

By: Representative Foster

To: Ways and Means

HOUSE BILL NO. 218

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
 2 TO PROVIDE THAT AN ADDITIONAL ONE AND ONE-HALF PERCENT OF THE  
 3 SALES TAX REVENUE COLLECTED ON BUSINESS ACTIVITIES WITHIN  
 4 MUNICIPALITIES IN THE STATE SHALL BE PAID TO MUNICIPALITIES IN THE  
 5 STATE; TO PROVIDE THAT SUCH MONIES SHALL BE USED FOR STREET AND  
 6 ROAD CONSTRUCTION, REPAIR AND MAINTENANCE; TO PROVIDE THAT ONE AND  
 7 ONE-HALF PERCENT OF THE SALES TAX REVENUE COLLECTED FROM BUSINESS  
 8 ACTIVITIES OUTSIDE THE MUNICIPALITIES IN A COUNTY SHALL BE PAID TO  
 9 THE COUNTY; TO PROVIDE THAT SUCH MONIES SHALL BE USED FOR STREET  
 10 AND ROAD CONSTRUCTION, REPAIR AND MAINTENANCE; TO AMEND SECTION  
 11 27-65-53, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR  
 12 RELATED PURPOSES.

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

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

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

19 (1) (a) (i) On or before August 15, 1992, and each  
 20 succeeding month thereafter through July 15, 1993, eighteen  
 21 percent (18%) of the total sales tax revenue collected during the  
 22 preceding month under the provisions of this chapter, except that  
 23 collected under the provisions of Sections 27-65-15, 27-65-19(3)



24 and 27-65-21, on business activities within a municipal  
25 corporation shall be allocated for distribution to the  
26 municipality and paid to the municipal corporation. Except as  
27 otherwise provided in this paragraph (a), on or before August 15,  
28 1993, and each succeeding month thereafter, eighteen and one-half  
29 percent (18-1/2%) of the total sales tax revenue collected during  
30 the preceding month under the provisions of this chapter, except  
31 that collected under the provisions of Sections 27-65-15,  
32 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
33 a municipal corporation shall be allocated for distribution to the  
34 municipality and paid to the municipal corporation.

35 (ii) Except as otherwise provided in this  
36 paragraph (a), on or before August 15, 2018, and each succeeding  
37 month thereafter, one and one-half percent (1-1/2%) of the total  
38 sales tax revenue collected during the preceding month under the  
39 provisions of this chapter, except that collected under the  
40 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
41 27-65-24, on business activities within a municipal corporation  
42 shall be allocated for distribution to the municipality and paid  
43 to the municipal corporation. Monies allocated to a municipality  
44 pursuant to this subparagraph (ii) shall not be considered by the  
45 municipality as general fund revenue but shall be dedicated to and  
46 expended solely for street and road construction, repair and/or  
47 maintenance. The amount paid to a municipality under this  
48 subparagraph (ii) shall be in addition to any other funds



49 allocated for distribution and paid to the municipality under  
50 subparagraph (i) of this paragraph (a) or any other provision of  
51 this section.

52 (iii) \* \* \* In the event the State Auditor issues  
53 a certificate of noncompliance pursuant to Section 21-35-31, the  
54 Department of Revenue shall withhold ten percent (10%) of the  
55 allocations and payments to the municipality that would otherwise  
56 be payable to the municipality under this paragraph (a) until such  
57 time that the department receives written notice of the  
58 cancellation of a certificate of noncompliance from the State  
59 Auditor.

60 A municipal corporation, for the purpose of distributing the  
61 tax under this subsection, shall mean and include all incorporated  
62 cities, towns and villages.

63 Monies allocated for distribution and credited to a municipal  
64 corporation under this paragraph may be pledged as security for a  
65 loan if the distribution received by the municipal corporation is  
66 otherwise authorized or required by law to be pledged as security  
67 for such a loan.

68 In any county having a county seat that is not an  
69 incorporated municipality, the distribution provided under this  
70 subsection shall be made as though the county seat was an  
71 incorporated municipality; however, the distribution to the  
72 municipality shall be paid to the county treasury in which the



73 municipality is located, and those funds shall be used for road,  
74 bridge and street construction or maintenance in the county.

75 (b) On or before August 15, 2006, and each succeeding  
76 month thereafter, eighteen and one-half percent (18-1/2%) of the  
77 total sales tax revenue collected during the preceding month under  
78 the provisions of this chapter, except that collected under the  
79 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
80 business activities on the campus of a state institution of higher  
81 learning or community or junior college whose campus is not  
82 located within the corporate limits of a municipality, shall be  
83 allocated for distribution to the state institution of higher  
84 learning or community or junior college and paid to the state  
85 institution of higher learning or community or junior college.

