

By: Representatives Mayo, Clarke, Brown,
Bailey, Broomfield, Banks, Buck, Cockerham,
Fredericks, Hines, Holloway, Lane,
Straughter, Thomas, Watson, Whittington

To: Ways and Means

HOUSE BILL NO. 395

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE EXCISE TAX ON TOBACCO PRODUCTS, TO PROVIDE THAT
3 THERE SHALL BE A DISCOUNT OF ONE PERCENT ON THE ADDITIONAL FACE
4 VALUE OF STAMPS PURCHASED TO COMPLY WITH SUCH INCREASE; TO AMEND
5 SECTION 27-69-75, MISSISSIPPI CODE OF 1972, TO REQUIRE A PORTION
6 OF THE MONTHLY TOBACCO TAX REVENUE TO BE DEPOSITED IN THE
7 EDUCATION ENHANCEMENT FUND AND THE SCHOOL AD VALOREM TAX REDUCTION
8 FUND; TO AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972, IN
9 CONFORMITY THERETO; TO CREATE A NEW SECTION 27-65-26, MISSISSIPPI
10 CODE OF 1972, TO IMPOSE A SEPARATE SALES TAX LEVY ON RETAIL SALES
11 OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT
12 WHICH WOULD BE EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED
13 WITH FOOD STAMPS AND TO REDUCE THE SALES TAX RATE ON SALES OF SUCH
14 FOOD; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, IN
15 CONFORMITY THERETO; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF
16 1972, TO INCREASE THE PERCENTAGE OF SALES TAX COLLECTED ON RETAIL
17 SALES OF SUCH FOOD WITHIN MUNICIPALITIES THAT IS DISTRIBUTED TO
18 MUNICIPALITIES; AND 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 thirty-seven percent (37%) 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, 2006, 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 Section 27-65-111(o) from the
120 taxes imposed by this chapter if the food were purchased with food
121 stamps, shall be taxed as follows:

122 (a) From and after July 1, 2007, through June 30, 2008,
123 such sales shall be taxed at the rate of five and one-fourth
124 percent (5-1/4%).

125 (b) From and after July 1, 2008, such sales shall be
126 taxed at the rate of three and one-half percent (3-1/2%).

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

129 27-65-17. (1) (a) Except as otherwise provided in this
130 section, upon every person engaging or continuing within this
131 state in the business of selling any tangible personal property
132 whatsoever there is hereby levied, assessed and shall be collected

133 a tax equal to seven percent (7%) of the gross proceeds of the
134 retail sales of the business.

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

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

146 (i) Self-propelled, or

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

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

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

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

166 In order to be considered a technology intensive enterprise for
167 purposes of this paragraph:

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

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

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

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

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

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

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

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

194 (i) Wholesale sales of beer shall be taxed at the rate
195 of seven percent (7%), and the retailer shall file a return and
196 compute the retail tax on retail sales but may take credit for the
197 amount of the tax paid to the wholesaler on said return covering

198 the subsequent sales of same property, provided adequate invoices
199 and records are maintained to substantiate the credit.

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

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

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

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

222 (2) From and after January 1, 1995, retail sales of private
223 carriers of passengers and light carriers of property, as defined
224 in Section 27-51-101, shall be taxed an additional two percent
225 (2%).

226 (3) In lieu of the tax levied in subsection (1) of this
227 section, there is levied on retail sales of truck-tractors and
228 semitrailers used in interstate commerce and registered under the
229 International Registration Plan (IRP) or any similar reciprocity
230 agreement or compact relating to the proportional registration of

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

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

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

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

252 27-65-75. On or before the fifteenth day of each month, the
253 revenue collected under the provisions of this chapter during the
254 preceding month shall be paid and distributed as follows:

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

264 one-half percent (18-1/2%) of the total sales tax revenue
265 collected during the preceding month under the provisions of this
266 chapter, except that collected under the provisions of Sections
267 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
268 a municipal corporation shall be allocated for distribution to the
269 municipality and paid to the municipal corporation. On or before
270 August 15, 2007, and each succeeding month thereafter, eighteen
271 and one-half percent (18-1/2%) of the total sales tax revenue
272 collected during the preceding month under the provisions of this
273 chapter, except that collected under the provisions of Sections
274 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business
275 activities within a municipal corporation and thirty-seven percent
276 (37%) of the total sales tax revenue collected during the
277 preceding month under the provisions of Section 27-65-26 on
278 business activities within a municipal corporation shall be
279 allocated for distribution to the municipality and paid to the
280 municipal corporation.

281 A municipal corporation, for the purpose of distributing the
282 tax under this subsection, shall mean and include all incorporated
283 cities, towns and villages.

