

By: Representative Malone

To: Ways and Means

HOUSE BILL NO. 1708

1 AN ACT TO AMEND SECTIONS 27-65-17 AND 27-65-22, MISSISSIPPI
2 CODE OF 1972, TO LEVY AN ADDITIONAL SALES TAX UPON THE SALE OR
3 RENTAL OF CERTAIN SEXUALLY EXPLICIT VIDEOS, DVD'S, FILMS,
4 ELECTRONIC MEDIUM OR ADULT ORIENTED NOVELTIES AND UPON CHARGES FOR
5 ADMISSION TO CERTAIN SEXUALLY EXPLICIT EXHIBITIONS; TO CREATE A
6 SPECIAL FUND IN THE STATE TREASURY TO THE CREDIT OF THE DEPARTMENT
7 OF MENTAL HEALTH FOR THE OPERATION AND MAINTENANCE OF MENTAL
8 HEALTH HOLDING CENTERS AND SPECIALIZED TREATMENT FACILITIES FOR
9 THE SEVERELY EMOTIONALLY DISTURBED ESTABLISHED BY THE DEPARTMENT
10 AND TO PROVIDE THAT THE ADDITIONAL TAXES LEVIED UNDER THIS ACT
11 SHALL BE DEPOSITED INTO THE SPECIAL FUND; TO AMEND SECTION
12 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY WITH THE
13 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
16 amended as follows:

17 27-65-17. (1) Upon every person engaging or continuing
18 within this state in the business of selling any tangible personal
19 property whatsoever there is hereby levied, assessed and shall be
20 collected a tax equal to seven percent (7%) of the gross proceeds
21 of the retail sales of the business, except as otherwise provided
22 herein.

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

25 Retail sales of farm implements sold to farmers and used
26 directly in the production of poultry, ratite, domesticated fish
27 as defined in Section 69-7-501, livestock, livestock products,
28 agricultural crops or ornamental plant crops or used for other
29 agricultural purposes shall be taxed at the rate of three percent
30 (3%) when used on the farm. The three percent (3%) rate shall
31 also apply to all equipment used in logging, pulpwood operations
32 or tree farming which is either (a) self-propelled or which is (b)

33 mounted so that it is (i) permanently attached to other equipment
34 which is self-propelled or (ii) permanently attached to other
35 equipment drawn by a vehicle which is self-propelled.

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

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

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

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

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

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

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

67 Any person exercising any privilege taxable under Section
68 27-65-15 and selling his natural resource products at wholesale or
69 to exempt persons shall pay the tax levied by said section in lieu
70 of the tax levied by this section.

71 (2) From and after January 1, 1995, retail sales of private
72 carriers of passengers and light carriers of property, as defined
73 in Section 27-51-101, shall be taxed an additional two percent
74 (2%).

75 (3) In lieu of the tax levied in subsection (1) of this
76 section, there is levied on retail sales of truck-tractors and
77 semitrailers used in interstate commerce and registered under the
78 International Registration Plan (IRP) or any similar reciprocity
79 agreement or compact relating to the proportional registration of
80 commercial vehicles entered into as provided for in Section
81 27-19-143, a tax at the rate of three percent (3%) of the portion
82 of the sale that is attributable to the usage of such
83 truck-tractor or semitrailer in Mississippi. The portion of the
84 retail sale that is attributable to the usage of such
85 truck-tractor or semitrailer in Mississippi is the retail sales
86 price of the truck-tractor or semitrailer multiplied by the
87 percentage of the total miles traveled by the vehicle that are
88 traveled in Mississippi. The tax levied pursuant to this
89 subsection (3) shall be collected by the State Tax Commission from
90 the purchaser of such truck-tractor or semitrailer at the time of
91 registration of such truck-tractor or semitrailer.

92 (4) (a) In addition to the tax otherwise levied under this
93 section, there is levied a tax in the amount of twenty percent
94 (20%) on:

95 (i) The sale of any video, DVD, film or electronic
96 medium rated TV-MA, X, XX, XXX or NC17 by the Motion Picture

97 Association of America or, if unrated, is reasonably anticipated,
98 as determined by the State Tax Commission, to be rated by the
99 Motion Picture Association of America as NC17 or more
100 restrictively;

101 (ii) The sale of adult oriented novelties. For
102 the purposes of this subparagraph (ii), the term "adult oriented
103 novelties" means any item, excluding clothing, that depicts or
104 exhibits any of the following parts of the human body less than
105 completely and opaquely covered: the genitals, the pubic region
106 or a female breast below a point immediately above the top of the
107 areola.

