

By: Representative Mayo

To: Ways and Means

HOUSE BILL NO. 1688

1 AN ACT TO AMEND SECTIONS 27-7-5, 27-7-901, 27-7-903,
 2 27-65-17, 27-71-307, 27-71-337, 27-71-11, 27-71-29, 75-76-177 AND
 3 75-76-129, MISSISSIPPI CODE OF 1972, TO INCREASE THE STATE INCOME
 4 TAX; TO INCREASE THE TAX LEVIED ON AMOUNTS THAT ARE PAID TO
 5 PATRONS BY GAMING ESTABLISHMENTS; TO INCREASE THE EXCISE TAX ON
 6 LIGHT WINE AND BEER; TO INCREASE THE MARKUP ON ALCOHOLIC
 7 BEVERAGES; TO INCREASE THE GAMING LICENSE GROSS REVENUE FEE; TO
 8 PROVIDE THAT THE REVENUE DERIVED FROM THE TAX INCREASES AUTHORIZED
 9 BY THIS ACT, EXCEPT THE INCREASE ON SALES OF TANGIBLE PERSONAL
 10 PROPERTY, SHALL BE DEPOSITED INTO THE BUDGET CONTINGENCY FUND; TO
 11 PROVIDE THE PURPOSES FOR WHICH SUCH MONIES DEPOSITED INTO THE
 12 BUDGET CONTINGENCY FUND SHALL BE EXPENDED; AND FOR RELATED
 13 PURPOSES.

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

15 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
 16 amended as follows:

17 27-7-5. (1) (a) Except as otherwise provided in this
 18 subsection (1), there is hereby assessed and levied, to be
 19 collected and paid as hereinafter provided, for the calendar year
 20 1983 and fiscal years ending during the calendar year 1983 and all
 21 taxable years thereafter, upon the entire net income of every
 22 resident individual, corporation, association, trust or estate, in
 23 excess of the credits provided, a tax at the following rates:

24 On the first Five Thousand Dollars (\$5,000.00) of taxable
 25 income, or any part thereof, at the rate of three percent (3%);

26 On the next Five Thousand Dollars (\$5,000.00) of taxable
 27 income, or any part thereof, at the rate of four percent (4%); and

28 On all taxable income in excess of Ten Thousand Dollars
 29 (\$10,000.00), at the rate of five percent (5%).

30 (b) For calendar year 2005, and each calendar year
 31 thereafter, there is hereby assessed and levied, to be collected
 32 and paid as hereinafter provided, upon the entire net income of

33 every resident individual, corporation, association, trust or
34 estate, in excess of the credits provided, a tax at the following
35 rates:

36 On the first Five Thousand Dollars (\$5,000.00) of taxable
37 income, or any part thereof, at the rate of three percent (3%);

38 On the next Five Thousand Dollars (\$5,000.00) of taxable
39 income, or any part thereof, at the rate of four percent (4%);

40 On the next Ten Thousand Dollars (\$10,000.00) of taxable
41 income, or any part thereof, at the rate of five percent (5%); and

42 On all taxable income in excess of Twenty Thousand Dollars
43 (\$20,000.00), at the rate of six percent (6%).

44 (2) An S corporation, as defined in Section 27-8-3(1)(g),
45 shall not be subject to the income tax imposed under this section.

46 (3) A like tax is hereby imposed to be assessed, collected
47 and paid annually, except as hereinafter provided, at the rate
48 specified in this section and as hereinafter provided, upon and
49 with respect to the entire net income, from all property owned or
50 sold, and from every business, trade or occupation carried on in
51 this state by individuals, corporations, partnerships, trusts or
52 estates, not residents of the State of Mississippi.

53 (4) Except as provided in subsection (5) of this section, in
54 the case of taxpayers having a fiscal year beginning in the
55 calendar year 1982 and ending after the first day of January 1983,
56 the tax due for that taxable year shall be determined by:

57 (a) Computing for the full fiscal year the amount of
58 tax that would be due under the rates in effect for the calendar
59 year 1982; and

60 (b) Computing for the full fiscal year the amount of
61 tax that would be due under the rates in effect for the calendar
62 year 1983; and

63 (c) Applying to the tax computed under paragraph (a)
64 the ratio which the number of months falling within the earlier

65 calendar year bears to the total number of months in the fiscal
66 year; and

67 (d) Applying to the tax computed under paragraph (b)
68 the ratio which the number of months falling within the later
69 calendar year bears to the total number of months within the
70 fiscal year; and

71 (e) Adding to the tax determined under paragraph (c)
72 the tax determined under paragraph (d) the sum of which shall be
73 the amount of tax due for the fiscal year.

