

By: Representatives Lamar, Brown (20th),
Crawford, Bounds

To: Ways and Means

HOUSE BILL NO. 1139
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-309, MISSISSIPPI CODE OF 1972,
2 TO REMOVE THE PROVISION THAT REQUIRES EMPLOYERS WITH AN AVERAGE
3 MONTHLY WITHHOLDING TAX LIABILITY OF AT LEAST \$50,000.00 FOR THE
4 PRECEDING CALENDAR YEAR TO PAY, ON OR BEFORE JUNE 25, AT LEAST 75%
5 OF THEIR ESTIMATED JUNE WITHHOLDING TAX LIABILITY FOR THE CURRENT
6 TAXABLE YEAR OR AT LEAST 75% OF THEIR JUNE WITHHOLDING TAX
7 LIABILITY FOR THE PRECEDING TAXABLE YEAR; TO AMEND SECTION
8 27-65-33, MISSISSIPPI CODE OF 1972, TO REMOVE THE PROVISION THAT
9 REQUIRES TAXPAYERS WHO ARE REQUIRED TO COLLECT SALES TAX AND WHO
10 HAVE AN AVERAGE MONTHLY SALES TAX LIABILITY OF AT LEAST \$50,000.00
11 FOR THE PRECEDING CALENDAR YEAR TO PAY, ON OR BEFORE JUNE 25, AT
12 LEAST 75% OF THEIR ESTIMATED JUNE SALES TAX LIABILITY FOR THE
13 CURRENT CALENDAR YEAR OR AT LEAST 75% OF THEIR JUNE SALES TAX
14 LIABILITY FOR THE PRECEDING CALENDAR YEAR; TO AMEND SECTION
15 27-67-17, MISSISSIPPI CODE OF 1972, TO REMOVE THE PROVISION THAT
16 REQUIRES TAXPAYERS WHO ARE REQUIRED TO COLLECT USE TAX AND WHO
17 HAVE AN AVERAGE MONTHLY USE TAX LIABILITY OF AT LEAST \$50,000.00
18 FOR THE PRECEDING CALENDAR YEAR TO PAY, ON OR BEFORE JUNE 25, AT
19 LEAST 75% OF THEIR ESTIMATED JUNE USE TAX LIABILITY FOR THE
20 CURRENT CALENDAR YEAR OR AT LEAST 75% OF THEIR JUNE USE TAX
21 LIABILITY FOR THE PRECEDING CALENDAR YEAR; TO AMEND SECTION
22 27-65-75, MISSISSIPPI CODE OF 1972, TO REVISE THE COUNTIES
23 ELIGIBLE FOR A DIVERSION OF A PORTION OF THE SALES TAX REVENUE
24 COLLECTED ON BUSINESS ACTIVITIES WITHIN A REDEVELOPMENT PROJECT
25 AREA DEVELOPED UNDER THE TAX INCREMENT FINANCING ACT IF THE COUNTY
26 HAS ISSUED BONDS UNDER THE TAX INCREMENT FINANCING ACT TO FINANCE
27 ALL OR A PORTION OF SUCH REDEVELOPMENT PROJECT, ANY DEBT SERVICE
28 FOR SUCH INDEBTEDNESS IS OUTSTANDING, AND A DEVELOPMENT WITH A
29 VALUE OF \$10,000,000.00 OR MORE IS, OR WILL BE, LOCATED IN THE
30 REDEVELOPMENT AREA; AND FOR RELATED PURPOSES.

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



32 **SECTION 1.** Section 27-7-309, Mississippi Code of 1972, is
33 amended as follows:

34 27-7-309. (1) (a) Except as otherwise provided in this
35 subsection, every employer required to deduct and withhold from
36 wages under this article shall, for each calendar quarter, on or
37 before the fifteenth day of the month following the close of such
38 calendar quarter, file a withholding return as prescribed by the
39 commissioner and pay over to the commissioner the full amount
40 required to be deducted and withheld from wages by such employer
41 for the calendar quarter. Provided that the commissioner may, by
42 regulation, provide that every such employer shall, on or before
43 the fifteenth day of each month, pay over to the commissioner or a
44 depository designated by the commissioner, the amount required to
45 be deducted and withheld by such employer for the preceding month,
46 if such amount is One Hundred Dollars (\$100.00) or more. Returns
47 and payments placed in the mail must be postmarked by the due date
48 in order to be timely filed, except when the due date falls on a
49 weekend or holiday, returns and payments placed in the mail must
50 be postmarked by the first working day following the due date in
51 order to be considered timely filed.