108 (b) The taxes levied under the provisions of paragraph
109 (a) of this subsection shall be deposited into the special fund
110 created in Section 3 of House Bill No. _____, 2005 Regular
111 Session.

112 **SECTION 2.** Section 27-65-22, Mississippi Code of 1972, is
113 amended as follows:

114 27-65-22. (1) Upon every person engaging or continuing in
115 any amusement business or activity, which shall include all manner
116 and forms of entertainment and amusement, all forms of diversion,
117 sport, recreation or pastime, shows, exhibitions, contests,
118 displays, games or any other and all methods of obtaining
119 admission charges, donations, contributions or monetary charges of
120 any character, from the general public or a limited or selected
121 number thereof, directly or indirectly in return for other than
122 tangible property or specific personal or professional services,
123 whether such amusement is held or conducted in a public or private
124 building, hotel, tent, pavilion, lot or resort, enclosed or in the
125 open, there is hereby levied, assessed and shall be collected a
126 tax equal to seven percent (7%) of the gross income received as
127 admission, except as otherwise provided herein. In lieu of the
128 rate set forth above, there is hereby imposed, levied and
129 assessed, to be collected as hereinafter provided, a tax of three

130 percent (3%) of gross revenue derived from sales of admission to
131 publicly owned enclosed coliseums and auditoriums (except
132 admissions to athletic contests between colleges and
133 universities). There is hereby imposed, levied and assessed a tax
134 of seven percent (7%) of gross revenue derived from sales of
135 admission to events conducted on property managed by the
136 Mississippi Veterans Memorial Stadium, which tax shall be
137 administered in the manner prescribed in this chapter, subject,
138 however, to the provisions of Sections 55-23-3 through 55-23-11.

139 (2) (a) In addition to the tax otherwise levied under this
140 section, there is levied a tax in the amount of thirty percent
141 (30%) or Five Dollars (\$5.00), whichever amount is greater, on the
142 price charged for admission to exhibitions on film, video or other
143 electronic medium shown in theaters, private booths or other
144 arenas and venues accessible to the general public and which are
145 rated TV-MA, X, XX, XXX or NC17 by the Motion Picture Association
146 of America or, if unrated, are reasonably anticipated, as
147 determined by the State Tax Commission, to be rated by the Motion
148 Picture Association of America as NC17 or more restrictively.

149 (b) The taxes levied under the provisions of paragraph
150 (a) of this subsection shall be deposited into the special fund
151 created in Section 3 of House Bill No. _____, 2005 Regular
152 Session.

153 (3) The operator of any place of amusement in this state
154 shall collect the tax imposed by this section, in addition to the
155 price charged for admission to any place of amusement, and under
156 all circumstances the person conducting the amusement shall be
157 liable for, and pay the tax imposed based upon the actual charge
158 for such admission. Where permits are obtained for conducting
159 temporary amusements by persons who are not the owners, lessees or
160 custodians of the buildings, lots or places where the amusements
161 are to be conducted, or where such temporary amusement is
162 permitted by the owner, lessee or custodian of any place to be

163 conducted without the procurement of a permit as required by this
164 chapter, the tax imposed by this chapter shall be paid by the
165 owner, lessee or custodian of such place where such temporary
166 amusement is held or conducted, unless paid by the person
167 conducting the amusement, and the applicant for such temporary
168 permit shall furnish with the application therefor, the name and
169 address of the owner, lessee or custodian of the premises upon
170 which such amusement is to be conducted, and such owner, lessee or
171 custodian shall be notified by the commission of the issuance of
172 such permit, and of the joint liability for such tax.

173 (4) The tax imposed by this section shall not be levied or
174 collected upon:

175 (a) Any admissions charged at any place of amusement
176 operated by a religious, charitable or educational organization,
177 or by a nonprofit civic club or fraternal organization (i) when
178 the net proceeds of such admissions do not inure to any one or
179 more individuals within such organization and are to be used
180 solely for religious, charitable, educational or civic purposes;
181 or (ii) when the entire net proceeds are used to defray the normal
182 operating expenses of such organization, such as loan payments,
183 maintenance costs, repairs and other operating expenses;

184 (b) Any admissions charged to hear gospel singing when
185 promoted by a duly constituted local, bona fide nonprofit
186 charitable or religious organization, irrespective of the fact
187 that the performers and promoters are paid out of the proceeds of
188 admissions collected, provided the program is composed entirely of
189 gospel singing and not generally mixed with hillbilly or popular
190 singing;