74 (5) In the case of a resident individual, association, trust
75 or estate having a fiscal year beginning in the calendar year 2004
76 and ending after the first day of January 2005, the tax due for
77 that taxable year shall be determined by:

78 (a) Computing for the full fiscal year the amount of
79 tax that would be due under the rates in effect for the calendar
80 year 2004;

81 (b) Computing for the full fiscal year the amount of
82 tax that would be due under the rates in effect for the calendar
83 year 2005;

84 (c) Applying to the tax computed under paragraph (a)
85 the ratio which the number of months falling within the earlier
86 calendar year bears to the total number of months in the fiscal
87 year;

88 (d) Applying to the tax computed under paragraph (b)
89 the ratio which the number of months falling within the later
90 calendar year bears to the total number of months within the
91 fiscal year; and

92 (e) Adding to the tax determined under paragraph (c)
93 the tax determined under paragraph (d) the sum of which shall be
94 the amount of tax due for the fiscal year.

95 (6) The revenue derived from the additional tax rate of one
96 percent (1%) imposed under House Bill No. 1688, 2005 Regular
97 Session, shall be deposited into the Budget Contingency Fund

98 created under Section 27-103-301. All of the remainder of the
99 proceeds from the taxes imposed under this section shall be
100 deposited into the State General Fund.

101 **SECTION 2.** Section 27-7-901, Mississippi Code of 1972, is
102 amended as follows:

103 27-7-901. (1) (a) There is hereby levied, assessed and
104 shall be collected a tax of three percent (3%) upon amounts that
105 are paid or credited by gaming establishments licensed under the
106 provisions of the Mississippi Gaming Control Act to their patrons.

107 (b) In addition to the tax levied in paragraph (a) of
108 this subsection, there is hereby levied, assessed and shall be
109 collected an additional tax of two percent (2%) upon amounts that
110 are paid or credited by gaming establishments licensed under the
111 provisions of the Mississippi Gaming Control Act to their patrons.
112 Revenue collected pursuant to the provisions of this paragraph (b)
113 shall be deposited into the Budget Contingency Fund created under
114 Section 27-103-301.

115 (c) The tax shall be collected by licensed gaming
116 establishments and remitted to the State Tax Commission in the
117 manner provided for by regulations promulgated by the Chairman of
118 the State Tax Commission.

119 (2) As used in this section, "amounts that are paid or
120 credited" means amounts or credits that are subject to the
121 withholding or reporting requirements of the Internal Revenue
122 Code.

123 (3) No credit shall be allowed under the Income Tax Law of
124 1952 for the tax collected by licensed gaming establishments
125 pursuant to this section.

126 **SECTION 3.** Section 27-7-903, Mississippi Code of 1972, is
127 amended as follows:

128 27-7-903. (1) (a) There is hereby levied and assessed upon
129 patrons of gaming establishments located in this state that are
130 not licensed under the provisions of the Mississippi Gaming

131 Control Act, a tax of three percent (3%) of the amounts that are
132 paid or credited to such patrons by the gaming establishment,
133 which tax is the same in kind and rate as has heretofore been
134 imposed pursuant to Section 27-7-901 upon the patrons of gaming
135 establishments which are licensed under the Mississippi Gaming
136 Control Act.

137 (b) In addition to the tax levied in paragraph (a) of
138 this subsection, there is hereby levied and assessed upon patrons
139 of gaming establishments located in this state that are not
140 licensed under the provisions of the Mississippi Gaming Control
141 Act, an additional tax of two percent (2%) upon amounts that are
142 paid or credited to such patrons by the gaming establishments.
143 Revenue collected pursuant to the provisions of this paragraph (b)
144 shall be deposited into the Budget Contingency Fund created under
145 Section 27-103-301.

146 (c) The legal incidence and duty to pay such taxes
147 shall fall upon the patron. The assessment of such tax is subject
148 to any exemptions as may exist under federal or state law. The
149 State Tax Commission may enter into tax collection agreements
150 regarding this tax.

151 (2) As used in this section, "amounts that are paid or
152 credited" means amounts or credits that are subject to the
153 withholding or reporting requirements of the Internal Revenue
154 Code.

