

By: Senator(s) Kirby

To: Finance

SENATE BILL NO. 2021

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 AD VALOREM TAX REDUCTION FUND; TO AMEND SECTION
 13 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A CERTAIN
 14 AMOUNT OF THE USE TAX COLLECTED ON MOTORCYCLES AND TRAILERS SHALL
 15 BE DEPOSITED INTO THE MOTORCYCLE AD VALOREM TAX REDUCTION FUND;
 16 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 not include semitrailers as
 28 defined in Section 27-19-3.

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

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

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

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

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

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

65 (3) Tax credits provided for by this section may be used
66 against motorcycle and trailer ad valorem taxes due under Chapter

67 51, Title 27, Mississippi Code of 1972, at the time that a
68 taxpayer pays ad valorem taxes to the county tax collector.

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

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

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

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

96 **SECTION 4.** (1) On or before September 10, 2006, and the
97 tenth day of each succeeding month thereafter, the State Tax
98 Commission shall make payments from the Motorcycle and Trailer Ad
99 Valorem Tax Reduction Fund established in Section 3 of this act to

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

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

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

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

126 27-65-75. On or before the fifteenth day of each month, the
127 revenue collected under the provisions of this chapter during the
128 preceding month shall be paid and distributed as follows:

129 (1) On or before August 15, 1992, and each succeeding month
130 thereafter through July 15, 1993, eighteen percent (18%) of the
131 total sales tax revenue collected during the preceding month under
132 the provisions of this chapter, except that collected under the

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

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

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

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

159 (2) On or before September 15, 1987, and each succeeding
160 month thereafter, from the revenue collected under this chapter
161 during the preceding month, One Million One Hundred Twenty-five
162 Thousand Dollars (\$1,125,000.00) shall be allocated for
163 distribution to municipal corporations as defined under subsection
164 (1) of this section in the proportion that the number of gallons
165 of gasoline and diesel fuel sold by distributors to consumers and

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

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

196 (4) On or before August 15, 1994, and on or before the
197 fifteenth day of each succeeding month through July 15, 1999, from
198 the proceeds of gasoline, diesel fuel or kerosene taxes as

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

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

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

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

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

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

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

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

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

257 (7) On or before August 15, 1992, and each succeeding month
258 thereafter through July 15, 2000, two and two hundred sixty-six
259 one-thousandths percent (2.266%) 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 Section
262 27-65-17(2) shall be deposited by the commission into the School
263 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
264 or before August 15, 2000, and each succeeding month thereafter,

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

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

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

290 (10) On or before August 15, 1994, and each succeeding month
291 thereafter through August 15, 1995, from the revenue collected
292 under this chapter during the preceding month, Two Million Dollars
293 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
294 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

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

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

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

355 (19) (a) On or before August 15, 2005, and each succeeding
356 month thereafter, the sales tax revenue collected during the
357 preceding month under the provisions of this chapter on the gross
358 proceeds of sales of a business enterprise located within a
359 redevelopment project area under the provisions of Sections
360 57-91-1 through 57-91-11, and the revenue collected on the gross
361 proceeds of sales from sales made to a business enterprise located
362 in a redevelopment project area under the provisions of Sections
363 57-91-1 through 57-91-11 (provided that such sales made to a

364 business enterprise are made on the premises of the business
365 enterprise), shall, except as otherwise provided in this
366 subsection (19), be deposited, after all diversions, into the
367 Redevelopment Project Incentive Fund as created in Section
368 57-91-9.

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

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

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

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

394 (iv) For the ninth year in which such payments are
395 made to a developer from the Redevelopment Project Incentive Fund,

396 sixty percent (60%) of the diversion shall be deposited into the
397 fund; and

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

401 (20) Notwithstanding any other provision of this section to
402 the contrary, on or before August 15, 2006, and each succeeding
403 month thereafter, an amount equal to seventy-one percent (71%) of
404 the sales tax revenue collected during the preceding month under
405 the provisions of Section 27-65-17 on retail sales of motorcycles
406 and trailers, as defined in Section 1 of Senate Bill No. 2021,
407 2006 Regular Session, and the corresponding levy in Section
408 27-65-23 on the rental or lease of these vehicles, shall be
409 deposited, after diversion, into the Motorcycle and Trailer Ad
410 Valorem Tax Reduction Fund established in Section 3 of Senate Bill
411 No. 2021, 2006 Regular Session.

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

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

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

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

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

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

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

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

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

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

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

491 (e) On or before August 15, 2006, and on or before the
492 fifteenth day of each succeeding month thereafter and after the
493 deposits required by paragraphs (a) and (b) of this section are

494 made, seventy-one percent (71%) of the remaining revenue collected
495 under the provisions of this article imposed and levied on
496 motorcycles and trailers as defined in Section 1 of Senate Bill
497 No._____, 2006 Regular Session, as a result of Section 27-65-17 and
498 the corresponding levy in Section 27-65-23 on the rental or lease
499 of motorcycles as defined in Section 1 of Senate Bill No._____,
500 2006 Regular Session, shall be deposited into the Motorcycle and
501 Trailer Ad Valorem Tax Reduction Fund created pursuant to Section
502 3 of Senate Bill No._____, 2006 Regular Session.

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

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