

By: Senator(s) Bryan

To: Finance

SENATE BILL NO. 2917

1 AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE
2 DESIGNATED THE "INFRASTRUCTURE IMPROVEMENT FUND"; TO REQUIRE A
3 CERTAIN AMOUNT OF THE REVENUE COLLECTED FROM INCOME, SALES AND USE
4 TAXES AND GAMING FEES TO BE DEPOSITED INTO THE FUND; TO AUTHORIZE
5 THE PROCEEDS OF BONDS ISSUED PURSUANT TO THIS ACT TO BE DEPOSITED
6 INTO THE FUND; TO REQUIRE THE TAX REVENUE DEPOSITED INTO THE FUND
7 TO BE UTILIZED TO PAY THE PRINCIPAL AND INTEREST ON ANY BONDS
8 ISSUED PURSUANT TO THIS ACT; TO REQUIRE A CERTAIN AMOUNT OF THE
9 MONEY DEPOSITED INTO THE FUND TO BE DISTRIBUTED IN CERTAIN AMOUNTS
10 TO MUNICIPALITIES, COUNTIES AND THE STATE TO BE UTILIZED
11 EXCLUSIVELY FOR INFRASTRUCTURE PROJECTS; TO REQUIRE A CERTAIN
12 AMOUNT OF THE MONEY DEPOSITED INTO THE FUND TO BE DISTRIBUTED TO
13 THE STATE HIGHWAY FUND TO BE USED EXCLUSIVELY FOR CONSTRUCTION,
14 RECONSTRUCTION AND MAINTENANCE OF THE HIGHWAYS OF THIS STATE; TO
15 AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS TO
16 PROVIDE FUNDS FOR THE STATE INFRASTRUCTURE IMPROVEMENT FUND; TO
17 AMEND SECTIONS 27-7-5, 27-7-45, 27-65-17, 27-65-19, 27-65-22,
18 27-65-23, 27-65-25, 27-65-26, 27-65-75, 27-67-31, 75-76-177 AND
19 75-76-129, MISSISSIPPI CODE OF 1972, TO INCREASE THE INCOME SALE
20 AND USE TAX RATE AND THE GAMING FEE RATE BY ONE-TENTH OF ONE
21 PERCENT AND TO REQUIRE A CERTAIN AMOUNT OF THE REVENUE COLLECTED
22 FROM INCOME, SALES AND USE TAXES AND GAMING FEES TO BE DEPOSITED
23 INTO THE "INFRASTRUCTURE IMPROVEMENT FUND"; TO AMEND SECTION
24 27-104-27, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
25 FOR RELATED PURPOSES.

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

27 **SECTION 1.** (1) There is created a special fund in the State
28 Treasury to be designated as the "Infrastructure Improvement Fund"
29 which shall consist of money required to be deposited therein



30 pursuant to Sections 27-7-45, 27-65-75, 27-67-31 and 75-76-129 and
31 the proceeds of any bonds issued pursuant to Section 2 of this
32 act. Unexpended amounts remaining in the fund at the end of a
33 fiscal year shall not lapse into the State General Fund, and any
34 interest or investment earnings on amounts in the fund shall be
35 deposited to the credit of the fund. Money in the fund shall be
36 utilized by the State Infrastructure Commission (commission) as
37 provided for in this section.

38 (2) There is created within the Infrastructure Improvement
39 Fund a bond principal and interest payment subaccount. The
40 commission shall allocate tax revenue required to be deposited
41 into the Infrastructure Improvement Fund pursuant to subsection
42 (1) of this section to the bond principal and interest payment
43 subaccount in the amount necessary to pay the principal and
44 interest on any bonds issued pursuant to Section 2 of this act.
45 The commission shall transfer money from the bond principal and
46 interest payment fund subaccount into the State Infrastructure
47 Commission Bond Sinking Fund created in Section 2 of this act in
48 the amount necessary to make payments on the principal and
49 interest on bonds authorized to be issued pursuant to Section 2 of
50 this act as the payments become due.

51 (3) There is created within the Infrastructure Improvement
52 Fund a payment subaccount into which shall be deposited the
53 proceeds of any bonds issued pursuant to Section 2 of this act and
54 any other money allocated for deposit into the subaccount by the



55 commission. Money in this subaccount shall be utilized by the
56 commission to make the payments required by subsection (5) of this
57 section.

58 (4) There is created within the Infrastructure Improvement
59 Fund a subaccount into which shall be deposited such amount as are
60 allocated for deposit into the subaccount by the commission;
61 however, the commission shall not deposit an amount in excess of
62 one percent (1%) of the amount required to be deposited into the
63 Infrastructure Improvement Fund pursuant to subsection (1) of this
64 section in any one (1) fiscal year. This subaccount shall be used
65 as a reserve fund and to pay the commission's operating expenses.

66 (5) Beginning July 1, 2014, and each July 1 thereafter, the
67 commission shall allocate and distribute the amount that has been
68 deposited in the payment subaccount during the previous fiscal
69 year; however, if bonds have been issued pursuant to Section 2 of
70 this act and the proceeds deposited in the subaccount, the
71 commission may distribute the proceeds of the bonds at such times
72 as it considers necessary. The distributions from the payment
73 subaccount shall be in the following amounts:

74 (a) Thirty percent (30%) to each municipality in this
75 state based on the proportion that the population of the
76 municipality bears to the total population of all municipalities
77 in the state, according to the latest federal decennial census.
78 Funds distributed to a municipality shall be used exclusively for
79 infrastructure projects.



80 (b) Ten percent (10%) to each county in this state
81 based on the proportion that the population of the county bears to
82 the total population of all counties in the state, according to
83 the latest federal decennial census. Funds distributed to a
84 county shall be used exclusively for infrastructure projects.

85 (c) Thirty percent (30%) to the State General Fund to
86 be appropriated exclusively for infrastructure projects.

87 (d) Thirty percent (30%) to the State Highway Fund to
88 be used exclusively for construction, reconstruction and
89 maintenance of the highways of this state.

90 **SECTION 2.** (1) As used in this section:

91 (a) "Accreted value" of any bond means, as of any date
92 of computation, an amount equal to the sum of the stated initial
93 value of the bond, plus the interest accrued on the bond from the
94 issue date to the date of computation at the rate, compounded
95 semiannually, that is necessary to produce the approximate yield
96 to maturity shown for bonds of the same maturity.

97 (b) "Commission" means the State Bond Commission.

98 (c) "State" means the State of Mississippi.

99 (2) (a) For the purposes of providing for the payment of
100 the principal of and interest on bonds issued under this section,
101 there is created in the State Treasury a special fund to be known
102 as the "State Infrastructure Commission Bond Sinking Fund." The
103 bond sinking fund shall consist of monies deposited into the fund
104 by the State Infrastructure Commission to pay the principal and



105 interest on bonds issued under this section. Unexpended amounts
106 remaining in the bond sinking fund at the end of a fiscal year
107 shall not lapse into the State General Fund, and any interest
108 earned or investment earnings on amounts in the bond sinking fund
109 shall be deposited into the bond sinking fund.

110 (b) At any time when the funds required to pay the
111 principal of and interest on the bonds issued under this section
112 are more than the amounts available in the bond sinking fund, the
113 Legislature shall appropriate the balance of the amount necessary
114 to pay the principal of and interest on the bonds issued under
115 this section from the State General Fund.

116 (c) The total amount of all payments deposited into the
117 bond sinking fund until the maturity date of the bonds authorized
118 under this section shall be in an amount sufficient to retire the
119 bonds.

120 (3) The State Infrastructure Commission, at one time, or
121 from time to time, may declare by resolution the necessity for
122 issuance of general obligation bonds of the State of Mississippi
123 to provide funds for the Infrastructure Improvement Fund created
124 in Section 1 of this act. Upon the adoption of a resolution by
125 the State Infrastructure Commission declaring the necessity for
126 the issuance of any part or all of the bonds authorized by this
127 section, the State Infrastructure Commission shall deliver a
128 certified copy of its resolution or resolutions to the commission.
129 Upon receipt of the resolution, the commission, in its discretion,



130 may act as the issuing agent, prescribe the form of the bonds,
131 determine the appropriate method for sale of the bonds, advertise
132 for and accept bids or negotiate the sale of the bonds, issue and
133 sell the bonds so authorized to be sold, and do any and all other
134 things necessary and advisable in connection with the issuance and
135 sale of the bonds. The amount of bonds issued shall be the amount
136 specified in the resolution of the State Infrastructure
137 Commission.

138 (4) The principal of and interest on the bonds authorized
139 under this section shall be payable in the manner provided in this
140 subsection. The bonds shall bear such date or dates, be in such
141 denomination or denominations, bear interest at such rate or rates
142 (not to exceed the limits set forth in Section 75-17-101,
143 Mississippi Code of 1972), be payable at such place or places
144 within or without the State of Mississippi, shall mature
145 absolutely at such time or times not to exceed twenty-five (25)
146 years from date of issue, be redeemable before maturity at such
147 time or times and upon such terms, with or without premium, shall
148 bear such registration privileges, and shall be substantially in
149 such form, all as determined by resolution of the commission.

150 (5) The bonds authorized by this section shall be signed by
151 the chairman of the commission, or by his facsimile signature, and
152 the official seal of the commission shall be affixed thereto,
153 attested by the secretary of the commission. The interest
154 coupons, if any, to be attached to the bonds may be executed by



155 the facsimile signatures of those officers. Whenever any such
156 bonds have been signed by the officials designated to sign the
157 bonds who were in office at the time of the signing but who may
158 have ceased to be those officers before the sale and delivery of
159 the bonds, or who may not have been in office on the date that the
160 bonds may bear, the signatures of those officers upon the bonds
161 and coupons shall nevertheless be valid and sufficient for all
162 purposes and have the same effect as if the person so officially
163 signing the bonds had remained in office until their delivery to
164 the purchaser, or had been in office on the date the bonds may
165 bear. However, notwithstanding anything in this section to the
166 contrary, the bonds may be issued as provided in the Registered
167 Bond Act of the State of Mississippi.

168 (6) All bonds and interest coupons issued under the
169 provisions of this section have all the qualities and incidents of
170 negotiable instruments under the provisions of the Uniform
171 Commercial Code, and in exercising the powers granted by this
172 section, the commission shall not be required to and need not
173 comply with the provisions of the Uniform Commercial Code.

174 (7) The commission shall act as the issuing agent for the
175 bonds authorized under this section, prescribe the form of the
176 bonds, determine the appropriate method for sale of the bonds,
177 advertise for and accept bids or negotiate the sale of the bonds,
178 issue and sell the bonds so authorized to be sold, pay all fees
179 and costs incurred in the issuance and sale, and do any and all



180 other things necessary and advisable in connection with the
181 issuance and sale of the bonds. The commission is authorized and
182 empowered to pay the costs that are incident to the sale, issuance
183 and delivery of the bonds authorized under this section from the
184 proceeds derived from the sale of the bonds. The commission may
185 sell the bonds on sealed bids at public sale or may negotiate the
186 sale of the bonds for such price as it may determine to be for the
187 best interest of the State of Mississippi. All interest accruing
188 on the bonds so issued shall be payable semiannually or annually.

