Reduction Fund established in Section 27-51-105.

669 (11) Notwithstanding any other provision of this section to
670 the contrary, on or before February 15, 1995, and each succeeding
671 month thereafter, the sales tax revenue collected during the
672 preceding month under the provisions of Section 27-65-17(2) and
673 the corresponding levy in Section 27-65-23 on the rental or lease
674 of private carriers of passengers and light carriers of property

675 as defined in Section 27-51-101 shall be deposited, without
676 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
677 established in Section 27-51-105.

678 (12) Notwithstanding any other provision of this section to
679 the contrary, on or before August 15, 1995, and each succeeding
680 month thereafter, the sales tax revenue collected during the
681 preceding month under the provisions of Section 27-65-17(1) on
682 retail sales of private carriers of passengers and light carriers
683 of property, as defined in Section 27-51-101, and the
684 corresponding levy in Section 27-65-23 on the rental or lease of
685 these vehicles, shall be deposited, after diversion, into the
686 Motor Vehicle Ad Valorem Tax Reduction Fund established in Section
687 27-51-105.

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

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

703 (15) Notwithstanding any other provision of this section to
704 the contrary, on or before September 15, 2000, and each succeeding
705 month thereafter, the sales tax revenue collected during the
706 preceding month under the provisions of Section 27-65-19(f), shall
707 be deposited, without diversion, into the Telecommunications Ad

708 Valorem Tax Reduction Fund established in Section 4 of Senate Bill
709 No. 2512, 2000 Regular Session.

710 (16) The remainder of the amounts collected under the
711 provisions of this chapter shall be paid into the State Treasury
712 to the credit of the General Fund.

713 (17) It shall be the duty of the municipal officials of any
714 municipality which expands its limits, or of any community which
715 incorporates as a municipality, to notify the commissioner of such
716 action thirty (30) days before the effective date. Failure to so
717 notify the commissioner shall cause such municipality to forfeit
718 the revenue which it would have been entitled to receive during
719 this period of time when the commissioner had no knowledge of the
720 action. If any funds have been erroneously disbursed to any
721 municipality or any overpayment of tax is recovered by the
722 taxpayer, the commissioner may make correction and adjust the
723 error or overpayment with such municipality by withholding the
724 necessary funds from any subsequent payment to be made to the
725 municipality.

726 SECTION 8. Section 27-35-319, Mississippi Code of 1972, is
727 amended as follows:[WAN3]

728 27-35-319. * * * Notwithstanding the provisions of Sections
729 27-35-31, 27-35-309, 27-35-317 and 27-35-323, when all the
730 property of a telephone company is located in not more than six
731 (6) counties, it shall be assessed and taxed as that of a person;
732 and the laws, providing for the assessment and collection of taxes
733 on the property of persons, shall apply to the assessment and
734 collection of taxes on the property of such companies. All shares
735 or certificates of stock issued by any such corporation or company
736 shall be exempt from taxation and shall not be returned for
737 assessment. Its land and tangible personal property shall be
738 assessed and taxed where situated on the first day of January of
739 the year.

740 * * *

741 SECTION 9. Section 27-35-163, Mississippi Code of 1972, is
742 amended as follows:[CR4]
743 27-35-163. (1) Except as otherwise provided in subsection
744 (2) of this section, any person, firm or corporation aggrieved by
745 an order of the State Tax Commission assessing property for the
746 purpose of ad valorem taxation may, within twenty (20) days after
747 the adjournment of the meeting at which such assessment is made
748 final, appeal with supersedeas as to the amount of taxes in
749 controversy to the Circuit Court of the First Judicial District of
750 Hinds County, or to the circuit court of any county in which the
751 property, or any part thereof, is located, or to the circuit court
752 of any county in which such person, firm or corporation whose
753 property is assessed resides, upon giving bond with sufficient
754 sureties, to be approved by the clerk of such court, in a sum
755 equal to the amount of taxes due on the contested value of such
756 property as assessed by the State Tax Commission, but never less
757 than One Hundred Dollars (\$100.00), payable to the state and
758 conditioned to perform the judgment of the circuit court. The ad
759 valorem taxes due on the uncontested portion of the value as set
760 by the State Tax Commission shall be due and payable at the same
761 time as all other ad valorem taxes are for real and personal
762 property. The person, firm or corporation who appeals shall file
763 with the clerk of the circuit court a petition for appeal and
764 review, together with said bond herein provided for, and the clerk
765 shall thereupon give notice to the State Tax Commission. The
766 State Tax Commission shall file with the clerk of the circuit
767 court where said petition is pending a copy of its order, or
768 orders, making the assessment within twenty (20) days after the
769 receipt of such notice, and the matter of assessing such property
770 shall be heard de novo by the circuit court at the first term of
771 said court thereafter, or by the judge of the circuit court in
772 vacation, by agreement of the parties, without a jury, and such
773 proceeding shall be given preference over other pending matters in

