

By: Representative Malone

To: Ways and Means

HOUSE BILL NO. 190

1 AN ACT TO AMEND SECTIONS 27-65-17 AND 27-65-22, MISSISSIPPI
2 CODE OF 1972, TO LEVY AN ADDITIONAL SALES TAX UPON THE SALE OR
3 RENTAL OF CERTAIN SEXUALLY EXPLICIT VIDEOS, DVD'S, FILMS,
4 ELECTRONIC MEDIA OR ADULT-ORIENTED NOVELTIES AND UPON CHARGES FOR
5 ADMISSION TO CERTAIN SEXUALLY EXPLICIT EXHIBITIONS; TO CREATE A
6 SPECIAL FUND IN THE STATE TREASURY TO THE CREDIT OF THE DEPARTMENT
7 OF MENTAL HEALTH FOR THE OPERATION AND MAINTENANCE OF MENTAL
8 HEALTH HOLDING CENTERS AND SPECIALIZED TREATMENT FACILITIES FOR
9 THE SEVERELY EMOTIONALLY DISTURBED ESTABLISHED BY THE DEPARTMENT
10 AND TO PROVIDE THAT THE ADDITIONAL TAXES LEVIED UNDER THIS ACT
11 SHALL BE DEPOSITED INTO THE SPECIAL FUND; TO AMEND SECTION
12 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY WITH THE
13 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
16 amended as follows:

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

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

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

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

34 (i) Self-propelled, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

100 (1) Sales of the factory built components of modular
101 homes, panelized homes and precut homes, and panel constructed
102 homes consisting of structural insulated panels, shall be taxed at
103 the rate of three percent (3%).

104 (2) From and after January 1, 1995, retail sales of private
105 carriers of passengers and light carriers of property, as defined
106 in Section 27-51-101, shall be taxed an additional two percent
107 (2%).

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

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

128 (5) Any person exercising any privilege taxable under
129 Section 27-65-15 and selling his natural resource products at

130 wholesale or to exempt persons shall pay the tax levied by said
131 section in lieu of the tax levied by this section.

132 (6) (a) In addition to the tax otherwise levied under this
133 section, there is levied a tax in the amount of twenty percent
134 (20%) on:

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

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

148 (b) The taxes levied under the provisions of paragraph
149 (a) of this subsection shall be deposited into the special fund
150 created in Section 3 of House Bill No.____, 2007 Regular Session.

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

153 27-65-22. (1) Upon every person engaging or continuing in
154 any amusement business or activity, which shall include all manner
155 and forms of entertainment and amusement, all forms of diversion,
156 sport, recreation or pastime, shows, exhibitions, contests,
157 displays, games or any other and all methods of obtaining
158 admission charges, donations, contributions or monetary charges of
159 any character, from the general public or a limited or selected
160 number thereof, directly or indirectly in return for other than
161 tangible property or specific personal or professional services,
162 whether such amusement is held or conducted in a public or private

163 building, hotel, tent, pavilion, lot or resort, enclosed or in the
164 open, there is hereby levied, assessed and shall be collected a
165 tax equal to seven percent (7%) of the gross income received as
166 admission, except as otherwise provided herein. In lieu of the
167 rate set forth above, there is hereby imposed, levied and
168 assessed, to be collected as hereinafter provided, a tax of three
169 percent (3%) of gross revenue derived from sales of admission to
170 publicly owned enclosed coliseums and auditoriums (except
171 admissions to athletic contests between colleges and
172 universities). There is hereby imposed, levied and assessed a tax
173 of seven percent (7%) of gross revenue derived from sales of
174 admission to events conducted on property managed by the
175 Mississippi Veterans Memorial Stadium, which tax shall be
176 administered in the manner prescribed in this chapter, subject,
177 however, to the provisions of Sections 55-23-3 through 55-23-11.

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

188 (b) The taxes levied under the provisions of paragraph
189 (a) of this subsection shall be deposited into the special fund
190 created in Section 3 of House Bill No. _____, 2007 Regular Session.