52 * * *

53 (* * *b) The commissioner may promulgate rules and
54 regulations to require or permit filing periods of any duration,
55 in lieu of monthly or quarterly filing periods, for any taxpayer
56 or group thereof.



57 (2) Notwithstanding any of the other provisions of this
58 section, all transient employers and all employers engaged in any
59 business which is seasonal shall make return and pay over to the
60 commissioner on a monthly basis, the full amounts required to be
61 deducted and withheld from the wages by such employer for the
62 calendar month. Such returns and payments to the commissioner by
63 such employers shall be made on or before the fifteenth day of the
64 month following the month for which such amounts were deducted and
65 withheld from the wages of his employees. The commissioner shall
66 have the authority to issue reasonable rules and regulations
67 designating or classifying those transient and seasonal employers.

68 (3) If the commissioner, in any case, has justifiable reason
69 to believe that the collection of funds required to be withheld by
70 any employer as provided herein is in jeopardy, he may require the
71 employer to file a return and pay such amount required to be
72 withheld at any time.

73 (4) Every employer who fails to withhold or pay to the
74 commissioner any sums required by this article to be withheld and
75 paid, shall be personally and individually liable therefor, except
76 as provided in Section 27-7-307; and any sum or sums withheld in
77 accordance with the provisions of this article shall be deemed to
78 be held in trust for the State of Mississippi and shall be
79 recorded by the employer in a ledger account so as to clearly
80 indicate the amount of tax withheld and that the amount is the
81 property of the State of Mississippi.



82 (5) Once an employer has become liable to a quarterly return
83 of withholding, he must continue to file a quarterly report, even
84 though no tax has been withheld, until such time as he notifies
85 the commissioner, in writing, that he no longer has employees or
86 that he is no longer liable for such quarterly returns.

87 (6) Once an employer has become liable to a monthly return
88 of withholding, he must continue to file a monthly report, even
89 though no tax has been withheld until such time as he notifies the
90 commissioner, in writing, that he no longer has employees or that
91 he is no longer liable for such monthly returns.

92 (7) Magnetic media reporting may be required in a manner to
93 be determined by the commissioner.

94 **SECTION 2.** Section 27-65-33, Mississippi Code of 1972, is
95 amended as follows:

96 27-65-33. (1) (a) Except as otherwise provided in this
97 section, the taxes levied by this chapter shall be due and payable
98 on or before the twentieth day of the month next succeeding the
99 month in which the tax accrues, except as otherwise provided.
100 Returns and payments placed in the mail must be postmarked by the
101 due date in order to be considered timely filed, except when the
102 due date falls on a weekend or holiday, returns and payments
103 placed in the mail must be postmarked by the first working day
104 following the due date in order to be considered timely filed.
105 The taxpayer shall make a return showing the gross proceeds of
106 sales or the gross income of the business, and any and all



107 allowable deductions, or exempt sales, and compute the tax due for
108 the period covered.

109 (b) As compensation for collecting sales and use taxes,
110 complying fully with the applicable statutes, filing returns and
111 supplements thereto and paying all taxes by the twentieth of the
112 month following the period covered, the taxpayer may discount and
113 retain two percent (2%) of the liability on each return subject to
114 the following limitations:

115 (i) The compensation or discount shall not apply
116 to taxes levied under the provisions of Sections 27-65-19 and
117 27-65-21, or on charges for ginning cotton under Section 27-65-23.

118 (ii) The compensation or discount shall not apply
119 to taxes collected by a county official or state agency.

120 (iii) The compensation or discount shall not
121 exceed Fifty Dollars (\$50.00) per month, or Six Hundred Dollars
122 (\$600.00) per calendar year, per business location on each state
123 sales tax return, or on each use tax return.

124 (iv) The compensation or discount shall not apply
125 to any wholesale tax, the rate of which is equal to or greater
126 than the tax rate applicable to retail sales of the same property
127 or service. The retailer of such items shall be entitled to the
128 compensation based on the tax computed on retail sales before
129 application of the credit for any tax paid to the wholesaler,
130 jobber or other person.



131 (v) The compensation or discount allowed and taken
132 for any filing period may be reassessed and collected when an
133 audit of a taxpayer's records reveals a tax deficiency for that
134 period.

