

By: Representatives Mayo, Clarke, Bailey,
Banks, Broomfield, Buck, Burnett, Fredericks,
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To: Ways and Means

HOUSE BILL NO. 1627

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 NO DISCOUNT 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 SECTIONS 27-69-27 AND 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 each can or package of snuff, the rate of tax
38 shall be Thirty-nine Cents (39¢) per ounce of snuff, with a
39 proportionate tax at the like rate on all fractional parts of an
40 ounce thereof, provided that cans or packages of snuff with a net
41 weight of less than one and two tenths (1-2/10) ounces shall be
42 taxed at the equivalent rate of packages or cans weighing one and
43 two tenths (1-2/10) ounces. Such tax shall be computed based on
44 the net weight as listed by the manufacturer.

45 (c) On cigars, cheroots, stogies, * * * chewing and
46 smoking tobacco and all other tobacco products except cigarettes
47 and snuff, the rate of tax shall be fifteen percent (15%) of the
48 manufacturer's list price.

49 (2) No stamp evidencing the tax herein levied on cigarettes
50 shall be of a denomination of less than One Cent (1¢), and
51 whenever the tax computed at the rates herein prescribed on
52 cigarettes shall be a specified amount, plus a fractional part of
53 One Cent (1¢), the package shall be stamped for the next full
54 cent. However, the additional face value of stamps purchased to
55 comply with taxes imposed by this section after June 1, 1985, and
56 prior to July 1, 2007, shall be subject to a four percent (4%)
57 discount or compensation to dealers for their services rather than
58 the eight percent (8%) discount or compensation allowed by Section
59 27-69-31, and there shall be no discount on the additional face
60 value of stamps purchased to comply with taxes imposed by this
61 section on or after July 1, 2007.

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

65 (4) The above tax is levied upon the sale, use, gift,
66 possession or consumption of tobacco within the State of
67 Mississippi, and the impact of the tax levied by this chapter is

68 hereby declared to be on the vendee, user, consumer or possessor
69 of tobacco in this state; and when said tax is paid by any other
70 person, such payment shall be considered as an advance payment and
71 shall thereafter be added to the price of the tobacco and
72 recovered from the ultimate consumer or user.

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

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

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

85 (a) One Million Three Hundred Five Thousand Dollars
86 (\$1,305,000.00) shall be deposited by the commissioner into the
87 Education Enhancement Fund created under Section 37-61-33.

88 (b) Three Hundred Twenty-six Thousand Dollars
89 (\$326,000.00) shall be deposited by the commissioner into the
90 School Ad Valorem Tax Reduction Fund created under Section
91 37-61-35.

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

96 (4) Wholesalers who are entitled to purchase stamps at a
97 discount, as provided by Section 27-69-31, may have consigned to
98 them, without advance payment, those stamps, if and when the
99 wholesaler gives to the commissioner a good and sufficient bond
100 executed by some surety company authorized to do business in this

101 state, conditioned to secure the payment for the stamps so
102 consigned. The commissioner shall require payment for those
103 stamps not later than thirty (30) days from the date the stamps
104 were consigned.

105 **SECTION 3.** Section 27-69-27, Mississippi Code of 1972, is
106 amended as follows:

107 27-69-27. The payment of the tax imposed by this chapter
108 shall be evidenced by affixing stamps to each individual package
109 of cigarettes usually sold to consumers, as distinguished from
110 cartons or larger units which are composed of a number of
111 individual packages.

112 The stamp shall be affixed within seventy-two (72) hours
113 after the receipt of the cigarettes by the wholesaler, and within
114 forty-eight (48) hours after receipt of the cigarettes by the
115 retailer; provided, that in the case a dealer conducts a wholesale
116 and retail business at one (1) place of business, stamps shall be
117 affixed within forty-eight (48) hours after receipt of the
118 cigarettes. The stamp must be so securely affixed as to require
119 the continued application of water or of steam to remove it, or so
120 that it cannot be otherwise removed without destruction or
121 mutilation.

122 The excise tax imposed on cigars, smoking tobacco, chewing
123 tobacco * * * and all other tobacco products except cigarettes and
124 snuff shall be computed by the application of the excise tax rate
125 to the manufacturer's list price on all purchases of such tobacco.
126 The excise tax shall be due and payable on or before the fifteenth
127 day of the month next succeeding the month in which the tax
128 accrues. The tax shall be filed with the commissioner on forms
129 prescribed by the commissioner.

