

By: Representatives Hulum, Paden, Hines, Summers, Bailey, Banks, Blackmon, Brown (70th), Clark, Denton, Faulkner, Foster, Gibbs, Harness, Johnson, Porter, Sanders, Scott, Straughter, Taylor, Thompson, Walker, Watson

To: Ways and Means

HOUSE BILL NO. 1562

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN
3 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
4 EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND
5 SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO REVISE THE
6 DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL
7 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
8 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
9 STAMPS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
12 amended as follows:

13 27-65-17. (1) (a) Except as otherwise provided in this
14 section, upon every person engaging or continuing within this
15 state in the business of selling any tangible personal property
16 whatsoever there is hereby levied, assessed and shall be collected
17 a tax equal to seven percent (7%) of the gross proceeds of the
18 retail sales of the business.

19 (b) Retail sales of farm tractors and parts and labor
20 used to maintain and/or repair such tractors shall be taxed at the



21 rate of one and one-half percent (1-1/2%) when made to farmers for
22 agricultural purposes.

23 (c) (i) Retail sales of farm implements sold to
24 farmers and used directly in the production of poultry, ratite,
25 domesticated fish as defined in Section 69-7-501, livestock,
26 livestock products, agricultural crops or ornamental plant crops
27 or used for other agricultural purposes, and parts and labor used
28 to maintain and/or repair such implements, shall be taxed at the
29 rate of one and one-half percent (1-1/2%) when used on the farm.

30 (ii) The one and one-half percent (1-1/2%) rate
31 shall also apply to all equipment used in logging, pulpwood
32 operations or tree farming, and parts and labor used to maintain
33 and/or repair such equipment, which is either:

- 34 1. Self-propelled, or
- 35 2. Mounted so that it is permanently attached
36 to other equipment which is self-propelled or attached to other
37 equipment drawn by a vehicle which is self-propelled.

38 In order to be eligible for the rate of tax provided for in
39 this subparagraph (ii), such sales must be made to a professional
40 logger. For the purposes of this subparagraph (ii), a
41 "professional logger" is a person, corporation, limited liability
42 company or other entity, or an agent thereof, who possesses a
43 professional logger's permit issued by the Department of Revenue
44 and who presents the permit to the seller at the time of purchase.
45 The department shall establish an application process for a



46 professional logger's permit to be issued, which shall include a
47 requirement that the applicant submit a copy of documentation
48 verifying that the applicant is certified according to Sustainable
49 Forestry Initiative guidelines. Upon a determination that an
50 applicant is a professional logger, the department shall issue the
51 applicant a numbered professional logger's permit.

52 (d) Except as otherwise provided in subsection (3) of
53 this section, retail sales of aircraft, automobiles, trucks,
54 truck-tractors, semitrailers and manufactured or mobile homes
55 shall be taxed at the rate of three percent (3%).

56 (e) Sales of manufacturing machinery or manufacturing
57 machine parts when made to a manufacturer or custom processor for
58 plant use only when the machinery and machine parts will be used
59 exclusively and directly within this state in manufacturing a
60 commodity for sale, rental or in processing for a fee shall be
61 taxed at the rate of one and one-half percent (1-1/2%).

62 (f) Sales of machinery and machine parts when made to a
63 technology intensive enterprise for plant use only when the
64 machinery and machine parts will be used exclusively and directly
65 within this state for industrial purposes, including, but not
66 limited to, manufacturing or research and development activities,
67 shall be taxed at the rate of one and one-half percent (1-1/2%).
68 In order to be considered a technology intensive enterprise for
69 purposes of this paragraph:



70 (i) The enterprise shall meet minimum criteria
71 established by the Mississippi Development Authority;

72 (ii) The enterprise shall employ at least ten (10)
73 persons in full-time jobs;

74 (iii) At least ten percent (10%) of the workforce
75 in the facility operated by the enterprise shall be scientists,
76 engineers or computer specialists;

77 (iv) The enterprise shall manufacture plastics,
78 chemicals, automobiles, aircraft, computers or electronics; or
79 shall be a research and development facility, a computer design or
80 related facility, or a software publishing facility or other
81 technology intensive facility or enterprise as determined by the
82 Mississippi Development Authority;

83 (v) The average wage of all workers employed by
84 the enterprise at the facility shall be at least one hundred fifty
85 percent (150%) of the state average annual wage; and

86 (vi) The enterprise must provide a basic health
87 care plan to all employees at the facility.

