

By: Minor

To: Finance

SENATE BILL NO. 2512  
(As Passed the Senate)

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.