

By: Representatives Watson, Holland, Morris, To: Ways and Means  
Flaggs, Mayo, Brown, Hines, Clarke

## HOUSE BILL NO. 247

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

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

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

22 27-69-13. (1) There is hereby imposed, levied and assessed,  
23 to be collected and paid as hereinafter provided in this chapter,  
24 an excise tax on each person or dealer in cigarettes, cigars,  
25 stogies, snuff, chewing tobacco, and smoking tobacco, or  
26 substitutes therefor, upon the sale, use, consumption, handling or  
27 distribution in the State of Mississippi, as follows:

28 (a) On cigarettes, the rate of tax shall be Five Cents  
29 (5¢) on each cigarette sold with a maximum length of one hundred  
30 twenty (120) millimeters; any cigarette in excess of this length  
31 shall be taxed as if it were two (2) or more cigarettes.

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

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

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

41 (2) No stamp evidencing the tax herein levied on cigarettes  
42 shall be of a denomination of less than One Cent (1¢), and  
43 whenever the tax computed at the rates herein prescribed on  
44 cigarettes shall be a specified amount, plus a fractional part of  
45 One Cent (1¢), the package shall be stamped for the next full  
46 cent. However, the additional face value of stamps purchased to  
47 comply with taxes imposed by this section after June 1, 1985, and  
48 prior to July 1, 2007, shall be subject to a four percent (4%)  
49 discount or compensation to dealers for their services rather than  
50 the eight percent (8%) discount or compensation allowed by Section  
51 27-69-31, and there shall be no discount on the additional face  
52 value of stamps purchased to comply with taxes imposed by this  
53 section on or after July 1, 2007.

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

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

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

67           27-69-75. (1) All taxes levied by this chapter shall be  
68 payable to the commissioner in cash, or by personal check,  
69 cashier's check, bank exchange, post office money order or express  
70 money order, and shall be deposited by the commissioner in the  
71 State Treasury on the same day collected. No remittance other  
72 than cash shall be a final discharge of liability for the  
73 tax \* \* \* assessed and levied under this chapter, unless and until  
74 it has been paid in cash to the commissioner.

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

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

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

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

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

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

100           27-69-31. Dealers subject to the provisions of this chapter  
101 shall be allowed, as compensation for their services in affixing  
102 the stamps \* \* \* required by this chapter, a sum equal to eight  
103 percent (8%) of the face value of the stamps purchased by them,  
104 except as otherwise provided in Section 27-69-13(2); however, the  
105 commission shall allow no discount on the purchase of stamps by  
106 wholesalers of an aggregate amount of less than One Hundred  
107 Dollars (\$100.00), and by retailers of an aggregate amount of less  
108 than Fifty Dollars (\$50.00) in any one (1) order.

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

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

116           27-65-26. From and after July 1, 2007, retail sales of food  
117 for human consumption not purchased with food stamps issued by the  
118 United States Department of Agriculture, or other federal agency,  
119 but which would be exempt under paragraph (o) of Section 27-65-111  
120 from the taxes imposed by this chapter if the food items were  
121 purchased with food stamps, shall be taxed at the rate of three  
122 and one-half percent (3-1/2%).

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

125           27-65-17. (1) (a) Except as otherwise provided in this  
126 section, upon every person engaging or continuing within this  
127 state in the business of selling any tangible personal property  
128 whatsoever there is hereby levied, assessed and shall be collected  
129 a tax equal to seven percent (7%) of the gross proceeds of the  
130 retail sales of the business.

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

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

142                   (i) Self-propelled, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

208           (l) Sales of the factory-built components of modular  
209 homes, panelized homes and precut homes, and panel constructed  
210 homes consisting of structural insulated panels, shall be taxed at  
211 the rate of three percent (3%).

212           (m) From and after July 1, 2007, retail sales of food  
213 for human consumption not purchased with food stamps issued by the  
214 United States Department of Agriculture, or other federal agency,  
215 but which would be exempt under paragraph (o) of Section 27-65-111  
216 from the taxes imposed by this chapter if the food items were  
217 purchased with food stamps, shall be taxed as provided for in  
218 Section 27-65-26.

