

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 209

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE EXCISE TAX ON CIGARETTES, TO PROVIDE THAT THERE  
3 SHALL BE 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 SECTION 27-69-31, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;  
9 TO CREATE A NEW SECTION 27-65-26, MISSISSIPPI CODE OF 1972, TO  
10 IMPOSE A SEPARATE SALES TAX LEVY ON RETAIL SALES OF FOOD FOR HUMAN  
11 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE  
12 EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH FOOD STAMPS  
13 AND TO REDUCE THE SALES TAX RATE ON SALES OF SUCH FOOD; TO AMEND  
14 SECTION 27-65-17, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;  
15 TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO INCREASE  
16 THE PERCENTAGE OF SALES TAX COLLECTED ON RETAIL SALES OF SUCH FOOD  
17 WITHIN MUNICIPALITIES THAT IS DISTRIBUTED TO MUNICIPALITIES; AND  
18 FOR RELATED PURPOSES.

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

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

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

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

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



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

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

41 (2) No stamp evidencing the tax herein levied on cigarettes  
42 shall be of a denomination of less than One Cent (1¢), and  
43 whenever the tax computed at the rates herein prescribed on  
44 cigarettes shall be a specified amount, plus a fractional part of  
45 One Cent (1¢), the package shall be stamped for the next full  
46 cent. However, the additional face value of stamps purchased to  
47 comply with taxes imposed by this section after June 1, 1985, and  
48 prior to July 1, 2008, shall be subject to a four percent (4%)  
49 discount or compensation to dealers for their services rather than  
50 the eight percent (8%) discount or compensation allowed by Section  
51 27-69-31, and there shall be no discount on the additional face  
52 value of stamps purchased to comply with taxes imposed by this  
53 section on or after July 1, 2008.

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

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

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



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

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

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

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

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

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

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



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

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

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

116           27-65-26. From and after July 1, 2008, retail sales of food  
117 for human consumption not purchased with food stamps issued by the  
118 United States Department of Agriculture, or other federal agency,  
119 but which would be exempt under Section 27-65-111(o) from the  
120 taxes imposed by this chapter if the food items were purchased  
121 with food stamps, shall be taxed at the rate of three and one-half  
122 percent (3-1/2%).

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

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



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

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

142 (i) Self-propelled, or

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

212           (m) From and after July 1, 2008, retail sales of food  
213 for human consumption not purchased with food stamps issued by the  
214 United States Department of Agriculture, or other federal agency,  
215 but which would be exempt under Section 27-65-111(o) from the  
216 taxes imposed by this chapter if the food items were purchased  
217 with food stamps, shall be taxed as provided for in Section  
218 27-65-26.

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

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



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

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

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

245 27-65-75. On or before the fifteenth day of each month, the  
246 revenue collected under the provisions of this chapter during the  
247 preceding month shall be paid and distributed as follows:

248 (1) (a) On or before August 15, 1992, and each succeeding  
249 month thereafter through July 15, 1993, eighteen percent (18%) of  
250 the total sales tax revenue collected during the preceding month  
251 under the provisions of this chapter, except that collected under  
252 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
253 business activities within a municipal corporation shall be  
254 allocated for distribution to the municipality and paid to the  
255 municipal corporation. On or before August 15, 1993, and each  
256 succeeding month thereafter through July 15, 2008, eighteen and  
257 one-half percent (18-1/2%) of the total sales tax revenue  
258 collected during the preceding month under the provisions of this  
259 chapter, except that collected under the provisions of Sections  
260 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
261 a municipal corporation shall be allocated for distribution to the





262 municipality and paid to the municipal corporation. On or before  
263 August 15, 2008, and each succeeding month thereafter, eighteen  
264 and one-half percent (18-1/2%) of the total sales tax revenue  
265 collected during the preceding month under the provisions of this  
266 chapter, except that collected under the provisions of Sections  
267 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business  
268 activities within a municipal corporation and thirty-seven percent  
269 (37%) of the total sales tax revenue collected during the  
270 preceding month under the provisions of Section 27-65-26 on  
271 business activities within a municipal corporation shall be  
272 allocated for distribution to the municipality and paid to the  
273 municipal corporation.

274 A municipal corporation, for the purpose of distributing the  
275 tax under this subsection, shall mean and include all incorporated  
276 cities, towns and villages.