86 (c) On or before August 15, 2018, and each succeeding  
87 month thereafter until August 14, 2019, two percent (2%) of the  
88 total sales tax revenue collected during the preceding month under  
89 the provisions of this chapter, except that collected under the  
90 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
91 27-65-24, on business activities within the corporate limits of  
92 the City of Jackson, Mississippi, shall be deposited into the  
93 Capitol Complex Improvement District Project Fund created in  
94 Section 29-5-215. On or before August 15, 2019, and each  
95 succeeding month thereafter until August 14, 2020, four percent  
96 (4%) of the total sales tax revenue collected during the preceding  
97 month under the provisions of this chapter, except that collected



98 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
99 and 27-65-24, on business activities within the corporate limits  
100 of the City of Jackson, Mississippi, shall be deposited into the  
101 Capitol Complex Improvement District Project Fund created in  
102 Section 29-5-215. On or before August 15, 2020, and each  
103 succeeding month thereafter, six percent (6%) of the total sales  
104 tax revenue collected during the preceding month under the  
105 provisions of this chapter, except that collected under the  
106 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
107 27-65-24, on business activities within the corporate limits of  
108 the City of Jackson, Mississippi, shall be deposited into the  
109 Capitol Complex Improvement District Project Fund created in  
110 Section 29-5-215.

111 (2) On or before September 15, 1987, and each succeeding  
112 month thereafter, from the revenue collected under this chapter  
113 during the preceding month, One Million One Hundred Twenty-five  
114 Thousand Dollars (\$1,125,000.00) shall be allocated for  
115 distribution to municipal corporations as defined under subsection  
116 (1) of this section in the proportion that the number of gallons  
117 of gasoline and diesel fuel sold by distributors to consumers and  
118 retailers in each such municipality during the preceding fiscal  
119 year bears to the total gallons of gasoline and diesel fuel sold  
120 by distributors to consumers and retailers in municipalities  
121 statewide during the preceding fiscal year. The Department of  
122 Revenue shall require all distributors of gasoline and diesel fuel



123 to report to the department monthly the total number of gallons of  
124 gasoline and diesel fuel sold by them to consumers and retailers  
125 in each municipality during the preceding month. The Department  
126 of Revenue shall have the authority to promulgate such rules and  
127 regulations as is necessary to determine the number of gallons of  
128 gasoline and diesel fuel sold by distributors to consumers and  
129 retailers in each municipality. In determining the percentage  
130 allocation of funds under this subsection for the fiscal year  
131 beginning July 1, 1987, and ending June 30, 1988, the Department  
132 of Revenue may consider gallons of gasoline and diesel fuel sold  
133 for a period of less than one (1) fiscal year. For the purposes  
134 of this subsection, the term "fiscal year" means the fiscal year  
135 beginning July 1 of a year.

136 (3) On or before September 15, 1987, and on or before the  
137 fifteenth day of each succeeding month, until the date specified  
138 in Section 65-39-35, the proceeds derived from contractors' taxes  
139 levied under Section 27-65-21 on contracts for the construction or  
140 reconstruction of highways designated under the highway program  
141 created under Section 65-3-97 shall, except as otherwise provided  
142 in Section 31-17-127, be deposited into the State Treasury to the  
143 credit of the State Highway Fund to be used to fund that highway  
144 program. The Mississippi Department of Transportation shall  
145 provide to the Department of Revenue such information as is  
146 necessary to determine the amount of proceeds to be distributed  
147 under this subsection.



148 (4) On or before August 15, 1994, and on or before the  
149 fifteenth day of each succeeding month through July 15, 1999, from  
150 the proceeds of gasoline, diesel fuel or kerosene taxes as  
151 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
152 (\$4,000,000.00) shall be deposited in the State Treasury to the  
153 credit of a special fund designated as the "State Aid Road Fund,"  
154 created by Section 65-9-17. On or before August 15, 1999, and on  
155 or before the fifteenth day of each succeeding month, from the  
156 total amount of the proceeds of gasoline, diesel fuel or kerosene  
157 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
158 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
159 one-fourth percent (23-1/4%) of those funds, whichever is the  
160 greater amount, shall be deposited in the State Treasury to the  
161 credit of the "State Aid Road Fund," created by Section 65-9-17.  
162 Those funds shall be pledged to pay the principal of and interest  
163 on state aid road bonds heretofore issued under Sections 19-9-51  
164 through 19-9-77, in lieu of and in substitution for the funds  
165 previously allocated to counties under this section. Those funds  
166 may not be pledged for the payment of any state aid road bonds  
167 issued after April 1, 1981; however, this prohibition against the  
168 pledging of any such funds for the payment of bonds shall not  
169 apply to any bonds for which intent to issue those bonds has been  
170 published for the first time, as provided by law before March 29,  
171 1981. From the amount of taxes paid into the special fund under  
172 this subsection and subsection (9) of this section, there shall be