155 (3) No credit shall be allowed under the Income Tax Law of
156 1952 for the tax collected by gaming establishments pursuant to
157 this section.

158 **SECTION 4.** Section 27-65-17, Mississippi Code of 1972, is
159 amended as follows:

160 27-65-17. (1) Upon every person engaging or continuing
161 within this state in the business of selling any tangible personal
162 property whatsoever there is hereby levied, assessed and shall be
163 collected a tax equal to seven and one-half percent (7-1/2%) of

164 the gross proceeds of the retail sales of the business, except as
165 otherwise provided herein.

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

168 Retail sales of farm implements sold to farmers and used
169 directly in the production of poultry, ratite, domesticated fish
170 as defined in Section 69-7-501, livestock, livestock products,
171 agricultural crops or ornamental plant crops or used for other
172 agricultural purposes shall be taxed at the rate of three percent
173 (3%) when used on the farm. The three percent (3%) rate shall
174 also apply to all equipment used in logging, pulpwood operations
175 or tree farming which is either (a) self-propelled or which is (b)
176 mounted so that it is (i) permanently attached to other equipment
177 which is self-propelled or (ii) permanently attached to other
178 equipment drawn by a vehicle which is self-propelled.

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

183 Sales of manufacturing machinery or manufacturing machine
184 parts when made to a manufacturer or custom processor for plant
185 use only when said machinery and machine parts will be used
186 exclusively and directly within this state in manufacturing a
187 commodity for sale, rental or in processing for a fee shall be
188 taxed at the rate of one and one-half percent (1-1/2%).

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

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

197 Wholesale sales of beer shall be taxed at the rate of seven
198 percent (7%), and the retailer shall file a return and compute the
199 retail tax on retail sales but may take credit for the amount of
200 the tax paid to the wholesaler on said return covering the
201 subsequent sales of same property, provided adequate invoices and
202 records are maintained to substantiate the credit.

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

207 A manufacturer selling at retail in this state shall be
208 required to make returns of the gross proceeds of such sales and
209 pay the tax imposed in this section.

210 Any person exercising any privilege taxable under Section
211 27-65-15 and selling his natural resource products at wholesale or
212 to exempt persons shall pay the tax levied by said section in lieu
213 of the tax levied by this section.

214 (2) From and after January 1, 1995, retail sales of private
215 carriers of passengers and light carriers of property, as defined
216 in Section 27-51-101, shall be taxed an additional two percent
217 (2%).

218 (3) In lieu of the tax levied in subsection (1) of this
219 section, there is levied on retail sales of truck-tractors and
220 semitrailers used in interstate commerce and registered under the
221 International Registration Plan (IRP) or any similar reciprocity
222 agreement or compact relating to the proportional registration of
223 commercial vehicles entered into as provided for in Section
224 27-19-143, a tax at the rate of three percent (3%) of the portion
225 of the sale that is attributable to the usage of such
226 truck-tractor or semitrailer in Mississippi. The portion of the
227 retail sale that is attributable to the usage of such
228 truck-tractor or semitrailer in Mississippi is the retail sales
229 price of the truck-tractor or semitrailer multiplied by the

230 percentage of the total miles traveled by the vehicle that are
231 traveled in Mississippi. The tax levied pursuant to this
232 subsection (3) shall be collected by the State Tax Commission from
233 the purchaser of such truck-tractor or semitrailer at the time of
234 registration of such truck-tractor or semitrailer.

235 **SECTION 5.** Section 27-71-307, Mississippi Code of 1972, is
236 amended as follows:

237 27-71-307. (1) (a) In addition to the specific tax imposed
238 in Section 27-71-303, there is hereby imposed, levied, assessed
239 and shall be collected, as hereinafter provided, an excise or
240 privilege tax upon each person engaged or continuing in the
241 business of wholesaler or distributor of light wines or beer
242 equivalent to Seventy-four and Twenty-four One Hundredths Cents
243 (74-24/100¢) per gallon upon all light wines and beer acquired for
244 sale or distribution in this state. Such excise or privilege tax
245 is also imposed at the same rate upon each gallon of light wine or
246 beer manufactured by brewpubs, each of which shall accurately and
247 reliably measure the quantity of light wine and beer produced by
248 using a measuring device such as a meter or gauge glass or any
249 other suitable method approved by the commissioner. Such tax is
250 hereby imposed as an additional tax for the privilege of engaging
251 or continuing in business.