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

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

296 (b) On or before August 15, 2006, and each succeeding
297 month thereafter, eighteen and one-half percent (18-1/2%) of the
298 total sales tax revenue collected during the preceding month under
299 the provisions of this chapter, except that collected under the
300 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
301 business activities on the campus of a state institution of higher
302 learning or community or junior college whose campus is not
303 located within the corporate limits of a municipality, shall be
304 allocated for distribution to the state institution of higher
305 learning or community or junior college and paid to the state
306 institution of higher learning or community or junior college.

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

329 fuel sold for a period of less than one (1) fiscal year. For the
330 purposes of this subsection, the term "fiscal year" means the
331 fiscal year beginning July 1 of a year.

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

344 (4) On or before August 15, 1994, and on or before the
345 fifteenth day of each succeeding month through July 15, 1999, from
346 the proceeds of gasoline, diesel fuel or kerosene taxes as
347 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
348 (\$4,000,000.00) shall be deposited in the State Treasury to the
349 credit of a special fund designated as the "State Aid Road Fund,"
350 created by Section 65-9-17. On or before August 15, 1999, and on
351 or before the fifteenth day of each succeeding month, from the
352 total amount of the proceeds of gasoline, diesel fuel or kerosene
353 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
354 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
355 one-fourth percent (23-1/4%) of those funds, whichever is the
356 greater amount, shall be deposited in the State Treasury to the
357 credit of the "State Aid Road Fund," created by Section 65-9-17.
358 Those funds shall be pledged to pay the principal of and interest
359 on state aid road bonds heretofore issued under Sections 19-9-51
360 through 19-9-77, in lieu of and in substitution for the funds
361 previously allocated to counties under this section. Those funds

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

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

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

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

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

387 The amount of funds allocated to any county under this
388 subsection for any fiscal year after fiscal year 1994 shall not be
389 less than the amount allocated to the county for fiscal year 1994.

390 Any reference in the general laws of this state or the
391 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
392 construed to refer and apply to subsection (4) of Section
393 27-65-75.

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

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

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

427 (8) On or before August 15, 1992, and each succeeding month
428 thereafter, nine and seventy-three one-thousandths percent
429 (9.073%) of the total sales tax revenue collected during the
430 preceding month under the provisions of this chapter, except that
431 collected under the provisions of Section 27-65-17(2), shall be
432 deposited into the Education Enhancement Fund created under
433 Section 37-61-33.

434 (9) On or before August 15, 1994, and each succeeding month
435 thereafter, from the revenue collected under this chapter during
436 the preceding month, Two Hundred Fifty Thousand Dollars
437 (\$250,000.00) shall be paid into the State Aid Road Fund.

438 (10) On or before August 15, 1994, and each succeeding month
439 thereafter through August 15, 1995, from the revenue collected
440 under this chapter during the preceding month, Two Million Dollars
441 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
442 Valorem Tax Reduction Fund established in Section 27-51-105.

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

452 (12) Notwithstanding any other provision of this section to
453 the contrary, on or before August 15, 1995, and each succeeding
454 month thereafter, the sales tax revenue collected during the
455 preceding month under the provisions of Section 27-65-17(1) on
456 retail sales of private carriers of passengers and light carriers
457 of property, as defined in Section 27-51-101 and the corresponding
458 levy in Section 27-65-23 on the rental or lease of these vehicles,

459 shall be deposited, after diversion, into the Motor Vehicle Ad
460 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

490 (17) Notwithstanding any other provision of this section to
491 the contrary, on or before April 15, 2002, and each succeeding

492 month thereafter, the sales tax revenue collected during the
493 preceding month under Section 27-65-23 on sales of parking
494 services of parking garages and lots at airports shall be
495 deposited, without diversion, into the special fund created under
496 Section 27-5-101(d).

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

503 (19) (a) On or before August 15, 2005, and each succeeding
504 month thereafter, the sales tax revenue collected during the
505 preceding month under the provisions of this chapter on the gross
506 proceeds of sales of a business enterprise located within a
507 redevelopment project area under the provisions of Sections
508 57-91-1 through 57-91-11, and the revenue collected on the gross
509 proceeds of sales from sales made to a business enterprise located
510 in a redevelopment project area under the provisions of Sections
511 57-91-1 through 57-91-11 (provided that such sales made to a
512 business enterprise are made on the premises of the business
513 enterprise), shall, except as otherwise provided in this
514 subsection (19), be deposited, after all diversions, into the
515 Redevelopment Project Incentive Fund as created in Section
516 57-91-9.

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

525 provisions of Sections 57-91-1 through 57-91-11 (provided that
526 such sales made to a business enterprise are made on the premises
527 of the business enterprise), shall be deposited into the
528 Redevelopment Project Incentive Fund as created in Section
529 57-91-9, as follows:

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

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

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

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

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

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

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

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

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