

By: Representative Malone

To: Ways and Means

HOUSE BILL NO. 403

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

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

26 (c) Retail sales of farm implements sold to farmers and
27 used directly in the production of poultry, ratite, domesticated
28 fish as defined in Section 69-7-501, livestock, livestock
29 products, agricultural crops or ornamental plant crops or used for
30 other agricultural purposes shall be taxed at the rate of three
31 percent (3%) when used on the farm. The three percent (3%) rate

32 shall also apply to all equipment used in logging, pulpwood
33 operations or tree farming which is either:

34 (i) Self-propelled, or

35 (ii) Mounted so that it is permanently attached to
36 other equipment which is self-propelled or permanently attached to
37 other equipment drawn by a vehicle which is self-propelled.

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

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

48 (f) Sales of machinery and machine parts when made to a
49 technology intensive enterprise for plant use only when the
50 machinery and machine parts will be used exclusively and directly
51 within this state for industrial purposes, including, but not
52 limited to, manufacturing or research and development activities,
53 shall be taxed at the rate of one and one-half percent (1-1/2%).
54 In order to be considered a technology intensive enterprise for
55 purposes of this paragraph:

56 (i) The enterprise shall meet minimum criteria
57 established by the Mississippi Development Authority;

58 (ii) The enterprise shall employ at least ten (10)
59 persons in full-time jobs;

60 (iii) At least ten percent (10%) of the workforce
61 in the facility operated by the enterprise shall be scientists,
62 engineers or computer specialists;

63 (iv) The enterprise shall manufacture plastics,
64 chemicals, automobiles, aircraft, computers or electronics; or

65 shall be a research and development facility, a computer design or
66 related facility, or a software publishing facility or other
67 technology intensive facility or enterprise as determined by the
68 Mississippi Development Authority;

69 (v) The average wage of all workers employed by
70 the enterprise at the facility shall be at least one hundred fifty
71 percent (150%) of the state average annual wage; and

72 (vi) The enterprise must provide a basic health
73 care plan to all employees at the facility.

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

78 (h) Sales of tangible personal property to electric
79 power associations for use in the ordinary and necessary operation
80 of their generating or distribution systems shall be taxed at the
81 rate of one percent (1%).

82 (i) Wholesale sales of beer shall be taxed at the rate
83 of seven percent (7%), and the retailer shall file a return and
84 compute the retail tax on retail sales but may take credit for the
85 amount of the tax paid to the wholesaler on said return covering
86 the subsequent sales of same property, provided adequate invoices
87 and records are maintained to substantiate the credit.

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

93 (k) Sales of equipment used or designed for the purpose
94 of assisting disabled persons, such as wheelchair equipment and
95 lifts, that is mounted or attached to or installed on a private
96 carrier of passengers or light carrier of property, as defined in
97 Section 27-51-101, at the time when the private carrier of

98 passengers or light carrier of property is sold shall be taxed at
99 the same rate as the sale of such vehicles under this section.

100 (2) From and after January 1, 1995, retail sales of private
101 carriers of passengers and light carriers of property, as defined
102 in Section 27-51-101, shall be taxed an additional two percent
103 (2%).

104 (3) In lieu of the tax levied in subsection (1) of this
105 section, there is levied on retail sales of truck-tractors and
106 semitrailers used in interstate commerce and registered under the
107 International Registration Plan (IRP) or any similar reciprocity
108 agreement or compact relating to the proportional registration of
109 commercial vehicles entered into as provided for in Section
110 27-19-143, a tax at the rate of three percent (3%) of the portion
111 of the sale that is attributable to the usage of such
112 truck-tractor or semitrailer in Mississippi. The portion of the
113 retail sale that is attributable to the usage of such
114 truck-tractor or semitrailer in Mississippi is the retail sales
115 price of the truck-tractor or semitrailer multiplied by the
116 percentage of the total miles traveled by the vehicle that are
117 traveled in Mississippi. The tax levied pursuant to this
118 subsection (3) shall be collected by the State Tax Commission from
119 the purchaser of such truck-tractor or semitrailer at the time of
120 registration of such truck-tractor or semitrailer.

121 (4) A manufacturer selling at retail in this state shall be
122 required to make returns of the gross proceeds of such sales and
123 pay the tax imposed in this section.

124 (5) Any person exercising any privilege taxable under
125 Section 27-65-15 and selling his natural resource products at
126 wholesale or to exempt persons shall pay the tax levied by said
127 section in lieu of the tax levied by this section.