191 (c) Any admissions charged at any athletic games or
192 contests between high schools or between grammar schools;

193 (d) Any admissions or tickets to or for baseball games
194 between teams operated under a professional league franchise;

195 (e) Any admissions to county, state or community fairs,
196 or any admissions to entertainments presented in community homes
197 or houses which are publicly owned and controlled, and the
198 proceeds of which do not inure to any individual or individuals;

199 (f) Any admissions or tickets to organized garden
200 pilgrimages and to antebellum and historic houses when sponsored
201 by an organized civic or garden club;

202 (g) Any admissions to any golf tournament held under
203 the auspices of the Professional Golf Association or United States
204 Golf Association wherein touring professionals compete, if such
205 tournament is sponsored by a nonprofit association incorporated
206 under the laws of the State of Mississippi where no dividends are
207 declared and the proceeds do not inure to any individual or group;

208 (h) Any admissions to university or community college
209 conference, state, regional or national playoffs or championships;

210 (i) Any admissions or fees charged by any county or
211 municipally owned and operated swimming pools, golf courses and
212 tennis courts other than sales or rental of tangible personal
213 property;

214 (j) Any admissions charged for the performance of
215 symphony orchestras, operas, vocal or instrumental artists in
216 which professional or amateur performers are compensated out of
217 the proceeds of such admissions, when sponsored by local music or
218 charity associations, or amateur dramatic performances or
219 professional dramatic productions when sponsored by a children's
220 dramatic association, where no dividends are declared, profits
221 received, nor any salary or compensation paid to any of the
222 members of such associations, or to any person for procuring or
223 producing such performance; and

224 (k) Any admissions or tickets to or for hockey games
225 between teams operated under a professional league franchise.

226 **SECTION 3.** There is created in the State Treasury a special
227 fund to the credit of the Department of Mental Health, which shall

228 be comprised of the monies required to be deposited into the fund
229 under Sections 27-65-17(4), 27-65-22(2) and any other funds that
230 may be made available for the fund by the Legislature. Monies in
231 the fund shall be expended by the Department of Mental Health,
232 upon appropriation by the Legislature, for the operation and
233 maintenance of mental health holding centers established by the
234 department under Section 41-4-7(m) and specialized treatment
235 facilities for the severely emotionally disturbed. Unexpended
236 amounts remaining in the special fund at the end of a fiscal year
237 shall not lapse into the State General Fund, and any interest
238 earned or investment earnings on amounts in the special fund shall
239 be deposited to the credit of the special fund.

240 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
241 amended as follows:

242 27-65-75. On or before the fifteenth day of each month, the
243 revenue collected under the provisions of this chapter during the
244 preceding month shall be paid and distributed as follows:

245 (1) On or before August 15, 1992, and each succeeding month
246 thereafter through July 15, 1993, eighteen percent (18%) of the
247 total sales tax revenue collected during the preceding month under
248 the provisions of this chapter, except that collected under the
249 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
250 business activities within a municipal corporation shall be
251 allocated for distribution to the municipality and paid to the
252 municipal corporation. On or before August 15, 1993, and each
253 succeeding month thereafter, eighteen and one-half percent
254 (18-1/2%) of the total sales tax revenue collected during the
255 preceding month under the provisions of this chapter, except that
256 collected under the provisions of Sections 27-65-15, 27-65-19(3)
257 and 27-65-21, on business activities within a municipal
258 corporation shall be allocated for distribution to the
259 municipality and paid to the municipal corporation.

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

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

269 In any county having a county seat that is not an
270 incorporated municipality, the distribution provided under this
271 subsection shall be made as though the county seat was an
272 incorporated municipality; however, the distribution to the
273 municipality shall be paid to the county treasury in which the
274 municipality is located, and those funds shall be used for road,
275 bridge and street construction or maintenance in the county.