191 (3) The operator of any place of amusement in this state
192 shall collect the tax imposed by this section, in addition to the
193 price charged for admission to any place of amusement, and under
194 all circumstances the person conducting the amusement shall be
195 liable for, and pay the tax imposed based upon the actual charge

196 for such admission. Where permits are obtained for conducting
197 temporary amusements by persons who are not the owners, lessees or
198 custodians of the buildings, lots or places where the amusements
199 are to be conducted, or where such temporary amusement is
200 permitted by the owner, lessee or custodian of any place to be
201 conducted without the procurement of a permit as required by this
202 chapter, the tax imposed by this chapter shall be paid by the
203 owner, lessee or custodian of such place where such temporary
204 amusement is held or conducted, unless paid by the person
205 conducting the amusement, and the applicant for such temporary
206 permit shall furnish with the application therefor, the name and
207 address of the owner, lessee or custodian of the premises upon
208 which such amusement is to be conducted, and such owner, lessee or
209 custodian shall be notified by the commission of the issuance of
210 such permit, and of the joint liability for such tax.

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

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

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

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

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

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

237 (f) Any admissions or tickets to organized garden
238 pilgrimages and to antebellum and historic houses when sponsored
239 by an organized civic or garden club;

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

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

248 (i) Any admissions or fees charged by any county or
249 municipally owned and operated swimming pools, golf courses and
250 tennis courts other than sales or rental of tangible personal
251 property;

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

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

264 **SECTION 3.** There is created in the State Treasury a special
265 fund to the credit of the Department of Mental Health, which shall
266 be comprised of the monies required to be deposited into the fund
267 under Sections 27-65-17(6), 27-65-22(2) and any other funds that
268 may be made available for the fund by the Legislature. Monies in
269 the fund shall be expended by the Department of Mental Health,
270 upon appropriation by the Legislature, for the operation and
271 maintenance of mental health holding centers established by the
272 department under Section 41-4-7(m) and specialized treatment
273 facilities for the severely emotionally disturbed. Unexpended
274 amounts remaining in the special fund at the end of a fiscal year
275 shall not lapse into the State General Fund, and any interest
276 earned or investment earnings on amounts in the special fund shall
277 be deposited to the credit of the special fund.

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

280 27-65-75. On or before the fifteenth day of each month, the
281 revenue collected under the provisions of this chapter during the
282 preceding month shall be paid and distributed as follows:

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

295 and 27-65-21, on business activities within a municipal
296 corporation shall be allocated for distribution to the
297 municipality and paid to the municipal corporation.

298 A municipal corporation, for the purpose of distributing the
299 tax under this subsection, shall mean and include all incorporated
300 cities, towns and villages.

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

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

313 (b) On or before August 15, 2006, and each succeeding
314 month thereafter, eighteen and one-half percent (18-1/2%) of the
315 total sales tax revenue collected during the preceding month under
316 the provisions of this chapter, except that collected under the
317 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
318 business activities on the campus of a state institution of higher
319 learning or community or junior college whose campus is not
320 located within the corporate limits of a municipality, shall be
321 allocated for distribution to the state institution of higher
322 learning or community or junior college and paid to the state
323 institution of higher learning or community or junior college.

324 (2) On or before September 15, 1987, and each succeeding
325 month thereafter, from the revenue collected under this chapter
326 during the preceding month, One Million One Hundred Twenty-five
327 Thousand Dollars (\$1,125,000.00) shall be allocated for

328 distribution to municipal corporations as defined under subsection
329 (1) of this section in the proportion that the number of gallons
330 of gasoline and diesel fuel sold by distributors to consumers and
331 retailers in each such municipality during the preceding fiscal
332 year bears to the total gallons of gasoline and diesel fuel sold
333 by distributors to consumers and retailers in municipalities
334 statewide during the preceding fiscal year. The State Tax
335 Commission shall require all distributors of gasoline and diesel
336 fuel to report to the commission monthly the total number of
337 gallons of gasoline and diesel fuel sold by them to consumers and
338 retailers in each municipality during the preceding month. The
339 State Tax Commission shall have the authority to promulgate such
340 rules and regulations as is necessary to determine the number of
341 gallons of gasoline and diesel fuel sold by distributors to
342 consumers and retailers in each municipality. In determining the
343 percentage allocation of funds under this subsection for the
344 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
345 State Tax Commission may consider gallons of gasoline and diesel
346 fuel sold for a period of less than one (1) fiscal year. For the
347 purposes of this subsection, the term "fiscal year" means the
348 fiscal year beginning July 1 of a year.