135 (c) As compensation for collecting any tax imposed
136 under the authority of a local and private law of the State of
137 Mississippi which is collected and paid to the Department of
138 Revenue in the same or similar manner that state sales taxes are
139 collected and paid, complying fully with such applicable law,
140 filing returns and supplements thereto and paying all taxes by the
141 twentieth of the month following the period covered, the taxpayer
142 may discount and retain two percent (2%) of the liability on each
143 return subject to the following limitations:

144 (i) The compensation or discount shall not apply
145 to taxes collected by a county official or state agency.

146 (ii) The compensation or discount shall not exceed
147 Fifty Dollars (\$50.00) per month, or Six Hundred Dollars (\$600.00)
148 per calendar year, per business location on each tax return.

149 (iii) The compensation or discount allowed and
150 taken for any filing period may be reassessed and collected when
151 an audit of a taxpayer's records reveals a tax deficiency for that
152 period.

153 * * *

154 (* * *2) All returns shall be sworn to by the taxpayer, if
155 made by an individual, or by the president, vice president,



156 secretary or treasurer of a corporation, or authorized agent, if
157 made on behalf of a corporation. If made on behalf of a
158 partnership, joint venture, association, trust, estate, or in any
159 other group or combination acting as a unit, any individual
160 delegated by such firm shall swear to the return on behalf of the
161 taxpayer. The commissioner may prescribe methods by which the
162 taxpayer may swear to his return.

163 (* * *3) The commissioner may promulgate rules and
164 regulations to require or permit filing periods of any duration,
165 in lieu of monthly filing periods, for any taxpayer or group
166 thereof.

167 (* * *4) The commissioner may require the execution and
168 filing by the taxpayer with the commissioner of a good and solvent
169 bond with some surety company authorized to do business in
170 Mississippi as surety thereon in an amount double the aggregate
171 tax liability by such taxpayer for any previous three-month period
172 within the last calendar year or estimated three (3) months' tax
173 liability. The bond is to be conditioned for the prompt payment
174 of such taxes as may be due for each such return.

175 (* * *5) The commissioner, for good cause, may grant such
176 reasonable additional time within which to make any return
177 required under the provisions of this chapter as he may deem
178 proper, but the time for filing any return shall not be extended
179 beyond the twentieth of the month next succeeding the regular due
180 date of the return without the imposition of interest at the rate



181 of one-half of one percent (1/2 of 1%) per month or fractional
182 part of a month from the time the return was due until the tax is
183 paid.

184 (* * *6) For persistent, willful or recurring failure to
185 make any return and pay the tax shown thereby to be due by the
186 time specified, there shall be added to the amount of tax shown to
187 be due ten percent (10%) damages, or interest at the rate of
188 one-half of one percent (1/2 of 1%) per month, or both.

189 (* * *7) Any taxpayer may, upon making application
190 therefor, obtain from the commissioner an extension of time for
191 the payment of taxes due on credit sales until collections thereon
192 have been made. When such extension is granted, the taxpayer
193 shall thereafter include in each monthly or quarterly report all
194 collections made during the preceding month or quarter, and shall
195 pay the taxes due thereon at the time of filing such report. Such
196 permission may be revoked or denied at the discretion of the
197 commissioner when, in his opinion, a total sales basis will best
198 reflect the taxable income or expedite examination of the
199 taxpayer's records.

200 (* * *8) Any taxpayer reporting credit sales before
201 collection thereof has been made may take credit on subsequent
202 returns or reports for bad debts actually charged off, if such
203 amounts charged off have previously been included in taxable gross
204 income or taxable gross proceeds of sales, as the case may be, and
205 the tax paid thereon. However, any amounts subsequently collected



206 on accounts that have been charged off as bad debts shall be
207 included in subsequent reports and the tax shall be paid thereon.

208 (* * *9) In cases where an extension of time has been
209 granted by the commissioner for payment of taxes due on credit
210 sales and the taxpayer thereafter discontinues the business, such
211 taxpayer shall be required to file with the commissioner within
212 ten (10) days, or such further time as the commissioner may
213 direct, from the date of the discontinuance of such business, a
214 special report showing the amounts of any credit sales which have
215 not been included in determining the measure of the tax previously
216 paid and any other information with reference to credit sales as
217 the commissioner may require. The commissioner shall thereupon
218 investigate the facts with reference to credit sales and the
219 condition of the accounts, and shall determine, from the best
220 evidence available, the value of all open accounts, notes or other
221 evidence of debt arising from credit sales. The value of all
222 notes, open accounts and other evidence of debt, as thus
223 determined by the commissioner, shall be used in determining the
224 amount of the tax for which such taxpayer shall be liable. When
225 the amount of the tax shall have been ascertained, the taxpayer
226 shall be required to pay the same within ten (10) days or such
227 further time as the commissioner may allow, notwithstanding the
228 fact that such note or accounts may still remain uncollected.

