

By: Representatives Brown, Clarke,
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To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1643

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE EXCISE TAX ON CIGARETTES, TO PROVIDE THAT THERE
3 SHALL BE A DISCOUNT OF 1% ON THE ADDITIONAL FACE VALUE OF STAMPS
4 PURCHASED TO COMPLY WITH SUCH INCREASE AND TO REMOVE THE TAXATION
5 OF SNUFF AND OTHER TOBACCO PRODUCTS FROM THE SECTION OF LAW THAT
6 LEVIES THE EXCISE TAX ON DEALERS IN CIGARETTES; TO AMEND SECTION
7 27-69-75, MISSISSIPPI CODE OF 1972, TO REQUIRE A PORTION OF THE
8 MONTHLY TOBACCO TAX REVENUE TO BE DEPOSITED IN THE EDUCATION
9 ENHANCEMENT FUND AND THE SCHOOL AD VALOREM TAX REDUCTION FUND; TO
10 AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972, IN CONFORMITY
11 THERETO; TO CREATE A NEW SECTION 27-65-26, MISSISSIPPI CODE OF
12 1972, TO IMPOSE A SEPARATE SALES TAX LEVY ON RETAIL SALES OF FOOD
13 FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH
14 WOULD BE EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH
15 FOOD STAMPS AND TO REDUCE THE SALES TAX RATE ON SALES OF SUCH
16 FOOD; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, IN
17 CONFORMITY THERETO; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF
18 1972, TO INCREASE THE PERCENTAGE OF SALES TAX COLLECTED ON RETAIL
19 SALES OF SUCH FOOD WITHIN MUNICIPALITIES THAT IS DISTRIBUTED TO
20 MUNICIPALITIES; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** Section 27-69-13, Mississippi Code of 1972, is
23 amended as follows:

24 27-69-13. (1) There is hereby imposed, levied and assessed,
25 to be collected and paid as hereinafter provided in this chapter,
26 an excise tax on each person or dealer in cigarettes, cigars,
27 stogies, snuff, chewing tobacco, and smoking tobacco, or
28 substitutes therefor, upon the sale, use, consumption, handling or
29 distribution in the State of Mississippi, as follows:

30 (a) On cigarettes, the rate of tax shall be Five Cents
31 (5¢) on each cigarette sold with a maximum length of one hundred
32 twenty (120) millimeters; any cigarette in excess of this length
33 shall be taxed as if it were two (2) or more cigarettes.

34 Provided, however, if the federal tax rate on cigarettes in effect
35 June 1, 1985, is reduced, then the rate as provided herein shall
36 be increased by the amount of the federal tax reduction. Such tax

37 increase shall take effect on the first day of the month following
38 the effective date of such reduction in the federal tax rate.

39 (b) On cigars, cheroots, stogies, snuff, chewing and
40 smoking tobacco and all other tobacco products except cigarettes,
41 the rate of tax shall be fifteen percent (15%) of the
42 manufacturer's list price.

43 (2) No stamp evidencing the tax herein levied on cigarettes
44 shall be of a denomination of less than One Cent (1¢), and
45 whenever the tax computed at the rates herein prescribed on
46 cigarettes shall be a specified amount, plus a fractional part of
47 One Cent (1¢), the package shall be stamped for the next full
48 cent. However, the additional face value of stamps purchased to
49 comply with taxes imposed by this section after June 1, 1985, and
50 prior to July 1, 2006, shall be subject to a four percent (4%)
51 discount or compensation to dealers for their services rather than
52 the eight percent (8%) discount or compensation allowed by Section
53 27-69-31, and there shall be no discount on the additional face
54 value of stamps purchased to comply with taxes imposed by this
55 section on or after July 1, 2006.

56 (3) Every wholesaler shall purchase stamps as provided in
57 this chapter, and affix the same to all packages of cigarettes
58 handled by him as herein provided.

59 (4) The above tax is levied upon the sale, use, gift,
60 possession or consumption of tobacco within the State of
61 Mississippi, and the impact of the tax levied by this chapter is
62 hereby declared to be on the vendee, user, consumer or possessor
63 of tobacco in this state; and when said tax is paid by any other
64 person, such payment shall be considered as an advance payment and
65 shall thereafter be added to the price of the tobacco and
66 recovered from the ultimate consumer or user.