189 If the bonds are to be sold on sealed bids at public sale,
190 notice of the sale of any such bonds shall be published at least
191 one time, not less than ten (10) days before the date of sale, and
192 shall be so published in one or more newspapers published or
193 having a general circulation in the City of Jackson, Mississippi,
194 selected by the commission.

195 The commission, when issuing any bonds under the authority of
196 this section, may provide that bonds, at the option of the State
197 of Mississippi, may be called in for payment and redemption at the
198 call price named therein and accrued interest on such date or
199 dates named therein.

200 (8) The bonds issued under the provisions of this section
201 are general obligations of the State of Mississippi, and for the
202 payment thereof, the full faith and credit of the State of
203 Mississippi is irrevocably pledged. The principal of and the
204 interest on the bonds shall be payable primarily from the bond



205 sinking fund created in subsection (2) of this section in the
206 manner provided in that subsection. If the funds available in the
207 bond sinking fund and any funds appropriated by the Legislature
208 for those purposes are insufficient to pay the principal of and
209 the interest on the bonds as they become due, then the amount of
210 the deficiency shall be paid by the State Treasurer from any funds
211 in the State Treasury not otherwise appropriated. All those bonds
212 shall contain recitals on their faces substantially covering the
213 provisions of this section.

214 (9) Upon the issuance and sale of bonds under the provisions
215 of this section, the commission shall transfer the proceeds of any
216 such sale or sales to the payment subaccount of the Infrastructure
217 Improvement Fund created in Section 1 of this act. The proceeds
218 of the bonds shall be disbursed as provided for in Section 1 of
219 this act under such restrictions, if any, as may be contained in
220 the resolution providing for the issuance of the bonds.

221 (10) The bonds authorized under this section may be issued
222 without any other proceedings or the happening of any other
223 conditions or things other than those proceedings, conditions and
224 things that are specified or required by this section. Any
225 resolution providing for the issuance of bonds under the
226 provisions of this section shall become effective immediately upon
227 its adoption by the commission, and any such resolution may be
228 adopted at any regular or special meeting of the commission by a
229 majority of its members.



230 (11) The bonds authorized under this section may be
231 validated in the Chancery Court of the First Judicial District of
232 Hinds County, Mississippi, in the manner and with the force and
233 effect provided by Chapter 13, Title 31, Mississippi Code of 1972,
234 for the validation of county, municipal, school district and other
235 bonds. The notice to taxpayers required by those statutes shall
236 be published in a newspaper published or having a general
237 circulation in the City of Jackson, Mississippi.

238 (12) Any holder of bonds issued under the provisions of this
239 section or of any of the interest coupons pertaining to those
240 bonds may, either at law or in equity, by suit, action, mandamus
241 or other proceeding, protect and enforce any and all rights
242 granted under this section, or under the resolution, and may
243 enforce and compel performance of all duties required by this
244 section to be performed, in order to provide for the payment of
245 bonds and interest on the bonds.

246 (13) All bonds issued under the provisions of this section
247 shall be legal investments for trustees and other fiduciaries, and
248 for savings banks, trust companies and insurance companies
249 organized under the laws of the State of Mississippi, and the
250 bonds shall be legal securities that may be deposited with and
251 shall be received by all public officers and bodies of this state
252 and all municipalities and political subdivisions for the purpose
253 of securing the deposit of public funds.



254 (14) Bonds issued under the provisions of this section and
255 income from the bonds shall be exempt from all taxation in the
256 State of Mississippi.

257 (15) The proceeds of the bonds issued under this section
258 shall be used solely for the purposes herein provided, including
259 the costs incident to the issuance and sale of such bonds.

260 (16) The State Treasurer is authorized, without further
261 process of law, to certify to the Department of Finance and
262 Administration the necessity for warrants, and the department is
263 authorized and directed to issue those warrants, in such amounts
264 as may be necessary to pay when due the principal of, premium, if
265 any, and interest on, or the accreted value of, all bonds issued
266 under this section; and the State Treasurer shall forward the
267 necessary amount to the designated place or places of payment of
268 those bonds in ample time to discharge the bonds, or the interest
269 on the bonds, on the due dates thereof.

270 (17) This section shall be deemed to be full and complete
271 authority for the exercise of the powers granted in this section,
272 but this section shall not be deemed to repeal or to be in
273 derogation of any existing law of this state.

274 **SECTION 3.** Section 27-7-5, Mississippi Code of 1972, is
275 amended as follows:

276 27-7-5. (1) There is hereby assessed and levied, to be
277 collected and paid as hereinafter provided, for the calendar year
278 1983 and fiscal years ending during the calendar year 1983 and all



279 taxable years thereafter, upon the entire net income of every
280 resident individual, corporation, association, trust or estate, in
281 excess of the credits provided, a tax at the following rates:

282 On the first Five Thousand Dollars (\$5,000.00) of taxable
283 income, or any part thereof, at the rate of * * * three and
284 one-tenth percent (3.1%);

285 On the next Five Thousand Dollars (\$5,000.00) of taxable
286 income, or any part thereof, at the rate of * * * four and
287 one-tenth percent (4.1%); and

288 On all taxable income in excess of Ten Thousand Dollars
289 (\$10,000.00), at the rate of * * * five and one-tenth percent
290 (5.1%).

291 (2) An S corporation, as defined in Section 27-8-3(1)(g),
292 shall not be subject to the income tax imposed under this section.

293 (3) A like tax is hereby imposed to be assessed, collected
294 and paid annually, except as hereinafter provided, at the rate
295 specified in this section and as hereinafter provided, upon and
296 with respect to the entire net income, from all property owned or
297 sold, and from every business, trade or occupation carried on in
298 this state by individuals, corporations, partnerships, trusts or
299 estates, not residents of the State of Mississippi.

300 (4) In the case of taxpayers having a fiscal year beginning
301 in the calendar year 1982 and ending after the first day of
302 January 1983, the tax due for that taxable year shall be
303 determined by:



304 (a) Computing for the full fiscal year the amount of
305 tax that would be due under the rates in effect for the calendar
306 year 1982; and

307 (b) Computing for the full fiscal year the amount of
308 tax that would be due under the rates in effect for the calendar
309 year 1983; and

310 (c) Applying to the tax computed under paragraph (a)
311 the ratio which the number of months falling within the earlier
312 calendar year bears to the total number of months in the fiscal
313 year; and

314 (d) Applying to the tax computed under paragraph (b)
315 the ratio which the number of months falling within the later
316 calendar year bears to the total number of months within the
317 fiscal year; and

318 (e) Adding to the tax determined under paragraph (c)
319 the tax determined under paragraph (d) the sum of which shall be
320 the amount of tax due for the fiscal year.

321 **SECTION 4.** Section 27-7-45, Mississippi Code of 1972, is
322 amended as follows:

323 27-7-45. (1) The tax levied by this article shall be paid
324 when the return is due except as hereinafter provided.

325 (2) If any officer or employee of the State of Mississippi,
326 or any political subdivision thereof, does not pay his state
327 income tax on or before August 15 after such income tax becomes
328 due and payable, or is in arrears in child support payments for



329 thirty (30) days after such payments become due and payable, his
330 wages, salary or other compensation shall be withheld and paid to
331 the * * * Department of Revenue or the Department of Human
332 Services, as the case may be, in satisfaction of such income tax,
333 interest and penalty, if any, and any child support arrearage
334 until paid in full. This provision shall apply to any
335 installments of income tax or child support due, after the first
336 installment, to require payment of the entire balance of child
337 support tax due, plus interest and penalty, if any, before an
338 officer or employee of the State of Mississippi, or any political
339 subdivision thereof, is eligible to draw any salary or other
340 emoluments of office. The Commissioner of Revenue is required to
341 furnish the State Fiscal Officer, chancery clerk, city clerk or
342 other appropriate fiscal officer of a political subdivision, as
343 the case may be, with notice that income taxes have not been paid.
344 The Department of Human Services is required to furnish the
345 officer's or the employee's employer, or other appropriate officer
346 of the State of Mississippi or its political subdivision, as the
347 case may be, with notice that child support payments have not been
348 made. This notice shall serve as a lien or attachment upon any
349 salary or compensation due any employee or officer, disregard of
350 this notice creating personal liability against such officer for
351 the full amount of the income tax due, plus interest and penalty.
352 The Department of Revenue may, in its discretion, waive the
353 provisions of this subsection on behalf of any public officer or



354 employee in the event of an extended personal illness, an extended
355 illness in his immediate family or other emergency. Regardless of
356 the amount designated in the Department of Human Service's notice
357 for withholding and regardless of other fees imposed or amounts
358 withheld pursuant to this section, the payor shall not deduct from
359 the income of the officer or employee in excess of the amounts
360 allowed under Section 303(b) of the Consumer Credit Protection
361 Act, being 15 USCS 1673, as amended.

362 (3) The tax or child support payment may be paid with
363 uncertified check during such time and under such regulations as
364 the commissioner or the Department of Human Services shall
365 prescribe, but if the check so received is not paid by the bank on
366 which it is drawn, the officer or employee for whom such check is
367 tendered shall remain liable for the payment of the tax, child
368 support payment and for all penalties, the same as if such check
369 had not been tendered.

370 (4) If a corporation is subject to LIFO recapture pursuant
371 to Section 1363(d) of the Code, then:

372 (a) Any increase in the tax imposed by Section 27-7-5
373 by reason of the inclusion of the LIFO recapture amount in its
374 income shall be payable in four (4) equal installments;

375 (b) The first installment shall be paid on or before
376 the due date (determined without regard to extensions) for filing
377 the return for the first taxable year for which the corporation
378 was subject to the LIFO recapture;



379 (c) The three (3) succeeding installments shall be paid
380 on or before the due date (determined without regard to
381 extensions) for filing the corporation's return for the three (3)
382 succeeding taxable years; and

383 (d) For purposes of computing interest on
384 underpayments, the last three (3) installments shall not be
385 considered underpayments until after the payment due date
386 specified above.

387 (5) For purposes of this section, a political subdivision
388 includes, but is not limited to, a county or separate school
389 district, institution of higher learning, state college or
390 university, or state community college.

391 (6) The tax levied by this article and paid by a business
392 enterprise located in a redevelopment project area under Sections
393 57-91-1 through 57-91-11 shall be deposited into the Redevelopment
394 Project Incentive Fund created in Section 57-91-9.

395 (7) On or before the last day of August 2013, and each
396 succeeding month thereafter, one hundred fifty-six ten-thousandths
397 percent (0.0156%) of the total income tax revenue collected during
398 the preceding month under the provisions of this chapter shall be
399 allocated for distribution to the Infrastructure Improvement Fund
400 created in Section 1 of this act.

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



403 27-65-17. (1) (a) Except as otherwise provided in this
404 section, upon every person engaging or continuing within this
405 state in the business of selling any tangible personal property
406 whatsoever there is hereby levied, assessed and shall be collected
407 a tax equal to * * * seven and one-tenth percent (7.1%) of the
408 gross proceeds of the retail sales of the business.

409 (b) Retail sales of farm tractors and parts and labor
410 used to maintain and/or repair such tractors shall be taxed at the
411 rate of one and one-half percent (1-1/2%) when made to farmers for
412 agricultural purposes.