276 (2) On or before September 15, 1987, and each succeeding
277 month thereafter, from the revenue collected under this chapter
278 during the preceding month One Million One Hundred Twenty-five
279 Thousand Dollars (\$1,125,000.00) shall be allocated for
280 distribution to municipal corporations as defined under subsection
281 (1) of this section in the proportion that the number of gallons
282 of gasoline and diesel fuel sold by distributors to consumers and
283 retailers in each such municipality during the preceding fiscal
284 year bears to the total gallons of gasoline and diesel fuel sold
285 by distributors to consumers and retailers in municipalities
286 statewide during the preceding fiscal year. The State Tax
287 Commission shall require all distributors of gasoline and diesel
288 fuel to report to the commission monthly the total number of
289 gallons of gasoline and diesel fuel sold by them to consumers and
290 retailers in each municipality during the preceding month. The
291 State Tax Commission shall have the authority to promulgate such
292 rules and regulations as is necessary to determine the number of

293 gallons of gasoline and diesel fuel sold by distributors to
294 consumers and retailers in each municipality. In determining the
295 percentage allocation of funds under this subsection for the
296 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
297 State Tax Commission may consider gallons of gasoline and diesel
298 fuel sold for a period of less than one (1) fiscal year. For the
299 purposes of this subsection, the term "fiscal year" means the
300 fiscal year beginning July 1 of a year.

301 (3) On or before September 15, 1987, and on or before the
302 fifteenth day of each succeeding month, until the date specified
303 in Section 65-39-35, the proceeds derived from contractors' taxes
304 levied under Section 27-65-21 on contracts for the construction or
305 reconstruction of highways designated under the highway program
306 created under Section 65-3-97 shall, except as otherwise provided
307 in Section 31-17-127, be deposited into the State Treasury to the
308 credit of the State Highway Fund to be used to fund that highway
309 program. The Mississippi Department of Transportation shall
310 provide to the State Tax Commission such information as is
311 necessary to determine the amount of proceeds to be distributed
312 under this subsection.

313 (4) On or before August 15, 1994, and on or before the
314 fifteenth day of each succeeding month through July 15, 1999, from
315 the proceeds of gasoline, diesel fuel or kerosene taxes as
316 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
317 (\$4,000,000.00) shall be deposited in the State Treasury to the
318 credit of a special fund designated as the "State Aid Road Fund,"
319 created by Section 65-9-17. On or before August 15, 1999, and on
320 or before the fifteenth day of each succeeding month, from the
321 total amount of the proceeds of gasoline, diesel fuel or kerosene
322 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
323 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
324 one-fourth percent (23.25%) of those funds, whichever is the
325 greater amount, shall be deposited in the State Treasury to the

326 credit of the "State Aid Road Fund," created by Section 65-9-17.
327 Those funds shall be pledged to pay the principal of and interest
328 on state aid road bonds heretofore issued under Sections 19-9-51
329 through 19-9-77, in lieu of and in substitution for the funds
330 previously allocated to counties under this section. Those funds
331 may not be pledged for the payment of any state aid road bonds
332 issued after April 1, 1981; however, this prohibition against the
333 pledging of any such funds for the payment of bonds shall not
334 apply to any bonds for which intent to issue those bonds has been
335 published, for the first time, as provided by law before March 29,
336 1981. From the amount of taxes paid into the special fund under
337 this subsection and subsection (9) of this section, there shall be
338 first deducted and paid the amount necessary to pay the expenses
339 of the Office of State Aid Road Construction, as authorized by the
340 Legislature for all other general and special fund agencies. The
341 remainder of the fund shall be allocated monthly to the several
342 counties in accordance with the following formula:

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

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

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

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

356 The amount of funds allocated to any county under this
357 subsection for any fiscal year after fiscal year 1994 shall not be
358 less than the amount allocated to the county for fiscal year 1994.

359 Monies allocated to a county from the State Aid Road Fund for
360 fiscal year 1995 or any fiscal year thereafter that exceed the
361 amount of funds allocated to that county from the State Aid Road
362 Fund for fiscal year 1994, first must be expended by the county
363 for replacement or rehabilitation of bridges on the state aid road
364 system that have a sufficiency rating of less than twenty-five
365 (25), according to National Bridge Inspection standards before
366 the monies may be approved for expenditure by the State Aid Road
367 Engineer on other projects that qualify for the use of state aid
368 road funds.

369 Any reference in the general laws of this state or the
370 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
371 construed to refer and apply to subsection (4) of Section
372 27-65-75.

373 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
374 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
375 the special fund known as the "State Public School Building Fund"
376 created and existing under the provisions of Sections 37-47-1
377 through 37-47-67. Those payments into that fund are to be made on
378 the last day of each succeeding month hereafter.

379 (6) An amount each month beginning August 15, 1983, through
380 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
381 of 1983, shall be paid into the special fund known as the
382 Correctional Facilities Construction Fund created in Section 6 of
383 Chapter 542, Laws of 1983.