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

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

289 (b) On or before August 15, 2006, and each succeeding  
290 month thereafter, eighteen and one-half percent (18-1/2%) of the  
291 total sales tax revenue collected during the preceding month under  
292 the provisions of this chapter, except that collected under the  
293 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
294 business activities on the campus of a state institution of higher



295 learning or community or junior college whose campus is not  
296 located within the corporate limits of a municipality, shall be  
297 allocated for distribution to the state institution of higher  
298 learning or community or junior college and paid to the state  
299 institution of higher learning or community or junior college.

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

325 (3) On or before September 15, 1987, and on or before the  
326 fifteenth day of each succeeding month, until the date specified  
327 in Section 65-39-35, the proceeds derived from contractors' taxes



328 levied under Section 27-65-21 on contracts for the construction or  
329 reconstruction of highways designated under the highway program  
330 created under Section 65-3-97 shall, except as otherwise provided  
331 in Section 31-17-127, be deposited into the State Treasury to the  
332 credit of the State Highway Fund to be used to fund that highway  
333 program. The Mississippi Department of Transportation shall  
334 provide to the State Tax Commission such information as is  
335 necessary to determine the amount of proceeds to be distributed  
336 under this subsection.

337 (4) On or before August 15, 1994, and on or before the  
338 fifteenth day of each succeeding month through July 15, 1999, from  
339 the proceeds of gasoline, diesel fuel or kerosene taxes as  
340 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
341 (\$4,000,000.00) shall be deposited in the State Treasury to the  
342 credit of a special fund designated as the "State Aid Road Fund,"  
343 created by Section 65-9-17. On or before August 15, 1999, and on  
344 or before the fifteenth day of each succeeding month, from the  
345 total amount of the proceeds of gasoline, diesel fuel or kerosene  
346 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
347 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
348 one-fourth percent (23-1/4%) of those funds, whichever is the  
349 greater amount, shall be deposited in the State Treasury to the  
350 credit of the "State Aid Road Fund," created by Section 65-9-17.  
351 Those funds shall be pledged to pay the principal of and interest  
352 on state aid road bonds heretofore issued under Sections 19-9-51  
353 through 19-9-77, in lieu of and in substitution for the funds  
354 previously allocated to counties under this section. Those funds  
355 may not be pledged for the payment of any state aid road bonds  
356 issued after April 1, 1981; however, this prohibition against the  
357 pledging of any such funds for the payment of bonds shall not  
358 apply to any bonds for which intent to issue those bonds has been  
359 published, for the first time, as provided by law before March 29,  
360 1981. From the amount of taxes paid into the special fund under



361 this subsection and subsection (9) of this section, there shall be  
362 first deducted and paid the amount necessary to pay the expenses  
363 of the Office of State Aid Road Construction, as authorized by the  
364 Legislature for all other general and special fund agencies. The  
365 remainder of the fund shall be allocated monthly to the several  
366 counties in accordance with the following formula:

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

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

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

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

380 The amount of funds allocated to any county under this  
381 subsection for any fiscal year after fiscal year 1994 shall not be  
382 less than the amount allocated to the county for fiscal year 1994.

383 Any reference in the general laws of this state or the  
384 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
385 construed to refer and apply to subsection (4) of Section  
386 27-65-75.

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



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

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

420 (8) On or before August 15, 1992, and each succeeding month  
421 thereafter, nine and seventy-three one-thousandths percent  
422 (9.073%) of the total sales tax revenue collected during the  
423 preceding month under the provisions of this chapter, except that  
424 collected under the provisions of Section 27-65-17(2), shall be



425 deposited into the Education Enhancement Fund created under  
426 Section 37-61-33.

427 (9) On or before August 15, 1994, and each succeeding month  
428 thereafter, from the revenue collected under this chapter during  
429 the preceding month, Two Hundred Fifty Thousand Dollars  
430 (\$250,000.00) shall be paid into the State Aid Road Fund.

431 (10) On or before August 15, 1994, and each succeeding month  
432 thereafter through August 15, 1995, from the revenue collected  
433 under this chapter during the preceding month, Two Million Dollars  
434 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
435 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

454 (13) On or before July 15, 1994, and on or before the  
455 fifteenth day of each succeeding month thereafter, that portion of  
456 the avails of the tax imposed in Section 27-65-22 that is derived  
457 from activities held on the Mississippi State Fairgrounds Complex,



458 shall be paid into a special fund that is created in the State  
459 Treasury and shall be expended upon legislative appropriation  
460 solely to defray the costs of repairs and renovation at the Trade  
461 Mart and Coliseum.