413 (c) (i) Retail sales of farm implements sold to
414 farmers and used directly in the production of poultry, ratite,
415 domesticated fish as defined in Section 69-7-501, livestock,
416 livestock products, agricultural crops or ornamental plant crops
417 or used for other agricultural purposes, and parts and labor used
418 to maintain and/or repair such implements, shall be taxed at the
419 rate of one and one-half percent (1-1/2%) when used on the farm.

420 (ii) The one and one-half percent (1-1/2%) rate
421 shall also apply to all equipment used in logging, pulpwood
422 operations or tree farming, and parts and labor used to maintain
423 and/or repair such equipment, which is either:

- 424 1. Self-propelled, or
425 2. Mounted so that it is permanently attached
426 to other equipment which is self-propelled or permanently attached
427 to other equipment drawn by a vehicle which is self-propelled.



428 In order to be eligible for the rate of tax provided for in
429 this subparagraph (ii), such sales must be made to a professional
430 logger. For the purposes of this subparagraph (ii), a
431 "professional logger" is a person, corporation, limited liability
432 company or other entity, or an agent thereof, who possesses a
433 professional logger's permit issued by the Mississippi State Tax
434 Commission and who presents the permit to the seller at the time
435 of purchase. The commission shall establish an application
436 process for a professional logger's permit to be issued, which
437 shall include a requirement that the applicant submit a copy of
438 documentation verifying that the applicant is certified according
439 to Sustainable Forestry Initiative guidelines. Upon a
440 determination that an applicant is a professional logger, the
441 commission shall issue the applicant a numbered professional
442 logger's permit.

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

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



453 (f) Sales of machinery and machine parts when made to a
454 technology intensive enterprise for plant use only when the
455 machinery and machine parts will be used exclusively and directly
456 within this state for industrial purposes, including, but not
457 limited to, manufacturing or research and development activities,
458 shall be taxed at the rate of one and one-half percent (1-1/2%).
459 In order to be considered a technology intensive enterprise for
460 purposes of this paragraph:

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

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

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

468 (iv) The enterprise shall manufacture plastics,
469 chemicals, automobiles, aircraft, computers or electronics; or
470 shall be a research and development facility, a computer design or
471 related facility, or a software publishing facility or other
472 technology intensive facility or enterprise as determined by the
473 Mississippi Development Authority;

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



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

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

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

487 (i) Wholesale sales of beer shall be taxed at the rate
488 of * * * seven and one-tenth percent (7.1%), and the retailer
489 shall file a return and compute the retail tax on retail sales but
490 may take credit for the amount of the tax paid to the wholesaler
491 on said return covering the subsequent sales of same property,
492 provided adequate invoices and records are maintained to
493 substantiate the credit.

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

499 (k) Sales of equipment used or designed for the purpose
500 of assisting disabled persons, such as wheelchair equipment and
501 lifts, that is mounted or attached to or installed on a private



502 carrier of passengers or light carrier of property, as defined in
503 Section 27-51-101, at the time when the private carrier of
504 passengers or light carrier of property is sold shall be taxed at
505 the same rate as the sale of such vehicles under this section.

506 (1) Sales of the factory-built components of modular
507 homes, panelized homes and precut homes, and panel constructed
508 homes consisting of structural insulated panels, shall be taxed at
509 the rate of three percent (3%).

510 (m) Sales of materials used in the repair, renovation,
511 addition to, expansion and/or improvement of buildings and related
512 facilities used by a dairy producer shall be taxed at the rate of
513 three and one-half percent (3-1/2%). For the purposes of this
514 paragraph (m), "dairy producer" means any person engaged in the
515 production of milk for commercial use.

516 (2) From and after January 1, 1995, retail sales of private
517 carriers of passengers and light carriers of property, as defined
518 in Section 27-51-101, shall be taxed an additional two percent
519 (2%).

520 (3) In lieu of the tax levied in subsection (1) of this
521 section, there is levied on retail sales of truck-tractors and
522 semitrailers used in interstate commerce and registered under the
523 International Registration Plan (IRP) or any similar reciprocity
524 agreement or compact relating to the proportional registration of
525 commercial vehicles entered into as provided for in Section
526 27-19-143, a tax at the rate of three percent (3%) of the portion



527 of the sale that is attributable to the usage of such
528 truck-tractor or semitrailer in Mississippi. The portion of the
529 retail sale that is attributable to the usage of such
530 truck-tractor or semitrailer in Mississippi is the retail sales
531 price of the truck-tractor or semitrailer multiplied by the
532 percentage of the total miles traveled by the vehicle that are
533 traveled in Mississippi. The tax levied pursuant to this
534 subsection (3) shall be collected by the State Tax Commission from
535 the purchaser of such truck-tractor or semitrailer at the time of
536 registration of such truck-tractor or semitrailer.

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

540 **SECTION 6.** Section 27-65-19, Mississippi Code of 1972, is
541 amended as follows:

542 27-65-19. (1) (a) (i) Except as otherwise provided in
543 this subsection, upon every person selling to consumers,
544 electricity, current, power, potable water, steam, coal, natural
545 gas, liquefied petroleum gas or other fuel, there is hereby
546 levied, assessed and shall be collected a tax equal to * * * seven
547 and one-tenth percent (7.1%) of the gross income of the business.
548 Provided, gross income from sales to consumers of electricity,
549 current, power, natural gas, liquefied petroleum gas or other fuel
550 for residential heating, lighting or other residential
551 noncommercial or nonagricultural use, and sales of potable water



552 for residential, noncommercial or nonagricultural use shall be
553 excluded from taxable gross income of the business. Provided
554 further, upon every such seller using electricity, current, power,
555 potable water, steam, coal, natural gas, liquefied petroleum gas
556 or other fuel for nonindustrial purposes, there is hereby levied,
557 assessed and shall be collected a tax equal to * * * seven and
558 one-tenth percent (7.1%) of the cost or value of the product or
559 service used.

560 (ii) Gross income from sales to a church that is
561 exempt from federal income taxation under 26 USCS Section
562 501(c)(3) of electricity, current, power, natural gas, liquefied
563 petroleum gas or other fuel for heating, lighting or other use,
564 and sales of potable water to such a church shall be excluded from
565 taxable gross income of the business if the electricity, current,
566 power, natural gas, liquefied petroleum gas or potable water is
567 utilized on property that is primarily used for religious or
568 educational purposes.

569 (b) There is hereby levied, assessed and shall be
570 collected a tax equal to one and one-half percent (1-1/2%) of the
571 gross income of the business when the electricity, current, power,
572 steam, coal, natural gas, liquefied petroleum gas or other fuel is
573 sold to or used by a manufacturer, custom processor, technology
574 intensive enterprise meeting the criteria provided for in Section
575 27-65-17(1)(f), or public service company for industrial purposes,
576 which shall include that used to generate electricity, to operate



577 an electrical distribution or transmission system, to operate
578 pipeline compressor or pumping stations or to operate railroad
579 locomotives; however, the tax imposed on natural gas under this
580 paragraph shall not exceed Ten and One-half Cents (10.5¢) per one
581 thousand (1,000) cubic feet and sales of fuel used to produce
582 electric power by a company primarily engaged in the business of
583 producing, generating or distributing electric power for sale
584 shall be exempt from sales tax as provided in Section 27-65-107.

585 (c) (i) The one and one-half percent (1-1/2%)
586 industrial rate provided for in this subsection shall also apply
587 when the electricity, current, power, steam, coal, natural gas,
588 liquefied petroleum gas or other fuel is sold to a producer or
589 processor for use directly in the production of poultry or poultry
590 products, the production of livestock and livestock products, the
591 production of domesticated fish and domesticated fish products,
592 the production of marine aquaculture products, the production of
593 plants or food by commercial horticulturists, the processing of
594 milk and milk products, the processing of poultry and livestock
595 feed, and the irrigation of farm crops.

596 (ii) The one and one-half percent (1-1/2%) rate
597 provided for in this subsection shall also apply to the sale of
598 naturally occurring carbon dioxide and anthropogenic carbon
599 dioxide lawfully injected into the earth for:



600 1. Use in an enhanced oil recovery project,
601 including, but not limited to, use for cycling, repressuring or
602 lifting of oil; or

603 2. Permanent sequestration in a geological
604 formation.

605 (d) The one and one-half percent (1-1/2%) rate provided
606 for in this subsection shall not apply to sales of fuel for
607 automobiles, trucks, truck-tractors, buses, farm tractors or
608 airplanes.

609 (e) (i) Upon every person providing services in this
610 state, there is hereby levied, assessed and shall be collected:

611 1. A tax equal to * * * seven and one-tenth
612 percent (7.1%) of the gross income received from all charges for
613 intrastate telecommunications services.

614 2. A tax equal to * * * seven and one-tenth
615 percent (7.1%) of the gross income received from all charges for
616 interstate telecommunications services.

617 3. A tax equal to * * * seven and one-tenth
618 percent (7.1%) of the gross income received from all charges for
619 international telecommunications services.

620 4. A tax equal to * * * seven and one-tenth
621 percent (7.1%) of the gross income received from all charges for
622 ancillary services.

623 5. A tax equal to * * * seven and one-tenth
624 percent (7.1%) of the gross income received from all charges for



625 products delivered electronically, including, but not limited to,
626 software, music, games, reading materials or ring tones.

627 (ii) A person, upon proof that he has paid a tax
628 in another state on an event described in subparagraph (i) of this
629 paragraph (e), shall be allowed a credit against the tax imposed
630 in this paragraph (e) on interstate telecommunications service
631 charges to the extent that the amount of such tax is properly due
632 and actually paid in such other state and to the extent that the
633 rate of sales tax imposed by and paid in such other state does not
634 exceed the rate of sales tax imposed by this paragraph (e).

635 (iii) Charges by one (1) telecommunications
636 provider to another telecommunications provider holding a permit
637 issued under Section 27-65-27 for services that are resold by such
638 other telecommunications provider, including, but not limited to,
639 access charges, shall not be subject to the tax levied pursuant to
640 this paragraph (e).

641 (iv) For purposes of this paragraph (e):

642 1. "Telecommunications service" means the
643 electronic transmission, conveyance or routing of voice, data,
644 audio, video or any other information or signals to a point, or
645 between points. The term "telecommunications service" includes
646 such transmission, conveyance or routing in which computer
647 processing applications are used to act on the form, code or
648 protocol of the content for purposes of transmission, conveyance
649 or routing without regard to whether such service is referred to



650 as voice over Internet protocol services or is classified by the
651 Federal Communications Commission as enhanced or value added. The
652 term "telecommunications service" shall not include:

653 a. Data processing and information
654 services that allow data to be generated, acquired, stored,
655 processed or retrieved and delivered by an electronic transmission
656 to a purchaser where such purchaser's primary purpose for the
657 underlying transaction is the processed data or information;

658 b. Installation or maintenance of wiring
659 or equipment on a customer's premises;

660 c. Tangible personal property;

661 d. Advertising, including, but not
662 limited to, directory advertising;

663 e. Billing and collection services
664 provided to third parties;

665 f. Internet access service;

666 g. Radio and television audio and video
667 programming services regardless of the medium, including the
668 furnishing of transmission, conveyance and routing of such
669 services by the programming service provider. Radio and
670 television audio and video programming services shall include, but
671 not be limited to, cable service as defined in 47 USCS 522(6) and
672 audio and video programming services delivered by commercial
673 mobile radio service providers, as defined in 47 CFR 20.3;

674 h. Ancillary services; or



675 i. Digital products delivered
676 electronically, including, but not limited to, software, music,
677 video, reading materials or ring tones.

