

By: Representative Miles

To: Ways and Means

HOUSE BILL NO. 114

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

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

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

11 27-65-75. On or before the fifteenth day of each month, the
 12 revenue collected under the provisions of this chapter during the
 13 preceding month shall be paid and distributed as follows:

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



21 municipal corporation. Except as otherwise provided in this
22 paragraph (a), on or before August 15, 1993, and each succeeding
23 month thereafter, eighteen and one-half percent (18-1/2%) of the
24 total sales tax revenue collected during the preceding month under
25 the provisions of this chapter, except that collected under the
26 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
27 27-65-24, on business activities within a municipal corporation
28 shall be allocated for distribution to the municipality and paid
29 to the municipal corporation. However, in the event the State
30 Auditor issues a certificate of noncompliance pursuant to Section
31 21-35-31, the Department of Revenue shall withhold ten percent
32 (10%) of the allocations and payments to the municipality that
33 would otherwise be payable to the municipality under this
34 paragraph (a) until such time that the department receives written
35 notice of the cancellation of a certificate of noncompliance from
36 the State Auditor.

37 A municipal corporation, for the purpose of distributing the
38 tax under this subsection, shall mean and include all incorporated
39 cities, towns and villages.

40 Monies allocated for distribution and credited to a municipal
41 corporation under this paragraph may be pledged as security for a
42 loan if the distribution received by the municipal corporation is
43 otherwise authorized or required by law to be pledged as security
44 for such a loan.



45 In any county having a county seat that is not an
46 incorporated municipality, the distribution provided under this
47 subsection shall be made as though the county seat was an
48 incorporated municipality; however, the distribution to the
49 municipality shall be paid to the county treasury in which the
50 municipality is located, and those funds shall be used for road,
51 bridge and street construction or maintenance in the county.

52 (b) On or before August 15, 2006, and each succeeding
53 month thereafter, eighteen and one-half percent (18-1/2%) of the
54 total sales tax revenue collected during the preceding month under
55 the provisions of this chapter, except that collected under the
56 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
57 business activities on the campus of a state institution of higher
58 learning or community or junior college whose campus is not
59 located within the corporate limits of a municipality, shall be
60 allocated for distribution to the state institution of higher
61 learning or community or junior college and paid to the state
62 institution of higher learning or community or junior college.

63 (c) On or before August 15, 2018, and each succeeding
64 month thereafter until August 14, 2019, two percent (2%) of the
65 total sales tax revenue collected during the preceding month under
66 the provisions of this chapter, except that collected under the
67 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
68 27-65-24, on business activities within the corporate limits of
69 the City of Jackson, Mississippi, shall be deposited into the



70 Capitol Complex Improvement District Project Fund created in
71 Section 29-5-215. On or before August 15, 2019, and each
72 succeeding month thereafter until August 14, 2020, four percent
73 (4%) of the total sales tax revenue collected during the preceding
74 month under the provisions of this chapter, except that collected
75 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
76 and 27-65-24, on business activities within the corporate limits
77 of the City of Jackson, Mississippi, shall be deposited into the
78 Capitol Complex Improvement District Project Fund created in
79 Section 29-5-215. On or before August 15, 2020, and each
80 succeeding month thereafter, six percent (6%) of the total sales
81 tax revenue collected during the preceding month under the
82 provisions of this chapter, except that collected under the
83 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
84 27-65-24, on business activities within the corporate limits of
85 the City of Jackson, Mississippi, shall be deposited into the
86 Capitol Complex Improvement District Project Fund created in
87 Section 29-5-215.

88 (d) (i) On or before the fifteenth day of the month
89 that the diversion authorized by this section begins, and each
90 succeeding month thereafter, eighteen and one-half percent
91 (18-1/2%) of the total sales tax revenue collected during the
92 preceding month under the provisions of this chapter, except that
93 collected under the provisions of Sections 27-65-15, 27-65-19(3)
94 and 27-65-21, on business activities within a redevelopment



95 project area developed under a redevelopment plan adopted under
96 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
97 allocated for distribution to the county in which the project area
98 is located if:

99 1. The county:

100 a. Borders on the Mississippi Sound and
101 the State of Alabama, or

102 b. Is Harrison County, Mississippi, and
103 the project area is within a radius of two (2) miles from the
104 intersection of Interstate 10 and Menge Avenue;

105 2. The county has issued bonds under Section
106 21-45-9 to finance all or a portion of a redevelopment project in
107 the redevelopment project area;

108 3. Any debt service for the indebtedness
109 incurred is outstanding; and

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

113 (ii) Before any sales tax revenue may be allocated
114 for distribution to a county under this paragraph, the county
115 shall certify to the Department of Revenue that the requirements
116 of this paragraph have been met, the amount of bonded indebtedness
117 that has been incurred by the county for the redevelopment project
118 and the expected date the indebtedness incurred by the county will
119 be satisfied.



