

By: Representatives Powell, Miles

To: Ways and Means

HOUSE BILL NO. 242

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 ON BUSINESS ACTIVITIES WITHIN A COUNTY THAT IS A
 4 PART OF THE PEARL RIVER VALLEY WATER SUPPLY DISTRICT ON PROPERTY
 5 THAT IS OWNED BY THE DISTRICT AND OUTSIDE OF THE CORPORATE LIMITS
 6 OF MUNICIPALITIES IN SUCH COUNTY SHALL BE DISTRIBUTED TO THE PEARL
 7 RIVER VALLEY WATER SUPPLY DISTRICT; TO AMEND SECTION 27-65-53,
 8 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
 9 PURPOSES.

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

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

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

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



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

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

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



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

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

65 (c) On or before August 15, 2018, and each succeeding
66 month thereafter until August 14, 2019, two percent (2%) of the
67 total sales tax revenue collected during the preceding month under
68 the provisions of this chapter, except that collected under the
69 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
70 27-65-24, on business activities within the corporate limits of
71 the City of Jackson, Mississippi, shall be deposited into the



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

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



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

101 1. The county:

102 a. Borders on the Mississippi Sound and
103 the State of Alabama, or

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

107 2. The county has issued bonds under Section
108 21-45-9 to finance all or a portion of a redevelopment project in
109 the redevelopment project area;

110 3. Any debt service for the indebtedness
111 incurred is outstanding; and

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

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



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

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



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

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

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



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



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

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

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

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

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

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

215 Any reference in the general laws of this state or the
216 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
217 construed to refer and apply to subsection (4) of Section
218 27-65-75.

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



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

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

230 (7) On or before August 15, 1992, and each succeeding month
231 thereafter through July 15, 2000, two and two hundred sixty-six
232 one-thousandths percent (2.266%) of the total sales tax revenue
233 collected during the preceding month under the provisions of this
234 chapter, except that collected under the provisions of Section
235 27-65-17(2), shall be deposited by the department into the School
236 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
237 or before August 15, 2000, and each succeeding month thereafter,
238 two and two hundred sixty-six one-thousandths percent (2.266%) of
239 the total sales tax revenue collected during the preceding month
240 under the provisions of this chapter, except that collected under
241 the provisions of Section 27-65-17(2), shall be deposited into the
242 School Ad Valorem Tax Reduction Fund created under Section
243 37-61-35 until such time that the total amount deposited into the
244 fund during a fiscal year equals Forty-two Million Dollars
245 (\$42,000,000.00). Thereafter, the amounts diverted under this
246 subsection (7) during the fiscal year in excess of Forty-two



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

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

259 (9) On or before August 15, 1994, and each succeeding month
260 thereafter, from the revenue collected under this chapter during
261 the preceding month, Two Hundred Fifty Thousand Dollars
262 (\$250,000.00) shall be paid into the State Aid Road Fund.

263 (10) On or before August 15, 1994, and each succeeding month
264 thereafter through August 15, 1995, from the revenue collected
265 under this chapter during the preceding month, Two Million Dollars
266 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
267 Valorem Tax Reduction Fund established in Section 27-51-105.

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



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

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

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

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



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



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

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

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

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



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

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

355 (18) [Repealed]

356 (19) (a) On or before August 15, 2005, and each succeeding
357 month thereafter, the sales tax revenue collected during the
358 preceding month under the provisions of this chapter on the gross
359 proceeds of sales of a business enterprise located within a
360 redevelopment project area under the provisions of Sections
361 57-91-1 through 57-91-11, and the revenue collected on the gross
362 proceeds of sales from sales made to a business enterprise located
363 in a redevelopment project area under the provisions of Sections
364 57-91-1 through 57-91-11 (provided that such sales made to a
365 business enterprise are made on the premises of the business
366 enterprise), shall, except as otherwise provided in this
367 subsection (19), be deposited, after all diversions, into the
368 Redevelopment Project Incentive Fund as created in Section
369 57-91-9.



370 (b) For a municipality participating in the Economic
371 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
372 the diversion provided for in subsection (1) of this section
373 attributable to the gross proceeds of sales of a business
374 enterprise located within a redevelopment project area under the
375 provisions of Sections 57-91-1 through 57-91-11, and attributable
376 to the gross proceeds of sales from sales made to a business
377 enterprise located in a redevelopment project area under the
378 provisions of Sections 57-91-1 through 57-91-11 (provided that
379 such sales made to a business enterprise are made on the premises
380 of the business enterprise), shall be deposited into the
381 Redevelopment Project Incentive Fund as created in Section
382 57-91-9, as follows:

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

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

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



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

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

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

410 (21) (a) On or before April 15, 2007, and each succeeding
411 month thereafter through June 15, 2013, One Hundred Fifty Thousand
412 Dollars (\$150,000.00) of the sales tax revenue collected during
413 the preceding month under the provisions of this chapter shall be
414 deposited into the MMEIA Tax Incentive Fund created in Section
415 57-101-3.

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



420 Mississippi Development Authority Job Training Grant Fund created
421 in Section 57-1-451.

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

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



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

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

454 (24) On or before August 15, 2022, and each succeeding month
455 thereafter, eighteen and one-half percent (18-1/2%) of the total
456 sales tax revenue collected during the preceding month under the
457 provisions of this chapter, except that collected under the
458 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
459 27-65-24, on business activities within a county that is a part of
460 the Pearl River Valley Water Supply District on property that is
461 owned by the district and outside of the corporate limits of
462 municipalities in such county shall be allocated for distribution
463 to the Pearl River Valley Water Supply District and paid to the
464 Pearl River Valley Water Supply District.

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

468 (* * *26) (a) It shall be the duty of the municipal
469 officials of any municipality that expands its limits, or of any



470 community that incorporates as a municipality, to notify the
471 commissioner of that action thirty (30) days before the effective
472 date. Failure to so notify the commissioner shall cause the
473 municipality to forfeit the revenue that it would have been
474 entitled to receive during this period of time when the
475 commissioner had no knowledge of the action.

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

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



494 funds erroneously disbursed for a period of one (1) year beginning
495 with the date of the first erroneous disbursement.

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

498 27-65-53. If the commissioner finds that the taxpayer has
499 overpaid his tax for any reason and the taxpayer has discontinued
500 business and there is no subsequent liability upon which the
501 excess may be credited, or if the amount of the excess so paid
502 shall exceed the estimated liability for the next twelve (12)
503 months, the excess shall be refunded to the taxpayer. Such amount
504 shall be certified to the State Auditor of Public Accounts by the
505 commission. The said auditor is hereby authorized to make such
506 investigation and audit of the claim as he finds necessary. If he
507 finds that the commissioner is correct in his determination, the
508 auditor may issue his warrant to the State Treasurer in favor of
509 the taxpayer for the amount of tax erroneously paid into the State
510 Treasury, such refunds to be made from current sales tax
511 collections. If part of the overpayment has been disbursed to any
512 municipality or state institution of higher learning or to the
513 Pearl River Valley Water Supply District, under authority of
514 Section 27-65-75, the municipality or state institution of higher
515 learning or the Pearl River Valley Water Supply District, having
516 erroneously received the money, shall adjust the amount with the
517 commissioner, or the overpayment may be withheld by the state from



518 any funds due by the state to the municipality or state
519 institution of higher learning or such district.

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.