678 2. "Ancillary services" means services that
679 are associated with or incidental to the provision of
680 telecommunications services, including, but not limited to,
681 detailed telecommunications billing, directory assistance,
682 vertical service and voice mail service.

683 a. "Conference bridging" means an
684 ancillary service that links two (2) or more participants of an
685 audio or video conference call and may include the provision of a
686 telephone number. Conference bridging does not include the
687 telecommunications services used to reach the conference bridge.

688 b. "Detailed telecommunications billing
689 service" means an ancillary service of separately stating
690 information pertaining to individual calls on a customer's billing
691 statement.

692 c. "Directory assistance" means an
693 ancillary service of providing telephone number information and/or
694 address information.

695 d. "Vertical service" means an ancillary
696 service that is offered in connection with one or more
697 telecommunications services, which offers advanced calling
698 features that allow customers to identify callers and to manage



699 multiple calls and call connections, including conference bridging
700 services.

701 e. "Voice mail service" means an
702 ancillary service that enables the customer to store, send or
703 receive recorded messages. Voice mail service does not include
704 any vertical services that the customer may be required to have in
705 order to utilize the voice mail service.

706 3. "Intrastate" means telecommunications
707 service that originates in one (1) United States state or United
708 States territory or possession, and terminates in the same United
709 States state or United States territory or possession.

710 4. "Interstate" means a telecommunications
711 service that originates in one (1) United States state or United
712 States territory or possession, and terminates in a different
713 United States state or United States territory or possession.

714 5. "International" means a telecommunications
715 service that originates or terminates in the United States and
716 terminates or originates outside the United States, respectively.

717 (v) For purposes of paragraph (e), the following
718 sourcing rules shall apply:

719 1. Except for the defined telecommunications
720 services in item 3 of this subparagraph, the sales of
721 telecommunications services sold on a call-by-call basis shall be
722 sourced to:



723 a. Each level of taxing jurisdiction
724 where the call originates and terminates in that jurisdiction, or
725 b. Each level of taxing jurisdiction
726 where the call either originates or terminates and in which the
727 service address is also located.

728 2. Except for the defined telecommunications
729 services in item 3 of this subparagraph, a sale of
730 telecommunications services sold on a basis other than a
731 call-by-call basis, is sourced to the customer's place of primary
732 use.

733 3. The sale of the following
734 telecommunications services shall be sourced to each level of
735 taxing jurisdiction as follows:

736 a. A sale of mobile telecommunications
737 services other than air-to-ground radiotelephone service and
738 prepaid calling service is sourced to the customer's place of
739 primary use as required by the Mobile Telecommunication Sourcing
740 Act.

741 A. A home service provider shall be
742 responsible for obtaining and maintaining the customer's place of
743 primary use. The home service provider shall be entitled to rely
744 on the applicable residential or business street address supplied
745 by such customer, if the home service provider's reliance is in
746 good faith; and the home service provider shall be held harmless
747 from liability for any additional taxes based on a different



748 determination of the place of primary use for taxes that are
749 customarily passed on to the customer as a separate itemized
750 charge. A home service provider shall be allowed to treat the
751 address used for purposes of the tax levied by this chapter for
752 any customer under a service contract in effect on August 1, 2002,
753 as that customer's place of primary use for the remaining term of
754 such service contract or agreement, excluding any extension or
755 renewal of such service contract or agreement. Month-to-month
756 services provided after the expiration of a contract shall be
757 treated as an extension or renewal of such contract or agreement.

758 B. If the commissioner determines
759 that the address used by a home service provider as a customer's
760 place of primary use does not meet the definition of the term
761 "place of primary use" as defined in subitem a.A. of this item 3,
762 the commissioner shall give binding notice to the home service
763 provider to change the place of primary use on a prospective basis
764 from the date of notice of determination; however, the customer
765 shall have the opportunity, prior to such notice of determination,
766 to demonstrate that such address satisfies the definition.

767 C. The department has the right to
768 collect any taxes due directly from the home service provider's
769 customer that has failed to provide an address that meets the
770 definition of the term "place of primary use" which resulted in a
771 failure of tax otherwise due being remitted.



772 b. A sale of postpaid calling service is
773 sourced to the origination point of the telecommunications signal
774 as first identified by either:

775 A. The seller's telecommunications
776 system; or

777 B. Information received by the
778 seller from its service provider, where the system used to
779 transport such signals is not that of the seller.

780 c. A sale of a prepaid calling service
781 or prepaid wireless calling service shall be subject to the tax
782 imposed by this paragraph if the sale takes place in this state.
783 If the customer physically purchases a prepaid calling service or
784 prepaid wireless calling service at the vendor's place of
785 business, the sale is deemed to take place at the vendor's place
786 of business. If the customer does not physically purchase the
787 service at the vendor's place of business, the sale of a prepaid
788 calling card or prepaid wireless calling card is deemed to take
789 place at the first of the following locations that applies to the
790 sale:

791 A. The customer's shipping address,
792 if the sale involves a shipment;

793 B. The customer's billing address;

794 C. Any other address of the
795 customer that is known by the vendor; or



796 D. The address of the vendor, or
797 alternatively, in the case of a prepaid wireless calling service,
798 the location associated with the mobile telephone number.

799 4. A sale of a private communication service
800 is sourced as follows:

801 a. Service for a separate charge related
802 to a customer channel termination point is sourced to each level
803 of jurisdiction in which such customer channel termination point
804 is located.

805 b. Service where all customer
806 termination points are located entirely within one (1)
807 jurisdiction or levels of jurisdiction is sourced in such
808 jurisdiction in which the customer channel termination points are
809 located.

810 c. Service for segments of a channel
811 between two (2) customer channel termination points located in
812 different jurisdictions and which segments of a channel are
813 separately charged is sourced fifty percent (50%) in each level of
814 jurisdiction in which the customer channel termination points are
815 located.

816 d. Service for segments of a channel
817 located in more than one (1) jurisdiction or levels of
818 jurisdiction and which segments are not separately billed is
819 sourced in each jurisdiction based on the percentage determined by
820 dividing the number of customer channel termination points in such



821 jurisdiction by the total number of customer channel termination
822 points.

823 5. A sale of ancillary services is sourced to
824 the customer's place of primary use.

825 (vi) For purposes of subparagraph (v) of this
826 paragraph (e):

827 1. "Air-to-ground radiotelephone service"
828 means a radio service, as that term is defined in 47 CFR 22.99, in
829 which common carriers are authorized to offer and provide radio
830 telecommunications service for hire to subscribers in aircraft.

831 2. "Call-by-call basis" means any method of
832 charging for telecommunications services where the price is
833 measured by individual calls.

834 3. "Communications channel" means a physical
835 or virtual path of communications over which signals are
836 transmitted between or among customer channel termination points.

837 4. "Customer" means the person or entity that
838 contracts with the seller of telecommunications services. If the
839 end user of telecommunications services is not the contracting
840 party, the end user of the telecommunications service is the
841 customer of the telecommunications service. Customer does not
842 include a reseller of telecommunications service or for mobile
843 telecommunications service of a serving carrier under an agreement
844 to serve the customer outside the home service provider's licensed
845 service area.



846 5. "Customer channel termination point" means
847 the location where the customer either inputs or receives the
848 communications.

849 6. "End user" means the person who utilizes
850 the telecommunications service. In the case of an entity, "end
851 user" means the individual who utilizes the service on behalf of
852 the entity.

853 7. "Home service provider" has the meaning
854 ascribed to such term in Section 124(5) of Public Law 106-252
855 (Mobile Telecommunications Sourcing Act).

856 8. "Mobile telecommunications service" has
857 the meaning ascribed to such term in Section 124(7) of Public Law
858 106-252 (Mobile Telecommunications Sourcing Act).

859 9. "Place of primary use" means the street
860 address representative of where the customer's use of the
861 telecommunications service primarily occurs, which must be the
862 residential street address or the primary business street address
863 of the customer. In the case of mobile telecommunications
864 services, the place of primary use must be within the licensed
865 service area of the home service provider.

866 10. "Post-paid calling service" means the
867 telecommunications service obtained by making a payment on a
868 call-by-call basis either through the use of a credit card or
869 payment mechanism such as a bank card, travel card, credit card or
870 debit card, or by charge made to a telephone number which is not



871 associated with the origination or termination of the
872 telecommunications service. A post-paid calling service includes
873 a telecommunications service, except a prepaid wireless calling
874 service that would be a prepaid calling service except it is not
875 exclusively a telecommunications service.

876 11. "Prepaid calling service" means the right
877 to access exclusively telecommunications services, which must be
878 paid for in advance and which enables the origination of calls
879 using an access number or authorization code, whether manually or
880 electronically dialed, and that is sold in predetermined units or
881 dollars of which the number declines with use in a known amount.

882 12. "Prepaid wireless calling service" means
883 a telecommunications service that provides the right to utilize
884 mobile wireless service as well as other nontelecommunications
885 services, including the download of digital products delivered
886 electronically, content and ancillary service, which must be paid
887 for in advance that is sold in predetermined units or dollars of
888 which the number declines with use in a known amount.

889 13. "Private communication service" means a
890 telecommunications service that entitles the customer to exclusive
891 or priority use of a communications channel or group of channels
892 between or among termination points, regardless of the manner in
893 which such channel or channels are connected, and includes
894 switching capacity, extension lines, stations and any other



895 associated services that are provided in connection with the use
896 of such channel or channels.

897 14. "Service address" means:

898 a. The location of the
899 telecommunications equipment to which a customer's call is charged
900 and from which the call originates or terminates, regardless of
901 where the call is billed or paid.

902 b. If the location in subitem a of this
903 item 14 is not known, the origination point of the signal of the
904 telecommunications services first identified by either the
905 seller's telecommunications system or in information received by
906 the seller from its service provider, where the system used to
907 transport such signals is not that of the seller.

908 c. If the location in subitems a and b
909 of this item 14 are not known, the location of the customer's
910 place of primary use.

911 (vii) 1. For purposes of this subparagraph (vii),
912 "bundled transaction" means a transaction that consists of
913 distinct and identifiable properties or services which are sold
914 for a single nonitemized price but which are treated differently
915 for tax purposes.

916 2. In the case of a bundled transaction that
917 includes telecommunications services, ancillary services, Internet
918 access, or audio or video programming services taxed under this
919 chapter in which the price of the bundled transaction is



920 attributable to properties or services that are taxable and
921 nontaxable, the portion of the price that is attributable to any
922 nontaxable property or service shall be subject to the tax unless
923 the provider can reasonably identify that portion from its books
924 and records kept in the regular course of business.

925 3. In the case of a bundled transaction that
926 includes telecommunications services, ancillary services, Internet
927 access, audio or video programming services subject to tax under
928 this chapter in which the price is attributable to properties or
929 services that are subject to the tax but the tax revenue from the
930 different properties or services are dedicated to different funds
931 or purposes, the provider shall allocate the price among the
932 properties or services:

933 a. By reasonably identifying the portion
934 of the price attributable to each of the properties and services
935 from its books and records kept in the regular course of business;
936 or

937 b. Based on a reasonable allocation
938 methodology approved by the department.