252 (b) The excise tax imposed in this section shall be
253 paid to the State Tax Commission monthly on or before the
254 fifteenth day of the month following the month in which the beer
255 or light wine was manufactured or received in this state. Monthly
256 report forms shall be furnished by the commissioner to the
257 wholesalers, distributors and brewpubs.

258 (c) Provided that persons operating a railroad dining
259 car, club car or other car in interstate commerce upon which light
260 wines or beer may be sold and who are licensed under the
261 provisions of Section 67-3-27 and any other law relating to the
262 sale of such beverages shall keep such records of the sales of

263 such light wines and beer in this state as the commissioner shall
264 prescribe and shall submit monthly reports of such sales to the
265 commissioner within fifteen (15) days after the end of each month
266 on a form prescribed therefor by the commissioner, and shall pay
267 the tax due under the provisions of this section at the time such
268 reports are filed.

269 No official crowns, lids, labels or stamps with the word
270 "MISSISSIPPI" or "MS" imprinted thereon or any other evidence of
271 tax payment is required by this section, or may be required under
272 rule or regulation promulgated by the commissioner, to be affixed
273 on or to any part of a beer, light wine or malt cooler bottle, can
274 or other light wine or malt cooler container. For purposes of
275 this section, malt cooler products shall be defined as a flavored
276 malt beverage made from a base of malt beverage and flavored with
277 fruit juices, aromatics and essences of other flavoring in
278 quantities and proportions such that the resulting product
279 possesses a character and flavor distinctive from the base malt
280 beverage and distinguishable from other malt beverages.

281 (2) A licensed wholesaler or distributor of beer or light
282 wine may not import beer or light wine from any source other than
283 a brewer or importer authorized by the commissioner to sell such
284 beer or light wine in Mississippi. Any person who violates the
285 provisions of this subsection, upon conviction thereof, shall be
286 punished by a fine of not more than One Thousand Dollars
287 (\$1,000.00) or by imprisonment in the county jail for not more
288 than six (6) months, or by both such fine and imprisonment, in the
289 discretion of the court and shall be subject to license forfeiture
290 following an appropriate hearing before the State Tax Commission.

291 (3) The wholesaler or distributor shall be allowed credit
292 for tax paid on beer or light wine which is no longer marketable
293 and which is destroyed by same when such destruction is witnessed
294 by an agent of the commissioner and when the amount of the excise

295 tax exceeds One Hundred Dollars (\$100.00). No other loss will be
296 allowed.

297 A brewpub shall be allowed credit for light wine or beer
298 which has passed through the meter, gauge glass or other approved
299 measuring device and which has been soured or damaged. The
300 brewpub shall record the removal of sour or damaged light wine or
301 beer and may take credit after the destruction is witnessed by an
302 agent of the commissioner and when the amount of excise tax
303 exceeds Twenty-five Dollars (\$25.00). No other loss shall be
304 allowed.

305 (4) All manufacturers, brewers and importers of beer or
306 light wine shall file monthly reports as prescribed by the
307 commissioner listing sales to each wholesaler or distributor by
308 date, invoice number, quantity and container size, and any other
309 information deemed necessary.

310 (5) All administrative provisions of the Mississippi Sales
311 Tax Law, including those which fix damages, penalties and interest
312 for nonpayment of taxes and for noncompliance with the provisions
313 of such chapter, and all other requirements and duties imposed
314 upon taxpayers, shall apply to all persons liable for taxes under
315 the provisions of this chapter, and the commissioner shall
316 exercise all the power and authority and perform all the duties
317 with respect to taxpayers under this chapter as are provided in
318 the sales tax law except where there is conflict, then the
319 provisions of this chapter shall control.

320 **SECTION 6.** Section 27-71-337, Mississippi Code of 1972, is
321 amended as follows:

322 27-71-337. All taxes levied by this article and required to
323 be paid to the commissioner shall be payable to the commissioner
324 in cash or by personal check, cashier's check, bank exchange, post
325 office money order or express money order and shall be deposited
326 by the commissioner into the State Treasury on the same day
327 collected, provided that no remittances other than cash shall be a

328 final discharge of liability for the tax herein imposed and levied
329 unless and until it has been paid in cash to the commissioner.