229 **SECTION 3.** Section 27-67-17, Mississippi Code of 1972, is
230 amended as follows:



231 27-67-17. (1) Except as otherwise provided in this section,
232 the commissioner shall collect the tax imposed by this article,
233 and every person subject to its provisions shall remit to the
234 commissioner, on or before the twentieth day of each month, the
235 amount of tax due by such person for the preceding calendar month.
236 Returns and payments placed in the mail must be postmarked by the
237 due date in order to be timely filed, except that when the due
238 date falls on a weekend or holiday, returns and payments placed in
239 the mail must be postmarked by the first working day following the
240 due date in order to be considered timely filed. Every taxpayer
241 shall file a return with his remittance, which return shall be
242 prescribed by the commissioner and shall show for the calendar
243 month preceding the tax payment date, the total sale or purchase
244 price, or value of tangible personal property or specified digital
245 products sold, used, stored or consumed by him for benefit
246 received or service performed, and such other information as the
247 commissioner may deem pertinent and necessary for determining the
248 amount of tax due thereunder.

249 (2) The commissioner, in his discretion, may authorize in
250 writing the filing of returns and the payment of tax on a
251 quarterly basis by any person required or authorized to pay the
252 tax imposed, such authority to be subject to revocation for good
253 cause by the commissioner.



254 (3) In instances where it is impractical to file returns and
255 pay the tax monthly or quarterly, the commissioner may authorize
256 the filing of semiannual or annual returns.

257 * * *

258 (* * *4) The commissioner, in his discretion, may authorize
259 the computation of the tax on the basis of a formula in lieu of
260 direct accounting of specific properties in instances where such
261 method will expedite, simplify or provide a more equitable means
262 of determining liability under this article. All formulas shall
263 be subject to revocation for good cause by the commissioner.

264 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
265 amended as follows:

266 27-65-75. On or before the fifteenth day of each month, the
267 revenue collected under the provisions of this chapter during the
268 preceding month shall be paid and distributed as follows:

269 (1) (a) On or before August 15, 1992, and each succeeding
270 month thereafter through July 15, 1993, eighteen percent (18%) of
271 the total sales tax revenue collected during the preceding month
272 under the provisions of this chapter, except that collected under
273 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
274 business activities within a municipal corporation shall be
275 allocated for distribution to the municipality and paid to the
276 municipal corporation. Except as otherwise provided in this
277 paragraph (a), on or before August 15, 1993, and each succeeding
278 month thereafter, eighteen and one-half percent (18-1/2%) of the



279 total sales tax revenue collected during the preceding month under
280 the provisions of this chapter, except that collected under the
281 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
282 27-65-24, on business activities within a municipal corporation
283 shall be allocated for distribution to the municipality and paid
284 to the municipal corporation. However, in the event the State
285 Auditor issues a certificate of noncompliance pursuant to Section
286 21-35-31, the Department of Revenue shall withhold ten percent
287 (10%) of the allocations and payments to the municipality that
288 would otherwise be payable to the municipality under this
289 paragraph (a) until such time that the department receives written
290 notice of the cancellation of a certificate of noncompliance from
291 the State Auditor.

292 A municipal corporation, for the purpose of distributing the
293 tax under this subsection, shall mean and include all incorporated
294 cities, towns and villages.

295 Monies allocated for distribution and credited to a municipal
296 corporation under this paragraph may be pledged as security for a
297 loan if the distribution received by the municipal corporation is
298 otherwise authorized or required by law to be pledged as security
299 for such a loan.

300 In any county having a county seat that is not an
301 incorporated municipality, the distribution provided under this
302 subsection shall be made as though the county seat was an
303 incorporated municipality; however, the distribution to the



304 municipality shall be paid to the county treasury in which the
305 municipality is located, and those funds shall be used for road,
306 bridge and street construction or maintenance in the county.

