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To: Ways and Means

HOUSE BILL NO. 20

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, 2008, 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, 2008.

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, 2008, 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, 2008, through June 30, 2009,  
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, 2009, 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, 2008, 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 **SECTION 7.** Section 27-65-75, Mississippi Code of 1972, is  
312 amended as follows:

313 27-65-75. On or before the fifteenth day of each month, the  
314 revenue collected under the provisions of this chapter during the  
315 preceding month shall be paid and distributed as follows:

316 (1) (a) On or before August 15, 1992, and each succeeding  
317 month thereafter through July 15, 1993, eighteen percent (18%) of  
318 the total sales tax revenue collected during the preceding month  
319 under the provisions of this chapter, except that collected under  
320 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
321 business activities within a municipal corporation shall be  
322 allocated for distribution to the municipality and paid to the  
323 municipal corporation. On or before August 15, 1993, and each  
324 succeeding month thereafter through July 15, 2008, eighteen and  
325 one-half percent (18-1/2%) of the total sales tax revenue  
326 collected during the preceding month under the provisions of this  
327 chapter, except that collected under the provisions of Sections  
328 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
329 a municipal corporation shall be allocated for distribution to the  
330 municipality and paid to the municipal corporation. On or before



331 August 15, 2008, and each succeeding month thereafter, eighteen  
332 and one-half percent (18-1/2%) of the total sales tax revenue  
333 collected during the preceding month under the provisions of this  
334 chapter, except that collected under the provisions of Sections  
335 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business  
336 activities within a municipal corporation and thirty-seven percent  
337 (37%) of the total sales tax revenue collected during the  
338 preceding month under the provisions of Section 27-65-26 on  
339 business activities within a municipal corporation shall be  
340 allocated for distribution to the municipality and paid to the  
341 municipal corporation.

342       A municipal corporation, for the purpose of distributing the  
343 tax under this subsection, shall mean and include all incorporated  
344 cities, towns and villages.

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

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

357       (b) On or before August 15, 2006, and each succeeding  
358 month thereafter, eighteen and one-half percent (18-1/2%) of the  
359 total sales tax revenue collected during the preceding month under  
360 the provisions of this chapter, except that collected under the  
361 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
362 business activities on the campus of a state institution of higher  
363 learning or community or junior college whose campus is not



364 located within the corporate limits of a municipality, shall be  
365 allocated for distribution to the state institution of higher  
366 learning or community or junior college and paid to the state  
367 institution of higher learning or community or junior college.

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

393 (3) On or before September 15, 1987, and on or before the  
394 fifteenth day of each succeeding month, until the date specified  
395 in Section 65-39-35, the proceeds derived from contractors' taxes  
396 levied under Section 27-65-21 on contracts for the construction or



397 reconstruction of highways designated under the highway program  
398 created under Section 65-3-97 shall, except as otherwise provided  
399 in Section 31-17-127, be deposited into the State Treasury to the  
400 credit of the State Highway Fund to be used to fund that highway  
401 program. The Mississippi Department of Transportation shall  
402 provide to the State Tax Commission such information as is  
403 necessary to determine the amount of proceeds to be distributed  
404 under this subsection.

405 (4) On or before August 15, 1994, and on or before the  
406 fifteenth day of each succeeding month through July 15, 1999, from  
407 the proceeds of gasoline, diesel fuel or kerosene taxes as  
408 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
409 (\$4,000,000.00) shall be deposited in the State Treasury to the  
410 credit of a special fund designated as the "State Aid Road Fund,"  
411 created by Section 65-9-17. On or before August 15, 1999, and on  
412 or before the fifteenth day of each succeeding month, from the  
413 total amount of the proceeds of gasoline, diesel fuel or kerosene  
414 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
415 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
416 one-fourth percent (23-1/4%) of those funds, whichever is the  
417 greater amount, shall be deposited in the State Treasury to the  
418 credit of the "State Aid Road Fund," created by Section 65-9-17.  
419 Those funds shall be pledged to pay the principal of and interest  
420 on state aid road bonds heretofore issued under Sections 19-9-51  
421 through 19-9-77, in lieu of and in substitution for the funds  
422 previously allocated to counties under this section. Those funds  
423 may not be pledged for the payment of any state aid road bonds  
424 issued after April 1, 1981; however, this prohibition against the  
425 pledging of any such funds for the payment of bonds shall not  
426 apply to any bonds for which intent to issue those bonds has been  
427 published, for the first time, as provided by law before March 29,  
428 1981. From the amount of taxes paid into the special fund under  
429 this subsection and subsection (9) of this section, there shall be



430 first deducted and paid the amount necessary to pay the expenses  
431 of the Office of State Aid Road Construction, as authorized by the  
432 Legislature for all other general and special fund agencies. The  
433 remainder of the fund shall be allocated monthly to the several  
434 counties in accordance with the following formula:

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

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

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

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

448 The amount of funds allocated to any county under this  
449 subsection for any fiscal year after fiscal year 1994 shall not be  
450 less than the amount allocated to the county for fiscal year 1994.

451 Any reference in the general laws of this state or the  
452 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
453 construed to refer and apply to subsection (4) of Section  
454 27-65-75.

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

461 (6) An amount each month beginning August 15, 1983, through  
462 November 15, 1986, as specified in Section 6 of Chapter 542, Laws



463 of 1983, shall be paid into the special fund known as the  
464 Correctional Facilities Construction Fund created in Section 6 of  
465 Chapter 542, Laws of 1983.