128 (6) (a) In addition to the tax otherwise levied under this
129 section, there is levied a tax in the amount of twenty percent
130 (20%) on:

131 (i) The sale of any video, DVD, film or electronic
132 medium rated TV-MA, X, XX, XXX or NC17 by the Motion Picture
133 Association of America or, if unrated, is reasonably anticipated,
134 as determined by the State Tax Commission, to be rated by the
135 Motion Picture Association of America as NC17 or more
136 restrictively;

137 (ii) The sale of adult-oriented novelties. For
138 the purposes of this subparagraph (ii), the term "adult-oriented
139 novelties" means any item, excluding clothing, that depicts or
140 exhibits any of the following parts of the human body less than
141 completely and opaquely covered: the genitals, the pubic region
142 or a female breast below a point immediately above the top of the
143 areola.

144 (b) The taxes levied under the provisions of paragraph
145 (a) of this subsection shall be deposited into the special fund
146 created in Section 3 of House Bill No.____, 2006 Regular Session.

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

149 27-65-22. (1) Upon every person engaging or continuing in
150 any amusement business or activity, which shall include all manner
151 and forms of entertainment and amusement, all forms of diversion,
152 sport, recreation or pastime, shows, exhibitions, contests,
153 displays, games or any other and all methods of obtaining
154 admission charges, donations, contributions or monetary charges of
155 any character, from the general public or a limited or selected
156 number thereof, directly or indirectly in return for other than
157 tangible property or specific personal or professional services,
158 whether such amusement is held or conducted in a public or private
159 building, hotel, tent, pavilion, lot or resort, enclosed or in the
160 open, there is hereby levied, assessed and shall be collected a
161 tax equal to seven percent (7%) of the gross income received as
162 admission, except as otherwise provided herein. In lieu of the
163 rate set forth above, there is hereby imposed, levied and

164 assessed, to be collected as hereinafter provided, a tax of three
165 percent (3%) of gross revenue derived from sales of admission to
166 publicly owned enclosed coliseums and auditoriums (except
167 admissions to athletic contests between colleges and
168 universities). There is hereby imposed, levied and assessed a tax
169 of seven percent (7%) of gross revenue derived from sales of
170 admission to events conducted on property managed by the
171 Mississippi Veterans Memorial Stadium, which tax shall be
172 administered in the manner prescribed in this chapter, subject,
173 however, to the provisions of Sections 55-23-3 through 55-23-11.

174 (2) (a) In addition to the tax otherwise levied under this
175 section, there is levied a tax in the amount of thirty percent
176 (30%) or Five Dollars (\$5.00), whichever amount is greater, on the
177 price charged for admission to exhibitions on film, video or other
178 electronic medium shown in theaters, private booths or other
179 arenas and venues accessible to the general public and which are
180 rated TV-MA, X, XX, XXX or NC17 by the Motion Picture Association
181 of America or, if unrated, are reasonably anticipated, as
182 determined by the State Tax Commission, to be rated by the Motion
183 Picture Association of America as NC17 or more restrictively.

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

187 (3) The operator of any place of amusement in this state
188 shall collect the tax imposed by this section, in addition to the
189 price charged for admission to any place of amusement, and under
190 all circumstances the person conducting the amusement shall be
191 liable for, and pay the tax imposed based upon the actual charge
192 for such admission. Where permits are obtained for conducting
193 temporary amusements by persons who are not the owners, lessees or
194 custodians of the buildings, lots or places where the amusements
195 are to be conducted, or where such temporary amusement is
196 permitted by the owner, lessee or custodian of any place to be

197 conducted without the procurement of a permit as required by this
198 chapter, the tax imposed by this chapter shall be paid by the
199 owner, lessee or custodian of such place where such temporary
200 amusement is held or conducted, unless paid by the person
201 conducting the amusement, and the applicant for such temporary
202 permit shall furnish with the application therefor, the name and
203 address of the owner, lessee or custodian of the premises upon
204 which such amusement is to be conducted, and such owner, lessee or
205 custodian shall be notified by the commission of the issuance of
206 such permit, and of the joint liability for such tax.