130 Provided, however, manufacturers or other wholesale
131 distributors of tobacco, which are subject to the excise taxes
132 imposed by Section 27-69-13 of this chapter for the privilege of
133 selling or using such tobaccos within this state, who maintain

134 "terminals" or warehouses in which such tobaccos are stored, and
135 who sell only to licensed wholesale dealers within the state who
136 are qualified to purchase and affix the stamps required, may
137 maintain such "spot stocks," intended only for such sales, without
138 affixing the stamps or filing returns and paying the tax.

139 Any person desiring to maintain such "terminal" or warehouse,
140 shall make application to the commissioner and obtain a permit to
141 maintain such stocks without affixing stamps thereto, for sale
142 exclusively to out-of-state purchasers, or licensed wholesale
143 dealers within this state, and the commissioner is hereby
144 authorized to grant such permit upon the execution and filing with
145 the commissioner, by the applicant, a bond with surety companies,
146 authorized to do business in Mississippi, as surety thereon, and
147 conditioned for the strict compliance by the applicant, with the
148 following conditions under which said privilege may be granted.

149 The person maintaining such stock of untaxed tobacco shall
150 supply to the commissioner monthly, or at such times as the
151 commissioner may require, complete invoices of all tobaccos
152 received, and shall also supply correct invoices of all tobaccos
153 removed from such "terminal" or warehouse, said invoices to
154 contain the correct name and address of all persons to whom such
155 tobacco shall be delivered or consigned, whether within or without
156 the State of Mississippi.

157 The penalty of such bond shall be determined by the
158 commissioner, in an amount sufficient to protect the State of
159 Mississippi from any loss of revenue which might occur by reason
160 of the failure of principal to strictly adhere to the requirement
161 that no tobacco would be sold from such stock within the State of
162 Mississippi, except to licensed wholesale dealers.

163 **SECTION 4.** Section 27-69-31, Mississippi Code of 1972, is
164 amended as follows:

165 27-69-31. Dealers subject to the provisions of this chapter
166 shall be allowed, as compensation for their services in affixing

167 the stamps * * * required by this chapter, a sum equal to eight
168 percent (8%) of the face value of the stamps purchased by them,
169 except as otherwise provided in Section 27-69-13(2); however, the
170 commission shall allow no discount on the purchase of stamps by
171 wholesalers of an aggregate amount of less than One Hundred
172 Dollars (\$100.00), and by retailers of an aggregate amount of less
173 than Fifty Dollars (\$50.00) in any one (1) order.

174 * * * The commissioner may, in his discretion, either
175 reduce the compensation allowed, or disallow any compensation for
176 the affixing of stamps, for failure of the dealer to comply with
177 any provisions of the law or rules and regulations promulgated by
178 the commissioner.

179 **SECTION 5.** The following provision shall be codified as
180 Section 27-65-26, Mississippi Code of 1972:

181 27-65-26. From and after July 1, 2007, retail sales of food
182 for human consumption not purchased with food stamps issued by the
183 United States Department of Agriculture, or other federal agency,
184 but which would be exempt under Section 27-65-111(o) from the
185 taxes imposed by this chapter if the food were purchased with food
186 stamps, shall be taxed as follows:

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

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

192 **SECTION 6.** Section 27-65-17, Mississippi Code of 1972, is
193 amended as follows:

194 27-65-17. (1) (a) Except as otherwise provided in this
195 section, upon every person engaging or continuing within this
196 state in the business of selling any tangible personal property
197 whatsoever there is hereby levied, assessed and shall be collected
198 a tax equal to seven percent (7%) of the gross proceeds of the
199 retail sales of the business.

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

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

211 (i) Self-propelled, or

212 (ii) Mounted so that it is permanently attached to
213 other equipment which is self-propelled or permanently attached to
214 other equipment drawn by a vehicle which is self-propelled.

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

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

225 (f) Sales of machinery and machine parts when made to a
226 technology intensive enterprise for plant use only when the
227 machinery and machine parts will be used exclusively and directly
228 within this state for industrial purposes, including, but not
229 limited to, manufacturing or research and development activities,
230 shall be taxed at the rate of one and one-half percent (1-1/2%).
231 In order to be considered a technology intensive enterprise for
232 purposes of this paragraph:

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

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

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

240 (iv) The enterprise shall manufacture plastics,
241 chemicals, automobiles, aircraft, computers or electronics; or
242 shall be a research and development facility, a computer design or
243 related facility, or a software publishing facility or other
244 technology intensive facility or enterprise as determined by the
245 Mississippi Development Authority;

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

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

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

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

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

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

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

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

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

287 (2) From and after January 1, 1995, retail sales of private
288 carriers of passengers and light carriers of property, as defined
289 in Section 27-51-101, shall be taxed an additional two percent
290 (2%).