67 **SECTION 2.** Section 27-69-75, Mississippi Code of 1972, is
68 amended as follows:

69 27-69-75. (1) All taxes levied by this chapter shall be
70 payable to the commissioner in cash, or by personal check,
71 cashier's check, bank exchange, post office money order or express
72 money order, and shall be deposited by the commissioner in the
73 State Treasury on the same day collected. No remittance other
74 than cash shall be a final discharge of liability for the
75 tax * * * assessed and levied under this chapter, unless and until
76 it has been paid in cash to the commissioner.

77 (2) Of the revenue collected monthly as a result of the tax
78 assessed and levied under this chapter:

79 (a) One Million Three Hundred Four Thousand Two Hundred
80 Forty-four Dollars (\$1,304,244.00) shall be deposited by the
81 commissioner into the Education Enhancement Fund created under
82 Section 37-61-33.

83 (b) Three Hundred Twenty-five Thousand Seven Hundred
84 Thirty-eight Dollars (\$325,738.00) shall be deposited by the
85 commissioner into the School Ad Valorem Tax Reduction Fund created
86 under Section 37-61-35.

87 (3) Except as otherwise provided in subsection (2) of this
88 section, all tobacco taxes collected, including tobacco license
89 taxes, shall be deposited into the State Treasury to the credit of
90 the General Fund.

91 (4) Wholesalers who are entitled to purchase stamps at a
92 discount, as provided by Section 27-69-31, may have consigned to
93 them, without advance payment, those stamps, if and when the
94 wholesaler gives to the commissioner a good and sufficient bond
95 executed by some surety company authorized to do business in this
96 state, conditioned to secure the payment for the stamps so
97 consigned. The commissioner shall require payment for those
98 stamps not later than thirty (30) days from the date the stamps
99 were consigned.

100 **SECTION 3.** Section 27-69-31, Mississippi Code of 1972, is
101 amended as follows:

102 27-69-31. Dealers subject to the provisions of this chapter
103 shall be allowed, as compensation for their services in affixing
104 the stamps * * * required by this chapter, a sum equal to eight
105 percent (8%) of the face value of the stamps purchased by them,
106 except as otherwise provided in Section 27-69-13(2); however, the
107 commission shall allow no discount on the purchase of stamps by
108 wholesalers of an aggregate amount of less than One Hundred
109 Dollars (\$100.00), and by retailers of an aggregate amount of less
110 than Fifty Dollars (\$50.00) in any one (1) order.

111 * * * The commissioner may, in his discretion, either
112 reduce the compensation allowed, or disallow any compensation for
113 the affixing of stamps, for failure of the dealer to comply with
114 any provisions of the law or rules and regulations promulgated by
115 the commissioner.

116 **SECTION 4.** The following provision shall be codified as
117 Section 27-65-26, Mississippi Code of 1972:

118 27-65-26. From and after July 1, 2006, retail sales of food
119 for human consumption not purchased with food stamps issued by the
120 United States Department of Agriculture, or other federal agency,
121 but which would be exempt under paragraph (o) of Section 27-65-111
122 from the taxes imposed by this chapter if the food items were
123 purchased with food stamps, shall be taxed at the rate of three
124 and one-half percent (3-1/2%).

125 **SECTION 5.** Section 27-65-17, Mississippi Code of 1972, is
126 amended as follows:

127 27-65-17. (1) (a) Except as otherwise provided in this
128 section, upon every person engaging or continuing within this
129 state in the business of selling any tangible personal property
130 whatsoever there is hereby levied, assessed and shall be collected
131 a tax equal to seven percent (7%) of the gross proceeds of the
132 retail sales of the business.

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

136 (c) Retail sales of farm implements sold to farmers and
137 used directly in the production of poultry, ratite, domesticated
138 fish as defined in Section 69-7-501, livestock, livestock
139 products, agricultural crops or ornamental plant crops or used for
140 other agricultural purposes shall be taxed at the rate of three
141 percent (3%) when used on the farm. The three percent (3%) rate
142 shall also apply to all equipment used in logging, pulpwood
143 operations or tree farming which is either:

144 (i) Self-propelled, or

145 (ii) Mounted so that it is permanently attached to
146 other equipment which is self-propelled or permanently attached to
147 other equipment drawn by a vehicle which is self-propelled.