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

209 (a) Any admissions charged at any place of amusement
210 operated by a religious, charitable or educational organization,
211 or by a nonprofit civic club or fraternal organization (i) when
212 the net proceeds of such admissions do not inure to any one or
213 more individuals within such organization and are to be used
214 solely for religious, charitable, educational or civic purposes;
215 or (ii) when the entire net proceeds are used to defray the normal
216 operating expenses of such organization, such as loan payments,
217 maintenance costs, repairs and other operating expenses;

218 (b) Any admissions charged to hear gospel singing when
219 promoted by a duly constituted local, bona fide nonprofit
220 charitable or religious organization, irrespective of the fact
221 that the performers and promoters are paid out of the proceeds of
222 admissions collected, provided the program is composed entirely of
223 gospel singing and not generally mixed with hillbilly or popular
224 singing;

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

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

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

233 (f) Any admissions or tickets to organized garden
234 pilgrimages and to antebellum and historic houses when sponsored
235 by an organized civic or garden club;

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

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

244 (i) Any admissions or fees charged by any county or
245 municipally owned and operated swimming pools, golf courses and
246 tennis courts other than sales or rental of tangible personal
247 property;

248 (j) Any admissions charged for the performance of
249 symphony orchestras, operas, vocal or instrumental artists in
250 which professional or amateur performers are compensated out of
251 the proceeds of such admissions, when sponsored by local music or
252 charity associations, or amateur dramatic performances or
253 professional dramatic productions when sponsored by a children's
254 dramatic association, where no dividends are declared, profits
255 received, nor any salary or compensation paid to any of the
256 members of such associations, or to any person for procuring or
257 producing such performance; and

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

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

262 be comprised of the monies required to be deposited into the fund
263 under Sections 27-65-17(6), 27-65-22(2) and any other funds that
264 may be made available for the fund by the Legislature. Monies in
265 the fund shall be expended by the Department of Mental Health,
266 upon appropriation by the Legislature, for the operation and
267 maintenance of mental health holding centers established by the
268 department under Section 41-4-7(m) and specialized treatment
269 facilities for the severely emotionally disturbed. Unexpended
270 amounts remaining in the special fund at the end of a fiscal year
271 shall not lapse into the State General Fund, and any interest
272 earned or investment earnings on amounts in the special fund shall
273 be deposited to the credit of the special fund.

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

276 27-65-75. On or before the fifteenth day of each month, the
277 revenue collected under the provisions of this chapter during the
278 preceding month shall be paid and distributed as follows:

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

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

297 Monies allocated for distribution and credited to a municipal
298 corporation under this subsection may be pledged as security for a
299 loan if the distribution received by the municipal corporation is
300 otherwise authorized or required by law to be pledged as security
301 for such a loan.

302 In any county having a county seat that is not an
303 incorporated municipality, the distribution provided under this
304 subsection shall be made as though the county seat was an
305 incorporated municipality; however, the distribution to the
306 municipality shall be paid to the county treasury in which the
307 municipality is located, and those funds shall be used for road,
308 bridge and street construction or maintenance in the county.

309 (2) On or before September 15, 1987, and each succeeding
310 month thereafter, from the revenue collected under this chapter
311 during the preceding month, One Million One Hundred Twenty-five
312 Thousand Dollars (\$1,125,000.00) shall be allocated for
313 distribution to municipal corporations as defined under subsection
314 (1) of this section in the proportion that the number of gallons
315 of gasoline and diesel fuel sold by distributors to consumers and
316 retailers in each such municipality during the preceding fiscal
317 year bears to the total gallons of gasoline and diesel fuel sold
318 by distributors to consumers and retailers in municipalities
319 statewide during the preceding fiscal year. The State Tax
320 Commission shall require all distributors of gasoline and diesel
321 fuel to report to the commission monthly the total number of
322 gallons of gasoline and diesel fuel sold by them to consumers and
323 retailers in each municipality during the preceding month. The
324 State Tax Commission shall have the authority to promulgate such
325 rules and regulations as is necessary to determine the number of
326 gallons of gasoline and diesel fuel sold by distributors to

327 consumers and retailers in each municipality. In determining the
328 percentage allocation of funds under this subsection for the
329 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
330 State Tax Commission may consider gallons of gasoline and diesel
331 fuel sold for a period of less than one (1) fiscal year. For the
332 purposes of this subsection, the term "fiscal year" means the
333 fiscal year beginning July 1 of a year.

334 (3) On or before September 15, 1987, and on or before the
335 fifteenth day of each succeeding month, until the date specified
336 in Section 65-39-35, the proceeds derived from contractors' taxes
337 levied under Section 27-65-21 on contracts for the construction or
338 reconstruction of highways designated under the highway program
339 created under Section 65-3-97 shall, except as otherwise provided
340 in Section 31-17-127, be deposited into the State Treasury to the
341 credit of the State Highway Fund to be used to fund that highway
342 program. The Mississippi Department of Transportation shall
343 provide to the State Tax Commission such information as is
344 necessary to determine the amount of proceeds to be distributed
345 under this subsection.