307 (b) On or before August 15, 2006, and each succeeding
308 month thereafter, eighteen and one-half percent (18-1/2%) of the
309 total sales tax revenue collected during the preceding month under
310 the provisions of this chapter, except that collected under the
311 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
312 business activities on the campus of a state institution of higher
313 learning or community or junior college whose campus is not
314 located within the corporate limits of a municipality, shall be
315 allocated for distribution to the state institution of higher
316 learning or community or junior college and paid to the state
317 institution of higher learning or community or junior college.

318 (c) On or before August 15, 2018, and each succeeding
319 month thereafter until August 14, 2019, two percent (2%) of the
320 total sales tax revenue collected during the preceding month under
321 the provisions of this chapter, except that collected under the
322 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
323 27-65-24, on business activities within the corporate limits of
324 the City of Jackson, Mississippi, shall be deposited into the
325 Capitol Complex Improvement District Project Fund created in
326 Section 29-5-215. On or before August 15, 2019, and each
327 succeeding month thereafter until August 14, 2020, four percent
328 (4%) of the total sales tax revenue collected during the preceding



329 month under the provisions of this chapter, except that collected
330 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
331 and 27-65-24, on business activities within the corporate limits
332 of the City of Jackson, Mississippi, shall be deposited into the
333 Capitol Complex Improvement District Project Fund created in
334 Section 29-5-215. On or before August 15, 2020, and each
335 succeeding month thereafter, six percent (6%) of the total sales
336 tax revenue collected during the preceding month under the
337 provisions of this chapter, except that collected under the
338 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
339 27-65-24, on business activities within the corporate limits of
340 the City of Jackson, Mississippi, shall be deposited into the
341 Capitol Complex Improvement District Project Fund created in
342 Section 29-5-215.

343 (d) (i) On or before the fifteenth day of the month
344 that the diversion authorized by this section begins, and each
345 succeeding month thereafter, eighteen and one-half percent
346 (18-1/2%) of the total sales tax revenue collected during the
347 preceding month under the provisions of this chapter, except that
348 collected under the provisions of Sections 27-65-15, 27-65-19(3)
349 and 27-65-21, on business activities within a redevelopment
350 project area developed under a redevelopment plan adopted under
351 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
352 allocated for distribution to the county in which the project area
353 is located if:



354 1. The county:
355 a. Borders on the Mississippi Sound and
356 the State of Alabama, or
357 b. Is Harrison County, Mississippi, and
358 the project area is within a radius of two (2) miles from the
359 intersection of Interstate 10 and Menge Avenue;

360 2. The county has issued bonds under Section
361 21-45-9 to finance all or a portion of a redevelopment project in
362 the redevelopment project area;

363 3. Any debt service for the indebtedness
364 incurred is outstanding; and

365 4. A development with a value of Ten Million
366 Dollars (\$10,000,000.00) or more is, or will be, located in the
367 redevelopment area.

368 (ii) Before any sales tax revenue may be allocated
369 for distribution to a county under this paragraph, the county
370 shall certify to the Department of Revenue that the requirements
371 of this paragraph have been met, the amount of bonded indebtedness
372 that has been incurred by the county for the redevelopment project
373 and the expected date the indebtedness incurred by the county will
374 be satisfied.

375 (iii) The diversion of sales tax revenue
376 authorized by this paragraph shall begin the month following the
377 month in which the Department of Revenue determines that the
378 requirements of this paragraph have been met. The diversion shall



379 end the month the indebtedness incurred by the county is
380 satisfied. All revenue received by the county under this
381 paragraph shall be deposited in the fund required to be created in
382 the tax increment financing plan under Section 21-45-11 and be
383 utilized solely to satisfy the indebtedness incurred by the
384 county.

385 (2) On or before September 15, 1987, and each succeeding
386 month thereafter, from the revenue collected under this chapter
387 during the preceding month, One Million One Hundred Twenty-five
388 Thousand Dollars (\$1,125,000.00) shall be allocated for
389 distribution to municipal corporations as defined under subsection
390 (1) of this section in the proportion that the number of gallons
391 of gasoline and diesel fuel sold by distributors to consumers and
392 retailers in each such municipality during the preceding fiscal
393 year bears to the total gallons of gasoline and diesel fuel sold
394 by distributors to consumers and retailers in municipalities
395 statewide during the preceding fiscal year. The Department of
396 Revenue shall require all distributors of gasoline and diesel fuel
397 to report to the department monthly the total number of gallons of
398 gasoline and diesel fuel sold by them to consumers and retailers
399 in each municipality during the preceding month. The Department
400 of Revenue shall have the authority to promulgate such rules and
401 regulations as is necessary to determine the number of gallons of
402 gasoline and diesel fuel sold by distributors to consumers and
403 retailers in each municipality. In determining the percentage



404 allocation of funds under this subsection for the fiscal year
405 beginning July 1, 1987, and ending June 30, 1988, the Department
406 of Revenue may consider gallons of gasoline and diesel fuel sold
407 for a period of less than one (1) fiscal year. For the purposes
408 of this subsection, the term "fiscal year" means the fiscal year
409 beginning July 1 of a year.