462 (14) On or before August 15, 1998, and each succeeding month  
463 thereafter through July 15, 2005, that portion of the avails of  
464 the tax imposed in Section 27-65-23 that is derived from sales by  
465 cotton compresses or cotton warehouses and that would otherwise be  
466 paid into the General Fund, shall be deposited in an amount not to  
467 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
468 created under Section 69-37-39. On or before August 15, 2007, and  
469 each succeeding month thereafter, that portion of the avails of  
470 the tax imposed in Section 27-65-23 that is derived from sales by  
471 cotton compresses or cotton warehouses and that would otherwise be  
472 paid into the General Fund, shall be deposited in an amount not to  
473 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
474 created under Section 69-37-39 until all debts or other  
475 obligations incurred by the Certified Cotton Growers Organization  
476 under the Mississippi Boll Weevil Management Act before January 1,  
477 2007, are satisfied in full.

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

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



490 for in subsection (1) of this section, into the Sales Tax  
491 Incentive Fund created in Section 57-30-3.

492 (b) On or before August 15, 2007, and each succeeding  
493 month thereafter, eighty percent (80%) of the sales tax revenue  
494 collected during the preceding month under the provisions of this  
495 chapter from the operation of a tourism project under the  
496 provisions of Sections 57-26-1 through 57-26-5, shall be  
497 deposited, after the diversions required in subsections (7) and  
498 (8) of this section, into the Tourism Project Sales Tax Incentive  
499 Fund created in Section 57-26-3.

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

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

514 (19) (a) On or before August 15, 2005, and each succeeding  
515 month thereafter, the sales tax revenue collected during the  
516 preceding month under the provisions of this chapter on the gross  
517 proceeds of sales of a business enterprise located within a  
518 redevelopment project area under the provisions of Sections  
519 57-91-1 through 57-91-11, and the revenue collected on the gross  
520 proceeds of sales from sales made to a business enterprise located  
521 in a redevelopment project area under the provisions of Sections  
522 57-91-1 through 57-91-11 (provided that such sales made to a





523 business enterprise are made on the premises of the business  
524 enterprise), shall, except as otherwise provided in this  
525 subsection (19), be deposited, after all diversions, into the  
526 Redevelopment Project Incentive Fund as created in Section  
527 57-91-9.

528 (b) For a municipality participating in the Economic  
529 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
530 the diversion provided for in subsection (1) of this section  
531 attributable to the gross proceeds of sales of a business  
532 enterprise located within a redevelopment project area under the  
533 provisions of Sections 57-91-1 through 57-91-11, and attributable  
534 to the gross proceeds of sales from sales made to a business  
535 enterprise located in a redevelopment project area under the  
536 provisions of Sections 57-91-1 through 57-91-11 (provided that  
537 such sales made to a business enterprise are made on the premises  
538 of the business enterprise), shall be deposited into the  
539 Redevelopment Project Incentive Fund as created in Section  
540 57-91-9, as follows:

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

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

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

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



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

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

560 (20) On or before January 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 57-28-1 through 57-28-5, shall be  
565 deposited, after the diversions required in subsections (7) and  
566 (8) of this section, into the Tourism Sales Tax Incentive Fund  
567 created in Section 57-28-3.

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

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

576 (23) It shall be the duty of the municipal officials of any  
577 municipality that expands its limits, or of any community that  
578 incorporates as a municipality, to notify the commissioner of that  
579 action thirty (30) days before the effective date. Failure to so  
580 notify the commissioner shall cause the municipality to forfeit  
581 the revenue that it would have been entitled to receive during  
582 this period of time when the commissioner had no knowledge of the  
583 action. If any funds have been erroneously disbursed to any  
584 municipality or any overpayment of tax is recovered by the  
585 taxpayer, the commissioner may make correction and adjust the  
586 error or overpayment with the municipality by withholding the



587 necessary funds from any later payment to be made to the  
588 municipality.

589           **SECTION 7.** This act shall take effect and be in force from  
590 and after July 1, 2008.

