

By: Representative Martinson

To: Ways and Means

HOUSE BILL NO. 598

1 AN ACT TO AMEND SECTION 27-65-201, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE SALES AND USE TAX UPON CASUAL SALES OF CERTAIN
3 MOTOR VEHICLES BY 2%; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE
4 OF 1972, TO PROVIDE THAT THE REVENUE COLLECTED FROM THE 2%
5 INCREASE IN THE SALES TAX UPON CASUAL SALES OF CERTAIN MOTOR
6 VEHICLES SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE MOTOR
7 VEHICLE AD VALOREM TAX REDUCTION FUND; TO PROVIDE THAT THE
8 REMAINDER OF THE REVENUE COLLECTED FROM THE SALES TAX UPON CASUAL
9 SALES OF CERTAIN MOTOR VEHICLES SHALL BE DEPOSITED, AFTER
10 DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND;
11 TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE
12 THAT THE REVENUE COLLECTED FROM THE 2% INCREASE IN THE USE TAX
13 UPON CASUAL SALES OF CERTAIN MOTOR VEHICLES SHALL BE DEPOSITED,
14 WITHOUT DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION
15 FUND; TO PROVIDE THAT THE REMAINDER OF THE REVENUE COLLECTED FROM
16 THE USE TAX UPON CASUAL SALES OF CERTAIN MOTOR VEHICLES SHALL BE
17 DEPOSITED, AFTER DIVERSION, INTO THE MOTOR VEHICLE AD VALOREM TAX
18 REDUCTION FUND; TO AMEND SECTION 27-51-101, MISSISSIPPI CODE OF
19 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

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

27 (2) Upon every person, firm or corporation purchasing other
28 than at wholesale within this state any motor vehicle required to
29 be registered or licensed with the tax collector of any county in
30 this state from any person, firm or corporation which is not a
31 licensed dealer engaged in selling motor vehicles, there shall be
32 levied and collected a sales tax at the rate of three percent (3%)
33 of the true value of the motor vehicle as calculated by using the
34 most current official motor vehicle assessment schedule supplied
35 by the State Tax Commission.



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

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

55 (5) Upon every person, firm or corporation that purchases a
56 private carrier of passengers or a light carrier of property as
57 defined in Section 27-51-101, and upon which a use tax for such
58 purchase is levied pursuant to subsection (3) of this section,
59 there shall be levied an additional use tax at the rate of two
60 percent (2%) of the true value of such private carrier of
61 passengers or light carrier of property purchased as calculated by
62 using the most current official motor vehicle assessment schedule
63 supplied by the State Tax Commission.

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



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

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

84 Each tax collector of the several counties shall, on or
85 before the twentieth day of each month, file a report with and pay
86 to the State Tax Commission all funds collected under the
87 provisions of this section, less a commission of three percent
88 (3%) which shall be retained by the tax collector as a commission
89 for collecting such tax, and such commission shall be deposited in
90 the county general fund. The report required to be filed shall
91 cover all collections made during the calendar month next
92 preceding the date on which the report is due and filed. All
93 funds remitted to the State Tax Commission shall be deposited to
94 the credit of the State General Fund.

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

100 All information relating to the collection of this tax by tax
101 collectors and such records as the State Tax Commission may



require shall be preserved in the tax collector's office for a period of three (3) years for audit by the State Tax Commission.

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

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

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

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

SECTION 2. Section 27-65-75, Mississippi Code of 1972, is amended as follows:

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

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



corporation shall be allocated for distribution to such municipality and paid to such municipal corporation.

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

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

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

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



168 State Tax Commission shall have the authority to promulgate such
169 rules and regulations as is necessary to determine the number of
170 gallons of gasoline and diesel fuel sold by distributors to
171 consumers and retailers in each municipality. In determining the
172 percentage allocation of funds under this subsection for the
173 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
174 State Tax Commission may consider gallons of gasoline and diesel
175 fuel sold for a period of less than one (1) fiscal year. For the
176 purposes of this subsection, the term "fiscal year" means the
177 fiscal year beginning July 1 of a year.

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

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



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

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

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

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

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



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

247 Any reference in the general laws of this state or the
248 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
249 construed to refer and apply to subsection (4) of Section
250 27-65-75.