346 (4) On or before August 15, 1994, and on or before the
347 fifteenth day of each succeeding month through July 15, 1999, from
348 the proceeds of gasoline, diesel fuel or kerosene taxes as
349 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
350 (\$4,000,000.00) shall be deposited in the State Treasury to the
351 credit of a special fund designated as the "State Aid Road Fund,"
352 created by Section 65-9-17. On or before August 15, 1999, and on
353 or before the fifteenth day of each succeeding month, from the
354 total amount of the proceeds of gasoline, diesel fuel or kerosene
355 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
356 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
357 one-fourth percent (23-1/4%) of those funds, whichever is the
358 greater amount, shall be deposited in the State Treasury to the
359 credit of the "State Aid Road Fund," created by Section 65-9-17.

360 Those funds shall be pledged to pay the principal of and interest
361 on state aid road bonds heretofore issued under Sections 19-9-51
362 through 19-9-77, in lieu of and in substitution for the funds
363 previously allocated to counties under this section. Those funds
364 may not be pledged for the payment of any state aid road bonds
365 issued after April 1, 1981; however, this prohibition against the
366 pledging of any such funds for the payment of bonds shall not
367 apply to any bonds for which intent to issue those bonds has been
368 published, for the first time, as provided by law before March 29,
369 1981. From the amount of taxes paid into the special fund under
370 this subsection and subsection (9) of this section, there shall be
371 first deducted and paid the amount necessary to pay the expenses
372 of the Office of State Aid Road Construction, as authorized by the
373 Legislature for all other general and special fund agencies. The
374 remainder of the fund shall be allocated monthly to the several
375 counties in accordance with the following formula:

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

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

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

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

389 The amount of funds allocated to any county under this
390 subsection for any fiscal year after fiscal year 1994 shall not be
391 less than the amount allocated to the county for fiscal year 1994.

392 Any reference in the general laws of this state or the
393 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
394 construed to refer and apply to subsection (4) of Section
395 27-65-75.

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

402 (6) An amount each month beginning August 15, 1983, through
403 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
404 of 1983, shall be paid into the special fund known as the
405 Correctional Facilities Construction Fund created in Section 6 of
406 Chapter 542, Laws of 1983.

407 (7) On or before August 15, 1992, and each succeeding month
408 thereafter through July 15, 2000, two and two hundred sixty-six
409 one-thousandths percent (2.266%) of the total sales tax revenue
410 collected during the preceding month under the provisions of this
411 chapter, except that collected under the provisions of Section
412 27-65-17(2) shall be deposited by the commission into the School
413 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
414 or before August 15, 2000, and each succeeding month thereafter,
415 two and two hundred sixty-six one-thousandths percent (2.266%) of
416 the total sales tax revenue collected during the preceding month
417 under the provisions of this chapter, except that collected under
418 the provisions of Section 27-65-17(2), shall be deposited into the
419 School Ad Valorem Tax Reduction Fund created under Section
420 37-61-35 until such time that the total amount deposited into the
421 fund during a fiscal year equals Forty-two Million Dollars
422 (\$42,000,000.00). Thereafter, the amounts diverted under this
423 subsection (7) during the fiscal year in excess of Forty-two
424 Million Dollars (\$42,000,000.00) shall be deposited into the

425 Education Enhancement Fund created under Section 37-61-33 for
426 appropriation by the Legislature as other education needs and
427 shall not be subject to the percentage appropriation requirements
428 set forth in Section 37-61-33.

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

436 (9) On or before August 15, 1994, and each succeeding month
437 thereafter, from the revenue collected under this chapter during
438 the preceding month, Two Hundred Fifty Thousand Dollars
439 (\$250,000.00) shall be paid into the State Aid Road Fund.

440 (10) On or before August 15, 1994, and each succeeding month
441 thereafter through August 15, 1995, from the revenue collected
442 under this chapter during the preceding month, Two Million Dollars
443 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
444 Valorem Tax Reduction Fund established in Section 27-51-105.

445 (11) Notwithstanding any other provision of this section to
446 the contrary, on or before February 15, 1995, and each succeeding
447 month thereafter, the sales tax revenue collected during the
448 preceding month under the provisions of Section 27-65-17(2) and
449 the corresponding levy in Section 27-65-23 on the rental or lease
450 of private carriers of passengers and light carriers of property
451 as defined in Section 27-51-101 shall be deposited, without
452 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
453 established in Section 27-51-105.