88 A medical cannabis establishment, as defined in the
89 Mississippi Medical Cannabis Act, shall not be considered to be a
90 technology intensive enterprise for the purposes of this paragraph
91 (f).

92 (g) Sales of materials for use in track and track
93 structures to a railroad whose rates are fixed by the Interstate



94 Commerce Commission or the Mississippi Public Service Commission
95 shall be taxed at the rate of three percent (3%).

96 (h) Sales of tangible personal property to electric
97 power associations for use in the ordinary and necessary operation
98 of their generating or distribution systems shall be taxed at the
99 rate of one percent (1%).

100 (i) Wholesale sales of beer shall be taxed at the rate
101 of seven percent (7%), and the retailer shall file a return and
102 compute the retail tax on retail sales but may take credit for the
103 amount of the tax paid to the wholesaler on said return covering
104 the subsequent sales of same property, provided adequate invoices
105 and records are maintained to substantiate the credit.

106 (j) Wholesale sales of food and drink for human
107 consumption to full-service vending machine operators to be sold
108 through vending machines located apart from and not connected with
109 other taxable businesses shall be taxed at the rate of eight
110 percent (8%).

111 (k) Sales of equipment used or designed for the purpose
112 of assisting disabled persons, such as wheelchair equipment and
113 lifts, that is mounted or attached to or installed on a private
114 carrier of passengers or light carrier of property, as defined in
115 Section 27-51-101, at the time when the private carrier of
116 passengers or light carrier of property is sold shall be taxed at
117 the same rate as the sale of such vehicles under this section.



118 (1) Sales of the factory-built components of modular
119 homes, panelized homes and precut homes, and panel constructed
120 homes consisting of structural insulated panels, shall be taxed at
121 the rate of three percent (3%).

122 (m) Sales of materials used in the repair, renovation,
123 addition to, expansion and/or improvement of buildings and related
124 facilities used by a dairy producer shall be taxed at the rate of
125 three and one-half percent (3-1/2%). For the purposes of this
126 paragraph (m), "dairy producer" means any person engaged in the
127 production of milk for commercial use.

128 (n) From and after July 1, 2023, retail sales of food
129 for human consumption not purchased with food stamps issued by the
130 United States Department of Agriculture, or other federal agency,
131 but which would be exempt under Section 27-65-111(o) from the
132 taxes imposed by this chapter if the food items were purchased
133 with food stamps, shall be taxed at the rate of three and one-half
134 percent (3-1/2%).

135 (2) From and after January 1, 1995, retail sales of private
136 carriers of passengers and light carriers of property, as defined
137 in Section 27-51-101, shall be taxed an additional two percent
138 (2%).

139 (3) A manufacturer selling at retail in this state shall be
140 required to make returns of the gross proceeds of such sales and
141 pay the tax imposed in this section.



142 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
143 amended as follows:

144 27-65-75. On or before the fifteenth day of each month, the
145 revenue collected under the provisions of this chapter during the
146 preceding month shall be paid and distributed as follows:

147 (1) (a) On or before August 15, 1992, and each succeeding
148 month thereafter through July 15, 1993, eighteen percent (18%) of
149 the total sales tax revenue collected during the preceding month
150 under the provisions of this chapter, except that collected under
151 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
152 business activities within a municipal corporation shall be
153 allocated for distribution to the municipality and paid to the
154 municipal corporation. Except as otherwise provided in this
155 paragraph (a), on or before August 15, 1993, and each succeeding
156 month thereafter through August 15, 2023, eighteen and one-half
157 percent (18-1/2%) of the total sales tax revenue collected during
158 the preceding month under the provisions of this chapter, except
159 that collected under the provisions of Sections 27-65-15,
160 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
161 a municipal corporation shall be allocated for distribution to the
162 municipality and paid to the municipal corporation. On or before
163 September 15, 2023, and each succeeding month thereafter, eighteen
164 and one-half percent (18-1/2%) of the total sales tax revenue
165 collected during the preceding month under the provisions of this
166 chapter, except that collected under the provisions of Sections



167 27-65-15, 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on
168 business activities within a municipal corporation shall be
169 allocated for distribution to the municipality and paid to the
170 municipal corporation. On or before September 15, 2023, and each
171 succeeding month thereafter, thirty-seven percent (37%) of the
172 total sales tax revenue collected during the preceding month under
173 the provisions of Section 27-65-17(1) (n) on business activities
174 within a municipal corporation shall be allocated for distribution
175 to the municipality and paid to the municipal corporation.

