

By: Senator(s) Hyde-Smith, Browning, Burton, Butler, Carmichael, Chaney, Clarke, Davis, Dawkins, Dearing, Jackson (15th), Jackson (11th), Jackson (32nd), King, Kirby, Lee (35th), Little, Mettetal, Michel, Moffatt, Nunnelee, Pickering, Posey, Robertson, Ross, Turner, White, Wilemon, Williamson, Simmons To: Finance

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2017

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

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

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

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

22 (b) "Local taxing district" means any county,  
23 municipality, school district or other local entity that levies an  
24 ad valorem tax or for which an ad valorem tax is levied, to fund  
25 all or a portion of its budget.

26 (c) "State fiscal year" means the period beginning on  
27 July 1 and ending on June 30 of the following year.

28 (d) "Commission" means the State Tax Commission.

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

34           (2) (a) The amount of the credit that a taxpayer shall be  
35 allowed against motor vehicle ad valorem taxes due for motorcycles  
36 under Chapter 51, Title 27, Mississippi Code of 1972, shall be  
37 determined by the State Tax Commission for each fiscal year. The  
38 amount of the credit shall be promulgated by the commission on or  
39 before May 1 prior to each state fiscal year beginning with the  
40 state fiscal year beginning on July 1, 2006.

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

58           (3) Tax credits provided for by this section may be used  
59 against motorcycle ad valorem taxes due under Chapter 51, Title  
60 27, Mississippi Code of 1972, at the time that a taxpayer pays  
61 motor vehicle ad valorem taxes to the county tax collector.

62           (4) Each receipt for motorcycle ad valorem taxes shall  
63 clearly indicate that the credit provided for by this section is  
64 granted as a result of legislative action.

65           (5) A taxpayer who is delinquent in the payment of  
66 motorcycle ad valorem taxes to the extent that the penalty

67 assessed pursuant to Section 27-51-43, Mississippi Code of 1972,  
68 has reached twenty-five percent (25%) of the ad valorem taxes due  
69 shall not be eligible to receive the tax credit authorized  
70 pursuant to this section.

71 (6) Motorcycle dealers shall provide the commission with  
72 such information as the commission considers necessary to carry  
73 out its duties under this act.

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

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

92 **SECTION 4.** (1) On or before September 10, 2006, and the  
93 tenth day of each succeeding month thereafter, the State Tax  
94 Commission shall make payments from the Motorcycle Ad Valorem Tax  
95 Reduction Fund established in Section 3 of this act to the county  
96 tax collectors for distribution to the local taxing districts as  
97 reimbursement for motor vehicle ad valorem taxes that are lost  
98 during the preceding month as a result of the ad valorem tax  
99 credit for motorcycles that is provided for by Section 2 of this

100 act. The amount that each local taxing district will receive for  
101 each month under this subsection shall be determined by the State  
102 Tax Commission based on documentation provided by the tax  
103 collectors under guidelines established by the commission.

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

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

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

121 27-65-75. On or before the fifteenth day of each month, the  
122 revenue collected under the provisions of this chapter during the  
123 preceding month shall be paid and distributed as follows:

124 (1) On or before August 15, 1992, and each succeeding month  
125 thereafter through July 15, 1993, eighteen percent (18%) of the  
126 total sales tax revenue collected during the preceding month under  
127 the provisions of this chapter, except that collected under the  
128 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
129 business activities within a municipal corporation shall be  
130 allocated for distribution to the municipality and paid to the  
131 municipal corporation. On or before August 15, 1993, and each  
132 succeeding month thereafter, eighteen and one-half percent

133 (18-1/2%) of the total sales tax revenue collected during the  
134 preceding month under the provisions of this chapter, except that  
135 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
136 and 27-65-21, on business activities within a municipal  
137 corporation shall be allocated for distribution to the  
138 municipality and paid to the municipal corporation.

139 A municipal corporation, for the purpose of distributing the  
140 tax under this subsection, shall mean and include all incorporated  
141 cities, towns and villages.

142 Monies allocated for distribution and credited to a municipal  
143 corporation under this subsection may be pledged as security for a  
144 loan if the distribution received by the municipal corporation is  
145 otherwise authorized or required by law to be pledged as security  
146 for such a loan.

147 In any county having a county seat that is not an  
148 incorporated municipality, the distribution provided under this  
149 subsection shall be made as though the county seat was an  
150 incorporated municipality; however, the distribution to the  
151 municipality shall be paid to the county treasury in which the  
152 municipality is located, and those funds shall be used for road,  
153 bridge and street construction or maintenance in the county.