939 4. This subparagraph (vii) shall not create a
940 right of action for a customer to require that the provider or the
941 department, for purposes of determining the amount of tax
942 applicable to a bundled transaction, allocate the price to the
943 different portions of the transaction in order to minimize the
944 amount of tax charged to the customer. A customer shall not be



945 entitled to rely on the fact that a portion of the price is
946 attributable to properties or services not subject to tax unless
947 the provider elects, after receiving a written request from the
948 customer in the form required by the provider, to provide
949 verifiable data based upon the provider's books and records that
950 are kept in the regular course of business that reasonably
951 identifies the portion of the price attributable to the properties
952 or services not subject to the tax.

953 (2) Persons making sales to consumers of electricity,
954 current, power, natural gas, liquefied petroleum gas or other fuel
955 for residential heating, lighting or other residential
956 noncommercial or nonagricultural use or sales of potable water for
957 residential, noncommercial or nonagricultural use shall indicate
958 on each statement rendered to customers that such charges are
959 exempt from sales taxes.

960 (3) There is hereby levied, assessed and shall be paid on
961 transportation charges on shipments moving between points within
962 this state when paid directly by the consumer, a tax equal to the
963 rate applicable to the sale of the property being transported.
964 Such tax shall be reported and paid directly to the Department of
965 Revenue by the consumer.

966 **SECTION 7.** Section 27-65-22, Mississippi Code of 1972, is
967 amended as follows:

968 27-65-22. (1) Upon every person engaging or continuing in
969 any amusement business or activity, which shall include all manner



970 and forms of entertainment and amusement, all forms of diversion,
971 sport, recreation or pastime, shows, exhibitions, contests,
972 displays, games or any other and all methods of obtaining
973 admission charges, donations, contributions or monetary charges of
974 any character, from the general public or a limited or selected
975 number thereof, directly or indirectly in return for other than
976 tangible property or specific personal or professional services,
977 whether such amusement is held or conducted in a public or private
978 building, hotel, tent, pavilion, lot or resort, enclosed or in the
979 open, there is hereby levied, assessed and shall be collected a
980 tax equal to * * * seven and one-tenth percent (7.1%) of the gross
981 income received as admission, except as otherwise provided herein.
982 In lieu of the rate set forth above, there is hereby imposed,
983 levied and assessed, to be collected as hereinafter provided, a
984 tax of three percent (3%) of gross revenue derived from sales of
985 admission to (a) publicly owned enclosed coliseums and auditoriums
986 (except admissions to athletic contests between colleges and
987 universities) or (b) livestock facilities, agriculture facilities
988 or other facilities constructed, renovated or expanded with funds
989 from the grant program authorized under Section 18 of Chapter 530,
990 Laws of 1995. There is hereby imposed, levied and assessed a tax
991 of * * * seven and one-tenth percent (7.1%) of gross revenue
992 derived from sales of admission to events conducted on property
993 managed by the Mississippi Veterans Memorial Stadium, which tax
994 shall be administered in the manner prescribed in this chapter,



995 subject, however, to the provisions of Sections 55-23-3 through
996 55-23-11.

997 (2) The operator of any place of amusement in this state
998 shall collect the tax imposed by this section, in addition to the
999 price charged for admission to any place of amusement, and under
1000 all circumstances the person conducting the amusement shall be
1001 liable for, and pay the tax imposed based upon the actual charge
1002 for such admission. Where permits are obtained for conducting
1003 temporary amusements by persons who are not the owners, lessees or
1004 custodians of the buildings, lots or places where the amusements
1005 are to be conducted, or where such temporary amusement is
1006 permitted by the owner, lessee or custodian of any place to be
1007 conducted without the procurement of a permit as required by this
1008 chapter, the tax imposed by this chapter shall be paid by the
1009 owner, lessee or custodian of such place where such temporary
1010 amusement is held or conducted, unless paid by the person
1011 conducting the amusement, and the applicant for such temporary
1012 permit shall furnish with the application therefor, the name and
1013 address of the owner, lessee or custodian of the premises upon
1014 which such amusement is to be conducted, and such owner, lessee or
1015 custodian shall be notified by the commission of the issuance of
1016 such permit, and of the joint liability for such tax.

1017 (3) The tax imposed by this section shall not be levied or
1018 collected upon:



1019 (a) Any admissions charged at any place of amusement
1020 operated by a religious, charitable or educational organization,
1021 or by a nonprofit civic club or fraternal organization (i) when
1022 the net proceeds of such admissions do not inure to any one or
1023 more individuals within such organization and are to be used
1024 solely for religious, charitable, educational or civic purposes;
1025 or (ii) when the entire net proceeds are used to defray the normal
1026 operating expenses of such organization, such as loan payments,
1027 maintenance costs, repairs and other operating expenses;

1028 (b) Any admissions charged to hear gospel singing when
1029 promoted by a duly constituted local, bona fide nonprofit
1030 charitable or religious organization, irrespective of the fact
1031 that the performers and promoters are paid out of the proceeds of
1032 admissions collected, provided the program is composed entirely of
1033 gospel singing and not generally mixed with hillbilly or popular
1034 singing;

1035 (c) Any admissions charged at any athletic games or
1036 contests between high schools or between grammar schools;

1037 (d) Any admissions or tickets to or for baseball games
1038 between teams operated under a professional league franchise;

1039 (e) Any admissions to county, state or community fairs,
1040 or any admissions to entertainments presented in community homes
1041 or houses which are publicly owned and controlled, and the
1042 proceeds of which do not inure to any individual or individuals;



1043 (f) Any admissions or tickets to organized garden
1044 pilgrimages and to antebellum and historic houses when sponsored
1045 by an organized civic or garden club;

1046 (g) Any admissions to any golf tournament held under
1047 the auspices of the Professional Golf Association or United States
1048 Golf Association wherein touring professionals compete, if such
1049 tournament is sponsored by a nonprofit association incorporated
1050 under the laws of the State of Mississippi where no dividends are
1051 declared and the proceeds do not inure to any individual or group;

1052 (h) Any admissions to university or community college
1053 conference, state, regional or national playoffs or championships;

1054 (i) Any admissions or fees charged by any county or
1055 municipally owned and operated swimming pools, golf courses and
1056 tennis courts other than sales or rental of tangible personal
1057 property;

1058 (j) Any admissions charged for the performance of
1059 symphony orchestras, operas, vocal or instrumental artists in
1060 which professional or amateur performers are compensated out of
1061 the proceeds of such admissions, when sponsored by local music or
1062 charity associations, or amateur dramatic performances or
1063 professional dramatic productions when sponsored by a children's
1064 dramatic association, where no dividends are declared, profits
1065 received, nor any salary or compensation paid to any of the
1066 members of such associations, or to any person for procuring or
1067 producing such performance;



1068 (k) Any admissions or tickets to or for hockey games
1069 between teams operated under a professional league franchise; and

1070 (l) Any admissions or tickets to or for events
1071 sanctioned by the Mississippi Athletic Commission that are held
1072 within publicly owned enclosed coliseums and auditoriums.

1073 **SECTION 8.** Section 27-65-23, Mississippi Code of 1972, is
1074 amended as follows:

1075 27-65-23. Upon every person engaging or continuing in any of
1076 the following businesses or activities there is hereby levied,
1077 assessed and shall be collected a tax equal to * * * seven and
1078 one-tenth percent (7.1%) of the gross income of the business,
1079 except as otherwise provided:

1080 Air-conditioning installation or repairs;

1081 Automobile, motorcycle, boat or any other vehicle
1082 repairing or servicing;

1083 Billiards, pool or domino parlors;

1084 Bowling or tenpin alleys;

1085 Burglar and fire alarm systems or services;

1086 Car washing - automatic, self-service, or manual;

1087 Computer software sales and services;

1088 Cotton compresses or cotton warehouses;

1089 Custom creosoting or treating, custom planing, custom
1090 sawing;

1091 Custom meat processing;



1092 Electricians, electrical work, wiring, all repairs or
1093 installation of electrical equipment;
1094 Elevator or escalator installing, repairing or
1095 servicing;
1096 Film developing or photo finishing;
1097 Foundries, machine or general repairing;
1098 Furniture repairing or upholstering;
1099 Grading, excavating, ditching, dredging or landscaping;
1100 Hotels (as defined in Section 41-49-3), motels, tourist
1101 courts or camps, trailer parks;
1102 Insulating services or repairs;
1103 Jewelry or watch repairing;
1104 Laundering, cleaning, pressing or dyeing;
1105 Marina services;
1106 Mattress renovating;
1107 Office and business machine repairing;
1108 Parking garages and lots;
1109 Plumbing or pipe fitting;
1110 Public storage warehouses (There shall be no tax levied
1111 on gross income of a public storage warehouse derived from the
1112 temporary storage of tangible personal property in this state
1113 pending shipping or mailing of the property to another state);
1114 Refrigerating equipment repairs;
1115 Radio or television installing, repairing, or servicing;



1116 Renting or leasing personal property used within this
1117 state;

1118 Services performed in connection with geophysical
1119 surveying, exploring, developing, drilling, producing,
1120 distributing, or testing of oil, gas, water and other mineral
1121 resources;

1122 Shoe repairing;

1123 Storage lockers;

1124 Telephone answering or paging services;

1125 Termite or pest control services;

1126 Tin and sheet metal shops;

1127 TV cable systems, subscription TV services, and other
1128 similar activities;

1129 Vulcanizing, repairing or recapping of tires or tubes;

1130 Welding; and

1131 Woodworking or wood-turning shops.

1132 Income from services taxed herein performed for electric
1133 power associations in the ordinary and necessary operation of
1134 their generating or distribution systems shall be taxed at the
1135 rate of one percent (1%).

1136 Income from services taxed herein performed on materials for
1137 use in track or track structures to a railroad whose rates are
1138 fixed by the Interstate Commerce Commission or the Mississippi
1139 Public Service Commission shall be taxed at the rate of three
1140 percent (3%).



1141 Income from renting or leasing tangible personal property
1142 used within this state shall be taxed at the same rates as sales
1143 of the same property.

1144 Persons doing business in this state who rent transportation
1145 equipment with a situs within or without the state to common,
1146 contract or private commercial carriers are taxed on that part of
1147 the income derived from use within this state. If specific
1148 accounting is impracticable, a formula may be used with approval
1149 of the commissioner.

1150 A lessor may deduct from the tax computed on the rental
1151 income from tangible personal property a credit for sales or use
1152 tax paid to this state at the time of purchase of the specific
1153 personal property being leased or rented until such credit has
1154 been exhausted.

1155 Charges for custom processing and repairing services may be
1156 excluded from gross taxable income when the property on which the
1157 service was performed is delivered to the customer in another
1158 state either by common carrier or in the seller's equipment.

1159 When a taxpayer performs unitary services covered by this
1160 section, which are performed both in intrastate and interstate
1161 commerce, the commissioner is hereby invested with authority to
1162 formulate in each particular case and to fix for such taxpayer in
1163 each instance formulae of apportionment which will apportion to
1164 this state, for taxation, that portion of the services which are
1165 performed within the State of Mississippi.



