

By: Representatives Arinder, Aldridge,
Bentz, Chism, Clark, Frierson, Gunn, Hamilton
(109th), Janus, Mayo, Nicholson, Staples,
Stevens, Sullivan, Ward, Whittington, Zuber

To: Ways and Means

HOUSE BILL NO. 1494

1 AN ACT TO PROVIDE FOR A TAX CREDIT AGAINST THE AMOUNT OF AD
2 VALOREM TAXES DUE DURING THE TAXABLE YEAR ON ANY MOTORCYCLE OR
3 TRAILER; TO CREATE IN THE STATE TREASURY A SPECIAL FUND TO BE
4 KNOWN AS THE MOTORCYCLE AND TRAILER AD VALOREM TAX REDUCTION FUND,
5 WHICH SHALL BE USED FOR THE PURPOSE OF MAKING PAYMENTS TO LOCAL
6 TAXING DISTRICTS FOR THE REDUCTION IN MOTOR VEHICLE AD VALOREM TAX
7 REVENUES AS A RESULT OF SUCH CREDIT; TO PROVIDE FOR THE MANNER IN
8 WHICH THE PAYMENTS TO LOCAL TAXING DISTRICTS ARE TO BE MADE; TO
9 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
10 A CERTAIN AMOUNT OF THE REVENUE GENERATED BY THE SALES TAX ON
11 SALES OF MOTORCYCLES AND TRAILERS SHALL BE DEPOSITED INTO THE
12 MOTORCYCLE AND TRAILER AD VALOREM TAX REDUCTION FUND; TO AMEND
13 SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
14 CERTAIN AMOUNT OF THE USE TAX COLLECTED ON MOTORCYCLES AND
15 TRAILERS SHALL BE DEPOSITED INTO THE MOTORCYCLE AND TRAILER AD
16 VALOREM TAX REDUCTION FUND; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** As used in Sections 1 through 4 of this act:

19 (a) "Motorcycle" means every vehicle designed to travel
20 on not more than three (3) wheels in contact with the ground and
21 upon which the owner is required to pay the annual highway
22 privilege tax levied in Section 27-19-5.

23 (b) "Trailer" means every vehicle without motive power,
24 designed to carry property or passengers wholly on its structure
25 and which is drawn by a motor vehicle and upon which the owner is
26 required to pay the annual highway privilege tax levied in Section
27 27-19-17. The term "trailer" shall include horse trailers,
28 agricultural livestock trailers and utility trailers but shall not
29 include semitrailers as defined in Section 27-19-3.

30 (c) "Local taxing district" means any county,
31 municipality, school district or other local entity that levies an
32 ad valorem tax or for which an ad valorem tax is levied, to fund
33 all or a portion of its budget.

34 (d) "State fiscal year" means the period beginning on
35 July 1 and ending on June 30 of the following year.

36 (e) "Commission" means the State Tax Commission.

37 **SECTION 2.** (1) From and after August 1, 2006, a taxpayer
38 shall be allowed as a credit against motor vehicle ad valorem
39 taxes or trailer ad valorem taxes due under Chapter 51, Title 27,
40 Mississippi Code of 1972, on any motorcycle or trailer owned by
41 him, an amount as provided for in subsection (2) of this section.

42 (2) (a) The amount of the credit that a taxpayer shall be
43 allowed against motor vehicle ad valorem taxes due for motorcycles
44 and trailers under Chapter 51, Title 27, Mississippi Code of 1972,
45 shall be determined by the State Tax Commission for each fiscal
46 year. The amount of the credit shall be promulgated by the
47 commission on or before May 1 prior to each state fiscal year
48 beginning with the state fiscal year beginning on July 1, 2006.

49 (b) In developing the credit, the commission shall
50 establish credit amounts that provide for an equal percentage of
51 dollar credit amounts for motorcycles and trailers in proportion
52 to their assessed value, based on the projected amount of funds in
53 the Motorcycle and Trailer Ad Valorem Tax Reduction Fund that will
54 be available for distribution in the state fiscal year. The
55 commission may calculate the credit in such a manner so as to have
56 surplus funds available in the Motorcycle and Trailer Ad Valorem
57 Tax Reduction Fund for cash flow needs and monthly shortfalls that
58 might be incurred as a result of unexpected revenue fluctuations;
59 however, in the calculation of the credit in order to make such
60 surplus funds available, the commission shall attempt to create a
61 balance in the Motorcycle and Trailer Ad Valorem Tax Reduction
62 Fund that does not exceed at the end of any state fiscal year five
63 percent (5%) of the projected amount of funds that will be
64 available in the Motorcycle and Trailer Ad Valorem Tax Reduction
65 Fund for distribution during the state fiscal year.