219           (2) From and after January 1, 1995, retail sales of private  
220 carriers of passengers and light carriers of property, as defined  
221 in Section 27-51-101, shall be taxed an additional two percent  
222 (2%).

223           (3) In lieu of the tax levied in subsection (1) of this  
224 section, there is levied on retail sales of truck-tractors and  
225 semitrailers used in interstate commerce and registered under the  
226 International Registration Plan (IRP) or any similar reciprocity  
227 agreement or compact relating to the proportional registration of  
228 commercial vehicles entered into as provided for in Section

229 27-19-143, a tax at the rate of three percent (3%) of the portion  
230 of the sale that is attributable to the usage of such  
231 truck-tractor or semitrailer in Mississippi. The portion of the  
232 retail sale that is attributable to the usage of such  
233 truck-tractor or semitrailer in Mississippi is the retail sales  
234 price of the truck-tractor or semitrailer multiplied by the  
235 percentage of the total miles traveled by the vehicle that are  
236 traveled in Mississippi. The tax levied pursuant to this  
237 subsection (3) shall be collected by the State Tax Commission from  
238 the purchaser of such truck-tractor or semitrailer at the time of  
239 registration of such truck-tractor or semitrailer.

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

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

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

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

252 (1) (a) On or before August 15, 1992, and each succeeding  
253 month thereafter through July 15, 1993, eighteen percent (18%) of  
254 the total sales tax revenue collected during the preceding month  
255 under the provisions of this chapter, except that collected under  
256 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
257 business activities within a municipal corporation shall be  
258 allocated for distribution to the municipality and paid to the  
259 municipal corporation. On or before August 15, 1993, and each  
260 succeeding month thereafter through July 15, 2007, eighteen and  
261 one-half percent (18-1/2%) of the total sales tax revenue



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

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

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

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

293 (b) On or before August 15, 2006, and each succeeding  
294 month thereafter, eighteen and one-half percent (18-1/2%) of the

295 total sales tax revenue collected during the preceding month under  
296 the provisions of this chapter, except that collected under the  
297 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
298 business activities on the campus of a state institution of higher  
299 learning or community or junior college whose campus is not  
300 located within the corporate limits of a municipality, shall be  
301 allocated for distribution to the state institution of higher  
302 learning or community or junior college and paid to the state  
303 institution of higher learning or community or junior college.

304 (2) On or before September 15, 1987, and each succeeding  
305 month thereafter, from the revenue collected under this chapter  
306 during the preceding month, One Million One Hundred Twenty-five  
307 Thousand Dollars (\$1,125,000.00) shall be allocated for  
308 distribution to municipal corporations as defined under subsection  
309 (1) of this section in the proportion that the number of gallons  
310 of gasoline and diesel fuel sold by distributors to consumers and  
311 retailers in each such municipality during the preceding fiscal  
312 year bears to the total gallons of gasoline and diesel fuel sold  
313 by distributors to consumers and retailers in municipalities  
314 statewide during the preceding fiscal year. The State Tax  
315 Commission shall require all distributors of gasoline and diesel  
316 fuel to report to the commission monthly the total number of  
317 gallons of gasoline and diesel fuel sold by them to consumers and  
318 retailers in each municipality during the preceding month. The  
319 State Tax Commission shall have the authority to promulgate such  
320 rules and regulations as is necessary to determine the number of  
321 gallons of gasoline and diesel fuel sold by distributors to  
322 consumers and retailers in each municipality. In determining the  
323 percentage allocation of funds under this subsection for the  
324 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
325 State Tax Commission may consider gallons of gasoline and diesel  
326 fuel sold for a period of less than one (1) fiscal year. For the

327 purposes of this subsection, the term "fiscal year" means the  
328 fiscal year beginning July 1 of a year.