774 said court. After hearing the evidence, the circuit court, or the
775 judge thereof in vacation, shall make an order setting aside,
776 modifying or affirming the order of the State Tax Commission. A
777 copy of such order shall be certified by the clerk of said court
778 to the State Tax Commission, which shall conform thereto.

779 If the order of the State Tax Commission assessing said
780 property be affirmed, then the person, firm or corporation who
781 appealed, and the sureties on the appeal bond, shall be liable to
782 the state for damages at the rate of ten percent (10%) on the
783 amount of taxes in controversy, and all cost of such appeal.

784 If the state shall be aggrieved by an order of the State Tax
785 Commission as to the assessment of such property for ad valorem
786 taxes, the Attorney General or the district attorney, if all the
787 property sought to be taxed is located within the judicial
788 district for which such district attorney is elected, may, within
789 twenty (20) days after the adjournment of the meeting at which
790 such assessment is made final, appeal to the circuit court of any
791 county in which the property, or any part thereof, is located or
792 of any county in which the taxpayer resides, in like manner as in
793 the case of any person, firm or corporation aggrieved as
794 hereinbefore provided, except no bonds shall be required of the
795 Attorney General or district attorney who may appeal. Upon the
796 filing of a petition for appeal or review as herein provided, the
797 clerk of the court in which said petition is filed shall thereupon
798 issue process to the person, firm or corporation whose property is
799 assessed, and such person, firm or corporation shall plead to said
800 petition within twenty (20) days after the receipt of said notice.

801 In the event both the taxpayer and the state appeal, then the
802 matter shall be heard by the circuit court of the county in which
803 the petition for appeal was first filed, unless otherwise agreed
804 by the parties.

805 Any taxpayer aggrieved by an order of the circuit court may
806 appeal, with supersedeas, to the Supreme Court by giving bond in

807 the amount and conditioned as provided in the preceding paragraphs
808 hereof.

809 The officer who appealed the matter from the order of the
810 State Tax Commission may have an appeal to the Supreme Court
811 without bond.

812 In the event the appeal by the taxpayer delays the collection
813 of the tax due by him, then such taxpayer shall be liable for and
814 shall pay, at the time the taxes are paid to the tax collector
815 whose duty it is to collect the taxes, interest at the rate of
816 twelve percent (12%) per annum from the date the taxes were due
817 until paid.

818 (2) Any telephone company operating in more than six (6)
819 counties, which is aggrieved by an order of the State Tax
820 Commission, may, within twenty (20) days after the adjournment of
821 the meeting at which such assessment is made final, appeal without
822 bond as to the amount of taxes in controversy to the Circuit Court
823 of the First Judicial District of Hinds County, or to the circuit
824 court of any county in which the property, or any part thereof, is
825 located, or to the circuit court of any county in which such
826 telephone company resides. Notwithstanding such appeal, all of
827 the ad valorem taxes due on the value as set by the State Tax
828 Commission shall be due and payable at the same time as all other
829 ad valorem taxes are for real and personal property; provided,
830 however, that the ad valorem taxes due on the contested portion of
831 such value shall be paid under protest. Such telephone company
832 shall file with the clerk of the circuit court a petition for
833 appeal and review and the clerk shall thereupon give notice to the
834 State Tax Commission. The State Tax Commission shall file with
835 the clerk of the circuit court where said petition is pending a
836 copy of its order, or orders, making the assessment within twenty
837 (20) days after the receipt of such notice, and the matter of
838 assessing such property shall be heard de novo by the circuit
839 court at the first term of said court thereafter, or by the judge

840 of the circuit court in vacation, by agreement of the parties,
841 without a jury, and such proceeding shall be given preference over
842 other pending matters in said court. After hearing the evidence,
843 the circuit court, or the judge thereof in vacation, shall make an
844 order setting aside, modifying or affirming the order of the State
845 Tax Commission. A copy of such order shall be certified by the
846 clerk of the said court to the State Tax Commission, which shall
847 conform thereto.