291 (3) In lieu of the tax levied in subsection (1) of this
292 section, there is levied on retail sales of truck-tractors and
293 semitrailers used in interstate commerce and registered under the
294 International Registration Plan (IRP) or any similar reciprocity
295 agreement or compact relating to the proportional registration of
296 commercial vehicles entered into as provided for in Section
297 27-19-143, a tax at the rate of three percent (3%) of the portion

298 of the sale that is attributable to the usage of such
299 truck-tractor or semitrailer in Mississippi. The portion of the
300 retail sale that is attributable to the usage of such
301 truck-tractor or semitrailer in Mississippi is the retail sales
302 price of the truck-tractor or semitrailer multiplied by the
303 percentage of the total miles traveled by the vehicle that are
304 traveled in Mississippi. The tax levied pursuant to this
305 subsection (3) shall be collected by the State Tax Commission from
306 the purchaser of such truck-tractor or semitrailer at the time of
307 registration of such truck-tractor or semitrailer.

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

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

315 **SECTION 7.** Section 27-65-75, Mississippi Code of 1972, is
316 amended as follows:

317 27-65-75. On or before the fifteenth day of each month, the
318 revenue collected under the provisions of this chapter during the
319 preceding month shall be paid and distributed as follows:

320 (1) (a) On or before August 15, 1992, and each succeeding
321 month thereafter through July 15, 1993, eighteen percent (18%) of
322 the total sales tax revenue collected during the preceding month
323 under the provisions of this chapter, except that collected under
324 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
325 business activities within a municipal corporation shall be
326 allocated for distribution to the municipality and paid to the
327 municipal corporation. On or before August 15, 1993, and each
328 succeeding month thereafter through July 15, 2007, eighteen and
329 one-half percent (18-1/2%) of the total sales tax revenue
330 collected during the preceding month under the provisions of this

331 chapter, except that collected under the provisions of Sections
332 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
333 a municipal corporation shall be allocated for distribution to the
334 municipality and paid to the municipal corporation. On or before
335 August 15, 2007, and each succeeding month thereafter, eighteen
336 and one-half percent (18-1/2%) of the total sales tax revenue
337 collected during the preceding month under the provisions of this
338 chapter, except that collected under the provisions of Sections
339 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business
340 activities within a municipal corporation and thirty-seven percent
341 (37%) of the total sales tax revenue collected during the
342 preceding month under the provisions of Section 27-65-26 on
343 business activities within a municipal corporation shall be
344 allocated for distribution to the municipality and paid to the
345 municipal corporation.

346 A municipal corporation, for the purpose of distributing the
347 tax under this subsection, shall mean and include all incorporated
348 cities, towns and villages.

349 Monies allocated for distribution and credited to a municipal
350 corporation under this subsection may be pledged as security for a
351 loan if the distribution received by the municipal corporation is
352 otherwise authorized or required by law to be pledged as security
353 for such a loan.

354 In any county having a county seat that is not an
355 incorporated municipality, the distribution provided under this
356 subsection shall be made as though the county seat was an
357 incorporated municipality; however, the distribution to the
358 municipality shall be paid to the county treasury in which the
359 municipality is located, and those funds shall be used for road,
360 bridge and street construction or maintenance in the county.

361 (b) On or before August 15, 2006, and each succeeding
362 month thereafter, eighteen and one-half percent (18-1/2%) of the
363 total sales tax revenue collected during the preceding month under

364 the provisions of this chapter, except that collected under the
365 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
366 business activities on the campus of a state institution of higher
367 learning or community or junior college whose campus is not
368 located within the corporate limits of a municipality, shall be
369 allocated for distribution to the state institution of higher
370 learning or community or junior college and paid to the state
371 institution of higher learning or community or junior college.