1166 **SECTION 9.** Section 27-65-25, Mississippi Code of 1972, is
1167 amended as follows:

1168 27-65-25. Upon every person engaging or continuing within
1169 this state in the business of selling alcoholic beverages, the
1170 sales of which are legal under the provisions of Chapter 1 of
1171 Title 67, Mississippi Code of 1972, there is hereby levied,
1172 assessed and shall be collected a tax equal to * * * seven and
1173 one-tenth percent (7.1%) of the gross proceeds of the retail sales
1174 of the business. All sales at wholesale to retailers shall be
1175 taxed at the same rate as provided in this section for retail
1176 sales. A retailer in computing the tax on sales may take credit
1177 for the amount of the tax paid to the wholesaler at the rates
1178 provided herein and remit the difference to the commissioner,
1179 provided adequate records and all invoices are maintained to
1180 substantiate the credit claimed.

1181 **SECTION 10.** Section 27-65-26, Mississippi Code of 1972, is
1182 amended as follows:

1183 27-65-26. (1) Upon every person engaging or continuing
1184 within this state in the business of selling, renting or leasing
1185 specified digital products, there shall be levied, assessed and
1186 shall be collected a tax equal to * * * seven and one-tenth
1187 percent (7.1%) of the gross income of the business. The sale of a
1188 digital code that allows the purchaser to obtain a specified
1189 digital product shall be taxed in the same manner as the sale of a
1190 specified digital product. The tax is imposed when:



1191 (a) The sale is to an end user;
1192 (b) The seller grants the right of permanent or less
1193 than permanent use of the products transferred electronically; or
1194 (c) The sale is conditioned or not conditioned upon
1195 continued payment.

1196 (2) Charges by one (1) specified digital products provider
1197 to another specified digital products provider holding a permit
1198 issued under Section 27-65-27 for services that are resold by such
1199 other specified digital products provider shall not be subject to
1200 the tax levied pursuant to this section.

1201 (3) For purposes of this section:

1202 (a) "Specified digital products" means electronically
1203 transferred digital audio-visual works, digital audio works and
1204 digital books.

1205 (b) "Digital audio-visual works" means a series of
1206 related images which, when shown in succession, impart an
1207 impression of motion, together with accompanying sounds, if any.

1208 (c) "Digital audio works" means works that result from
1209 the fixation of a series of musical, spoken or other sounds,
1210 including ringtones. "Ringtones" means digitized sound files that
1211 are downloaded onto a device and that may be used to alert the
1212 customer with respect to a communication.

1213 (d) "Digital books" means works that are generally
1214 recognized in the ordinary and usual sense as "books."



1215 (e) "Electronically transferred" means obtained by the
1216 purchaser by means other than tangible storage media.

1217 (f) "End user" means any person other than a person who
1218 receives by contract a product transferred electronically for
1219 further commercial broadcast, rebroadcast, transmission,
1220 retransmission, licensing, relicensing, distribution,
1221 redistribution or exhibition of the product, in whole or in part,
1222 to another person or persons.

1223 (g) "Permanent use" means for purposes of this section
1224 for perpetual or for an indefinite or unspecified length of time.

1225 (h) "Digital code" means a code that permits a
1226 purchaser to obtain a specified digital product at a later date.

1227 **SECTION 11.** Section 27-65-75, Mississippi Code of 1972, is
1228 amended as follows:

1229 27-65-75. On or before the fifteenth day of each month, the
1230 revenue collected under the provisions of this chapter during the
1231 preceding month shall be paid and distributed as follows:

1232 (1) (a) On or before August 15, 1992, and each succeeding
1233 month thereafter through July 15, 1993, eighteen percent (18%) of
1234 the total sales tax revenue collected during the preceding month
1235 under the provisions of this chapter, except that collected under
1236 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1237 business activities within a municipal corporation shall be
1238 allocated for distribution to the municipality and paid to the
1239 municipal corporation. On or before August 15, 1993, and each



1240 succeeding month thereafter, eighteen and one-half percent
1241 (18-1/2%) of the total sales tax revenue collected during the
1242 preceding month under the provisions of this chapter, except that
1243 collected under the provisions of Sections 27-65-15, 27-65-19(3),
1244 27-65-21 and 27-65-24, on business activities within a municipal
1245 corporation shall be allocated for distribution to the
1246 municipality and paid to the municipal corporation.

1247 A municipal corporation, for the purpose of distributing the
1248 tax under this subsection, shall mean and include all incorporated
1249 cities, towns and villages.

1250 Monies allocated for distribution and credited to a municipal
1251 corporation under this * * * paragraph may be pledged as security
1252 for a loan if the distribution received by the municipal
1253 corporation is otherwise authorized or required by law to be
1254 pledged as security for such a loan.

1255 In any county having a county seat that is not an
1256 incorporated municipality, the distribution provided under this
1257 subsection shall be made as though the county seat was an
1258 incorporated municipality; however, the distribution to the
1259 municipality shall be paid to the county treasury in which the
1260 municipality is located, and those funds shall be used for road,
1261 bridge and street construction or maintenance in the county.

1262 (b) On or before August 15, 2006, and each succeeding
1263 month thereafter, eighteen and one-half percent (18-1/2%) of the
1264 total sales tax revenue collected during the preceding month under



1265 the provisions of this chapter, except that collected under the
1266 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1267 business activities on the campus of a state institution of higher
1268 learning or community or junior college whose campus is not
1269 located within the corporate limits of a municipality, shall be
1270 allocated for distribution to the state institution of higher
1271 learning or community or junior college and paid to the state
1272 institution of higher learning or community or junior college.

1273 (2) On or before September 15, 1987, and each succeeding
1274 month thereafter, from the revenue collected under this chapter
1275 during the preceding month, One Million One Hundred Twenty-five
1276 Thousand Dollars (\$1,125,000.00) shall be allocated for
1277 distribution to municipal corporations as defined under subsection
1278 (1) of this section in the proportion that the number of gallons
1279 of gasoline and diesel fuel sold by distributors to consumers and
1280 retailers in each such municipality during the preceding fiscal
1281 year bears to the total gallons of gasoline and diesel fuel sold
1282 by distributors to consumers and retailers in municipalities
1283 statewide during the preceding fiscal year. The Department of
1284 Revenue shall require all distributors of gasoline and diesel fuel
1285 to report to the department monthly the total number of gallons of
1286 gasoline and diesel fuel sold by them to consumers and retailers
1287 in each municipality during the preceding month. The Department
1288 of Revenue shall have the authority to promulgate such rules and
1289 regulations as is necessary to determine the number of gallons of



1290 gasoline and diesel fuel sold by distributors to consumers and
1291 retailers in each municipality. In determining the percentage
1292 allocation of funds under this subsection for the fiscal year
1293 beginning July 1, 1987, and ending June 30, 1988, the Department
1294 of Revenue may consider gallons of gasoline and diesel fuel sold
1295 for a period of less than one (1) fiscal year. For the purposes
1296 of this subsection, the term "fiscal year" means the fiscal year
1297 beginning July 1 of a year.

1298 (3) On or before September 15, 1987, and on or before the
1299 fifteenth day of each succeeding month, until the date specified
1300 in Section 65-39-35, the proceeds derived from contractors' taxes
1301 levied under Section 27-65-21 on contracts for the construction or
1302 reconstruction of highways designated under the highway program
1303 created under Section 65-3-97 shall, except as otherwise provided
1304 in Section 31-17-127, be deposited into the State Treasury to the
1305 credit of the State Highway Fund to be used to fund that highway
1306 program. The Mississippi Department of Transportation shall
1307 provide to the Department of Revenue such information as is
1308 necessary to determine the amount of proceeds to be distributed
1309 under this subsection.

1310 (4) On or before August 15, 1994, and on or before the
1311 fifteenth day of each succeeding month through July 15, 1999, from
1312 the proceeds of gasoline, diesel fuel or kerosene taxes as
1313 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1314 (\$4,000,000.00) shall be deposited in the State Treasury to the



1315 credit of a special fund designated as the "State Aid Road Fund,"
1316 created by Section 65-9-17. On or before August 15, 1999, and on
1317 or before the fifteenth day of each succeeding month, from the
1318 total amount of the proceeds of gasoline, diesel fuel or kerosene
1319 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
1320 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1321 one-fourth percent (23-1/4%) of those funds, whichever is the
1322 greater amount, shall be deposited in the State Treasury to the
1323 credit of the "State Aid Road Fund," created by Section 65-9-17.
1324 Those funds shall be pledged to pay the principal of and interest
1325 on state aid road bonds heretofore issued under Sections 19-9-51
1326 through 19-9-77, in lieu of and in substitution for the funds
1327 previously allocated to counties under this section. Those funds
1328 may not be pledged for the payment of any state aid road bonds
1329 issued after April 1, 1981; however, this prohibition against the
1330 pledging of any such funds for the payment of bonds shall not
1331 apply to any bonds for which intent to issue those bonds has been
1332 published for the first time, as provided by law before March 29,
1333 1981. From the amount of taxes paid into the special fund under
1334 this subsection and subsection (9) of this section, there shall be
1335 first deducted and paid the amount necessary to pay the expenses
1336 of the Office of State Aid Road Construction, as authorized by the
1337 Legislature for all other general and special fund agencies. The
1338 remainder of the fund shall be allocated monthly to the several
1339 counties in accordance with the following formula:



1340 (a) One-third (1/3) shall be allocated to all counties
1341 in equal shares;

1342 (b) One-third (1/3) shall be allocated to counties
1343 based on the proportion that the total number of rural road miles
1344 in a county bears to the total number of rural road miles in all
1345 counties of the state; and

1346 (c) One-third (1/3) shall be allocated to counties
1347 based on the proportion that the rural population of the county
1348 bears to the total rural population in all counties of the state,
1349 according to the latest federal decennial census.

1350 For the purposes of this subsection, the term "gasoline,
1351 diesel fuel or kerosene taxes" means such taxes as defined in
1352 paragraph (f) of Section 27-5-101.

1353 The amount of funds allocated to any county under this
1354 subsection for any fiscal year after fiscal year 1994 shall not be
1355 less than the amount allocated to the county for fiscal year 1994.

1356 Any reference in the general laws of this state or the
1357 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1358 construed to refer and apply to subsection (4) of Section
1359 27-65-75.

1360 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1361 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1362 the special fund known as the "State Public School Building Fund"
1363 created and existing under the provisions of Sections 37-47-1



1364 through 37-47-67. Those payments into that fund are to be made on
1365 the last day of each succeeding month hereafter.

1366 (6) An amount each month beginning August 15, 1983, through
1367 November 15, 1986, as specified in Section 6 * * *, Chapter 542,
1368 Laws of 1983, shall be paid into the special fund known as the
1369 Correctional Facilities Construction Fund created in Section
1370 6 * * *, Chapter 542, Laws of 1983.