154 (2) On or before September 15, 1987, and each succeeding  
155 month thereafter, from the revenue collected under this chapter  
156 during the preceding month, One Million One Hundred Twenty-five  
157 Thousand Dollars (\$1,125,000.00) shall be allocated for  
158 distribution to municipal corporations as defined under subsection  
159 (1) of this section in the proportion that the number of gallons  
160 of gasoline and diesel fuel sold by distributors to consumers and  
161 retailers in each such municipality during the preceding fiscal  
162 year bears to the total gallons of gasoline and diesel fuel sold  
163 by distributors to consumers and retailers in municipalities  
164 statewide during the preceding fiscal year. The State Tax  
165 Commission shall require all distributors of gasoline and diesel

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

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

191 (4) On or before August 15, 1994, and on or before the  
192 fifteenth day of each succeeding month through July 15, 1999, from  
193 the proceeds of gasoline, diesel fuel or kerosene taxes as  
194 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
195 (\$4,000,000.00) shall be deposited in the State Treasury to the  
196 credit of a special fund designated as the "State Aid Road Fund,"  
197 created by Section 65-9-17. On or before August 15, 1999, and on  
198 or before the fifteenth day of each succeeding month, from the

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

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

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

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

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

234 The amount of funds allocated to any county under this  
235 subsection for any fiscal year after fiscal year 1994 shall not be  
236 less than the amount allocated to the county for fiscal year  
237 1994.

238 Any reference in the general laws of this state or the  
239 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
240 construed to refer and apply to subsection (4) of Section  
241 27-65-75.

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

248 (6) An amount each month beginning August 15, 1983, through  
249 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
250 of 1983, shall be paid into the special fund known as the  
251 Correctional Facilities Construction Fund created in Section 6 of  
252 Chapter 542, Laws of 1983.

253 (7) On or before August 15, 1992, and each succeeding month  
254 thereafter through July 15, 2000, two and two hundred sixty-six  
255 one-thousandths percent (2.266%) of the total sales tax revenue  
256 collected during the preceding month under the provisions of this  
257 chapter, except that collected under the provisions of Section  
258 27-65-17(2) shall be deposited by the commission into the School  
259 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
260 or before August 15, 2000, and each succeeding month thereafter,  
261 two and two hundred sixty-six one-thousandths percent (2.266%) of  
262 the total sales tax revenue collected during the preceding month  
263 under the provisions of this chapter, except that collected under



264 the provisions of Section 27-65-17(2), shall be deposited into the  
265 School Ad Valorem Tax Reduction Fund created under Section  
266 37-61-35 until such time that the total amount deposited into the  
267 fund during a fiscal year equals Forty-two Million Dollars  
268 (\$42,000,000.00). Thereafter, the amounts diverted under this  
269 subsection (7) during the fiscal year in excess of Forty-two  
270 Million Dollars (\$42,000,000.00) shall be deposited into the  
271 Education Enhancement Fund created under Section 37-61-33 for  
272 appropriation by the Legislature as other education needs and  
273 shall not be subject to the percentage appropriation requirements  
274 set forth in Section 37-61-33.

275 (8) On or before August 15, 1992, and each succeeding month  
276 thereafter, nine and seventy-three one-thousandths percent  
277 (9.073%) of the total sales tax revenue collected during the  
278 preceding month under the provisions of this chapter, except that  
279 collected under the provisions of Section 27-65-17(2), shall be  
280 deposited into the Education Enhancement Fund created under  
281 Section 37-61-33.

282 (9) On or before August 15, 1994, and each succeeding month  
283 thereafter, from the revenue collected under this chapter during  
284 the preceding month, Two Hundred Fifty Thousand Dollars  
285 (\$250,000.00) shall be paid into the State Aid Road Fund.

286 (10) On or before August 15, 1994, and each succeeding month  
287 thereafter through August 15, 1995, from the revenue collected  
288 under this chapter during the preceding month, Two Million Dollars  
289 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
290 Valorem Tax Reduction Fund established in Section 27-51-105.

291 (11) Notwithstanding any other provision of this section to  
292 the contrary, on or before February 15, 1995, and each succeeding  
293 month thereafter, the sales tax revenue collected during the  
294 preceding month under the provisions of Section 27-65-17(2) and  
295 the corresponding levy in Section 27-65-23 on the rental or lease  
296 of private carriers of passengers and light carriers of property

297 as defined in Section 27-51-101 shall be deposited, without  
298 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
299 established in Section 27-51-105.