372 (2) On or before September 15, 1987, and each succeeding
373 month thereafter, from the revenue collected under this chapter
374 during the preceding month, One Million One Hundred Twenty-five
375 Thousand Dollars (\$1,125,000.00) shall be allocated for
376 distribution to municipal corporations as defined under subsection
377 (1) of this section in the proportion that the number of gallons
378 of gasoline and diesel fuel sold by distributors to consumers and
379 retailers in each such municipality during the preceding fiscal
380 year bears to the total gallons of gasoline and diesel fuel sold
381 by distributors to consumers and retailers in municipalities
382 statewide during the preceding fiscal year. The State Tax
383 Commission shall require all distributors of gasoline and diesel
384 fuel to report to the commission monthly the total number of
385 gallons of gasoline and diesel fuel sold by them to consumers and
386 retailers in each municipality during the preceding month. The
387 State Tax Commission shall have the authority to promulgate such
388 rules and regulations as is necessary to determine the number of
389 gallons of gasoline and diesel fuel sold by distributors to
390 consumers and retailers in each municipality. In determining the
391 percentage allocation of funds under this subsection for the
392 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
393 State Tax Commission may consider gallons of gasoline and diesel
394 fuel sold for a period of less than one (1) fiscal year. For the
395 purposes of this subsection, the term "fiscal year" means the
396 fiscal year beginning July 1 of a year.

397 (3) On or before September 15, 1987, and on or before the
398 fifteenth day of each succeeding month, until the date specified
399 in Section 65-39-35, the proceeds derived from contractors' taxes
400 levied under Section 27-65-21 on contracts for the construction or
401 reconstruction of highways designated under the highway program
402 created under Section 65-3-97 shall, except as otherwise provided
403 in Section 31-17-127, be deposited into the State Treasury to the
404 credit of the State Highway Fund to be used to fund that highway
405 program. The Mississippi Department of Transportation shall
406 provide to the State Tax Commission such information as is
407 necessary to determine the amount of proceeds to be distributed
408 under this subsection.

409 (4) On or before August 15, 1994, and on or before the
410 fifteenth day of each succeeding month through July 15, 1999, from
411 the proceeds of gasoline, diesel fuel or kerosene taxes as
412 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
413 (\$4,000,000.00) shall be deposited in the State Treasury to the
414 credit of a special fund designated as the "State Aid Road Fund,"
415 created by Section 65-9-17. On or before August 15, 1999, and on
416 or before the fifteenth day of each succeeding month, from the
417 total amount of the proceeds of gasoline, diesel fuel or kerosene
418 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
419 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
420 one-fourth percent (23-1/4%) of those funds, whichever is the
421 greater amount, shall be deposited in the State Treasury to the
422 credit of the "State Aid Road Fund," created by Section 65-9-17.
423 Those funds shall be pledged to pay the principal of and interest
424 on state aid road bonds heretofore issued under Sections 19-9-51
425 through 19-9-77, in lieu of and in substitution for the funds
426 previously allocated to counties under this section. Those funds
427 may not be pledged for the payment of any state aid road bonds
428 issued after April 1, 1981; however, this prohibition against the
429 pledging of any such funds for the payment of bonds shall not

430 apply to any bonds for which intent to issue those bonds has been
431 published, for the first time, as provided by law before March 29,
432 1981. From the amount of taxes paid into the special fund under
433 this subsection and subsection (9) of this section, there shall be
434 first deducted and paid the amount necessary to pay the expenses
435 of the Office of State Aid Road Construction, as authorized by the
436 Legislature for all other general and special fund agencies. The
437 remainder of the fund shall be allocated monthly to the several
438 counties in accordance with the following formula:

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

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

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

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

452 The amount of funds allocated to any county under this
453 subsection for any fiscal year after fiscal year 1994 shall not be
454 less than the amount allocated to the county for fiscal year 1994.

455 Any reference in the general laws of this state or the
456 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
457 construed to refer and apply to subsection (4) of Section
458 27-65-75.

459 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
460 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
461 the special fund known as the "State Public School Building Fund"
462 created and existing under the provisions of Sections 37-47-1

463 through 37-47-67. Those payments into that fund are to be made on
464 the last day of each succeeding month hereafter.

465 (6) An amount each month beginning August 15, 1983, through
466 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
467 of 1983, shall be paid into the special fund known as the
468 Correctional Facilities Construction Fund created in Section 6 of
469 Chapter 542, Laws of 1983.

470 (7) On or before August 15, 1992, and each succeeding month
471 thereafter through July 15, 2000, two and two hundred sixty-six
472 one-thousandths percent (2.266%) of the total sales tax revenue
473 collected during the preceding month under the provisions of this
474 chapter, except that collected under the provisions of Section
475 27-65-17(2) shall be deposited by the commission into the School
476 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
477 or before August 15, 2000, and each succeeding month thereafter,
478 two and two hundred sixty-six one-thousandths percent (2.266%) of
479 the total sales tax revenue collected during the preceding month
480 under the provisions of this chapter, except that collected under
481 the provisions of Section 27-65-17(2), shall be deposited into the
482 School Ad Valorem Tax Reduction Fund created under Section
483 37-61-35 until such time that the total amount deposited into the
484 fund during a fiscal year equals Forty-two Million Dollars
485 (\$42,000,000.00). Thereafter, the amounts diverted under this
486 subsection (7) during the fiscal year in excess of Forty-two
487 Million Dollars (\$42,000,000.00) shall be deposited into the
488 Education Enhancement Fund created under Section 37-61-33 for
489 appropriation by the Legislature as other education needs and
490 shall not be subject to the percentage appropriation requirements
491 set forth in Section 37-61-33.