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

257 (6) An amount each month beginning August 15, 1983, through
258 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
259 of 1983, shall be paid into the special fund known as the
260 Correctional Facilities Construction Fund created in Section 6 of
261 Chapter 542, Laws of 1983.

262 (7) On or before August 15, 1992, and each succeeding month
263 thereafter through July 15, 2000, two and two hundred sixty-six
264 one-thousandths percent (2.266%) of the total sales tax revenue
265 collected during the preceding month under the provisions of this
266 chapter, except that collected under the provisions of Section



267 27-65-17(2) shall be deposited by the commission into the School
268 Ad Valorem Tax Reduction Fund created pursuant to Section
269 37-61-35. On or before August 15, 2000, and each succeeding month
270 thereafter, two and two hundred sixty-six one-thousandths percent
271 (2.266%) of the total sales tax revenue collected during the
272 preceding month under the provisions of this chapter, except that
273 collected under the provisions of Section 27-65-17(2), shall be
274 deposited into the School Ad Valorem Tax Reduction Fund created
275 under Section 37-61-35 until such time that the total amount
276 deposited into the fund during a fiscal year equals Forty-two
277 Million Dollars (\$42,000,000.00). Thereafter, the amounts
278 diverted under this subsection (7) during the fiscal year in
279 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
280 deposited into the Education Enhancement Fund created under
281 Section 37-61-33 for appropriation by the Legislature as other
282 education needs and shall not be subject to the percentage
283 appropriation requirements set forth in Section 37-61-33.

284 (8) On or before August 15, 1992, and each succeeding month
285 thereafter, nine and seventy-three one-thousandths percent
286 (9.073%) of the total sales tax revenue collected during the
287 preceding month under the provisions of this chapter, except that
288 collected under the provisions of Section 27-65-17(2) shall be
289 deposited into the Education Enhancement Fund created pursuant to
290 Section 37-61-33.

291 (9) On or before August 15, 1994, and each succeeding month
292 thereafter, from the revenue collected under this chapter during
293 the preceding month, Two Hundred Fifty Thousand Dollars
294 (\$250,000.00) shall be paid into the State Aid Road Fund.

295 (10) On or before August 15, 1994, and each succeeding month
296 thereafter through August 15, 1995, from the revenue collected
297 under this chapter during the preceding month, Two Million Dollars
298 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
299 Valorem Tax Reduction Fund established in Section 27-51-105.



300 (11) Notwithstanding any other provision of this section to
301 the contrary, on or before February 15, 1995, and each succeeding
302 month thereafter, the sales tax revenue collected during the
303 preceding month under the provisions of Section 27-65-17(2) and
304 the corresponding levy in Section 27-65-23 on the rental or lease
305 of private carriers of passengers and light carriers of property
306 as defined in Section 27-51-101 shall be deposited, without
307 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
308 established in Section 27-51-105.

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

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

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



(15) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(1)(f), shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

(16) On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a project as defined in Section 57-30-1 shall be deposited, after all diversions except the diversion provided for in subsection (1) of this section, into the Sales Tax Incentive Fund created in Section 57-30-3.

(17) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2002, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201(4) on purchases of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(18) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2002, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201(2) on purchases of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited, after diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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



365 (20) It shall be the duty of the municipal officials of any
366 municipality which expands its limits, or of any community which
367 incorporates as a municipality, to notify the commissioner of such
368 action thirty (30) days before the effective date. Failure to so
369 notify the commissioner shall cause such municipality to forfeit
370 the revenue which it would have been entitled to receive during
371 this period of time when the commissioner had no knowledge of the
372 action. If any funds have been erroneously disbursed to any
373 municipality or any overpayment of tax is recovered by the
374 taxpayer, the commissioner may make correction and adjust the
375 error or overpayment with such municipality by withholding the
376 necessary funds from any subsequent payment to be made to the
377 municipality.

378 **SECTION 3.** Section 27-67-31, Mississippi Code of 1972, is
379 amended as follows:

380 27-67-31. All administrative provisions of the sales tax
381 law, and amendments thereto, including those which fix damages,
382 penalties and interest for failure to comply with the provisions
383 of said sales tax law, and all other requirements and duties
384 imposed upon taxpayer, shall apply to all persons liable for use
385 taxes under the provisions of this article. The commissioner
386 shall exercise all power and authority and perform all duties with
387 respect to taxpayers under this article as are provided in said
388 sales tax law, except where there is conflict, then the provisions
389 of this article shall control.