1371 (7) On or before August 15, 1992, and each succeeding month
1372 thereafter through July 15, 2000, two and two hundred sixty-six
1373 one-thousandths percent (2.266%) of the total sales tax revenue
1374 collected during the preceding month under the provisions of this
1375 chapter, except that collected under the provisions of Section
1376 27-65-17(2), shall be deposited by the * * * department into the
1377 School Ad Valorem Tax Reduction Fund created under Section
1378 37-61-35. On or before August 15, 2000, and each succeeding month
1379 thereafter, two and two hundred sixty-six one-thousandths percent
1380 (2.266%) of the total sales tax revenue collected during the
1381 preceding month under the provisions of this chapter, except that
1382 collected under the provisions of Section 27-65-17(2), shall be
1383 deposited into the School Ad Valorem Tax Reduction Fund created
1384 under Section 37-61-35 until such time that the total amount
1385 deposited into the fund during a fiscal year equals Forty-two
1386 Million Dollars (\$42,000,000.00). Thereafter, the amounts
1387 diverted under this subsection (7) during the fiscal year in
1388 excess of Forty-two Million Dollars (\$42,000,000.00) shall be



1389 deposited into the Education Enhancement Fund created under
1390 Section 37-61-33 for appropriation by the Legislature as other
1391 education needs and shall not be subject to the percentage
1392 appropriation requirements set forth in Section 37-61-33.

1393 (8) On or before August 15, 1992, and each succeeding month
1394 thereafter, nine and seventy-three one-thousandths percent
1395 (9.073%) of the total sales tax revenue collected during the
1396 preceding month under the provisions of this chapter, except that
1397 collected under the provisions of Section 27-65-17(2), shall be
1398 deposited into the Education Enhancement Fund created under
1399 Section 37-61-33.

1400 (9) On or before August 15, 1994, and each succeeding month
1401 thereafter, from the revenue collected under this chapter during
1402 the preceding month, Two Hundred Fifty Thousand Dollars
1403 (\$250,000.00) shall be paid into the State Aid Road Fund.

1404 (10) On or before August 15, 1994, and each succeeding month
1405 thereafter through August 15, 1995, from the revenue collected
1406 under this chapter during the preceding month, Two Million Dollars
1407 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1408 Valorem Tax Reduction Fund established in Section 27-51-105.

1409 (11) Notwithstanding any other provision of this section to
1410 the contrary, on or before February 15, 1995, and each succeeding
1411 month thereafter, the sales tax revenue collected during the
1412 preceding month under the provisions of Section 27-65-17(2) and
1413 the corresponding levy in Section 27-65-23 on the rental or lease



1414 of private carriers of passengers and light carriers of property
1415 as defined in Section 27-51-101 shall be deposited, without
1416 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1417 established in Section 27-51-105.

1418 (12) Notwithstanding any other provision of this section to
1419 the contrary, on or before August 15, 1995, and each succeeding
1420 month thereafter, the sales tax revenue collected during the
1421 preceding month under the provisions of Section 27-65-17(1) on
1422 retail sales of private carriers of passengers and light carriers
1423 of property, as defined in Section 27-51-101 and the corresponding
1424 levy in Section 27-65-23 on the rental or lease of these vehicles,
1425 shall be deposited, after diversion, into the Motor Vehicle Ad
1426 Valorem Tax Reduction Fund established in Section 27-51-105.

1427 (13) On or before July 15, 1994, and on or before the
1428 fifteenth day of each succeeding month thereafter, that portion of
1429 the avails of the tax imposed in Section 27-65-22 that is derived
1430 from activities held on the Mississippi State Fairgrounds Complex
1431 shall be paid into a special fund that is created in the State
1432 Treasury and shall be expended upon legislative appropriation
1433 solely to defray the costs of repairs and renovation at the Trade
1434 Mart and Coliseum.

1435 (14) On or before August 15, 1998, and each succeeding month
1436 thereafter through July 15, 2005, that portion of the avails of
1437 the tax imposed in Section 27-65-23 that is derived from sales by
1438 cotton compresses or cotton warehouses and that would otherwise be



1439 paid into the General Fund shall be deposited in an amount not to
1440 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1441 created under Section 69-37-39. On or before August 15, 2007, and
1442 each succeeding month thereafter through July 15, 2010, that
1443 portion of the avails of the tax imposed in Section 27-65-23 that
1444 is derived from sales by cotton compresses or cotton warehouses
1445 and that would otherwise be paid into the General Fund shall be
1446 deposited in an amount not to exceed Two Million Dollars
1447 (\$2,000,000.00) into the special fund created under Section
1448 69-37-39 until all debts or other obligations incurred by the
1449 Certified Cotton Growers Organization under the Mississippi Boll
1450 Weevil Management Act before January 1, 2007, are satisfied in
1451 full. On or before August 15, 2010, and each succeeding month
1452 thereafter through July 15, 2011, fifty percent (50%) of that
1453 portion of the avails of the tax imposed in Section 27-65-23 that
1454 is derived from sales by cotton compresses or cotton warehouses
1455 and that would otherwise be paid into the General Fund shall be
1456 deposited into the special fund created under Section 69-37-39
1457 until such time that the total amount deposited into the fund
1458 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1459 On or before August 15, 2011, and each succeeding month
1460 thereafter, that portion of the avails of the tax imposed in
1461 Section 27-65-23 that is derived from sales by cotton compresses
1462 or cotton warehouses and that would otherwise be paid into the
1463 General Fund shall be deposited into the special fund created



1464 under Section 69-37-39 until such time that the total amount
1465 deposited into the fund during a fiscal year equals One Million
1466 Dollars (\$1,000,000.00).

1467 (15) Notwithstanding any other provision of this section to
1468 the contrary, on or before September 15, 2000, and each succeeding
1469 month thereafter, the sales tax revenue collected during the
1470 preceding month under the provisions of Section
1471 27-65-19(1)(e)(i)2, and 27-65-19(e)(i)3 shall be deposited,
1472 without diversion, into the Telecommunications Ad Valorem Tax
1473 Reduction Fund established in Section 27-38-7.

1474 (16) (a) On or before August 15, 2000, and each succeeding
1475 month thereafter, the sales tax revenue collected during the
1476 preceding month under the provisions of this chapter on the gross
1477 proceeds of sales of a project as defined in Section 57-30-1 shall
1478 be deposited, after all diversions except the diversion provided
1479 for in subsection (1) of this section, into the Sales Tax
1480 Incentive Fund created in Section 57-30-3.

1481 (b) On or before August 15, 2007, and each succeeding
1482 month thereafter, eighty percent (80%) of the sales tax revenue
1483 collected during the preceding month under the provisions of this
1484 chapter from the operation of a tourism project under the
1485 provisions of Sections 57-26-1 through 57-26-5, shall be
1486 deposited, after the diversions required in subsections (7) and
1487 (8) of this section, into the Tourism Project Sales Tax Incentive
1488 Fund created in Section 57-26-3.



1489 (17) Notwithstanding any other provision of this section to
1490 the contrary, on or before April 15, 2002, and each succeeding
1491 month thereafter, the sales tax revenue collected during the
1492 preceding month under Section 27-65-23 on sales of parking
1493 services of parking garages and lots at airports shall be
1494 deposited, without diversion, into the special fund created under
1495 Section 27-5-101(d).

1496 (18) [Repealed]

1497 (19) (a) On or before August 15, 2005, and each succeeding
1498 month thereafter, the sales tax revenue collected during the
1499 preceding month under the provisions of this chapter on the gross
1500 proceeds of sales of a business enterprise located within a
1501 redevelopment project area under the provisions of Sections
1502 57-91-1 through 57-91-11, and the revenue collected on the gross
1503 proceeds of sales from sales made to a business enterprise located
1504 in a redevelopment project area under the provisions of Sections
1505 57-91-1 through 57-91-11 (provided that such sales made to a
1506 business enterprise are made on the premises of the business
1507 enterprise), shall, except as otherwise provided in this
1508 subsection (19), be deposited, after all diversions, into the
1509 Redevelopment Project Incentive Fund as created in Section
1510 57-91-9.

1511 (b) For a municipality participating in the Economic
1512 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1513 the diversion provided for in subsection (1) of this section



1514 attributable to the gross proceeds of sales of a business
1515 enterprise located within a redevelopment project area under the
1516 provisions of Sections 57-91-1 through 57-91-11, and attributable
1517 to the gross proceeds of sales from sales made to a business
1518 enterprise located in a redevelopment project area under the
1519 provisions of Sections 57-91-1 through 57-91-11 (provided that
1520 such sales made to a business enterprise are made on the premises
1521 of the business enterprise), shall be deposited into the
1522 Redevelopment Project Incentive Fund as created in Section
1523 57-91-9, as follows:

1524 (i) For the first six (6) years in which payments
1525 are made to a developer from the Redevelopment Project Incentive
1526 Fund, one hundred percent (100%) of the diversion shall be
1527 deposited into the fund;

1528 (ii) For the seventh year in which such payments
1529 are made to a developer from the Redevelopment Project Incentive
1530 Fund, eighty percent (80%) of the diversion shall be deposited
1531 into the fund;

1532 (iii) For the eighth year in which such payments
1533 are made to a developer from the Redevelopment Project Incentive
1534 Fund, seventy percent (70%) of the diversion shall be deposited
1535 into the fund;

1536 (iv) For the ninth year in which such payments are
1537 made to a developer from the Redevelopment Project Incentive Fund,



1538 sixty percent (60%) of the diversion shall be deposited into the
1539 fund; and

1540 (v) For the tenth year in which such payments are
1541 made to a developer from the Redevelopment Project Incentive Fund,
1542 fifty percent (50%) of the funds shall be deposited into the fund.

1543 (20) On or before January 15, 2007, and each succeeding
1544 month thereafter, eighty percent (80%) of the sales tax revenue
1545 collected during the preceding month under the provisions of this
1546 chapter from the operation of a tourism project under the
1547 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1548 after the diversions required in subsections (7) and (8) of this
1549 section, into the Tourism Sales Tax Incentive Fund created in
1550 Section 57-28-3.

1551 (21) On or before April 15, 2007, and each succeeding month
1552 thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of
1553 the sales tax revenue collected during the preceding month under
1554 the provisions of this chapter shall be deposited into the MMEIA
1555 Tax Incentive Fund created in Section 57-101-3.

1556 (22) Notwithstanding any other provision of this section to
1557 the contrary, on or before August 15, 2009, and each succeeding
1558 month thereafter, the sales tax revenue collected during the
1559 preceding month under the provisions of Section 27-65-201 shall be
1560 deposited, without diversion, into the Motor Vehicle Ad Valorem
1561 Tax Reduction Fund established in Section 27-51-105.



1562 (23) On or before August 15, 2013, and each succeeding month
1563 thereafter, three hundred forty-five ten-thousandths percent
1564 (0.0345%) of the total sales tax revenue collected during the
1565 preceding month under the provisions of this chapter shall be
1566 deposited, without diversion, into the Infrastructure Improvement
1567 Fund created under Section 1 of this act.

1568 (* * *24) The remainder of the amounts collected under the
1569 provisions of this chapter shall be paid into the State Treasury
1570 to the credit of the General Fund.

1571 (* * *25) It shall be the duty of the municipal officials
1572 of any municipality that expands its limits, or of any community
1573 that incorporates as a municipality, to notify the commissioner of
1574 that action thirty (30) days before the effective date. Failure
1575 to so notify the commissioner shall cause the municipality to
1576 forfeit the revenue that it would have been entitled to receive
1577 during this period of time when the commissioner had no knowledge
1578 of the action. If any funds have been erroneously disbursed to
1579 any municipality or any overpayment of tax is recovered by the
1580 taxpayer, the commissioner may make correction and adjust the
1581 error or overpayment with the municipality by withholding the
1582 necessary funds from any later payment to be made to the
1583 municipality.