492 (8) On or before August 15, 1992, and each succeeding month
493 thereafter, nine and seventy-three one-thousandths percent
494 (9.073%) of the total sales tax revenue collected during the
495 preceding month under the provisions of this chapter, except that

496 collected under the provisions of Section 27-65-17(2), shall be
497 deposited into the Education Enhancement Fund created under
498 Section 37-61-33.

499 (9) On or before August 15, 1994, and each succeeding month
500 thereafter, from the revenue collected under this chapter during
501 the preceding month, Two Hundred Fifty Thousand Dollars
502 (\$250,000.00) shall be paid into the State Aid Road Fund.

503 (10) On or before August 15, 1994, and each succeeding month
504 thereafter through August 15, 1995, from the revenue collected
505 under this chapter during the preceding month, Two Million Dollars
506 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
507 Valorem Tax Reduction Fund established in Section 27-51-105.

508 (11) Notwithstanding any other provision of this section to
509 the contrary, on or before February 15, 1995, and each succeeding
510 month thereafter, the sales tax revenue collected during the
511 preceding month under the provisions of Section 27-65-17(2) and
512 the corresponding levy in Section 27-65-23 on the rental or lease
513 of private carriers of passengers and light carriers of property
514 as defined in Section 27-51-101 shall be deposited, without
515 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
516 established in Section 27-51-105.

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

526 (13) On or before July 15, 1994, and on or before the
527 fifteenth day of each succeeding month thereafter, that portion of
528 the avails of the tax imposed in Section 27-65-22 that is derived

529 from activities held on the Mississippi State Fairgrounds Complex,
530 shall be paid into a special fund that is created in the State
531 Treasury and shall be expended upon legislative appropriation
532 solely to defray the costs of repairs and renovation at the Trade
533 Mart and Coliseum.

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

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

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

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

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

568 (19) (a) On or before August 15, 2005, and each succeeding
569 month thereafter, the sales tax revenue collected during the
570 preceding month under the provisions of this chapter on the gross
571 proceeds of sales of a business enterprise located within a
572 redevelopment project area under the provisions of Sections
573 57-91-1 through 57-91-11, and the revenue collected on the gross
574 proceeds of sales from sales made to a business enterprise located
575 in a redevelopment project area under the provisions of Sections
576 57-91-1 through 57-91-11 (provided that such sales made to a
577 business enterprise are made on the premises of the business
578 enterprise), shall, except as otherwise provided in this
579 subsection (19), be deposited, after all diversions, into the
580 Redevelopment Project Incentive Fund as created in Section
581 57-91-9.

582 (b) For a municipality participating in the Economic
583 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
584 the diversion provided for in subsection (1) of this section
585 attributable to the gross proceeds of sales of a business
586 enterprise located within a redevelopment project area under the
587 provisions of Sections 57-91-1 through 57-91-11, and attributable
588 to the gross proceeds of sales from sales made to a business
589 enterprise located in a redevelopment project area under the
590 provisions of Sections 57-91-1 through 57-91-11 (provided that
591 such sales made to a business enterprise are made on the premises
592 of the business enterprise), shall be deposited into the
593 Redevelopment Project Incentive Fund as created in Section
594 57-91-9, as follows:

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

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

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

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

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

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

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

625 (22) It shall be the duty of the municipal officials of any
626 municipality that expands its limits, or of any community that
627 incorporates as a municipality, to notify the commissioner of that

628 action thirty (30) days before the effective date. Failure to so
629 notify the commissioner shall cause the municipality to forfeit
630 the revenue that it would have been entitled to receive during
631 this period of time when the commissioner had no knowledge of the
632 action. If any funds have been erroneously disbursed to any
633 municipality or any overpayment of tax is recovered by the
634 taxpayer, the commissioner may make correction and adjust the
635 error or overpayment with the municipality by withholding the
636 necessary funds from any later payment to be made to the
637 municipality.

638 **SECTION 8.** This act shall take effect and be in force from
639 and after July 1, 2007.