330 The revenue collected from Thirty-one and Fifty-six One
331 Hundredths Cents (31-56/100¢) per gallon upon all light wines and
332 beer shall be deposited into the State Treasury to the credit of
333 the Budget Contingency Fund created under Section 27-103-301. All
334 other revenue collected under this article shall be deposited into
335 the State General Fund.

336 **SECTION 7.** Section 27-71-11, Mississippi Code of 1972, is
337 amended as follows:

338 27-71-11. The commission shall from time to time by
339 resolution request the State Bond Commission to provide sufficient
340 funds required to maintain an adequate alcoholic beverage
341 inventory. Said funds shall be provided under the provisions of
342 Chapter 557, Laws of 1966.

343 The commission shall add to the cost of all alcoholic
344 beverages a markup of thirty percent (30%), inclusive of the three
345 percent (3%) markup imposed by Section 27-71-7(2).

346 The commission shall sell alcoholic beverages at uniform
347 prices throughout the state.

348 **SECTION 8.** Section 27-71-29, Mississippi Code of 1972, is
349 amended as follows:

350 27-71-29. All taxes levied by this article shall be paid to
351 the State Tax Commission in cash or by personal check, cashier's
352 check, bank exchange, post office money order or express money
353 order and shall be deposited by the commission in the State
354 Treasury on the same day collected, but no remittances other than
355 cash shall be a final discharge of liability for the tax herein
356 imposed and levied unless and until it has been paid in cash to
357 the State Tax Commission.

358 All taxes levied under Section 27-71-7(1) and received by the
359 commission under this article shall be paid into the General Fund,
360 and the three percent (3%) levied under Section 27-71-7(2) and

361 received by the commission under this article shall be paid into
362 the special fund in the State Treasury designated as the
363 "Alcoholism Treatment and Rehabilitation Fund" as required by law.
364 Any funds derived from the sale of alcoholic beverages in excess
365 of inventory requirements, less the funds received from the
366 additional two and one-half percent (2-1/2%) markup on the cost of
367 all alcoholic beverages provided for under House Bill No. 1688,
368 2005 Regular Session, shall be paid not less often than annually
369 into the General Fund. The funds received from the additional two
370 and one-half percent (2-1/2%) markup on the cost of all alcoholic
371 beverages provided for under House Bill No. 1688, 2005 Regular
372 Session, shall be deposited monthly into the State Treasury to the
373 credit of the Budget Contingency Fund created under Section
374 27-103-301.

375 **SECTION 9.** Section 75-76-177, Mississippi Code of 1972, is
376 amended as follows:

377 75-76-177. (1) From and after August 1, 1990, there is
378 hereby imposed and levied on each gaming licensee a license fee
379 based upon all the gross revenue of the licensee as follows:

380 (a) Four percent (4%) of all the gross revenue of the
381 licensee which does not exceed Fifty Thousand Dollars (\$50,000.00)
382 per calendar month;

383 (b) Six percent (6%) of all the gross revenue of the
384 licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per
385 calendar month and does not exceed One Hundred Thirty-four
386 Thousand Dollars (\$134,000.00) per calendar month; and

387 (c) Eight percent (8%) of all the gross revenue of the
388 licensee which exceeds One Hundred Thirty-four Thousand Dollars
389 (\$134,000.00) per calendar month.

390 (2) From and after July 1, 2005, there is hereby imposed and
391 levied on each gaming licensee an additional license fee of one
392 percent (1%) of all the gross revenue of the licensee per calendar

393 month. Such license fee shall be in addition to the license fee
394 imposed and levied under subsection (1) of this section.

395 (3) All revenue received from any game or gaming device
396 which is leased for operation on the premises of the
397 licensee-owner to a person other than the owner thereof or which
398 is located in an area or space on such premises which is leased by
399 the licensee-owner to any such person, must be attributed to the
400 owner for the purposes of this section and be counted as part of
401 the gross revenue of the owner. The lessee is liable to the owner
402 for his proportionate share of such license fees.

403 (4) If the amount of license fees required to be reported
404 and paid pursuant to this section is later determined to be
405 greater or less than the amount actually reported and paid by the
406 licensee, the Chairman of the State Tax Commission shall:

407 (a) Assess and collect the additional license fees
408 determined to be due, with interest thereon until paid; or

409 (b) Refund any overpayment, with interest thereon, to
410 the licensee.

411 Interest must be computed, until paid, at the rate of one
412 percent (1%) per month from the first day of the first month
413 following either the due date of the additional license fees or
414 the date of overpayment.