848 If the state shall be aggrieved by an order of the State Tax
849 Commission as to the assessment of such property for ad valorem
850 taxes, the Attorney General or the district attorney, if all the
851 property sought to be taxed is located within the judicial
852 district for which such district attorney is elected, may, within
853 twenty (20) days after the adjournment of the meeting at which
854 such assessment is made final, appeal without bond to the circuit
855 court of any county in which the property, or any part thereof, is
856 located or of any county in which such telephone company resides.
857 Upon the filing of a petition for appeal or review as herein
858 provided, the clerk of the court in which said petition is filed
859 shall thereupon issue process to such telephone company, and such
860 telephone company shall plead to said petition within twenty (20)
861 days after the receipt of said notice.

862 In the event both the telephone company and the state appeal,
863 then the matter shall be heard by the circuit court of the county
864 in which the petition for appeal was first filed, unless otherwise
865 agreed by the parties.

866 Any such telephone company aggrieved by an order of the
867 circuit court may appeal without bond to the Supreme Court.

868 The officer who appealed the matter from the order of the
869 State Tax Commission may have an appeal to the Supreme Court
870 without bond.

871 If the value as set by the State Tax Commission is reduced by
872 the courts as a result of appeals filed by such telephone company,

873 the ad valorem taxes attributable to such reduction shall be
874 disposed of by each affected local taxing district in the
875 following manner:

876 (a) (i) Such local telephone company shall be entitled
877 to a refund equal to the amount of ad valorem taxes paid by such
878 company to the taxing district which are attributable to such
879 reduction in value, less the portion of any refunds previously
880 received by such telephone company pursuant to Section 3 of Senate
881 Bill No. 2512, 2000 Regular Session, which are attributable to
882 such reduction in value.

883 (ii) If the taxing district has not paid the full
884 amount of the refund required by this subsection by the time that
885 ad valorem taxes become due and payable by such telephone company
886 to such taxing district for any subsequent year or years, such
887 telephone company shall be entitled to take a credit against the
888 ad valorem tax liability for such subsequent year or years up to
889 the total amount of the refund owed to such telephone company
890 pursuant to this paragraph (a).

891 (b) (i) The remaining portion of the ad valorem taxes
892 attributable to such reduction shall be paid by the taxing
893 district to the state, and such amount shall be credited to the
894 Telecommunications Ad Valorem Tax Reduction Fund.

895 (ii) To the extent that the taxing district has
896 not fully paid to the state the amount required by this
897 subsection, any monies due by the state to such local taxing
898 jurisdiction shall be offset until such amount is fully paid.

899 SECTION 10. Section 27-51-105, Mississippi Code of 1972, is
900 amended as follows:[CR5]

901 27-51-105. (1) There is created in the State Treasury a
902 special fund to be known as the Motor Vehicle Ad Valorem Tax
903 Reduction Fund, into which shall be deposited the monies specified
904 in Section 27-65-75(10), (11) and (12), such monies as may be
905 required to be transferred into such fund pursuant to Section 3 of

906 Senate Bill No. 2512, 2000 Regular Session, and such other monies
907 as the Legislature may provide by appropriation. The monies in
908 the fund shall be used for the purpose of making payments to
909 counties for the reduction in motor vehicle ad valorem tax
910 revenues incurred by local taxing districts in the county as a
911 result of the ad valorem tax credit for private carriers of
912 passengers and light carriers of property that is provided for by
913 Section 27-51-103.

914 (2) The Motor Vehicle Ad Valorem Tax Reduction Fund shall be
915 administered by the State Tax Commission, and monies in the fund
916 shall be expended upon appropriation by the Legislature.
917 Unexpended amounts remaining in the fund at the end of the state
918 fiscal year shall not lapse into the State General Fund, and any
919 interest earned on amounts in the fund shall be deposited to the
920 credit of the fund.

921 SECTION 11. If any material provision of this act is
922 declared to be void, or if for any reason is declared to be
923 invalid or of no effect, the remaining provisions of this act
924 shall be void and of no effect.

925 SECTION 12. Section 6 of this act shall be effective with
926 respect to taxable services reflected on bills submitted by
927 telecommunications service providers to their customers which are
928 dated on or after July 1, 2000, regardless of when such services
929 are provided. Section 9 of this act shall take effect and be in
930 force from and after January 1, 2001. The remaining provisions of
931 this act shall take effect and be in force from and after July 1,
932 2000.