1584 **SECTION 12.** Section 27-67-31, Mississippi Code of 1972, is
1585 amended as follows:



1586 27-67-31. All administrative provisions of the sales tax
1587 law, and amendments thereto, including those which fix damages,
1588 penalties and interest for failure to comply with the provisions
1589 of said sales tax law, and all other requirements and duties
1590 imposed upon taxpayer, shall apply to all persons liable for use
1591 taxes under the provisions of this article. The commissioner
1592 shall exercise all power and authority and perform all duties with
1593 respect to taxpayers under this article as are provided in said
1594 sales tax law, except where there is conflict, then the provisions
1595 of this article shall control.

1596 The commissioner may require transportation companies to
1597 permit the examination of waybills, freight bills, or other
1598 documents covering shipments of tangible personal property into
1599 this state.

1600 On or before the fifteenth day of each month, the amount
1601 received from taxes, damages and interest under the provisions of
1602 this article during the preceding month shall be paid and
1603 distributed as follows:

1604 (a) On or before July 15, 1994, through July 15, 2000,
1605 and each succeeding month thereafter, two and two hundred
1606 sixty-six one-thousandths percent (2.266%) of the total use tax
1607 revenue collected during the preceding month under the provisions
1608 of this article shall be deposited in the School Ad Valorem Tax
1609 Reduction Fund created pursuant to Section 37-61-35. On or before
1610 August 15, 2000, and each succeeding month thereafter, two and two



1611 hundred sixty-six one-thousandths percent (2.266%) of the total
1612 use tax revenue collected during the preceding month under the
1613 provisions of this chapter shall be deposited into the School Ad
1614 Valorem Tax Reduction Fund created under Section 37-61-35 until
1615 such time that the total amount deposited into the fund during a
1616 fiscal year equals Four Million Dollars (\$4,000,000.00).
1617 Thereafter, the amounts diverted under this paragraph (a) during
1618 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
1619 shall be deposited into the Education Enhancement Fund created
1620 under Section 37-61-33 for appropriation by the Legislature as
1621 other education needs and shall not be subject to the percentage
1622 appropriation requirements set forth in Section 37-61-33.

1623 (b) On or before July 15, 1994, and each succeeding
1624 month thereafter, nine and seventy-three one-thousandths percent
1625 (9.073%) of the total use tax revenue collected during the
1626 preceding month under the provisions of this article shall be
1627 deposited into the Education Enhancement Fund created pursuant to
1628 Section 37-61-33.

1629 (c) On or before July 15, 1997, and on or before the
1630 fifteenth day of each succeeding month thereafter, the revenue
1631 collected under the provisions of this article imposed and levied
1632 as a result of Section 27-65-17(2) and the corresponding levy in
1633 Section 27-65-23 on the rental or lease of private carriers of
1634 passengers and light carriers of property as defined in Section



1635 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
1636 Reduction Fund created pursuant to Section 27-51-105.

1637 (d) On or before July 15, 1997, and on or before the
1638 fifteenth day of each succeeding month thereafter and after the
1639 deposits required by paragraphs (a) and (b) of this section are
1640 made, the remaining revenue collected under the provisions of this
1641 article imposed and levied as a result of Section 27-65-17(1) and
1642 the corresponding levy in Section 27-65-23 on the rental or lease
1643 of private carriers of passengers and light carriers of property
1644 as defined in Section 27-51-101 shall be deposited into the Motor
1645 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
1646 27-51-105.

1647 (e) On or before August 15, 2013, and each succeeding
1648 month thereafter, three one-hundredths percent (0.03%) of the
1649 total use tax revenue collected during the preceding month under
1650 the provisions of this article shall be deposited into the
1651 Infrastructure Improvement Fund created pursuant to Section 1 of
1652 this act.

1653 (* * *f) The remainder of the amount received from
1654 taxes, damages and interest under the provisions of this article
1655 shall be paid into the General Fund of the State Treasury by the
1656 commissioner.

1657 **SECTION 13.** Section 75-76-177, Mississippi Code of 1972, is
1658 amended as follows:



1659 75-76-177. (1) From and after August 1, 1990, there is
1660 hereby imposed and levied on each gaming licensee a license fee
1661 based upon all the gross revenue of the licensee as follows:

1662 (a) * * * Four and one-tenth percent (4.1%) of all the
1663 gross revenue of the licensee which does not exceed Fifty Thousand
1664 Dollars (\$50,000.00) per calendar month;

1665 (b) * * * Six and one-tenth percent (6.1%) of all the
1666 gross revenue of the licensee which exceeds Fifty Thousand Dollars
1667 (\$50,000.00) per calendar month and does not exceed One Hundred
1668 Thirty-four Thousand Dollars (\$134,000.00) per calendar month; and

1669 (c) * * * Eight and one-tenth percent (8.1%) of all the
1670 gross revenue of the licensee which exceeds One Hundred
1671 Thirty-four Thousand Dollars (\$134,000.00) per calendar month.

1672 (2) All revenue received from any game or gaming device
1673 which is leased for operation on the premises of the
1674 licensee-owner to a person other than the owner thereof or which
1675 is located in an area or space on such premises which is leased by
1676 the licensee-owner to any such person, must be attributed to the
1677 owner for the purposes of this section and be counted as part of
1678 the gross revenue of the owner. The lessee is liable to the owner
1679 for his proportionate share of such license fees.

1680 (3) If the amount of license fees required to be reported
1681 and paid pursuant to this section is later determined to be
1682 greater or less than the amount actually reported and paid by the
1683 licensee, the * * * Commissioner of Revenue shall:



1684 (a) Assess and collect the additional license fees
1685 determined to be due, with interest thereon until paid; or
1686 (b) Refund any overpayment, with interest thereon, to
1687 the licensee.

1688 Interest must be computed, until paid, at the rate of one
1689 percent (1%) per month from the first day of the first month
1690 following either the due date of the additional license fees or
1691 the date of overpayment.

1692 (4) Failure to pay the fees provided for in this section
1693 when they are due for continuation of a license shall be deemed a
1694 surrender of the license.

1695 **SECTION 14.** Section 75-76-129, Mississippi Code of 1972, is
1696 amended as follows:

1697 **[Through June 30, 2022, this section shall read as follows:]**

1698 75-76-129. (1) Except as otherwise provided in subsection
1699 (2) of this section, on or before the last day of each month all
1700 taxes, fees, interest, penalties, damages, fines or other monies
1701 collected by the * * * Department of Revenue during that month
1702 under the provisions of this chapter, with the exception of (a)
1703 the local government fees imposed under Section 75-76-195, and (b)
1704 an amount equal to Three Million Dollars (\$3,000,000.00) of the
1705 revenue collected pursuant to the fee imposed under Section
1706 75-76-177(1)(c) shall be paid by the * * * Department of Revenue
1707 to the State Treasurer to be deposited in the State General Fund.
1708 The local government fees shall be distributed by the * * *



1709 Department of Revenue pursuant to Section 75-76-197. An amount
1710 equal to Three Million Dollars (\$3,000,000.00) of the revenue
1711 collected during that month pursuant to the fee imposed under
1712 Section 75-76-177(1)(c) shall be deposited by the * * * Department
1713 of Revenue into the bond sinking fund created in Section 65-39-3.

1714 (2) On or before the last day of each month three
1715 one-hundredths percent (0.03%) of the total revenue collected
1716 during the preceding month under Section 75-76-177 shall be
1717 deposited into the Infrastructure Improvement Fund created
1718 pursuant to Section 1 of this act.

1719 **[From and after July 1, 2022, this section shall read as**
1720 **follows:]**

1721 75-76-129. (1) Except as otherwise provided in subsection
1722 (2) of this section, on or before the last day of each month, all
1723 taxes, fees, interest, penalties, damages, fines or other monies
1724 collected by the * * * Department of Revenue during that month
1725 under the provisions of this chapter, with the exception of the
1726 local government fees imposed under Section 75-76-195, shall be
1727 paid by the * * * Department of Revenue to the State Treasurer to
1728 be deposited in the State General Fund. The local government fees
1729 shall be distributed by the * * * Department of Revenue pursuant
1730 to Section 75-76-197.

1731 (2) On or before the last day of each month three
1732 one-hundredths percent (0.03%) of the total revenue collected
1733 during the preceding month under Section 75-76-177 shall be



1734 deposited into the Infrastructure Improvement Fund created
1735 pursuant to Section 1 of this act.

1736 **SECTION 15.** Section 27-104-27, Mississippi Code of 1972, is
1737 amended as follows:

1738 27-104-27. Notwithstanding anything in Sections 27-103-101
1739 through 27-103-139 and 27-104-1 through 27-104-29 contained, the
1740 same shall not be construed to apply to any agency supported
1741 wholly by funds granted or allotted under any act of Congress.
1742 The State Auditor of Public Accounts and after July 1, 1986, the
1743 State Fiscal Officer shall determine which special fund accounts
1744 in the State Treasury require an appropriation act and request an
1745 appropriation for such special fund accounts. For all other
1746 special fund accounts, the State Auditor of Public Accounts, or
1747 the State Fiscal Officer after July 1, 1986, shall certify that
1748 such accounts do not require an appropriation. The Legislative
1749 Budget Office shall recommend an appropriation for each special
1750 fund account existing in the State Treasury so certified as
1751 requiring an appropriation, unless exempted as hereinafter
1752 provided. In the event the Legislative Budget Committee and the
1753 State Fiscal Officer find that any state agency should not be
1754 included under the provisions of Sections 27-103-101 through
1755 27-103-139 and 27-104-1 through 27-104-29, then the said committee
1756 and officer may, in their discretion, exempt said state agency
1757 from the provisions thereof. Sections 27-103-101 through
1758 27-103-139 and 27-104-1 through 27-104-29 shall not apply to funds



1759 collected and disbursed by a state agency created and existing
1760 under the provisions of Sections 73-3-101 through 73-3-169.
1761 Sections 27-103-101 through 27-103-139 and 27-104-1 through
1762 27-104-29 shall not apply to funds deposited into the special fund
1763 created pursuant to Section 45-9-101, the special fund created
1764 pursuant to Section 69-37-39, the special fund created pursuant to
1765 Section 1 of Chapter 521, Laws of 1999, the special fund created
1766 pursuant to Section 31-17-127, the special fund created pursuant
1767 to Section 65-1-110 * * *, the special fund created pursuant to
1768 Section 1 of Senate Bill No. 3067, 2006 Regular Session, or the
1769 special fund created pursuant to Section 1 of this act.

1770 The State Fiscal Officer shall not promulgate or attempt to
1771 enforce any rule, order or regulation which is not in accordance
1772 with the provisions of a legally executed trust indenture
1773 agreement, nor shall Sections 27-103-101 through 27-103-139 and
1774 27-104-1 through 27-104-29 be construed to apply to funds
1775 collected and disbursed by a state agency under Sections 65-33-45
1776 and 65-33-47.

1777 **SECTION 16.** This act shall take effect and be in force from
1778 and after July 1, 2013.