384 (7) On or before August 15, 1992, and each succeeding month
385 thereafter through July 15, 2000, two and two hundred sixty-six
386 one-thousandths percent (2.266%) of the total sales tax revenue
387 collected during the preceding month under the provisions of this
388 chapter, except that collected under the provisions of Section
389 27-65-17(2) shall be deposited by the commission into the School
390 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
391 or before August 15, 2000, and each succeeding month thereafter,

392 two and two hundred sixty-six one-thousandths percent (2.266%) of
393 the total sales tax revenue collected during the preceding month
394 under the provisions of this chapter, except that collected under
395 the provisions of Section 27-65-17(2), shall be deposited into the
396 School Ad Valorem Tax Reduction Fund created under Section
397 37-61-35 until such time that the total amount deposited into the
398 fund during a fiscal year equals Forty-two Million Dollars
399 (\$42,000,000.00). Thereafter, the amounts diverted under this
400 subsection (7) during the fiscal year in excess of Forty-two
401 Million Dollars (\$42,000,000.00) shall be deposited into the
402 Education Enhancement Fund created under Section 37-61-33 for
403 appropriation by the Legislature as other education needs and
404 shall not be subject to the percentage appropriation requirements
405 set forth in Section 37-61-33.

406 (8) On or before August 15, 1992, and each succeeding month
407 thereafter, nine and seventy-three one-thousandths percent
408 (9.073%) of the total sales tax revenue collected during the
409 preceding month under the provisions of this chapter, except that
410 collected under the provisions of Section 27-65-17(2), shall be
411 deposited into the Education Enhancement Fund created under
412 Section 37-61-33.

413 (9) On or before August 15, 1994, and each succeeding month
414 thereafter, from the revenue collected under this chapter during
415 the preceding month, Two Hundred Fifty Thousand Dollars
416 (\$250,000.00) shall be paid into the State Aid Road Fund.

417 (10) On or before August 15, 1994, and each succeeding month
418 thereafter through August 15, 1995, from the revenue collected
419 under this chapter during the preceding month, Two Million Dollars
420 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
421 Valorem Tax Reduction Fund established in Section 27-51-105.

422 (11) Notwithstanding any other provision of this section to
423 the contrary, on or before February 15, 1995, and each succeeding
424 month thereafter, the sales tax revenue collected during the

425 preceding month under the provisions of Section 27-65-17(2) and
426 the corresponding levy in Section 27-65-23 on the rental or lease
427 of private carriers of passengers and light carriers of property
428 as defined in Section 27-51-101 shall be deposited, without
429 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
430 established in Section 27-51-105.

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

440 (13) On or before July 15, 1994, and on or before the
441 fifteenth day of each succeeding month thereafter, that portion of
442 the avails of the tax imposed in Section 27-65-22 that is derived
443 from activities held on the Mississippi state fairgrounds complex,
444 shall be paid into a special fund that is created in the State
445 Treasury and shall be expended upon legislative appropriation
446 solely to defray the costs of repairs and renovation at the Trade
447 Mart and Coliseum.

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

455 (15) Notwithstanding any other provision of this section to
456 the contrary, on or before September 15, 2000, and each succeeding
457 month thereafter, the sales tax revenue collected during the

458 preceding month under the provisions of Section 27-65-19(1)(f) and
459 (g)(i)2, shall be deposited, without diversion, into the
460 Telecommunications Ad Valorem Tax Reduction Fund established in
461 Section 27-38-7.

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

469 (17) Notwithstanding any other provision of this section to
470 the contrary, on or before April 15, 2002, and each succeeding
471 month thereafter, the sales tax revenue collected during the
472 preceding month under Section 27-65-23 on sales of parking
473 services of parking garages and lots at airports shall be
474 deposited, without diversion, into the special fund created under
475 Section 27-5-101(d).

476 (18) On or before August 15, 2005, and each succeeding month
477 thereafter through July 15, 2006, from the sales tax revenue
478 collected during the preceding month under the provisions of this
479 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
480 shall be deposited into the Special Funds Transfer Fund created in
481 Section 4 of Chapter 556, Laws of 2003.

482 (19) Notwithstanding any other provision of this section to
483 the contrary, the revenue collected from the additional sales tax
484 levied under Sections 27-65-17(4) and 27-65-22(2) shall be
485 allocated and distributed as provided under Sections 27-65-17(4)
486 and 27-65-22(2).

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

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

503 **SECTION 5.** This act shall take effect and be in force from
504 and after July 1, 2005.