329 (3) On or before September 15, 1987, and on or before the  
330 fifteenth day of each succeeding month, until the date specified  
331 in Section 65-39-35, the proceeds derived from contractors' taxes  
332 levied under Section 27-65-21 on contracts for the construction or  
333 reconstruction of highways designated under the highway program  
334 created under Section 65-3-97 shall, except as otherwise provided  
335 in Section 31-17-127, be deposited into the State Treasury to the  
336 credit of the State Highway Fund to be used to fund that highway  
337 program. The Mississippi Department of Transportation shall  
338 provide to the State Tax Commission such information as is  
339 necessary to determine the amount of proceeds to be distributed  
340 under this subsection.

341 (4) On or before August 15, 1994, and on or before the  
342 fifteenth day of each succeeding month through July 15, 1999, from  
343 the proceeds of gasoline, diesel fuel or kerosene taxes as  
344 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
345 (\$4,000,000.00) shall be deposited in the State Treasury to the  
346 credit of a special fund designated as the "State Aid Road Fund,"  
347 created by Section 65-9-17. On or before August 15, 1999, and on  
348 or before the fifteenth day of each succeeding month, from the  
349 total amount of the proceeds of gasoline, diesel fuel or kerosene  
350 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
351 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
352 one-fourth percent (23-1/4%) of those funds, whichever is the  
353 greater amount, shall be deposited in the State Treasury to the  
354 credit of the "State Aid Road Fund," created by Section 65-9-17.  
355 Those funds shall be pledged to pay the principal of and interest  
356 on state aid road bonds heretofore issued under Sections 19-9-51  
357 through 19-9-77, in lieu of and in substitution for the funds  
358 previously allocated to counties under this section. Those funds  
359 may not be pledged for the payment of any state aid road bonds

360 issued after April 1, 1981; however, this prohibition against the  
361 pledging of any such funds for the payment of bonds shall not  
362 apply to any bonds for which intent to issue those bonds has been  
363 published, for the first time, as provided by law before March 29,  
364 1981. From the amount of taxes paid into the special fund under  
365 this subsection and subsection (9) of this section, there shall be  
366 first deducted and paid the amount necessary to pay the expenses  
367 of the Office of State Aid Road Construction, as authorized by the  
368 Legislature for all other general and special fund agencies. The  
369 remainder of the fund shall be allocated monthly to the several  
370 counties in accordance with the following formula:

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

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

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

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

384 The amount of funds allocated to any county under this  
385 subsection for any fiscal year after fiscal year 1994 shall not be  
386 less than the amount allocated to the county for fiscal year 1994.

387 Any reference in the general laws of this state or the  
388 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
389 construed to refer and apply to subsection (4) of Section  
390 27-65-75.

391 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
392 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into

393 the special fund known as the "State Public School Building Fund"  
394 created and existing under the provisions of Sections 37-47-1  
395 through 37-47-67. Those payments into that fund are to be made on  
396 the last day of each succeeding month hereafter.

397 (6) An amount each month beginning August 15, 1983, through  
398 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
399 of 1983, shall be paid into the special fund known as the  
400 Correctional Facilities Construction Fund created in Section 6 of  
401 Chapter 542, Laws of 1983.

402 (7) On or before August 15, 1992, and each succeeding month  
403 thereafter through July 15, 2000, two and two hundred sixty-six  
404 one-thousandths percent (2.266%) of the total sales tax revenue  
405 collected during the preceding month under the provisions of this  
406 chapter, except that collected under the provisions of Section  
407 27-65-17(2) shall be deposited by the commission into the School  
408 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
409 or before August 15, 2000, and each succeeding month thereafter,  
410 two and two hundred sixty-six one-thousandths percent (2.266%) of  
411 the total sales tax revenue collected during the preceding month  
412 under the provisions of this chapter, except that collected under  
413 the provisions of Section 27-65-17(2), shall be deposited into the  
414 School Ad Valorem Tax Reduction Fund created under Section  
415 37-61-35 until such time that the total amount deposited into the  
416 fund during a fiscal year equals Forty-two Million Dollars  
417 (\$42,000,000.00). Thereafter, the amounts diverted under this  
418 subsection (7) during the fiscal year in excess of Forty-two  
419 Million Dollars (\$42,000,000.00) shall be deposited into the  
420 Education Enhancement Fund created under Section 37-61-33 for  
421 appropriation by the Legislature as other education needs and  
422 shall not be subject to the percentage appropriation requirements  
423 set forth in Section 37-61-33.