410 (3) On or before September 15, 1987, and on or before the
411 fifteenth day of each succeeding month, until the date specified
412 in Section 65-39-35, the proceeds derived from contractors' taxes
413 levied under Section 27-65-21 on contracts for the construction or
414 reconstruction of highways designated under the highway program
415 created under Section 65-3-97 shall, except as otherwise provided
416 in Section 31-17-127, be deposited into the State Treasury to the
417 credit of the State Highway Fund to be used to fund that highway
418 program. The Mississippi Department of Transportation shall
419 provide to the Department of Revenue such information as is
420 necessary to determine the amount of proceeds to be distributed
421 under this subsection.

422 (4) On or before August 15, 1994, and on or before the
423 fifteenth day of each succeeding month through July 15, 1999, from
424 the proceeds of gasoline, diesel fuel or kerosene taxes as
425 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
426 (\$4,000,000.00) shall be deposited in the State Treasury to the
427 credit of a special fund designated as the "State Aid Road Fund,"
428 created by Section 65-9-17. On or before August 15, 1999, and on



429 or before the fifteenth day of each succeeding month, from the
430 total amount of the proceeds of gasoline, diesel fuel or kerosene
431 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
432 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
433 one-fourth percent (23-1/4%) of those funds, whichever is the
434 greater amount, shall be deposited in the State Treasury to the
435 credit of the "State Aid Road Fund," created by Section 65-9-17.
436 Those funds shall be pledged to pay the principal of and interest
437 on state aid road bonds heretofore issued under Sections 19-9-51
438 through 19-9-77, in lieu of and in substitution for the funds
439 previously allocated to counties under this section. Those funds
440 may not be pledged for the payment of any state aid road bonds
441 issued after April 1, 1981; however, this prohibition against the
442 pledging of any such funds for the payment of bonds shall not
443 apply to any bonds for which intent to issue those bonds has been
444 published for the first time, as provided by law before March 29,
445 1981. From the amount of taxes paid into the special fund under
446 this subsection and subsection (9) of this section, there shall be
447 first deducted and paid the amount necessary to pay the expenses
448 of the Office of State Aid Road Construction, as authorized by the
449 Legislature for all other general and special fund agencies. The
450 remainder of the fund shall be allocated monthly to the several
451 counties in accordance with the following formula:

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



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

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

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

465 The amount of funds allocated to any county under this
466 subsection for any fiscal year after fiscal year 1994 shall not be
467 less than the amount allocated to the county for fiscal year 1994.

468 Any reference in the general laws of this state or the
469 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
470 construed to refer and apply to subsection (4) of Section
471 27-65-75.

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



478 (6) An amount each month beginning August 15, 1983, through
479 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
480 1983, shall be paid into the special fund known as the
481 Correctional Facilities Construction Fund created in Section 6,
482 Chapter 542, Laws of 1983.

483 (7) On or before August 15, 1992, and each succeeding month
484 thereafter through July 15, 2000, two and two hundred sixty-six
485 one-thousandths percent (2.266%) of the total sales tax revenue
486 collected during the preceding month under the provisions of this
487 chapter, except that collected under the provisions of Section
488 27-65-17(2), shall be deposited by the department into the School
489 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
490 or before August 15, 2000, and each succeeding month thereafter,
491 two and two hundred sixty-six one-thousandths percent (2.266%) of
492 the total sales tax revenue collected during the preceding month
493 under the provisions of this chapter, except that collected under
494 the provisions of Section 27-65-17(2), shall be deposited into the
495 School Ad Valorem Tax Reduction Fund created under Section
496 37-61-35 until such time that the total amount deposited into the
497 fund during a fiscal year equals Forty-two Million Dollars
498 (\$42,000,000.00). Thereafter, the amounts diverted under this
499 subsection (7) during the fiscal year in excess of Forty-two
500 Million Dollars (\$42,000,000.00) shall be deposited into the
501 Education Enhancement Fund created under Section 37-61-33 for
502 appropriation by the Legislature as other education needs and



503 shall not be subject to the percentage appropriation requirements
504 set forth in Section 37-61-33.