454 (12) Notwithstanding any other provision of this section to
455 the contrary, on or before August 15, 1995, and each succeeding
456 month thereafter, the sales tax revenue collected during the
457 preceding month under the provisions of Section 27-65-17(1) on

458 retail sales of private carriers of passengers and light carriers
459 of property, as defined in Section 27-51-101 and the corresponding
460 levy in Section 27-65-23 on the rental or lease of these vehicles,
461 shall be deposited, after diversion, into the Motor Vehicle Ad
462 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

478 (15) Notwithstanding any other provision of this section to
479 the contrary, on or before September 15, 2000, and each succeeding
480 month thereafter, the sales tax revenue collected during the
481 preceding month under the provisions of Section 27-65-19(1)(f) and
482 (g)(i)2, shall be deposited, without diversion, into the
483 Telecommunications Ad Valorem Tax Reduction Fund established in
484 Section 27-38-7.

485 (16) On or before August 15, 2000, and each succeeding month
486 thereafter, the sales tax revenue collected during the preceding
487 month under the provisions of this chapter on the gross proceeds
488 of sales of a project as defined in Section 57-30-1 shall be
489 deposited, after all diversions except the diversion provided for

490 in subsection (1) of this section, into the Sales Tax Incentive
491 Fund created in Section 57-30-3.

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

499 (18) On or before August 15, 2007, and each succeeding month
500 thereafter through July 15, 2008, from the sales tax revenue
501 collected during the preceding month under the provisions of this
502 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
503 shall be deposited into the Special Funds Transfer Fund created in
504 Section 4 of Chapter 556, Laws of 2003.

505 (19) (a) On or before August 15, 2005, and each succeeding
506 month thereafter, the sales tax revenue collected during the
507 preceding month under the provisions of this chapter on the gross
508 proceeds of sales of a business enterprise located within a
509 redevelopment project area under the provisions of Sections
510 57-91-1 through 57-91-11, and the revenue collected on the gross
511 proceeds of sales from sales made to a business enterprise located
512 in a redevelopment project area under the provisions of Sections
513 57-91-1 through 57-91-11 (provided that such sales made to a
514 business enterprise are made on the premises of the business
515 enterprise), shall, except as otherwise provided in this
516 subsection (19), be deposited, after all diversions, into the
517 Redevelopment Project Incentive Fund as created in Section
518 57-91-9.

519 (b) For a municipality participating in the Economic
520 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
521 the diversion provided for in subsection (1) of this section
522 attributable to the gross proceeds of sales of a business

523 enterprise located within a redevelopment project area under the
524 provisions of Sections 57-91-1 through 57-91-11, and attributable
525 to the gross proceeds of sales from sales made to a business
526 enterprise located in a redevelopment project area under the
527 provisions of Sections 57-91-1 through 57-91-11 (provided that
528 such sales made to a business enterprise are made on the premises
529 of the business enterprise), shall be deposited into the
530 Redevelopment Project Incentive Fund as created in Section
531 57-91-9, as follows:

532 (i) For the first six (6) years in which payments
533 are made to a developer from the Redevelopment Project Incentive
534 Fund, one hundred percent (100%) of the diversion shall be
535 deposited into the fund;

536 (ii) For the seventh year in which such payments
537 are made to a developer from the Redevelopment Project Incentive
538 Fund, eighty percent (80%) of the diversion shall be deposited
539 into the fund;

540 (iii) For the eighth year in which such payments
541 are made to a developer from the Redevelopment Project Incentive
542 Fund, seventy percent (70%) of the diversion shall be deposited
543 into the fund;

544 (iv) For the ninth year in which such payments are
545 made to a developer from the Redevelopment Project Incentive Fund,
546 sixty percent (60%) of the diversion shall be deposited into the
547 fund; and

548 (v) For the tenth year in which such payments are
549 made to a developer from the Redevelopment Project Incentive Fund,
550 fifty percent (50%) of the funds shall be deposited into the fund.

551 (20) Notwithstanding any other provision of this section to
552 the contrary, the revenue collected from the additional sales tax
553 levied under Sections 27-65-17(6) and 27-65-22(2) shall be
554 allocated and distributed as provided under Sections 27-65-17(6)
555 and 27-65-22(2).

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

559 (22) It shall be the duty of the municipal officials of any
560 municipality that expands its limits, or of any community that
561 incorporates as a municipality, to notify the commissioner of that
562 action thirty (30) days before the effective date. Failure to so
563 notify the commissioner shall cause the municipality to forfeit
564 the revenue that it would have been entitled to receive during
565 this period of time when the commissioner had no knowledge of the
566 action. If any funds have been erroneously disbursed to any
567 municipality or any overpayment of tax is recovered by the
568 taxpayer, the commissioner may make correction and adjust the
569 error or overpayment with the municipality by withholding the
570 necessary funds from any later payment to be made to the
571 municipality.

572 **SECTION 5.** This act shall take effect and be in force from
573 and after July 1, 2006.