

By: Senator(s) Frazier, Harden, Horhn

To: Finance

SENATE BILL NO. 3012

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE FOR THE PAYMENT OF AN ADDITIONAL PERCENTAGE OF SALES  
3 TAX REVENUE GENERATED FROM BUSINESS ACTIVITIES WITHIN THE CITY OF  
4 JACKSON, MISSISSIPPI; TO PROVIDE THAT SUCH PAYMENT TO THE CITY OF  
5 JACKSON IS FOR THE PURPOSE OF ASSISTING THE CITY TO DEFRAY THE AD  
6 VALOREM TAX LOSS THE CITY SUSTAINS AS A RESULT OF THE STATE  
7 OWNERSHIP OF PROPERTY IN THE CITY, AND FOR DEFRAYING INCREASED  
8 INFRASTRUCTURE AND PUBLIC SAFETY COSTS INCURRED BY THE CITY AS A  
9 RESULT OF BEING THE SEAT OF STATE GOVERNMENT; AND FOR RELATED  
10 PURPOSES.

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

12 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is  
13 amended as follows:

14 27-65-75. On or before the fifteenth day of each month, the  
15 revenue collected under the provisions of this chapter during the  
16 preceding month shall be paid and distributed as follows:

17 (1) (a) On or before August 15, 1992, and each succeeding  
18 month thereafter through July 15, 1993, eighteen percent (18%) of  
19 the total sales tax revenue collected during the preceding month  
20 under the provisions of this chapter, except that collected under  
21 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
22 business activities within a municipal corporation shall be  
23 allocated for distribution to the municipality and paid to the  
24 municipal corporation. On or before August 15, 1993, and each  
25 succeeding month thereafter, eighteen and one-half percent  
26 (18-1/2%) of the total sales tax revenue collected during the  
27 preceding month under the provisions of this chapter, except that  
28 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
29 and 27-65-21, on business activities within a municipal  
30 corporation shall be allocated for distribution to the  
31 municipality and paid to the municipal corporation.

32 A municipal corporation, for the purpose of distributing the  
33 tax under this subsection, shall mean and include all incorporated  
34 cities, towns and villages.

35 Monies allocated for distribution and credited to a municipal  
36 corporation under this subsection may be pledged as security for a  
37 loan if the distribution received by the municipal corporation is  
38 otherwise authorized or required by law to be pledged as security  
39 for such a loan.

40 In any county having a county seat that is not an  
41 incorporated municipality, the distribution provided under this  
42 subsection shall be made as though the county seat was an  
43 incorporated municipality; however, the distribution to the  
44 municipality shall be paid to the county treasury in which the  
45 municipality is located, and those funds shall be used for road,  
46 bridge and street construction or maintenance in the county.

47 (b) On or before August 15, 2006, and each succeeding  
48 month thereafter, eighteen and one-half percent (18-1/2%) of the  
49 total sales tax revenue collected during the preceding month under  
50 the provisions of this chapter, except that collected under the  
51 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
52 business activities on the campus of a state institution of higher  
53 learning or community or junior college whose campus is not  
54 located within the corporate limits of a municipality, shall be  
55 allocated for distribution to the state institution of higher  
56 learning or community or junior college and paid to the state  
57 institution of higher learning or community or junior college.

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

65 retailers in each such municipality during the preceding fiscal  
66 year bears to the total gallons of gasoline and diesel fuel sold  
67 by distributors to consumers and retailers in municipalities  
68 statewide during the preceding fiscal year. The State Tax  
69 Commission shall require all distributors of gasoline and diesel  
70 fuel to report to the commission monthly the total number of  
71 gallons of gasoline and diesel fuel sold by them to consumers and  
72 retailers in each municipality during the preceding month. The  
73 State Tax Commission shall have the authority to promulgate such  
74 rules and regulations as is necessary to determine the number of  
75 gallons of gasoline and diesel fuel sold by distributors to  
76 consumers and retailers in each municipality. In determining the  
77 percentage allocation of funds under this subsection for the  
78 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
79 State Tax Commission may consider gallons of gasoline and diesel  
80 fuel sold for a period of less than one (1) fiscal year. For the  
81 purposes of this subsection, the term "fiscal year" means the  
82 fiscal year beginning July 1 of a year.

