

By: Representative Powell

To: Ways and Means

HOUSE BILL NO. 382

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 "Educational Facilities Revolving



222 Loan Fund" created and existing under the provisions of Section
223 37-47-24. Those payments into that fund are to be made on the
224 last day of each succeeding month hereafter. This subsection (5)
225 shall stand repealed on July 1, 2023.

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

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



247 subsection (7) during the fiscal year in excess of Forty-two
248 Million Dollars (\$42,000,000.00) shall be deposited into the
249 Education Enhancement Fund created under Section 37-61-33 for
250 appropriation by the Legislature as other education needs and
251 shall not be subject to the percentage appropriation requirements
252 set forth in Section 37-61-33.

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

260 (9) On or before August 15, 1994, and each succeeding month
261 thereafter, from the revenue collected under this chapter during
262 the preceding month, Two Hundred Fifty Thousand Dollars
263 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

269 (11) Notwithstanding any other provision of this section to
270 the contrary, on or before February 15, 1995, and each succeeding
271 month thereafter, the sales tax revenue collected during the



272 preceding month under the provisions of Section 27-65-17(2) and
273 the corresponding levy in Section 27-65-23 on the rental or lease
274 of private carriers of passengers and light carriers of property
275 as defined in Section 27-51-101 shall be deposited, without
276 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
277 established in Section 27-51-105.

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

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

295 (14) On or before August 15, 1998, and each succeeding month
296 thereafter through July 15, 2005, that portion of the avails of



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



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

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

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

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



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

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

356 (18) [Repealed]

357 (19) (a) On or before August 15, 2005, and each succeeding
358 month thereafter, the sales tax revenue collected during the
359 preceding month under the provisions of this chapter on the gross
360 proceeds of sales of a business enterprise located within a
361 redevelopment project area under the provisions of Sections
362 57-91-1 through 57-91-11, and the revenue collected on the gross
363 proceeds of sales from sales made to a business enterprise located
364 in a redevelopment project area under the provisions of Sections
365 57-91-1 through 57-91-11 (provided that such sales made to a
366 business enterprise are made on the premises of the business
367 enterprise), shall, except as otherwise provided in this
368 subsection (19), be deposited, after all diversions, into the
369 Redevelopment Project Incentive Fund as created in Section
370 57-91-9.



371 (b) For a municipality participating in the Economic
372 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
373 the diversion provided for in subsection (1) of this section
374 attributable to the gross proceeds of sales of a business
375 enterprise located within a redevelopment project area under the
376 provisions of Sections 57-91-1 through 57-91-11, and attributable
377 to the gross proceeds of sales from sales made to a business
378 enterprise located in a redevelopment project area under the
379 provisions of Sections 57-91-1 through 57-91-11 (provided that
380 such sales made to a business enterprise are made on the premises
381 of the business enterprise), shall be deposited into the
382 Redevelopment Project Incentive Fund as created in Section
383 57-91-9, as follows:

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

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

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



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

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

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

411 (21) (a) On or before April 15, 2007, and each succeeding
412 month thereafter through June 15, 2013, One Hundred Fifty Thousand
413 Dollars (\$150,000.00) of the sales tax revenue collected during
414 the preceding month under the provisions of this chapter shall be
415 deposited into the MMEIA Tax Incentive Fund created in Section
416 57-101-3.

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



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

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

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



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

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

455 (24) On or before August 15, 2023, and each succeeding month
456 thereafter, eighteen and one-half percent (18-1/2%) of the total
457 sales tax revenue collected during the preceding month under the
458 provisions of this chapter, except that collected under the
459 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
460 27-65-24, on business activities within a county that is a part of
461 the Pearl River Valley Water Supply District on property that is
462 owned by the district and outside of the corporate limits of
463 municipalities in such county shall be allocated for distribution
464 to the Pearl River Valley Water Supply District and paid to the
465 Pearl River Valley Water Supply District.

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 to the
514 Pearl River Valley Water Supply District, under authority of
515 Section 27-65-75, the municipality or state institution of higher
516 learning or the Pearl River Valley Water Supply District, having
517 erroneously received the money, shall adjust the amount with the
518 commissioner, or the overpayment may be withheld by the state from



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

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

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

537 **SECTION 3.** This act shall take effect and be in force from
538 and after July 1, 2023.