120 (iii) The diversion of sales tax revenue
121 authorized by this paragraph shall begin the month following the
122 month in which the Department of Revenue determines that the
123 requirements of this paragraph have been met. The diversion shall
124 end the month the indebtedness incurred by the county is
125 satisfied. All revenue received by the county under this
126 paragraph shall be deposited in the fund required to be created in
127 the tax increment financing plan under Section 21-45-11 and be
128 utilized solely to satisfy the indebtedness incurred by the
129 county.

130 (2) On or before September 15, 1987, and each succeeding
131 month thereafter, from the revenue collected under this chapter
132 during the preceding month, One Million One Hundred Twenty-five
133 Thousand Dollars (\$1,125,000.00) shall be allocated for
134 distribution to municipal corporations as defined under subsection
135 (1) of this section in the proportion that the number of gallons
136 of gasoline and diesel fuel sold by distributors to consumers and
137 retailers in each such municipality during the preceding fiscal
138 year bears to the total gallons of gasoline and diesel fuel sold
139 by distributors to consumers and retailers in municipalities
140 statewide during the preceding fiscal year. The Department of
141 Revenue shall require all distributors of gasoline and diesel fuel
142 to report to the department monthly the total number of gallons of
143 gasoline and diesel fuel sold by them to consumers and retailers
144 in each municipality during the preceding month. The Department



145 of Revenue shall have the authority to promulgate such rules and
146 regulations as is necessary to determine the number of gallons of
147 gasoline and diesel fuel sold by distributors to consumers and
148 retailers in each municipality. In determining the percentage
149 allocation of funds under this subsection for the fiscal year
150 beginning July 1, 1987, and ending June 30, 1988, the Department
151 of Revenue may consider gallons of gasoline and diesel fuel sold
152 for a period of less than one (1) fiscal year. For the purposes
153 of this subsection, the term "fiscal year" means the fiscal year
154 beginning July 1 of a year.

155 (3) On or before September 15, 1987, and on or before the
156 fifteenth day of each succeeding month, until the date specified
157 in Section 65-39-35, the proceeds derived from contractors' taxes
158 levied under Section 27-65-21 on contracts for the construction or
159 reconstruction of highways designated under the highway program
160 created under Section 65-3-97 shall, except as otherwise provided
161 in Section 31-17-127, be deposited into the State Treasury to the
162 credit of the State Highway Fund to be used to fund that highway
163 program. The Mississippi Department of Transportation shall
164 provide to the Department of Revenue such information as is
165 necessary to determine the amount of proceeds to be distributed
166 under this subsection.

167 (4) On or before August 15, 1994, and on or before the
168 fifteenth day of each succeeding month through July 15, 1999, from
169 the proceeds of gasoline, diesel fuel or kerosene taxes as



170 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
171 (\$4,000,000.00) shall be deposited in the State Treasury to the
172 credit of a special fund designated as the "State Aid Road Fund,"
173 created by Section 65-9-17. On or before August 15, 1999, and on
174 or before the fifteenth day of each succeeding month, from the
175 total amount of the proceeds of gasoline, diesel fuel or kerosene
176 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
177 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
178 one-fourth percent (23-1/4%) of those funds, whichever is the
179 greater amount, shall be deposited in the State Treasury to the
180 credit of the "State Aid Road Fund," created by Section 65-9-17.
181 Those funds shall be pledged to pay the principal of and interest
182 on state aid road bonds heretofore issued under Sections 19-9-51
183 through 19-9-77, in lieu of and in substitution for the funds
184 previously allocated to counties under this section. Those funds
185 may not be pledged for the payment of any state aid road bonds
186 issued after April 1, 1981; however, this prohibition against the
187 pledging of any such funds for the payment of bonds shall not
188 apply to any bonds for which intent to issue those bonds has been
189 published for the first time, as provided by law before March 29,
190 1981. From the amount of taxes paid into the special fund under
191 this subsection and subsection (9) of this section, there shall be
192 first deducted and paid the amount necessary to pay the expenses
193 of the Office of State Aid Road Construction, as authorized by the
194 Legislature for all other general and special fund agencies. The



195 remainder of the fund shall be allocated monthly to the several
196 counties in accordance with the following formula:

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

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

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

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

210 The amount of funds allocated to any county under this
211 subsection for any fiscal year after fiscal year 1994 shall not be
212 less than the amount allocated to the county for fiscal year 1994.