83 (3) On or before September 15, 1987, and on or before the  
84 fifteenth day of each succeeding month, until the date specified  
85 in Section 65-39-35, the proceeds derived from contractors' taxes  
86 levied under Section 27-65-21 on contracts for the construction or  
87 reconstruction of highways designated under the highway program  
88 created under Section 65-3-97 shall, except as otherwise provided  
89 in Section 31-17-127, be deposited into the State Treasury to the  
90 credit of the State Highway Fund to be used to fund that highway  
91 program. The Mississippi Department of Transportation shall  
92 provide to the State Tax Commission such information as is  
93 necessary to determine the amount of proceeds to be distributed  
94 under this subsection.

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

98 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
99 (\$4,000,000.00) shall be deposited in the State Treasury to the  
100 credit of a special fund designated as the "State Aid Road Fund,"  
101 created by Section 65-9-17. On or before August 15, 1999, and on  
102 or before the fifteenth day of each succeeding month, from the  
103 total amount of the proceeds of gasoline, diesel fuel or kerosene  
104 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
105 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
106 one-fourth percent (23-1/4%) of those funds, whichever is the  
107 greater amount, shall be deposited in the State Treasury to the  
108 credit of the "State Aid Road Fund," created by Section 65-9-17.  
109 Those funds shall be pledged to pay the principal of and interest  
110 on state aid road bonds heretofore issued under Sections 19-9-51  
111 through 19-9-77, in lieu of and in substitution for the funds  
112 previously allocated to counties under this section. Those funds  
113 may not be pledged for the payment of any state aid road bonds  
114 issued after April 1, 1981; however, this prohibition against the  
115 pledging of any such funds for the payment of bonds shall not  
116 apply to any bonds for which intent to issue those bonds has been  
117 published, for the first time, as provided by law before March 29,  
118 1981. From the amount of taxes paid into the special fund under  
119 this subsection and subsection (9) of this section, there shall be  
120 first deducted and paid the amount necessary to pay the expenses  
121 of the Office of State Aid Road Construction, as authorized by the  
122 Legislature for all other general and special fund agencies. The  
123 remainder of the fund shall be allocated monthly to the several  
124 counties in accordance with the following formula:

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

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

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

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

138 The amount of funds allocated to any county under this  
139 subsection for any fiscal year after fiscal year 1994 shall not be  
140 less than the amount allocated to the county for fiscal year 1994.

141 Any reference in the general laws of this state or the  
142 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
143 construed to refer and apply to subsection (4) of Section  
144 27-65-75.

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

151 (6) An amount each month beginning August 15, 1983, through  
152 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
153 of 1983, shall be paid into the special fund known as the  
154 Correctional Facilities Construction Fund created in Section 6 of  
155 Chapter 542, Laws of 1983.

156 (7) On or before August 15, 1992, and each succeeding month  
157 thereafter through July 15, 2000, two and two hundred sixty-six  
158 one-thousandths percent (2.266%) of the total sales tax revenue  
159 collected during the preceding month under the provisions of this  
160 chapter, except that collected under the provisions of Section  
161 27-65-17(2) shall be deposited by the commission into the School  
162 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
163 or before August 15, 2000, and each succeeding month thereafter,

164 two and two hundred sixty-six one-thousandths percent (2.266%) of  
165 the total sales tax revenue collected during the preceding month  
166 under the provisions of this chapter, except that collected under  
167 the provisions of Section 27-65-17(2), shall be deposited into the  
168 School Ad Valorem Tax Reduction Fund created under Section  
169 37-61-35 until such time that the total amount deposited into the  
170 fund during a fiscal year equals Forty-two Million Dollars  
171 (\$42,000,000.00). Thereafter, the amounts diverted under this  
172 subsection (7) during the fiscal year in excess of Forty-two  
173 Million Dollars (\$42,000,000.00) shall be deposited into the  
174 Education Enhancement Fund created under Section 37-61-33 for  
175 appropriation by the Legislature as other education needs and  
176 shall not be subject to the percentage appropriation requirements  
177 set forth in Section 37-61-33.