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

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

158 (f) Sales of machinery and machine parts when made to a
159 technology intensive enterprise for plant use only when the
160 machinery and machine parts will be used exclusively and directly
161 within this state for industrial purposes, including, but not
162 limited to, manufacturing or research and development activities,
163 shall be taxed at the rate of one and one-half percent (1-1/2%).
164 In order to be considered a technology intensive enterprise for
165 purposes of this paragraph:

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

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

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

173 (iv) The enterprise shall manufacture plastics,
174 chemicals, automobiles, aircraft, computers or electronics; or
175 shall be a research and development facility, a computer design or
176 related facility, or a software publishing facility or other
177 technology intensive facility or enterprise as determined by the
178 Mississippi Development Authority;

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

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

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

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

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

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

203 (k) Sales of equipment used or designed for the purpose
204 of assisting disabled persons, such as wheelchair equipment and
205 lifts, that is mounted or attached to or installed on a private
206 carrier of passengers or light carrier of property, as defined in
207 Section 27-51-101, at the time when the private carrier of
208 passengers or light carrier of property is sold shall be taxed at
209 the same rate as the sale of such vehicles under this section.

210 (1) From and after July 1, 2006, retail sales of food
211 for human consumption not purchased with food stamps issued by the
212 United States Department of Agriculture, or other federal agency,
213 but which would be exempt under paragraph (o) of Section 27-65-111
214 from the taxes imposed by this chapter if the food items were
215 purchased with food stamps, shall be taxed as provided for in
216 Section 27-65-26.

217 (2) From and after January 1, 1995, retail sales of private
218 carriers of passengers and light carriers of property, as defined
219 in Section 27-51-101, shall be taxed an additional two percent
220 (2%).

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

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

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

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

245 **SECTION 6.** Section 27-65-75, Mississippi Code of 1972, is
246 amended as follows:

247 27-65-75. On or before the fifteenth day of each month, the
248 revenue collected under the provisions of this chapter during the
249 preceding month shall be paid and distributed as follows:

250 (1) On or before August 15, 1992, and each succeeding month
251 thereafter through July 15, 1993, eighteen percent (18%) of the
252 total sales tax revenue collected during the preceding month under
253 the provisions of this chapter, except that collected under the
254 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
255 business activities within a municipal corporation shall be
256 allocated for distribution to the municipality and paid to the
257 municipal corporation. On or before August 15, 1993, and each
258 succeeding month thereafter through July 15, 2006, eighteen and
259 one-half percent (18-1/2%) of the total sales tax revenue
260 collected during the preceding month under the provisions of this
261 chapter, except that collected under the provisions of Sections
262 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
263 a municipal corporation shall be allocated for distribution to the

264 municipality and paid to the municipal corporation. On or before
265 August 15, 2006, and each succeeding month thereafter, eighteen
266 and one-half percent (18-1/2%) of the total sales tax revenue
267 collected during the preceding month under the provisions of this
268 chapter, except that collected under the provisions of Sections
269 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business
270 activities within a municipal corporation and thirty-seven percent
271 (37%) of the total sales tax revenue collected during the
272 preceding month under the provisions of Section 27-65-26 on
273 business activities within a municipal corporation shall be
274 allocated for distribution to the municipality and paid to the
275 municipal corporation.

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

279 Monies allocated for distribution and credited to a municipal
280 corporation under this subsection may be pledged as security for
281 a loan if the distribution received by the municipal corporation
282 is otherwise authorized or required by law to be pledged as
283 security for such a loan.

284 In any county having a county seat that is not an
285 incorporated municipality, the distribution provided under this
286 subsection shall be made as though the county seat was an
287 incorporated municipality; however, the distribution to the
288 municipality shall be paid to the county treasury in which the
289 municipality is located, and those funds shall be used for road,
290 bridge and street construction or maintenance in the county.