349 (3) On or before September 15, 1987, and on or before the
350 fifteenth day of each succeeding month, until the date specified
351 in Section 65-39-35, the proceeds derived from contractors' taxes
352 levied under Section 27-65-21 on contracts for the construction or
353 reconstruction of highways designated under the highway program
354 created under Section 65-3-97 shall, except as otherwise provided
355 in Section 31-17-127, be deposited into the State Treasury to the
356 credit of the State Highway Fund to be used to fund that highway
357 program. The Mississippi Department of Transportation shall
358 provide to the State Tax Commission such information as is
359 necessary to determine the amount of proceeds to be distributed
360 under this subsection.

361 (4) On or before August 15, 1994, and on or before the
362 fifteenth day of each succeeding month through July 15, 1999, from
363 the proceeds of gasoline, diesel fuel or kerosene taxes as
364 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
365 (\$4,000,000.00) shall be deposited in the State Treasury to the
366 credit of a special fund designated as the "State Aid Road Fund,"
367 created by Section 65-9-17. On or before August 15, 1999, and on
368 or before the fifteenth day of each succeeding month, from the
369 total amount of the proceeds of gasoline, diesel fuel or kerosene
370 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
371 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
372 one-fourth percent (23-1/4%) of those funds, whichever is the
373 greater amount, shall be deposited in the State Treasury to the
374 credit of the "State Aid Road Fund," created by Section 65-9-17.
375 Those funds shall be pledged to pay the principal of and interest
376 on state aid road bonds heretofore issued under Sections 19-9-51
377 through 19-9-77, in lieu of and in substitution for the funds
378 previously allocated to counties under this section. Those funds
379 may not be pledged for the payment of any state aid road bonds
380 issued after April 1, 1981; however, this prohibition against the
381 pledging of any such funds for the payment of bonds shall not
382 apply to any bonds for which intent to issue those bonds has been
383 published, for the first time, as provided by law before March 29,
384 1981. From the amount of taxes paid into the special fund under
385 this subsection and subsection (9) of this section, there shall be
386 first deducted and paid the amount necessary to pay the expenses
387 of the Office of State Aid Road Construction, as authorized by the
388 Legislature for all other general and special fund agencies. The
389 remainder of the fund shall be allocated monthly to the several
390 counties in accordance with the following formula:

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

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

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

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

404 The amount of funds allocated to any county under this
405 subsection for any fiscal year after fiscal year 1994 shall not be
406 less than the amount allocated to the county for fiscal year 1994.

407 Any reference in the general laws of this state or the
408 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
409 construed to refer and apply to subsection (4) of Section
410 27-65-75.

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

417 (6) An amount each month beginning August 15, 1983, through
418 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
419 of 1983, shall be paid into the special fund known as the
420 Correctional Facilities Construction Fund created in Section 6 of
421 Chapter 542, Laws of 1983.

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

426 chapter, except that collected under the provisions of Section
427 27-65-17(2) shall be deposited by the commission into the School
428 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
429 or before August 15, 2000, and each succeeding month thereafter,
430 two and two hundred sixty-six one-thousandths percent (2.266%) of
431 the total sales tax revenue collected during the preceding month
432 under the provisions of this chapter, except that collected under
433 the provisions of Section 27-65-17(2), shall be deposited into the
434 School Ad Valorem Tax Reduction Fund created under Section
435 37-61-35 until such time that the total amount deposited into the
436 fund during a fiscal year equals Forty-two Million Dollars
437 (\$42,000,000.00). Thereafter, the amounts diverted under this
438 subsection (7) during the fiscal year in excess of Forty-two
439 Million Dollars (\$42,000,000.00) shall be deposited into the
440 Education Enhancement Fund created under Section 37-61-33 for
441 appropriation by the Legislature as other education needs and
442 shall not be subject to the percentage appropriation requirements
443 set forth in Section 37-61-33.

444 (8) On or before August 15, 1992, and each succeeding month
445 thereafter, nine and seventy-three one-thousandths percent
446 (9.073%) of the total sales tax revenue collected during the
447 preceding month under the provisions of this chapter, except that
448 collected under the provisions of Section 27-65-17(2), shall be
449 deposited into the Education Enhancement Fund created under
450 Section 37-61-33.