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

488 (8) On or before August 15, 1992, and each succeeding month  
489 thereafter, nine and seventy-three one-thousandths percent  
490 (9.073%) of the total sales tax revenue collected during the  
491 preceding month under the provisions of this chapter, except that  
492 collected under the provisions of Section 27-65-17(2), shall be  
493 deposited into the Education Enhancement Fund created under  
494 Section 37-61-33.



495 (9) On or before August 15, 1994, and each succeeding month  
496 thereafter, from the revenue collected under this chapter during  
497 the preceding month, Two Hundred Fifty Thousand Dollars  
498 (\$250,000.00) shall be paid into the State Aid Road Fund.

499 (10) On or before August 15, 1994, and each succeeding month  
500 thereafter through August 15, 1995, from the revenue collected  
501 under this chapter during the preceding month, Two Million Dollars  
502 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
503 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

522 (13) On or before July 15, 1994, and on or before the  
523 fifteenth day of each succeeding month thereafter, that portion of  
524 the avails of the tax imposed in Section 27-65-22 that is derived  
525 from activities held on the Mississippi State Fairgrounds Complex,  
526 shall be paid into a special fund that is created in the State  
527 Treasury and shall be expended upon legislative appropriation





528 solely to defray the costs of repairs and renovation at the Trade  
529 Mart and Coliseum.

530 (14) On or before August 15, 1998, and each succeeding month  
531 thereafter through July 15, 2005, that portion of the avails of  
532 the tax imposed in Section 27-65-23 that is derived from sales by  
533 cotton compresses or cotton warehouses and that would otherwise be  
534 paid into the General Fund, shall be deposited in an amount not to  
535 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
536 created under Section 69-37-39. On or before August 15, 2007, and  
537 each succeeding month thereafter, that portion of the avails of  
538 the tax imposed in Section 27-65-23 that is derived from sales by  
539 cotton compresses or cotton warehouses and that would otherwise be  
540 paid into the General Fund, shall be deposited in an amount not to  
541 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
542 created under Section 69-37-39 until all debts or other  
543 obligations incurred by the Certified Cotton Growers Organization  
544 under the Mississippi Boll Weevil Management Act before January 1,  
545 2007, are satisfied in full.

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

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



560           (b) On or before August 15, 2007, and each succeeding  
561 month thereafter, eighty percent (80%) of the sales tax revenue  
562 collected during the preceding month under the provisions of this  
563 chapter from the operation of a tourism project under the  
564 provisions of Sections 57-26-1 through 57-26-5, 2007 Regular  
565 Session, shall be deposited, after the diversions required in  
566 subsections (7) and (8) of this section, into the Tourism Project  
567 Sales Tax Incentive Fund created in Section 57-26-3.

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

575           (18) On or before August 15, 2007, and each succeeding month  
576 thereafter through July 15, 2008, from the sales tax revenue  
577 collected during the preceding month under the provisions of this  
578 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
579 shall be deposited into the Special Funds Transfer Fund created in  
580 Section 4 of Chapter 556, Laws of 2003. This subsection shall  
581 stand repealed from and after May 11, 2007.

582           (19) (a) On or before August 15, 2005, and each succeeding  
583 month thereafter, the sales tax revenue collected during the  
584 preceding month under the provisions of this chapter on the gross  
585 proceeds of sales of a business enterprise located within a  
586 redevelopment project area under the provisions of Sections  
587 57-91-1 through 57-91-11, and the revenue collected on the gross  
588 proceeds of sales from sales made to a business enterprise located  
589 in a redevelopment project area under the provisions of Sections  
590 57-91-1 through 57-91-11 (provided that such sales made to a  
591 business enterprise are made on the premises of the business  
592 enterprise), shall, except as otherwise provided in this



593 subsection (19), be deposited, after all diversions, into the  
594 Redevelopment Project Incentive Fund as created in Section  
595 57-91-9.

596 (b) For a municipality participating in the Economic  
597 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
598 the diversion provided for in subsection (1) of this section  
599 attributable to the gross proceeds of sales of a business  
600 enterprise located within a redevelopment project area under the  
601 provisions of Sections 57-91-1 through 57-91-11, and attributable  
602 to the gross proceeds of sales from sales made to a business  
603 enterprise located in a redevelopment project area under the  
604 provisions of Sections 57-91-1 through 57-91-11 (provided that  
605 such sales made to a business enterprise are made on the premises  
606 of the business enterprise), shall be deposited into the  
607 Redevelopment Project Incentive Fund as created in Section  
608 57-91-9, as follows:

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

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

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

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



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

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

636           (21) On or before April 15, 2007, and each succeeding month  
637 thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of  
638 the sales tax revenue collected during the preceding month under  
639 the provisions of this chapter shall be deposited into the MMEIA  
640 Tax Incentive Fund created in Section 57-101-3.

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

644           (23) It shall be the duty of the municipal officials of any  
645 municipality that expands its limits, or of any community that  
646 incorporates as a municipality, to notify the commissioner of that  
647 action thirty (30) days before the effective date. Failure to so  
648 notify the commissioner shall cause the municipality to forfeit  
649 the revenue that it would have been entitled to receive during  
650 this period of time when the commissioner had no knowledge of the  
651 action. If any funds have been erroneously disbursed to any  
652 municipality or any overpayment of tax is recovered by the  
653 taxpayer, the commissioner may make correction and adjust the  
654 error or overpayment with the municipality by withholding the  
655 necessary funds from any later payment to be made to the  
656 municipality.



657           **SECTION 8.** This act shall take effect and be in force from  
658 and after July 1, 2008.