291 (2) On or before September 15, 1987, and each succeeding
292 month thereafter, from the revenue collected under this chapter
293 during the preceding month, One Million One Hundred Twenty-five
294 Thousand Dollars (\$1,125,000.00) shall be allocated for
295 distribution to municipal corporations as defined under subsection
296 (1) of this section in the proportion that the number of gallons

297 of gasoline and diesel fuel sold by distributors to consumers and
298 retailers in each such municipality during the preceding fiscal
299 year bears to the total gallons of gasoline and diesel fuel sold
300 by distributors to consumers and retailers in municipalities
301 statewide during the preceding fiscal year. The State Tax
302 Commission shall require all distributors of gasoline and diesel
303 fuel to report to the commission monthly the total number of
304 gallons of gasoline and diesel fuel sold by them to consumers and
305 retailers in each municipality during the preceding month. The
306 State Tax Commission shall have the authority to promulgate such
307 rules and regulations as is necessary to determine the number of
308 gallons of gasoline and diesel fuel sold by distributors to
309 consumers and retailers in each municipality. In determining the
310 percentage allocation of funds under this subsection for the
311 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
312 State Tax Commission may consider gallons of gasoline and diesel
313 fuel sold for a period of less than one (1) fiscal year. For the
314 purposes of this subsection, the term "fiscal year" means the
315 fiscal year beginning July 1 of a year.

316 (3) On or before September 15, 1987, and on or before the
317 fifteenth day of each succeeding month, until the date specified
318 in Section 65-39-35, the proceeds derived from contractors' taxes
319 levied under Section 27-65-21 on contracts for the construction or
320 reconstruction of highways designated under the highway program
321 created under Section 65-3-97 shall, except as otherwise provided
322 in Section 31-17-127, be deposited into the State Treasury to the
323 credit of the State Highway Fund to be used to fund that highway
324 program. The Mississippi Department of Transportation shall
325 provide to the State Tax Commission such information as is
326 necessary to determine the amount of proceeds to be distributed
327 under this subsection.

328 (4) On or before August 15, 1994, and on or before the
329 fifteenth day of each succeeding month through July 15, 1999, from

330 the proceeds of gasoline, diesel fuel or kerosene taxes as
331 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
332 (\$4,000,000.00) shall be deposited in the State Treasury to the
333 credit of a special fund designated as the "State Aid Road Fund,"
334 created by Section 65-9-17. On or before August 15, 1999, and on
335 or before the fifteenth day of each succeeding month, from the
336 total amount of the proceeds of gasoline, diesel fuel or kerosene
337 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
338 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
339 one-fourth percent (23-1/4%) of those funds, whichever is the
340 greater amount, shall be deposited in the State Treasury to the
341 credit of the "State Aid Road Fund," created by Section 65-9-17.
342 Those funds shall be pledged to pay the principal of and interest
343 on state aid road bonds heretofore issued under Sections 19-9-51
344 through 19-9-77, in lieu of and in substitution for the funds
345 previously allocated to counties under this section. Those funds
346 may not be pledged for the payment of any state aid road bonds
347 issued after April 1, 1981; however, this prohibition against the
348 pledging of any such funds for the payment of bonds shall not
349 apply to any bonds for which intent to issue those bonds has been
350 published, for the first time, as provided by law before March 29,
351 1981. From the amount of taxes paid into the special fund under
352 this subsection and subsection (9) of this section, there shall be
353 first deducted and paid the amount necessary to pay the expenses
354 of the Office of State Aid Road Construction, as authorized by the
355 Legislature for all other general and special fund agencies. The
356 remainder of the fund shall be allocated monthly to the several
357 counties in accordance with the following formula:

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

360 (b) One-third (1/3) shall be allocated to counties
361 based on the proportion that the total number of rural road miles

362 in a county bears to the total number of rural road miles in all
363 counties of the state; and

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

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

371 The amount of funds allocated to any county under this
372 subsection for any fiscal year after fiscal year 1994 shall not be
373 less than the amount allocated to the county for fiscal year
374 1994.

375 Any reference in the general laws of this state or the
376 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
377 construed to refer and apply to subsection (4) of Section
378 27-65-75.

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

385 (6) An amount each month beginning August 15, 1983, through
386 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
387 of 1983, shall be paid into the special fund known as the
388 Correctional Facilities Construction Fund created in Section 6 of
389 Chapter 542, Laws of 1983.