505 (8) On or before August 15, 1992, and each succeeding month
506 thereafter, nine and seventy-three one-thousandths percent
507 (9.073%) of the total sales tax revenue collected during the
508 preceding month under the provisions of this chapter, except that
509 collected under the provisions of Section 27-65-17(2), shall be
510 deposited into the Education Enhancement Fund created under
511 Section 37-61-33.

512 (9) On or before August 15, 1994, and each succeeding month
513 thereafter, from the revenue collected under this chapter during
514 the preceding month, Two Hundred Fifty Thousand Dollars
515 (\$250,000.00) shall be paid into the State Aid Road Fund.

516 (10) On or before August 15, 1994, and each succeeding month
517 thereafter through August 15, 1995, from the revenue collected
518 under this chapter during the preceding month, Two Million Dollars
519 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
520 Valorem Tax Reduction Fund established in Section 27-51-105.

521 (11) Notwithstanding any other provision of this section to
522 the contrary, on or before February 15, 1995, and each succeeding
523 month thereafter, the sales tax revenue collected during the
524 preceding month under the provisions of Section 27-65-17(2) and
525 the corresponding levy in Section 27-65-23 on the rental or lease
526 of private carriers of passengers and light carriers of property
527 as defined in Section 27-51-101 shall be deposited, without



528 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
529 established in Section 27-51-105.

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

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

547 (14) On or before August 15, 1998, and each succeeding month
548 thereafter through July 15, 2005, that portion of the avails of
549 the tax imposed in Section 27-65-23 that is derived from sales by
550 cotton compresses or cotton warehouses and that would otherwise be
551 paid into the General Fund shall be deposited in an amount not to
552 exceed Two Million Dollars (\$2,000,000.00) into the special fund



553 created under Section 69-37-39. On or before August 15, 2007, and
554 each succeeding month thereafter through July 15, 2010, that
555 portion of the avails of the tax imposed in Section 27-65-23 that
556 is derived from sales by cotton compresses or cotton warehouses
557 and that would otherwise be paid into the General Fund shall be
558 deposited in an amount not to exceed Two Million Dollars
559 (\$2,000,000.00) into the special fund created under Section
560 69-37-39 until all debts or other obligations incurred by the
561 Certified Cotton Growers Organization under the Mississippi Boll
562 Weevil Management Act before January 1, 2007, are satisfied in
563 full. On or before August 15, 2010, and each succeeding month
564 thereafter through July 15, 2011, fifty percent (50%) of that
565 portion of the avails of the tax imposed in Section 27-65-23 that
566 is derived from sales by cotton compresses or cotton warehouses
567 and that would otherwise be paid into the General Fund shall be
568 deposited into the special fund created under Section 69-37-39
569 until such time that the total amount deposited into the fund
570 during a fiscal year equals One Million Dollars (\$1,000,000.00).
571 On or before August 15, 2011, and each succeeding month
572 thereafter, that portion of the avails of the tax imposed in
573 Section 27-65-23 that is derived from sales by cotton compresses
574 or cotton warehouses and that would otherwise be paid into the
575 General Fund shall be deposited into the special fund created
576 under Section 69-37-39 until such time that the total amount



577 deposited into the fund during a fiscal year equals One Million
578 Dollars (\$1,000,000.00).

579 (15) Notwithstanding any other provision of this section to
580 the contrary, on or before September 15, 2000, and each succeeding
581 month thereafter, the sales tax revenue collected during the
582 preceding month under the provisions of Section
583 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
584 without diversion, into the Telecommunications Ad Valorem Tax
585 Reduction Fund established in Section 27-38-7.

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

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



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

608 (18) [Repealed]

609 (19) (a) On or before August 15, 2005, and each succeeding
610 month thereafter, the sales tax revenue collected during the
611 preceding month under the provisions of this chapter on the gross
612 proceeds of sales of a business enterprise located within a
613 redevelopment project area under the provisions of Sections
614 57-91-1 through 57-91-11, and the revenue collected on the gross
615 proceeds of sales from sales made to a business enterprise located
616 in a redevelopment project area under the provisions of Sections
617 57-91-1 through 57-91-11 (provided that such sales made to a
618 business enterprise are made on the premises of the business
619 enterprise), shall, except as otherwise provided in this
620 subsection (19), be deposited, after all diversions, into the
621 Redevelopment Project Incentive Fund as created in Section
622 57-91-9.