66 (3) Tax credits provided for by this section may be used
67 against motorcycle and trailer ad valorem taxes due under Chapter
68 51, Title 27, Mississippi Code of 1972, at the time that a
69 taxpayer pays ad valorem taxes to the county tax collector.

70 (4) Each receipt for motorcycle and trailer ad valorem taxes
71 shall clearly indicate that the credit provided for by this
72 section is granted as a result of legislative action.

73 (5) A taxpayer who is delinquent in the payment of
74 motorcycle or trailer ad valorem taxes to the extent that the
75 penalty assessed pursuant to Section 27-51-43, has reached
76 twenty-five percent (25%) of the ad valorem taxes due shall not be
77 eligible to receive the tax credit authorized pursuant to this
78 section.

79 **SECTION 3.** (1) There is created in the State Treasury a
80 special fund to be known as the Motorcycle and Trailer Ad Valorem
81 Tax Reduction Fund, into which shall be deposited the money
82 specified in Section 27-65-75(20) and Section 27-67-31(e), other
83 money as the Legislature may provide by appropriation and money
84 otherwise required to be deposited into the fund. The monies in
85 the fund shall be used for the purpose of making payments to
86 counties for the reduction in motor vehicle ad valorem tax
87 revenues incurred by local taxing districts in the county as a
88 result of the ad valorem tax credit for motorcycles and trailers
89 that is provided for by Section 2 of this act.

90 (2) The Motorcycle and Trailer Ad Valorem Tax Reduction Fund
91 shall be administered by the State Tax Commission, and monies in
92 the fund shall be expended upon appropriation by the Legislature.
93 Unexpended amounts remaining in the fund at the end of the state
94 fiscal year shall not lapse into the State General Fund, and any
95 interest earned on amounts in the fund shall be deposited to the
96 credit of the fund.

97 **SECTION 4.** (1) On or before September 10, 2006, and the
98 tenth day of each succeeding month thereafter, the State Tax

99 Commission shall make payments from the Motorcycle and Trailer Ad
100 Valorem Tax Reduction Fund established in Section 3 of this act to
101 the county tax collectors for distribution to the local taxing
102 districts as reimbursement for motor vehicle ad valorem taxes that
103 are lost during the preceding month as a result of the ad valorem
104 tax credit for motorcycles and trailers that is provided for by
105 Section 2 of this act. The amount that each local taxing district
106 will receive for each month under this subsection shall be
107 determined by the State Tax Commission based on documentation
108 provided by the tax collectors under guidelines established by the
109 commission.

110 (2) On or before the twentieth day of the month that the
111 payments from the commission under subsection (1) of this section
112 are received, the county tax collectors shall remit the
113 appropriate amount of such payments to the local taxing districts
114 for which the county tax collector collects motor vehicle ad
115 valorem taxes. When an ad valorem tax credit that is allowed to a
116 taxpayer is not paid by the commission in the payment for the
117 month in which such credit is allowed, the tax collector shall
118 remit the payment for such credit to the local taxing authority on
119 or before the twentieth day of the month that payment for such
120 credit is received from the commission.

121 (3) Funds received by local taxing districts from the
122 payments under subsection (1) of this section shall be considered
123 to be, and shall be used in the same manner as, the proceeds of
124 motor vehicle ad valorem taxes.

125 **SECTION 5.** Section 27-65-75, Mississippi Code of 1972, is
126 amended as follows:

127 27-65-75. On or before the fifteenth day of each month, the
128 revenue collected under the provisions of this chapter during the
129 preceding month shall be paid and distributed as follows:

130 (1) On or before August 15, 1992, and each succeeding month
131 thereafter through July 15, 1993, eighteen percent (18%) of the

132 total sales tax revenue collected during the preceding month under
133 the provisions of this chapter, except that collected under the
134 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
135 business activities within a municipal corporation shall be
136 allocated for distribution to the municipality and paid to the
137 municipal corporation. On or before August 15, 1993, and each
138 succeeding month thereafter, eighteen and one-half percent
139 (18-1/2%) of the total sales tax revenue collected during the
140 preceding month under the provisions of this chapter, except that
141 collected under the provisions of Sections 27-65-15, 27-65-19(3)
142 and 27-65-21, on business activities within a municipal
143 corporation shall be allocated for distribution to the
144 municipality and paid to the municipal corporation.