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

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

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

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

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

191 The amount of funds allocated to any county under this  
192 subsection for any fiscal year after fiscal year 1994 shall not be  
193 less than the amount allocated to the county for fiscal year 1994.

194 Any reference in the general laws of this state or the  
195 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
196 construed to refer and apply to subsection (4) of Section  
197 27-65-75.





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

204 (6) An amount each month beginning August 15, 1983, through  
205 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
206 1983, shall be paid into the special fund known as the  
207 Correctional Facilities Construction Fund created in Section 6,  
208 Chapter 542, Laws of 1983.

209 (7) On or before August 15, 1992, and each succeeding month  
210 thereafter through July 15, 2000, two and two hundred sixty-six  
211 one-thousandths percent (2.266%) of the total sales tax revenue  
212 collected during the preceding month under the provisions of this  
213 chapter, except that collected under the provisions of Section  
214 27-65-17(2), shall be deposited by the department into the School  
215 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
216 or before August 15, 2000, and each succeeding month thereafter,  
217 two and two hundred sixty-six one-thousandths percent (2.266%) of  
218 the total sales tax revenue collected during the preceding month  
219 under the provisions of this chapter, except that collected under  
220 the provisions of Section 27-65-17(2), shall be deposited into the  
221 School Ad Valorem Tax Reduction Fund created under Section  
222 37-61-35 until such time that the total amount deposited into the



223 fund during a fiscal year equals Forty-two Million Dollars  
224 (\$42,000,000.00). Thereafter, the amounts diverted under this  
225 subsection (7) during the fiscal year in excess of Forty-two  
226 Million Dollars (\$42,000,000.00) shall be deposited into the  
227 Education Enhancement Fund created under Section 37-61-33 for  
228 appropriation by the Legislature as other education needs and  
229 shall not be subject to the percentage appropriation requirements  
230 set forth in Section 37-61-33.

231 (8) On or before August 15, 1992, and each succeeding month  
232 thereafter, nine and seventy-three one-thousandths percent  
233 (9.073%) of the total sales tax revenue collected during the  
234 preceding month under the provisions of this chapter, except that  
235 collected under the provisions of Section 27-65-17(2), shall be  
236 deposited into the Education Enhancement Fund created under  
237 Section 37-61-33.

238 (9) On or before August 15, 1994, and each succeeding month  
239 thereafter, from the revenue collected under this chapter during  
240 the preceding month, Two Hundred Fifty Thousand Dollars  
241 (\$250,000.00) shall be paid into the State Aid Road Fund.

242 (10) On or before August 15, 1994, and each succeeding month  
243 thereafter through August 15, 1995, from the revenue collected  
244 under this chapter during the preceding month, Two Million Dollars  
245 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
246 Valorem Tax Reduction Fund established in Section 27-51-105.



247           (11) Notwithstanding any other provision of this section to  
248 the contrary, on or before February 15, 1995, and each succeeding  
249 month thereafter, the sales tax revenue collected during the  
250 preceding month under the provisions of Section 27-65-17(2) and  
251 the corresponding levy in Section 27-65-23 on the rental or lease  
252 of private carriers of passengers and light carriers of property  
253 as defined in Section 27-51-101 shall be deposited, without  
254 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
255 established in Section 27-51-105.

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

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



271 solely to defray the costs of repairs and renovation at the Trade  
272 Mart and Coliseum.