415 (5) Failure to pay the fees provided for in this section
416 when they are due for continuation of a license shall be deemed a
417 surrender of the license.

418 **SECTION 10.** Section 75-76-129, Mississippi Code of 1972, is
419 amended as follows:

420 **[Through June 30, 2022, this section shall read as follows:]**

421 75-76-129. On or before the last day of each month all
422 taxes, fees, interest, penalties, damages, fines or other monies
423 collected by the State Tax Commission during that month under the
424 provisions of this chapter, with the exception of (a) the local
425 government fees imposed under Section 75-76-195, and (b) an amount

426 equal to Three Million Dollars (\$3,000,000.00) of the revenue
427 collected pursuant to the fee imposed under Section
428 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)
429 of the revenue collected pursuant to the fee imposed under Section
430 75-76-177(1)(c), whichever is the greater amount, and (c) the
431 revenue collected pursuant to the fee imposed under Section
432 75-76-177(2), shall be paid by the State Tax Commission to the
433 State Treasurer to be deposited in the State General Fund. The
434 local government fees shall be distributed by the State Tax
435 Commission pursuant to Section 75-76-197. Except for the period
436 beginning on July 1, 2004, and through June 30, 2005, an amount
437 equal to Three Million Dollars (\$3,000,000.00) of the revenue
438 collected during that month pursuant to the fee imposed under
439 Section 75-76-177(1)(c) shall be deposited by the State Tax
440 Commission into the bond sinking fund created in Section 65-39-3.
441 Except for the period beginning on July 1, 2004, and through June
442 30, 2005, the revenue collected during that month pursuant to the
443 fee imposed under Section 75-76-177(1)(c) that is in excess of
444 Three Million Dollars (\$3,000,000.00), but is less than
445 twenty-five percent (25%) of the amount of revenue collected
446 during that month, shall be deposited into the State Highway Fund
447 to be used exclusively for the reconstruction and maintenance of
448 highways of the State of Mississippi. The revenue collected each
449 month pursuant to the fee imposed under Section 75-76-177(2) shall
450 be deposited into the Budget Contingency Fund created under
451 Section 27-103-31.

452 For the period beginning on July 1, 2004, and through June
453 30, 2005, twenty-five percent (25%) of the amount of revenue
454 collected during each month pursuant to the fee imposed under
455 Section 75-76-177(1)(c) shall be deposited into the Budget
456 Contingency Fund created in Section 27-103-301.

457 **[From and after July 1, 2022, this section shall read as**
458 **follows:]**

459 75-76-129. On or before the last day of each month, all
460 taxes, fees, interest, penalties, damages, fines or other monies
461 collected by the State Tax Commission during that month under the
462 provisions of this chapter, with the exception of (a) the local
463 government fees imposed under Section 75-76-195, and (b) the
464 revenue collected pursuant to the fee imposed under Section
465 75-76-177(2), shall be paid by the State Tax Commission to the
466 State Treasurer to be deposited in the State General Fund. The
467 local government fees shall be distributed by the State Tax
468 Commission pursuant to Section 75-76-197. The revenue collected
469 each month pursuant to the fee imposed under Section 75-76-177(2)
470 shall be deposited into the Budget Contingency Fund created under
471 Section 27-103-301.

472 **SECTION 11.** Monies deposited into Budget Contingency Fund
473 under Sections 27-7-5, 27-7-901, 27-7-903, 27-71-337, 27-71-29 and
474 75-76-129, as amended by House Bill No. 1688, 2005 Regular
475 Session, shall be expended, upon appropriation by the Legislature
476 for the following purposes in the specified percentages:

- 477 (a) Public education purposes in kindergarten through
478 Grade 12..... 58%
- 479 (b) Institutions of Higher Learning..... 17%
- 480 (c) Mental health purposes..... 11%
- 481 (d) Community and Junior Colleges..... 8%
- 482 (e) Public education purposes limited
483 to kindergarten..... 3%
- 484 (f) Reimbursement for tax losses incurred
485 by reason of the exemption of homes
486 from certain ad valorem taxes..... 2%
- 487 (g) Department of Rehabilitation Services..... 1%

488 **SECTION 12.** This act shall take effect and be in force from
489 and after July 1, 2005, except for Section 1, which shall take
490 effect and be in force from and after January 1, 2005.