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

148 Monies allocated for distribution and credited to a municipal
149 corporation under this subsection may be pledged as security for a
150 loan if the distribution received by the municipal corporation is
151 otherwise authorized or required by law to be pledged as security
152 for such a loan.

153 In any county having a county seat that is not an
154 incorporated municipality, the distribution provided under this
155 subsection shall be made as though the county seat was an
156 incorporated municipality; however, the distribution to the
157 municipality shall be paid to the county treasury in which the
158 municipality is located, and those funds shall be used for road,
159 bridge and street construction or maintenance in the county.

160 (2) On or before September 15, 1987, and each succeeding
161 month thereafter, from the revenue collected under this chapter
162 during the preceding month, One Million One Hundred Twenty-five
163 Thousand Dollars (\$1,125,000.00) shall be allocated for
164 distribution to municipal corporations as defined under subsection

165 (1) of this section in the proportion that the number of gallons
166 of gasoline and diesel fuel sold by distributors to consumers and
167 retailers in each such municipality during the preceding fiscal
168 year bears to the total gallons of gasoline and diesel fuel sold
169 by distributors to consumers and retailers in municipalities
170 statewide during the preceding fiscal year. The State Tax
171 Commission shall require all distributors of gasoline and diesel
172 fuel to report to the commission monthly the total number of
173 gallons of gasoline and diesel fuel sold by them to consumers and
174 retailers in each municipality during the preceding month. The
175 State Tax Commission shall have the authority to promulgate such
176 rules and regulations as is necessary to determine the number of
177 gallons of gasoline and diesel fuel sold by distributors to
178 consumers and retailers in each municipality. In determining the
179 percentage allocation of funds under this subsection for the
180 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
181 State Tax Commission may consider gallons of gasoline and diesel
182 fuel sold for a period of less than one (1) fiscal year. For the
183 purposes of this subsection, the term "fiscal year" means the
184 fiscal year beginning July 1 of a year.

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

197 (4) On or before August 15, 1994, and on or before the
198 fifteenth day of each succeeding month through July 15, 1999, from
199 the proceeds of gasoline, diesel fuel or kerosene taxes as
200 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
201 (\$4,000,000.00) shall be deposited in the State Treasury to the
202 credit of a special fund designated as the "State Aid Road Fund,"
203 created by Section 65-9-17. On or before August 15, 1999, and on
204 or before the fifteenth day of each succeeding month, from the
205 total amount of the proceeds of gasoline, diesel fuel or kerosene
206 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
207 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
208 one-fourth percent (23-1/4%) of those funds, whichever is the
209 greater amount, shall be deposited in the State Treasury to the
210 credit of the "State Aid Road Fund," created by Section 65-9-17.
211 Those funds shall be pledged to pay the principal of and interest
212 on state aid road bonds heretofore issued under Sections 19-9-51
213 through 19-9-77, in lieu of and in substitution for the funds
214 previously allocated to counties under this section. Those funds
215 may not be pledged for the payment of any state aid road bonds
216 issued after April 1, 1981; however, this prohibition against the
217 pledging of any such funds for the payment of bonds shall not
218 apply to any bonds for which intent to issue those bonds has been
219 published, for the first time, as provided by law before March 29,
220 1981. From the amount of taxes paid into the special fund under
221 this subsection and subsection (9) of this section, there shall be
222 first deducted and paid the amount necessary to pay the expenses
223 of the Office of State Aid Road Construction, as authorized by the
224 Legislature for all other general and special fund agencies. The
225 remainder of the fund shall be allocated monthly to the several
226 counties in accordance with the following formula:

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

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

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

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

240 The amount of funds allocated to any county under this
241 subsection for any fiscal year after fiscal year 1994 shall not be
242 less than the amount allocated to the county for fiscal year 1994.

243 Any reference in the general laws of this state or the
244 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
245 construed to refer and apply to subsection (4) of Section
246 27-65-75.