273 (14) On or before August 15, 1998, and each succeeding month  
274 thereafter through July 15, 2005, that portion of the avails of  
275 the tax imposed in Section 27-65-23 that is derived from sales by  
276 cotton compresses or cotton warehouses and that would otherwise be  
277 paid into the General Fund shall be deposited in an amount not to  
278 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
279 created under Section 69-37-39. On or before August 15, 2007, and  
280 each succeeding month thereafter through July 15, 2010, that  
281 portion of the avails of the tax imposed in Section 27-65-23 that  
282 is derived from sales by cotton compresses or cotton warehouses  
283 and that would otherwise be paid into the General Fund shall be  
284 deposited in an amount not to exceed Two Million Dollars  
285 (\$2,000,000.00) into the special fund created under Section  
286 69-37-39 until all debts or other obligations incurred by the  
287 Certified Cotton Growers Organization under the Mississippi Boll  
288 Weevil Management Act before January 1, 2007, are satisfied in  
289 full. On or before August 15, 2010, and each succeeding month  
290 thereafter through July 15, 2011, fifty percent (50%) of that  
291 portion of the avails of the tax imposed in Section 27-65-23 that  
292 is derived from sales by cotton compresses or cotton warehouses  
293 and that would otherwise be paid into the General Fund shall be  
294 deposited into the special fund created under Section 69-37-39  
295 until such time that the total amount deposited into the fund



296 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
297 On or before August 15, 2011, and each succeeding month  
298 thereafter, that portion of the avails of the tax imposed in  
299 Section 27-65-23 that is derived from sales by cotton compresses  
300 or cotton warehouses and that would otherwise be paid into the  
301 General Fund shall be deposited into the special fund created  
302 under Section 69-37-39 until such time that the total amount  
303 deposited into the fund during a fiscal year equals One Million  
304 Dollars (\$1,000,000.00).

305 (15) Notwithstanding any other provision of this section to  
306 the contrary, on or before September 15, 2000, and each succeeding  
307 month thereafter, the sales tax revenue collected during the  
308 preceding month under the provisions of Section  
309 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
310 without diversion, into the Telecommunications Ad Valorem Tax  
311 Reduction Fund established in Section 27-38-7.

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

319 (b) On or before August 15, 2007, and each succeeding  
320 month thereafter, eighty percent (80%) of the sales tax revenue



321 collected during the preceding month under the provisions of this  
322 chapter from the operation of a tourism project under the  
323 provisions of Sections 57-26-1 through 57-26-5, shall be  
324 deposited, after the diversions required in subsections (7) and  
325 (8) of this section, into the Tourism Project Sales Tax Incentive  
326 Fund created in Section 57-26-3.

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

334 (18) [Repealed]

335 (19) (a) On or before August 15, 2005, and each succeeding  
336 month thereafter, the sales tax revenue collected during the  
337 preceding month under the provisions of this chapter on the gross  
338 proceeds of sales of a business enterprise located within a  
339 redevelopment project area under the provisions of Sections  
340 57-91-1 through 57-91-11, and the revenue collected on the gross  
341 proceeds of sales from sales made to a business enterprise located  
342 in a redevelopment project area under the provisions of Sections  
343 57-91-1 through 57-91-11 (provided that such sales made to a  
344 business enterprise are made on the premises of the business  
345 enterprise), shall, except as otherwise provided in this



346 subsection (19), be deposited, after all diversions, into the  
347 Redevelopment Project Incentive Fund as created in Section  
348 57-91-9.

349 (b) For a municipality participating in the Economic  
350 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
351 the diversion provided for in subsection (1) of this section  
352 attributable to the gross proceeds of sales of a business  
353 enterprise located within a redevelopment project area under the  
354 provisions of Sections 57-91-1 through 57-91-11, and attributable  
355 to the gross proceeds of sales from sales made to a business  
356 enterprise located in a redevelopment project area under the  
357 provisions of Sections 57-91-1 through 57-91-11 (provided that  
358 such sales made to a business enterprise are made on the premises  
359 of the business enterprise), shall be deposited into the  
360 Redevelopment Project Incentive Fund as created in Section  
361 57-91-9, as follows:

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

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



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

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

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

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

389 (21) (a) On or before April 15, 2007, and each succeeding  
390 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
391 Dollars (\$150,000.00) of the sales tax revenue collected during  
392 the preceding month under the provisions of this chapter shall be  
393 deposited into the MMEIA Tax Incentive Fund created in Section  
394 57-101-3.





395 (b) On or before July 15, 2013, and each succeeding  
396 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
397 of the sales tax revenue collected during the preceding month  
398 under the provisions of this chapter shall be deposited into the  
399 Mississippi Development Authority Job Training Grant Fund created  
400 in Section 57-1-451.