424 (8) On or before August 15, 1992, and each succeeding month  
425 thereafter, nine and seventy-three one-thousandths percent

426 (9.073%) of the total sales tax revenue collected during the  
427 preceding month under the provisions of this chapter, except that  
428 collected under the provisions of Section 27-65-17(2), shall be  
429 deposited into the Education Enhancement Fund created under  
430 Section 37-61-33.

431 (9) On or before August 15, 1994, and each succeeding month  
432 thereafter, from the revenue collected under this chapter during  
433 the preceding month, Two Hundred Fifty Thousand Dollars  
434 (\$250,000.00) shall be paid into the State Aid Road Fund.

435 (10) On or before August 15, 1994, and each succeeding month  
436 thereafter through August 15, 1995, from the revenue collected  
437 under this chapter during the preceding month, Two Million Dollars  
438 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
439 Valorem Tax Reduction Fund established in Section 27-51-105.

440 (11) Notwithstanding any other provision of this section to  
441 the contrary, on or before February 15, 1995, and each succeeding  
442 month thereafter, the sales tax revenue collected during the  
443 preceding month under the provisions of Section 27-65-17(2) and  
444 the corresponding levy in Section 27-65-23 on the rental or lease  
445 of private carriers of passengers and light carriers of property  
446 as defined in Section 27-51-101 shall be deposited, without  
447 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
448 established in Section 27-51-105.

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

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

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

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

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

487           (17) Notwithstanding any other provision of this section to  
488 the contrary, on or before April 15, 2002, and each succeeding  
489 month thereafter, the sales tax revenue collected during the  
490 preceding month under Section 27-65-23 on sales of parking

491 services of parking garages and lots at airports shall be  
492 deposited, without diversion, into the special fund created under  
493 Section 27-5-101(d).

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

500 (19) (a) On or before August 15, 2005, and each succeeding  
501 month thereafter, the sales tax revenue collected during the  
502 preceding month under the provisions of this chapter on the gross  
503 proceeds of sales of a business enterprise located within a  
504 redevelopment project area under the provisions of Sections  
505 57-91-1 through 57-91-11, and the revenue collected on the gross  
506 proceeds of sales from sales made to a business enterprise located  
507 in a redevelopment project area under the provisions of Sections  
508 57-91-1 through 57-91-11 (provided that such sales made to a  
509 business enterprise are made on the premises of the business  
510 enterprise), shall, except as otherwise provided in this  
511 subsection (19), be deposited, after all diversions, into the  
512 Redevelopment Project Incentive Fund as created in Section  
513 57-91-9.

514 (b) For a municipality participating in the Economic  
515 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
516 the diversion provided for in subsection (1) of this section  
517 attributable to the gross proceeds of sales of a business  
518 enterprise located within a redevelopment project area under the  
519 provisions of Sections 57-91-1 through 57-91-11, and attributable  
520 to the gross proceeds of sales from sales made to a business  
521 enterprise located in a redevelopment project area under the  
522 provisions of Sections 57-91-1 through 57-91-11 (provided that  
523 such sales made to a business enterprise are made on the premises



524 of the business enterprise), shall be deposited into the  
525 Redevelopment Project Incentive Fund as created in Section  
526 57-91-9, as follows:

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

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

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

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

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

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

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

557           (22) It shall be the duty of the municipal officials of any  
558 municipality that expands its limits, or of any community that  
559 incorporates as a municipality, to notify the commissioner of that  
560 action thirty (30) days before the effective date. Failure to so  
561 notify the commissioner shall cause the municipality to forfeit  
562 the revenue that it would have been entitled to receive during  
563 this period of time when the commissioner had no knowledge of the  
564 action. If any funds have been erroneously disbursed to any  
565 municipality or any overpayment of tax is recovered by the  
566 taxpayer, the commissioner may make correction and adjust the  
567 error or overpayment with the municipality by withholding the  
568 necessary funds from any later payment to be made to the  
569 municipality.

570           **SECTION 7.** This act shall take effect and be in force from  
571 and after July 1, 2007.