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

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

258 (7) On or before August 15, 1992, and each succeeding month
259 thereafter through July 15, 2000, two and two hundred sixty-six
260 one-thousandths percent (2.266%) of the total sales tax revenue
261 collected during the preceding month under the provisions of this

262 chapter, except that collected under the provisions of Section
263 27-65-17(2) shall be deposited by the commission into the School
264 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
265 or before August 15, 2000, and each succeeding month thereafter,
266 two and two hundred sixty-six one-thousandths percent (2.266%) of
267 the total sales tax revenue collected during the preceding month
268 under the provisions of this chapter, except that collected under
269 the provisions of Section 27-65-17(2), shall be deposited into the
270 School Ad Valorem Tax Reduction Fund created under Section
271 37-61-35 until such time that the total amount deposited into the
272 fund during a fiscal year equals Forty-two Million Dollars
273 (\$42,000,000.00). Thereafter, the amounts diverted under this
274 subsection (7) during the fiscal year in excess of Forty-two
275 Million Dollars (\$42,000,000.00) shall be deposited into the
276 Education Enhancement Fund created under Section 37-61-33 for
277 appropriation by the Legislature as other education needs and
278 shall not be subject to the percentage appropriation requirements
279 set forth in Section 37-61-33.

280 (8) On or before August 15, 1992, and each succeeding month
281 thereafter, nine and seventy-three one-thousandths percent
282 (9.073%) of the total sales tax revenue collected during the
283 preceding month under the provisions of this chapter, except that
284 collected under the provisions of Section 27-65-17(2), shall be
285 deposited into the Education Enhancement Fund created under
286 Section 37-61-33.

287 (9) On or before August 15, 1994, and each succeeding month
288 thereafter, from the revenue collected under this chapter during
289 the preceding month, Two Hundred Fifty Thousand Dollars
290 (\$250,000.00) shall be paid into the State Aid Road Fund.

291 (10) On or before August 15, 1994, and each succeeding month
292 thereafter through August 15, 1995, from the revenue collected
293 under this chapter during the preceding month, Two Million Dollars

294 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
295 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

322 (14) On or before August 15, 1998, and each succeeding month
323 thereafter through July 15, 2005, that portion of the avails of
324 the tax imposed in Section 27-65-23 that is derived from sales by
325 cotton compresses or cotton warehouses and that would otherwise be
326 paid into the General Fund, shall be deposited in an amount not to

327 exceed Two Million Dollars (\$2,000,000.00) into the special fund
328 created under Section 69-37-39.

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

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

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

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

356 (19) (a) On or before August 15, 2005, and each succeeding
357 month thereafter, the sales tax revenue collected during the
358 preceding month under the provisions of this chapter on the gross
359 proceeds of sales of a business enterprise located within a

360 redevelopment project area under the provisions of Sections
361 57-91-1 through 57-91-11, and the revenue collected on the gross
362 proceeds of sales from sales made to a business enterprise located
363 in a redevelopment project area under the provisions of Sections
364 57-91-1 through 57-91-11 (provided that such sales made to a
365 business enterprise are made on the premises of the business
366 enterprise), shall, except as otherwise provided in this
367 subsection (19), be deposited, after all diversions, into the
368 Redevelopment Project Incentive Fund as created in Section
369 57-91-9.

370 (b) For a municipality participating in the Economic
371 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
372 the diversion provided for in subsection (1) of this section
373 attributable to the gross proceeds of sales of a business
374 enterprise located within a redevelopment project area under the
375 provisions of Sections 57-91-1 through 57-91-11, and attributable
376 to the gross proceeds of sales from sales made to a business
377 enterprise located in a redevelopment project area under the
378 provisions of Sections 57-91-1 through 57-91-11 (provided that
379 such sales made to a business enterprise are made on the premises
380 of the business enterprise), shall be deposited into the
381 Redevelopment Project Incentive Fund as created in Section
382 57-91-9, as follows:

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

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

391 (iii) For the eighth year in which such payments
392 are made to a developer from the Redevelopment Project Incentive

393 Fund, seventy percent (70%) of the diversion shall be deposited
394 into the fund;

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

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

402 (20) Notwithstanding any other provision of this section to
403 the contrary, on or before August 15, 2006, and each succeeding
404 month thereafter, an amount equal to seventy-one percent (71%) of
405 the sales tax revenue collected during the preceding month under
406 the provisions of Section 27-65-17 on retail sales of motorcycles
407 and trailers, as defined in Section 1 of House Bill No. _____, 2006
408 Regular Session, and the corresponding levy in Section 27-65-23 on
409 the rental or lease of these vehicles, shall be deposited, after
410 diversion, into the Motorcycle and Trailer Ad Valorem Tax
411 Reduction Fund established in Section 3 of House Bill No. _____,
412 2006 Regular Session.