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

407 (23) On or before August 15, 2018, and each succeeding month  
408 thereafter, one and one-half percent (1-1/2%) of the total sales  
409 tax revenue collected during the preceding month under the  
410 provisions of this chapter, except that collected under the  
411 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
412 27-65-24, on business activities within a county that occur  
413 outside of the municipalities in the county shall be allocated for  
414 distribution to the county and paid to the county. Monies  
415 allocated to a county pursuant to this subsection (23) shall not  
416 be considered by the county as general fund revenue but shall be  
417 dedicated to and expended solely for street and road construction,  
418 repair and/or maintenance. The amount paid to a county under this  
419 subsection (23) shall be in addition to any other funds allocated



420 for this distribution and paid to the various counties under this  
421 section.

422 ( \* \* \* 24) The remainder of the amounts collected under the  
423 provisions of this chapter shall be paid into the State Treasury  
424 to the credit of the General Fund.

425 ( \* \* \* 25) (a) It shall be the duty of the municipal  
426 officials of any municipality that expands its limits, or of any  
427 community that incorporates as a municipality, to notify the  
428 commissioner of that action thirty (30) days before the effective  
429 date. Failure to so notify the commissioner shall cause the  
430 municipality to forfeit the revenue that it would have been  
431 entitled to receive during this period of time when the  
432 commissioner had no knowledge of the action.

433 (b) (i) Except as otherwise provided in subparagraph  
434 (ii) of this paragraph, if any funds have been erroneously  
435 disbursed to any municipality or county or any overpayment of tax  
436 is recovered by the taxpayer, the commissioner may make correction  
437 and adjust the error or overpayment with the municipality or  
438 county by withholding the necessary funds from any later payment  
439 to be made to the municipality or county.

440 (ii) Subject to the provisions of Sections  
441 27-65-51 and 27-65-53, if any funds have been erroneously  
442 disbursed to a municipality under subsection (1) of this section  
443 for a period of three (3) years or more, the maximum amount that  
444 may be recovered or withheld from the municipality is the total



445 amount of funds erroneously disbursed for a period of three (3)  
446 years beginning with the date of the first erroneous disbursement.  
447 However, if during such period, a municipality provides written  
448 notice to the Department of Revenue indicating the erroneous  
449 disbursement of funds, then the maximum amount that may be  
450 recovered or withheld from the municipality is the total amount of  
451 funds erroneously disbursed for a period of one (1) year beginning  
452 with the date of the first erroneous disbursement.

453 **SECTION 2.** Section 27-65-53, Mississippi Code of 1972, is  
454 amended as follows:

455 27-65-53. If the commissioner finds that the taxpayer has  
456 overpaid his tax for any reason and the taxpayer has discontinued  
457 business and there is no subsequent liability upon which the  
458 excess may be credited, or if the amount of the excess so paid  
459 shall exceed the estimated liability for the next twelve (12)  
460 months, the excess shall be refunded to the taxpayer. Such amount  
461 shall be certified to the State Auditor of Public Accounts by the  
462 commission. The said auditor is hereby authorized to make such  
463 investigation and audit of the claim as he finds necessary. If he  
464 finds that the commissioner is correct in his determination, the  
465 auditor may issue his warrant to the State Treasurer in favor of  
466 the taxpayer for the amount of tax erroneously paid into the State  
467 Treasury, such refunds to be made from current sales tax  
468 collections. If part of the overpayment has been disbursed to any  
469 municipality, \* \* \* state institution of higher learning or



470 county, under authority of Section 27-65-75, the  
471 municipality, \* \* \* state institution of higher learning or  
472 county, having erroneously received the money, shall adjust the  
473 amount with the commissioner, or the overpayment may be withheld  
474 by the state from any funds due by the state to the  
475 municipality, \* \* \* state institution of higher learning or  
476 county.

477         Provided, that where the taxpayer has overpaid his tax, the  
478 commissioner may give credit for same and allow the taxpayer to  
479 take credit on a subsequent return or, if necessary, in his  
480 discretion, have the taxpayer file for a refund as provided  
481 herein.

482         If any overpayment of tax as reflected in an application or  
483 amended return, or both, filed by the taxpayer, and verified by  
484 the commissioner or otherwise determined to be due by the  
485 commissioner or commission, is not refunded or credited to a  
486 taxpayer's account within ninety (90) days after the application  
487 or amended return is filed or the date the commission or  
488 commissioner determines a refund is due, whichever is later,  
489 interest at the rate of one percent (1%) per month shall be  
490 allowed on such overpayment computed for the period after  
491 expiration of the ninety-day period provided herein to the date of  
492 payment.

493         **SECTION 3.** This act shall take effect and be in force from  
494 and after July 1, 2018.