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

395 27-65-17(2) shall be deposited by the commission into the School
396 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
397 or before August 15, 2000, and each succeeding month thereafter,
398 two and two hundred sixty-six one-thousandths percent (2.266%) of
399 the total sales tax revenue collected during the preceding month
400 under the provisions of this chapter, except that collected under
401 the provisions of Section 27-65-17(2), shall be deposited into the
402 School Ad Valorem Tax Reduction Fund created under Section
403 37-61-35 until such time that the total amount deposited into the
404 fund during a fiscal year equals Forty-two Million Dollars
405 (\$42,000,000.00). Thereafter, the amounts diverted under this
406 subsection (7) during the fiscal year in excess of Forty-two
407 Million Dollars (\$42,000,000.00) shall be deposited into the
408 Education Enhancement Fund created under Section 37-61-33 for
409 appropriation by the Legislature as other education needs and
410 shall not be subject to the percentage appropriation requirements
411 set forth in Section 37-61-33.

412 (8) On or before August 15, 1992, and each succeeding month
413 thereafter, nine and seventy-three one-thousandths percent
414 (9.073%) of the total sales tax revenue collected during the
415 preceding month under the provisions of this chapter, except that
416 collected under the provisions of Section 27-65-17(2), shall be
417 deposited into the Education Enhancement Fund created under
418 Section 37-61-33.

419 (9) On or before August 15, 1994, and each succeeding month
420 thereafter, from the revenue collected under this chapter during
421 the preceding month, Two Hundred Fifty Thousand Dollars
422 (\$250,000.00) shall be paid into the State Aid Road Fund.

423 (10) On or before August 15, 1994, and each succeeding month
424 thereafter through August 15, 1995, from the revenue collected
425 under this chapter during the preceding month, Two Million Dollars
426 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
427 Valorem Tax Reduction Fund established in Section 27-51-105.

428 (11) Notwithstanding any other provision of this section to
429 the contrary, on or before February 15, 1995, and each succeeding
430 month thereafter, the sales tax revenue collected during the
431 preceding month under the provisions of Section 27-65-17(2) and
432 the corresponding levy in Section 27-65-23 on the rental or lease
433 of private carriers of passengers and light carriers of property
434 as defined in Section 27-51-101 shall be deposited, without
435 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
436 established in Section 27-51-105.

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

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

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

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

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

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

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

488 (19) (a) On or before August 15, 2005, and each succeeding
489 month thereafter, the sales tax revenue collected during the
490 preceding month under the provisions of this chapter on the gross
491 proceeds of sales of a business enterprise located within a
492 redevelopment project area under the provisions of Sections
493 57-91-1 through 57-91-11, and the revenue collected on the gross

494 proceeds of sales from sales made to a business enterprise located
495 in a redevelopment project area under the provisions of Sections
496 57-91-1 through 57-91-11 (provided that such sales made to a
497 business enterprise are made on the premises of the business
498 enterprise), shall, except as otherwise provided in this
499 subsection (19), be deposited, after all diversions, into the
500 Redevelopment Project Incentive Fund as created in Section
501 57-91-9.

502 (b) For a municipality participating in the Economic
503 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
504 the diversion provided for in subsection (1) of this section
505 attributable to the gross proceeds of sales of a business
506 enterprise located within a redevelopment project area under the
507 provisions of Sections 57-91-1 through 57-91-11, and attributable
508 to the gross proceeds of sales from sales made to a business
509 enterprise located in a redevelopment project area under the
510 provisions of Sections 57-91-1 through 57-91-11 (provided that
511 such sales made to a business enterprise are made on the premises
512 of the business enterprise), shall be deposited into the
513 Redevelopment Project Incentive Fund as created in Section
514 57-91-9, as follows:

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

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

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

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

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

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

537 (21) It shall be the duty of the municipal officials of any
538 municipality that expands its limits, or of any community that
539 incorporates as a municipality, to notify the commissioner of
540 that action thirty (30) days before the effective date. Failure
541 to so notify the commissioner shall cause the municipality to
542 forfeit the revenue that it would have been entitled to receive
543 during this period of time when the commissioner had no knowledge
544 of the action. If any funds have been erroneously disbursed to
545 any municipality or any overpayment of tax is recovered by the
546 taxpayer, the commissioner may make correction and adjust the
547 error or overpayment with the municipality by withholding the
548 necessary funds from any later payment to be made to the
549 municipality.

550 **SECTION 7.** This act shall take effect and be in force from
551 and after July 1, 2006.