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



626 attributable to the gross proceeds of sales of a business
627 enterprise located within a redevelopment project area under the
628 provisions of Sections 57-91-1 through 57-91-11, and attributable
629 to the gross proceeds of sales from sales made to a business
630 enterprise located in a redevelopment project area under the
631 provisions of Sections 57-91-1 through 57-91-11 (provided that
632 such sales made to a business enterprise are made on the premises
633 of the business enterprise), shall be deposited into the
634 Redevelopment Project Incentive Fund as created in Section
635 57-91-9, as follows:

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

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

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

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



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

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

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

663 (21) (a) On or before April 15, 2007, and each succeeding
664 month thereafter through June 15, 2013, One Hundred Fifty Thousand
665 Dollars (\$150,000.00) of the sales tax revenue collected during
666 the preceding month under the provisions of this chapter shall be
667 deposited into the MMEIA Tax Incentive Fund created in Section
668 57-101-3.

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



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

681 (23) (a) On or before August 15, 2019, and each month
682 thereafter through July 15, 2020, one percent (1%) of the total
683 sales tax revenue collected during the preceding month from
684 restaurants and hotels shall be allocated for distribution to the
685 Mississippi Development Authority Tourism Advertising Fund
686 established under Section 57-1-64, to be used exclusively for the
687 purpose stated therein. On or before August 15, 2020, and each
688 month thereafter through July 15, 2021, two percent (2%) of the
689 total sales tax revenue collected during the preceding month from
690 restaurants and hotels shall be allocated for distribution to the
691 Mississippi Development Authority Tourism Advertising Fund
692 established under Section 57-1-64, to be used exclusively for the
693 purpose stated therein. On or before August 15, 2021, and each
694 month thereafter, three percent (3%) of the total sales tax
695 revenue collected during the preceding month from restaurants and
696 hotels shall be allocated for distribution to the Mississippi
697 Development Authority Tourism Advertising Fund established under
698 Section 57-1-64, to be used exclusively for the purpose stated



699 therein. The revenue diverted pursuant to this subsection shall
700 not be available for expenditure until February 1, 2020.

701 (b) The Joint Legislative Committee on Performance
702 Evaluation and Expenditure Review (PEER) must provide an annual
703 report to the Legislature indicating the amount of funds deposited
704 into the Mississippi Development Authority Tourism Advertising
705 Fund established under Section 57-1-64, and a detailed record of
706 how the funds are spent.

707 (24) The remainder of the amounts collected under the
708 provisions of this chapter shall be paid into the State Treasury
709 to the credit of the General Fund.

710 (25) (a) It shall be the duty of the municipal officials of
711 any municipality that expands its limits, or of any community that
712 incorporates as a municipality, to notify the commissioner of that
713 action thirty (30) days before the effective date. Failure to so
714 notify the commissioner shall cause the municipality to forfeit
715 the revenue that it would have been entitled to receive during
716 this period of time when the commissioner had no knowledge of the
717 action.

718 (b) (i) Except as otherwise provided in subparagraph
719 (ii) of this paragraph, if any funds have been erroneously
720 disbursed to any municipality or any overpayment of tax is
721 recovered by the taxpayer, the commissioner may make correction
722 and adjust the error or overpayment with the municipality by



723 withholding the necessary funds from any later payment to be made
724 to the municipality.

725 (ii) Subject to the provisions of Sections
726 27-65-51 and 27-65-53, if any funds have been erroneously
727 disbursed to a municipality under subsection (1) of this section
728 for a period of three (3) years or more, the maximum amount that
729 may be recovered or withheld from the municipality is the total
730 amount of funds erroneously disbursed for a period of three (3)
731 years beginning with the date of the first erroneous disbursement.
732 However, if during such period, a municipality provides written
733 notice to the Department of Revenue indicating the erroneous
734 disbursement of funds, then the maximum amount that may be
735 recovered or withheld from the municipality is the total amount of
736 funds erroneously disbursed for a period of one (1) year beginning
737 with the date of the first erroneous disbursement.

738 **SECTION 5.** Sections 1, 2 and 3 of this act shall take effect
739 and be in force from and after its passage and Section 4 of this
740 act shall take effect and be in force from and after July 1, 2021.