178 (8) On or before August 15, 1992, and each succeeding month  
179 thereafter, nine and seventy-three one-thousandths percent  
180 (9.073%) of the total sales tax revenue collected during the  
181 preceding month under the provisions of this chapter, except that  
182 collected under the provisions of Section 27-65-17(2), shall be  
183 deposited into the Education Enhancement Fund created under  
184 Section 37-61-33.

185 (9) On or before August 15, 1994, and each succeeding month  
186 thereafter, from the revenue collected under this chapter during  
187 the preceding month, Two Hundred Fifty Thousand Dollars  
188 (\$250,000.00) shall be paid into the State Aid Road Fund.

189 (10) On or before August 15, 1994, and each succeeding month  
190 thereafter through August 15, 1995, from the revenue collected  
191 under this chapter during the preceding month, Two Million Dollars  
192 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
193 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

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

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

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

254 (19) (a) On or before August 15, 2005, and each succeeding  
255 month thereafter, the sales tax revenue collected during the  
256 preceding month under the provisions of this chapter on the gross  
257 proceeds of sales of a business enterprise located within a  
258 redevelopment project area under the provisions of Sections  
259 57-91-1 through 57-91-11, and the revenue collected on the gross  
260 proceeds of sales from sales made to a business enterprise located  
261 in a redevelopment project area under the provisions of Sections  
262 57-91-1 through 57-91-11 (provided that such sales made to a



263 business enterprise are made on the premises of the business  
264 enterprise), shall, except as otherwise provided in this  
265 subsection (19), be deposited, after all diversions, into the  
266 Redevelopment Project Incentive Fund as created in Section  
267 57-91-9.

268 (b) For a municipality participating in the Economic  
269 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
270 the diversion provided for in subsection (1) of this section  
271 attributable to the gross proceeds of sales of a business  
272 enterprise located within a redevelopment project area under the  
273 provisions of Sections 57-91-1 through 57-91-11, and attributable  
274 to the gross proceeds of sales from sales made to a business  
275 enterprise located in a redevelopment project area under the  
276 provisions of Sections 57-91-1 through 57-91-11 (provided that  
277 such sales made to a business enterprise are made on the premises  
278 of the business enterprise), shall be deposited into the  
279 Redevelopment Project Incentive Fund as created in Section  
280 57-91-9, as follows:

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

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

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

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

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

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

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

308 (21) On or before August 15, 2007, and each succeeding month  
309 thereafter, six and one-half percent (6-1/2%) of the total sales  
310 tax revenue collected during the preceding month under the  
311 provisions of this chapter, except that collected under the  
312 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
313 business activities within the City of Jackson, Mississippi, shall  
314 be allocated for distribution to the City of Jackson and paid to  
315 the city. The payment to the City of Jackson under this  
316 subsection is for the purpose of assisting the city to defray the  
317 ad valorem tax loss the city sustains as a result of the state  
318 ownership of property described in Section 27-31-1(b) and for  
319 defraying increased infrastructure and law enforcement and other  
320 public safety costs the city incurs as a result of being the seat  
321 of state government. The amount paid to the City of Jackson under  
322 this subsection (21) shall be in addition to any other funds  
323 allocated for distribution to the city under subsection (1) or any  
324 other provision of this section.

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

328        (23) It shall be the duty of the municipal officials of any  
329 municipality that expands its limits, or of any community that  
330 incorporates as a municipality, to notify the commissioner of that  
331 action thirty (30) days before the effective date. Failure to so  
332 notify the commissioner shall cause the municipality to forfeit  
333 the revenue that it would have been entitled to receive during  
334 this period of time when the commissioner had no knowledge of the  
335 action. If any funds have been erroneously disbursed to any  
336 municipality or any overpayment of tax is recovered by the  
337 taxpayer, the commissioner may make correction and adjust the  
338 error or overpayment with the municipality by withholding the  
339 necessary funds from any later payment to be made to the  
340 municipality.

341        **SECTION 2.** This act shall take effect and be in force from  
342 and after July 1, 2007.