213 Any reference in the general laws of this state or the
214 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
215 construed to refer and apply to subsection (4) of Section
216 27-65-75.

217 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
218 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
219 the special fund known as the "State Public School Building Fund"



220 created and existing under the provisions of Sections 37-47-1
221 through 37-47-67. Those payments into that fund are to be made on
222 the last day of each succeeding month hereafter.

223 (6) An amount each month beginning August 15, 1983, through
224 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
225 1983, shall be paid into the special fund known as the
226 Correctional Facilities Construction Fund created in Section 6,
227 Chapter 542, Laws of 1983.

228 (7) On or before August 15, 1992, and each succeeding month
229 thereafter through July 15, 2000, two and two hundred sixty-six
230 one-thousandths percent (2.266%) of the total sales tax revenue
231 collected during the preceding month under the provisions of this
232 chapter, except that collected under the provisions of Section
233 27-65-17(2), shall be deposited by the department into the School
234 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
235 or before August 15, 2000, and each succeeding month thereafter,
236 two and two hundred sixty-six one-thousandths percent (2.266%) of
237 the total sales tax revenue collected during the preceding month
238 under the provisions of this chapter, except that collected under
239 the provisions of Section 27-65-17(2), shall be deposited into the
240 School Ad Valorem Tax Reduction Fund created under Section
241 37-61-35 until such time that the total amount deposited into the
242 fund during a fiscal year equals Forty-two Million Dollars
243 (\$42,000,000.00). Thereafter, the amounts diverted under this
244 subsection (7) during the fiscal year in excess of Forty-two



245 Million Dollars (\$42,000,000.00) shall be deposited into the
246 Education Enhancement Fund created under Section 37-61-33 for
247 appropriation by the Legislature as other education needs and
248 shall not be subject to the percentage appropriation requirements
249 set forth in Section 37-61-33.

250 (8) On or before August 15, 1992, and each succeeding month
251 thereafter, nine and seventy-three one-thousandths percent
252 (9.073%) of the total sales tax revenue collected during the
253 preceding month under the provisions of this chapter, except that
254 collected under the provisions of Section 27-65-17(2), shall be
255 deposited into the Education Enhancement Fund created under
256 Section 37-61-33.

257 (9) On or before August 15, 1994, and each succeeding month
258 thereafter, from the revenue collected under this chapter during
259 the preceding month, Two Hundred Fifty Thousand Dollars
260 (\$250,000.00) shall be paid into the State Aid Road Fund.

261 (10) On or before August 15, 1994, and each succeeding month
262 thereafter through August 15, 1995, from the revenue collected
263 under this chapter during the preceding month, Two Million Dollars
264 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
265 Valorem Tax Reduction Fund established in Section 27-51-105.

266 (11) Notwithstanding any other provision of this section to
267 the contrary, on or before February 15, 1995, and each succeeding
268 month thereafter, the sales tax revenue collected during the
269 preceding month under the provisions of Section 27-65-17(2) and



270 the corresponding levy in Section 27-65-23 on the rental or lease
271 of private carriers of passengers and light carriers of property
272 as defined in Section 27-51-101 shall be deposited, without
273 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
274 established in Section 27-51-105.

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

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

292 (14) On or before August 15, 1998, and each succeeding month
293 thereafter through July 15, 2005, that portion of the avails of
294 the tax imposed in Section 27-65-23 that is derived from sales by



295 cotton compresses or cotton warehouses and that would otherwise be
296 paid into the General Fund shall be deposited in an amount not to
297 exceed Two Million Dollars (\$2,000,000.00) into the special fund
298 created under Section 69-37-39. On or before August 15, 2007, and
299 each succeeding month thereafter through July 15, 2010, that
300 portion of the avails of the tax imposed in Section 27-65-23 that
301 is derived from sales by cotton compresses or cotton warehouses
302 and that would otherwise be paid into the General Fund shall be
303 deposited in an amount not to exceed Two Million Dollars
304 (\$2,000,000.00) into the special fund created under Section
305 69-37-39 until all debts or other obligations incurred by the
306 Certified Cotton Growers Organization under the Mississippi Boll
307 Weevil Management Act before January 1, 2007, are satisfied in
308 full. On or before August 15, 2010, and each succeeding month
309 thereafter through July 15, 2011, fifty percent (50%) of that
310 portion of the avails of the tax imposed in Section 27-65-23 that
311 is derived from sales by cotton compresses or cotton warehouses
312 and that would otherwise be paid into the General Fund shall be
313 deposited into the special fund created under Section 69-37-39
314 until such time that the total amount deposited into the fund
315 during a fiscal year equals One Million Dollars (\$1,000,000.00).
316 On or before August 15, 2011, and each succeeding month
317 thereafter, that portion of the avails of the tax imposed in
318 Section 27-65-23 that is derived from sales by cotton compresses
319 or cotton warehouses and that would otherwise be paid into the