451 (9) On or before August 15, 1994, and each succeeding month
452 thereafter, from the revenue collected under this chapter during
453 the preceding month, Two Hundred Fifty Thousand Dollars
454 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

458 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
459 Valorem Tax Reduction Fund established in Section 27-51-105.

460 (11) Notwithstanding any other provision of this section to
461 the contrary, on or before February 15, 1995, and each succeeding
462 month thereafter, the sales tax revenue collected during the
463 preceding month under the provisions of Section 27-65-17(2) and
464 the corresponding levy in Section 27-65-23 on the rental or lease
465 of private carriers of passengers and light carriers of property
466 as defined in Section 27-51-101 shall be deposited, without
467 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
468 established in Section 27-51-105.

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

478 (13) On or before July 15, 1994, and on or before the
479 fifteenth day of each succeeding month thereafter, that portion of
480 the avails of the tax imposed in Section 27-65-22 that is derived
481 from activities held on the Mississippi State Fairgrounds Complex,
482 shall be paid into a special fund that is created in the State
483 Treasury and shall be expended upon legislative appropriation
484 solely to defray the costs of repairs and renovation at the Trade
485 Mart and Coliseum.

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

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

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

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

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

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

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

524 redevelopment project area under the provisions of Sections
525 57-91-1 through 57-91-11, and the revenue collected on the gross
526 proceeds of sales from sales made to a business enterprise located
527 in a redevelopment project area under the provisions of Sections
528 57-91-1 through 57-91-11 (provided that such sales made to a
529 business enterprise are made on the premises of the business
530 enterprise), shall, except as otherwise provided in this
531 subsection (19), be deposited, after all diversions, into the
532 Redevelopment Project Incentive Fund as created in Section
533 57-91-9.

534 (b) For a municipality participating in the Economic
535 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
536 the diversion provided for in subsection (1) of this section
537 attributable to the gross proceeds of sales of a business
538 enterprise located within a redevelopment project area under the
539 provisions of Sections 57-91-1 through 57-91-11, and attributable
540 to the gross proceeds of sales from sales made to a business
541 enterprise located in a redevelopment project area under the
542 provisions of Sections 57-91-1 through 57-91-11 (provided that
543 such sales made to a business enterprise are made on the premises
544 of the business enterprise), shall be deposited into the
545 Redevelopment Project Incentive Fund as created in Section
546 57-91-9, as follows:

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

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

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

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

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

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

566 (20) On or before January 15, 2007, and each succeeding
567 month thereafter, eighty percent (80%) of the sales tax revenue
568 collected during the preceding month under the provisions of this
569 chapter from the operation of a tourism project under the
570 provisions of Sections 57-28-1 through 57-28-5, shall be
571 deposited, after the diversions required in subsections (7) and
572 (8) of this section, into the Tourism Sales Tax Incentive Fund
573 created in Section 57-28-3.

574 (21) Notwithstanding any other provision of this section to
575 the contrary, the revenue collected from the additional sales tax
576 levied under Sections 27-65-17(6) and 27-65-22(2) shall be
577 allocated and distributed as provided under Sections 27-65-17(6)
578 and 27-65-22(2).

579 (22) The remainder of the amounts collected under the
580 provisions of this chapter shall be paid into the State Treasury
581 to the credit of the General Fund.

582 (23) It shall be the duty of the municipal officials of any
583 municipality that expands its limits, or of any community that
584 incorporates as a municipality, to notify the commissioner of that
585 action thirty (30) days before the effective date. Failure to so
586 notify the commissioner shall cause the municipality to forfeit
587 the revenue that it would have been entitled to receive during
588 this period of time when the commissioner had no knowledge of the
589 action. If any funds have been erroneously disbursed to any

590 municipality or any overpayment of tax is recovered by the
591 taxpayer, the commissioner may make correction and adjust the
592 error or overpayment with the municipality by withholding the
593 necessary funds from any later payment to be made to the
594 municipality.

595 **SECTION 5.** This act shall take effect and be in force from
596 and after July 1, 2007.