390 The commissioner may require transportation companies to
391 permit the examination of waybills, freight bills, or other
392 documents covering shipments of tangible personal property into
393 this state.

394 On or before the fifteenth day of each month, the amount
395 received from taxes, damages and interest under the provisions of
396 this article during the preceding month shall be paid and
397 distributed as follows:



398 (a) On or before July 15, 1994, through July 15, 2000,
399 and each succeeding month thereafter, two and two hundred
400 sixty-six one-thousandths percent (2.266%) of the total use tax
401 revenue collected during the preceding month under the provisions
402 of this article shall be deposited in the School Ad Valorem Tax
403 Reduction Fund created pursuant to Section 37-61-35. On or before
404 August 15, 2000, and each succeeding month thereafter, two and two
405 hundred sixty-six one-thousandths percent (2.266%) of the total
406 use tax revenue collected during the preceding month under the
407 provisions of this chapter shall be deposited into the School Ad
408 Valorem Tax Reduction Fund created under Section 37-61-35 until
409 such time that the total amount deposited into the fund during a
410 fiscal year equals Four Million Dollars (\$4,000,000.00).
411 Thereafter, the amounts diverted under this paragraph (a) during
412 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
413 shall be deposited into the Education Enhancement Fund created
414 under Section 37-61-33 for appropriation by the Legislature as
415 other education needs and shall not be subject to the percentage
416 appropriation requirements set forth in Section 37-61-33.

417 (b) On or before July 15, 1994, and each succeeding
418 month thereafter, nine and seventy-three one-thousandths percent
419 (9.073%) of the total use tax revenue collected during the
420 preceding month under the provisions of this article shall be
421 deposited into the Education Enhancement Fund created pursuant to
422 Section 37-61-33.

423 (c) On or before July 15, 1997, and on or before the
424 fifteenth day of each succeeding month thereafter, the revenue
425 collected under the provisions of this article imposed and levied
426 as a result of Section 27-65-17(2) and the corresponding levy in
427 Section 27-65-23 on the rental or lease of private carriers of
428 passengers and light carriers of property as defined in Section
429 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
430 Reduction Fund created pursuant to Section 27-51-105.



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

(e) On or before August 15, 2002, and each succeeding month thereafter, the revenue collected under the provisions of this article imposed and levied pursuant to Section 27-65-201(5) on purchases of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section 27-51-105.

(f) On or before August 15, 2002, and each succeeding month thereafter and after the deposits required by paragraphs (a) and (b) of this section are made, the remaining revenue collected under the provisions of this article imposed and levied pursuant to Section 27-65-201(3) on purchases of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section 27-51-105.

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

SECTION 4. Section 27-51-105, Mississippi Code of 1972, is amended as follows:

27-51-105. (1) There is created in the State Treasury a special fund to be known as the Motor Vehicle Ad Valorem Tax



464 Reduction Fund, into which shall be deposited the monies specified
465 in Section 27-65-75(10), (11), (12), (17) and (18), Section
466 27-67-31(c), (d), (e) and (f) such monies as may be required to be
467 transferred into such fund pursuant to Section 27-38-5, and such
468 other monies as the Legislature may provide by appropriation. The
469 monies in the fund shall be used for the purpose of making
470 payments to counties for the reduction in motor vehicle ad valorem
471 tax revenues incurred by local taxing districts in the county as a
472 result of the ad valorem tax credit for private carriers of
473 passengers and light carriers of property that is provided for by
474 Section 27-51-103.

475 (2) The Motor Vehicle Ad Valorem Tax Reduction Fund shall be
476 administered by the State Tax Commission, and monies in the fund
477 shall be expended upon appropriation by the Legislature.
478 Unexpended amounts remaining in the fund at the end of the state
479 fiscal year shall not lapse into the State General Fund, and any
480 interest earned on amounts in the fund shall be deposited to the
481 credit of the fund.

482 **SECTION 5.** This act shall take effect and be in force from
483 and after July 1, 2002.