320 General Fund shall be deposited into the special fund created
321 under Section 69-37-39 until such time that the total amount
322 deposited into the fund during a fiscal year equals One Million
323 Dollars (\$1,000,000.00).

324 (15) Notwithstanding any other provision of this section to
325 the contrary, on or before September 15, 2000, and each succeeding
326 month thereafter, the sales tax revenue collected during the
327 preceding month under the provisions of Section
328 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
329 without diversion, into the Telecommunications Ad Valorem Tax
330 Reduction Fund established in Section 27-38-7.

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

338 (b) On or before August 15, 2007, and each succeeding
339 month thereafter, eighty percent (80%) of the sales tax revenue
340 collected during the preceding month under the provisions of this
341 chapter from the operation of a tourism project under the
342 provisions of Sections 57-26-1 through 57-26-5, shall be
343 deposited, after the diversions required in subsections (7) and



344 (8) of this section, into the Tourism Project Sales Tax Incentive
345 Fund created in Section 57-26-3.

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

353 (18) [Repealed]

354 (19) (a) On or before August 15, 2005, and each succeeding
355 month thereafter, the sales tax revenue collected during the
356 preceding month under the provisions of this chapter on the gross
357 proceeds of sales of a business enterprise located within a
358 redevelopment project area under the provisions of Sections
359 57-91-1 through 57-91-11, and the revenue collected on the gross
360 proceeds of sales from sales made to a business enterprise located
361 in a redevelopment project area under the provisions of Sections
362 57-91-1 through 57-91-11 (provided that such sales made to a
363 business enterprise are made on the premises of the business
364 enterprise), shall, except as otherwise provided in this
365 subsection (19), be deposited, after all diversions, into the
366 Redevelopment Project Incentive Fund as created in Section
367 57-91-9.



368 (b) For a municipality participating in the Economic
369 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
370 the diversion provided for in subsection (1) of this section
371 attributable to the gross proceeds of sales of a business
372 enterprise located within a redevelopment project area under the
373 provisions of Sections 57-91-1 through 57-91-11, and attributable
374 to the gross proceeds of sales from sales made to a business
375 enterprise located in a redevelopment project area under the
376 provisions of Sections 57-91-1 through 57-91-11 (provided that
377 such sales made to a business enterprise are made on the premises
378 of the business enterprise), shall be deposited into the
379 Redevelopment Project Incentive Fund as created in Section
380 57-91-9, as follows:

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

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

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



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

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

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

408 (21) (a) On or before April 15, 2007, and each succeeding
409 month thereafter through June 15, 2013, One Hundred Fifty Thousand
410 Dollars (\$150,000.00) of the sales tax revenue collected during
411 the preceding month under the provisions of this chapter shall be
412 deposited into the MMEIA Tax Incentive Fund created in Section
413 57-101-3.

414 (b) On or before July 15, 2013, and each succeeding
415 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
416 of the sales tax revenue collected during the preceding month
417 under the provisions of this chapter shall be deposited into the



418 Mississippi Development Authority Job Training Grant Fund created
419 in Section 57-1-451.

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

426 (23) (a) On or before August 15, 2019, and each month
427 thereafter through July 15, 2020, one percent (1%) of the total
428 sales tax revenue collected during the preceding month from
429 restaurants and hotels shall be allocated for distribution to the
430 Mississippi Development Authority Tourism Advertising Fund
431 established under Section 57-1-64, to be used exclusively for the
432 purpose stated therein. On or before August 15, 2020, and each
433 month thereafter through July 15, 2021, two percent (2%) of the
434 total sales tax revenue collected during the preceding month from
435 restaurants and hotels shall be allocated for distribution to the
436 Mississippi Development Authority Tourism Advertising Fund
437 established under Section 57-1-64, to be used exclusively for the
438 purpose stated therein. On or before August 15, 2021, and each
439 month thereafter, three percent (3%) of the total sales tax
440 revenue collected during the preceding month from restaurants and
441 hotels shall be allocated for distribution to the Mississippi
442 Development Authority Tourism Advertising Fund established under



443 Section 57-1-64, to be used exclusively for the purpose stated
444 therein. The revenue diverted pursuant to this subsection shall
445 not be available for expenditure until February 1, 2020.