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

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

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

324 (15) Notwithstanding any other provision of this section to  
325 the contrary, on or before September 15, 2000, and each succeeding  
326 month thereafter, the sales tax revenue collected during the  
327 preceding month under the provisions of Section 27-65-19(1)(f) and  
328 (g)(i)2, shall be deposited, without diversion, into the

329 Telecommunications Ad Valorem Tax Reduction Fund established in  
330 Section 27-38-7.

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

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

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

351 (19) (a) On or before August 15, 2005, and each succeeding  
352 month thereafter, the sales tax revenue collected during the  
353 preceding month under the provisions of this chapter on the gross  
354 proceeds of sales of a business enterprise located within a  
355 redevelopment project area under the provisions of Sections  
356 57-91-1 through 57-91-11, and the revenue collected on the gross  
357 proceeds of sales from sales made to a business enterprise located  
358 in a redevelopment project area under the provisions of Sections  
359 57-91-1 through 57-91-11 (provided that such sales made to a  
360 business enterprise are made on the premises of the business  
361 enterprise), shall, except as otherwise provided in this

362 subsection (19), be deposited, after all diversions, into the  
363 Redevelopment Project Incentive Fund as created in Section  
364 57-91-9.

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

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

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

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

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

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

397 (20) Notwithstanding any other provision of this section to  
398 the contrary, on or before August 15, 2006, and each succeeding  
399 month thereafter, an amount equal to seventy-one percent (71%) of  
400 the sales tax revenue collected during the preceding month under  
401 the provisions of Section 27-65-17 on retail sales of motorcycles,  
402 as defined in Section 1 of Senate Bill No. 2017, 2006 Regular  
403 Session, and the corresponding levy in Section 27-65-23 on the  
404 rental or lease of these vehicles, shall be deposited, after  
405 diversion, into the Motorcycle Ad Valorem Tax Reduction Fund  
406 established in Section 3 of Senate Bill No. 2017, 2006 Regular  
407 Session.

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

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

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

426           27-67-31. All administrative provisions of the sales tax  
427 law, and amendments thereto, including those which fix damages,  
428 penalties and interest for failure to comply with the provisions  
429 of said sales tax law, and all other requirements and duties  
430 imposed upon taxpayer, shall apply to all persons liable for use  
431 taxes under the provisions of this article. The commissioner  
432 shall exercise all power and authority and perform all duties with  
433 respect to taxpayers under this article as are provided in said  
434 sales tax law, except where there is conflict, then the provisions  
435 of this article shall control.

436           The commissioner may require transportation companies to  
437 permit the examination of waybills, freight bills, or other  
438 documents covering shipments of tangible personal property into  
439 this state.

440           On or before the fifteenth day of each month, the amount  
441 received from taxes, damages and interest under the provisions of  
442 this article during the preceding month shall be paid and  
443 distributed as follows:

444           (a) On or before July 15, 1994, through July 15, 2000,  
445 and each succeeding month thereafter, two and two hundred  
446 sixty-six one-thousandths percent (2.266%) of the total use tax  
447 revenue collected during the preceding month under the provisions  
448 of this article shall be deposited in the School Ad Valorem Tax  
449 Reduction Fund created pursuant to Section 37-61-35. On or before  
450 August 15, 2000, and each succeeding month thereafter, two and two  
451 hundred sixty-six one-thousandths percent (2.266%) of the total  
452 use tax revenue collected during the preceding month under the  
453 provisions of this chapter shall be deposited into the School Ad  
454 Valorem Tax Reduction Fund created under Section 37-61-35 until  
455 such time that the total amount deposited into the fund during a  
456 fiscal year equals Four Million Dollars (\$4,000,000.00).  
457 Thereafter, the amounts diverted under this paragraph (a) during  
458 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)

459 shall be deposited into the Education Enhancement Fund created  
460 under Section 37-61-33 for appropriation by the Legislature as  
461 other education needs and shall not be subject to the percentage  
462 appropriation requirements set forth in Section 37-61-33.

463 (b) On or before July 15, 1994, and each succeeding  
464 month thereafter, nine and seventy-three one-thousandths percent  
465 (9.073%) of the total use tax revenue collected during the  
466 preceding month under the provisions of this article shall be  
467 deposited into the Education Enhancement Fund created pursuant to  
468 Section 37-61-33.

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

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

487 (e) On or before August 15, 2006, and on or before the  
488 fifteenth day of each succeeding month thereafter and after the  
489 deposits required by paragraphs (a) and (b) of this section are  
490 made, seventy-one percent (71%) of the remaining revenue collected  
491 under the provisions of this article imposed and levied on

492 motorcycles as defined in Section 1 of Senate Bill No. 2017, 2006  
493 Regular Session, as a result of Section 27-65-17 and the  
494 corresponding levy in Section 27-65-23 on the rental or lease of  
495 motorcycles as defined in Section 1 of Senate Bill No. 2017, 2006  
496 Regular Session, shall be deposited into the Motorcycle Ad Valorem  
497 Tax Reduction Fund created pursuant to Section 3 of Senate Bill  
498 No. 2017, 2006 Regular Session.

499           (f) The remainder of the amount received from taxes,  
500 damages and interest under the provisions of this article shall be  
501 paid into the General Fund of the State Treasury by the  
502 commissioner.

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