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

416 (22) It shall be the duty of the municipal officials of any
417 municipality that expands its limits, or of any community that
418 incorporates as a municipality, to notify the commissioner of that
419 action thirty (30) days before the effective date. Failure to so
420 notify the commissioner shall cause the municipality to forfeit
421 the revenue that it would have been entitled to receive during
422 this period of time when the commissioner had no knowledge of the
423 action. If any funds have been erroneously disbursed to any
424 municipality or any overpayment of tax is recovered by the
425 taxpayer, the commissioner may make correction and adjust the

426 error or overpayment with the municipality by withholding the
427 necessary funds from any later payment to be made to the
428 municipality.

429 **SECTION 6.** Section 27-67-31, Mississippi Code of 1972, is
430 amended as follows:

431 27-67-31. All administrative provisions of the sales tax
432 law, and amendments thereto, including those which fix damages,
433 penalties and interest for failure to comply with the provisions
434 of said sales tax law, and all other requirements and duties
435 imposed upon taxpayer, shall apply to all persons liable for use
436 taxes under the provisions of this article. The commissioner
437 shall exercise all power and authority and perform all duties with
438 respect to taxpayers under this article as are provided in said
439 sales tax law, except where there is conflict, then the provisions
440 of this article shall control.

441 The commissioner may require transportation companies to
442 permit the examination of waybills, freight bills, or other
443 documents covering shipments of tangible personal property into
444 this state.

445 On or before the fifteenth day of each month, the amount
446 received from taxes, damages and interest under the provisions of
447 this article during the preceding month shall be paid and
448 distributed as follows:

449 (a) On or before July 15, 1994, through July 15, 2000,
450 and each succeeding month thereafter, two and two hundred
451 sixty-six one-thousandths percent (2.266%) of the total use tax
452 revenue collected during the preceding month under the provisions
453 of this article shall be deposited in the School Ad Valorem Tax
454 Reduction Fund created pursuant to Section 37-61-35. On or before
455 August 15, 2000, and each succeeding month thereafter, two and two
456 hundred sixty-six one-thousandths percent (2.266%) of the total
457 use tax revenue collected during the preceding month under the
458 provisions of this chapter shall be deposited into the School Ad

459 Valorem Tax Reduction Fund created under Section 37-61-35 until
460 such time that the total amount deposited into the fund during a
461 fiscal year equals Four Million Dollars (\$4,000,000.00).

462 Thereafter, the amounts diverted under this paragraph (a) during
463 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
464 shall be deposited into the Education Enhancement Fund created
465 under Section 37-61-33 for appropriation by the Legislature as
466 other education needs and shall not be subject to the percentage
467 appropriation requirements set forth in Section 37-61-33.

468 (b) On or before July 15, 1994, and each succeeding
469 month thereafter, nine and seventy-three one-thousandths percent
470 (9.073%) of the total use tax revenue collected during the
471 preceding month under the provisions of this article shall be
472 deposited into the Education Enhancement Fund created pursuant to
473 Section 37-61-33.

474 (c) On or before July 15, 1997, and on or before the
475 fifteenth day of each succeeding month thereafter, the revenue
476 collected under the provisions of this article imposed and levied
477 as a result of Section 27-65-17(2) and the corresponding levy in
478 Section 27-65-23 on the rental or lease of private carriers of
479 passengers and light carriers of property as defined in Section
480 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
481 Reduction Fund created pursuant to Section 27-51-105.

482 (d) On or before July 15, 1997, and on or before the
483 fifteenth day of each succeeding month thereafter and after the
484 deposits required by paragraphs (a) and (b) of this section are
485 made, the remaining revenue collected under the provisions of this
486 article imposed and levied as a result of Section 27-65-17(1) and
487 the corresponding levy in Section 27-65-23 on the rental or lease
488 of private carriers of passengers and light carriers of property
489 as defined in Section 27-51-101 shall be deposited into the Motor
490 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
491 27-51-105.

492 (e) On or before August 15, 2006, and on or before the
493 fifteenth day of each succeeding month thereafter and after the
494 deposits required by paragraphs (a) and (b) of this section are
495 made, seventy-one percent (71%) of the remaining revenue collected
496 under the provisions of this article imposed and levied on
497 motorcycles and trailers as defined in Section 1 of House Bill
498 No._____, 2006 Regular Session, as a result of Section 27-65-17 and
499 the corresponding levy in Section 27-65-23 on the rental or lease
500 of motorcycles as defined in Section 1 of House Bill No._____, 2006
501 Regular Session, shall be deposited into the Motorcycle and
502 Trailer Ad Valorem Tax Reduction Fund created pursuant to Section
503 3 of House Bill No._____, 2006 Regular Session.

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

508 **SECTION 7.** This act shall take effect and be in force from
509 and after its passage.