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

452 (24) On or before August 15, 2022, and each succeeding month
453 thereafter, eighteen and one-half percent (18-1/2%) of the total
454 sales tax revenue collected during the preceding month under the
455 provisions of this chapter, except that collected under the
456 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
457 27-65-24, on business activities within a county that occur
458 outside of the municipalities in the county shall be allocated for
459 distribution to the county and paid to the county. Monies
460 allocated to a county pursuant to this subsection (24) shall not
461 be considered by the county as general fund revenue but shall be
462 dedicated to and expended solely for street and road construction,
463 repair and/or maintenance. The amount paid to a county under this
464 subsection (24) shall be in addition to any other funds allocated
465 for distribution to the various counties under this section.



466 (* * * 25) The remainder of the amounts collected under the
467 provisions of this chapter shall be paid into the State Treasury
468 to the credit of the General Fund.

469 (* * * 26) (a) It shall be the duty of the municipal
470 officials of any municipality that expands its limits, or of any
471 community that incorporates as a municipality, to notify the
472 commissioner of that action thirty (30) days before the effective
473 date. Failure to so notify the commissioner shall cause the
474 municipality to forfeit the revenue that it would have been
475 entitled to receive during this period of time when the
476 commissioner had no knowledge of the action.

477 (b) (i) Except as otherwise provided in subparagraph
478 (ii) of this paragraph, if any funds have been erroneously
479 disbursed to any municipality or any overpayment of tax is
480 recovered by the taxpayer, the commissioner may make correction
481 and adjust the error or overpayment with the municipality by
482 withholding the necessary funds from any later payment to be made
483 to the municipality.

484 (ii) Subject to the provisions of Sections
485 27-65-51 and 27-65-53, if any funds have been erroneously
486 disbursed to a municipality under subsection (1) of this section
487 for a period of three (3) years or more, the maximum amount that
488 may be recovered or withheld from the municipality is the total
489 amount of funds erroneously disbursed for a period of three (3)
490 years beginning with the date of the first erroneous disbursement.



491 However, if during such period, a municipality provides written
492 notice to the Department of Revenue indicating the erroneous
493 disbursement of funds, then the maximum amount that may be
494 recovered or withheld from the municipality is the total amount of
495 funds erroneously disbursed for a period of one (1) year beginning
496 with the date of the first erroneous disbursement.

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

499 27-65-53. If the commissioner finds that the taxpayer has
500 overpaid his tax for any reason and the taxpayer has discontinued
501 business and there is no subsequent liability upon which the
502 excess may be credited, or if the amount of the excess so paid
503 shall exceed the estimated liability for the next twelve (12)
504 months, the excess shall be refunded to the taxpayer. Such amount
505 shall be certified to the State Auditor of Public Accounts by the
506 commission. The said auditor is hereby authorized to make such
507 investigation and audit of the claim as he finds necessary. If he
508 finds that the commissioner is correct in his determination, the
509 auditor may issue his warrant to the State Treasurer in favor of
510 the taxpayer for the amount of tax erroneously paid into the State
511 Treasury, such refunds to be made from current sales tax
512 collections. If part of the overpayment has been disbursed to any
513 municipality or, state institution of higher learning or county,
514 under authority of Section 27-65-75, the municipality or, state
515 institution of higher learning or county, having erroneously



516 received the money, shall adjust the amount with the commissioner,
517 or the overpayment may be withheld by the state from any funds due
518 by the state to the municipality * * *, state institution of
519 higher learning or county.

520 Provided, that where the taxpayer has overpaid his tax, the
521 commissioner may give credit for same and allow the taxpayer to
522 take credit on a subsequent return or, if necessary, in his
523 discretion, have the taxpayer file for a refund as provided
524 herein.

525 If any overpayment of tax as reflected in an application or
526 amended return, or both, filed by the taxpayer, and verified by
527 the commissioner or otherwise determined to be due by the
528 commissioner or commission, is not refunded or credited to a
529 taxpayer's account within ninety (90) days after the application
530 or amended return is filed or the date the commission or
531 commissioner determines a refund is due, whichever is later,
532 interest at the rate of one-half of one percent (1/2 of 1%) per
533 month shall be allowed on such overpayment computed for the period
534 after expiration of the ninety-day period provided herein to the
535 date of payment.

536 **SECTION 3.** This act shall take effect and be in force from
537 and after July 1, 2022.