176 However, in the event the State Auditor issues a certificate of
177 noncompliance pursuant to Section 21-35-31, the Department of
178 Revenue shall withhold ten percent (10%) of the allocations and
179 payments to the municipality that would otherwise be payable to
180 the municipality under this paragraph (a) until such time that the
181 department receives written notice of the cancellation of a
182 certificate of noncompliance from the State Auditor.

183 A municipal corporation, for the purpose of distributing the
184 tax under this subsection, shall mean and include all incorporated
185 cities, towns and villages.

186 Monies allocated for distribution and credited to a municipal
187 corporation under this paragraph may be pledged as security for a
188 loan if the distribution received by the municipal corporation is
189 otherwise authorized or required by law to be pledged as security
190 for such a loan.



191 In any county having a county seat that is not an
192 incorporated municipality, the distribution provided under this
193 subsection shall be made as though the county seat was an
194 incorporated municipality; however, the distribution to the
195 municipality shall be paid to the county treasury in which the
196 municipality is located, and those funds shall be used for road,
197 bridge and street construction or maintenance in the county.

198 (b) On or before August 15, 2006, and each succeeding
199 month thereafter through August 15, 2023, eighteen and one-half
200 percent (18-1/2%) of the total sales tax revenue collected during
201 the preceding month under the provisions of this chapter, except
202 that collected under the provisions of Sections 27-65-15,
203 27-65-19(3) and 27-65-21, on business activities on the campus of
204 a state institution of higher learning or community or junior
205 college whose campus is not located within the corporate limits of
206 a municipality, shall be allocated for distribution to the state
207 institution of higher learning or community or junior college and
208 paid to the state institution of higher learning or community or
209 junior college. On or before September 15, 2023, and each
210 succeeding month thereafter, eighteen and one-half percent
211 (18-1/2%) of the total sales tax revenue collected during the
212 preceding month under the provisions of this chapter, except that
213 collected under the provisions of Sections 27-65-15,
214 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities
215 on the campus of a state institution of higher learning or



216 community or junior college whose campus is not located within the
217 corporate limits of a municipality, shall be allocated for
218 distribution to the state institution of higher learning or
219 community or junior college and paid to the state institution of
220 higher learning or community or junior college. On or before
221 September 15, 2023, and each succeeding month thereafter,
222 thirty-seven percent (37%) of the total sales tax revenue
223 collected during the preceding month under the provisions of
224 Section 27-65-17(1) (n) on business activities on the campus of a
225 state institution of higher learning or community or junior
226 college whose campus is not located within the corporate limits of
227 a municipality, shall be allocated for distribution to the state
228 institution of higher learning or community or junior college and
229 paid to the state institution of higher learning or community or
230 junior college.

231 (c) On or before August 15, 2018, and each succeeding
232 month thereafter until August 14, 2019, two percent (2%) of the
233 total sales tax revenue collected during the preceding month under
234 the provisions of this chapter, except that collected under the
235 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
236 27-65-24, on business activities within the corporate limits of
237 the City of Jackson, Mississippi, shall be deposited into the
238 Capitol Complex Improvement District Project Fund created in
239 Section 29-5-215. On or before August 15, 2019, and each
240 succeeding month thereafter until August 14, 2020, four percent



241 (4%) of the total sales tax revenue collected during the preceding
242 month under the provisions of this chapter, except that collected
243 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
244 and 27-65-24, on business activities within the corporate limits
245 of the City of Jackson, Mississippi, shall be deposited into the
246 Capitol Complex Improvement District Project Fund created in
247 Section 29-5-215. On or before August 15, 2020, and each
248 succeeding month thereafter through August 15, 2023, six percent
249 (6%) of the total sales tax revenue collected during the preceding
250 month under the provisions of this chapter, except that collected
251 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
252 and 27-65-24, on business activities within the corporate limits
253 of the City of Jackson, Mississippi, shall be deposited into the
254 Capitol Complex Improvement District Project Fund created in
255 Section 29-5-215. On or before September 15, 2023, and each
256 succeeding month thereafter, (i) six percent (6%) of the total
257 sales tax revenue collected during the preceding month under the
258 provisions of this chapter, except that collected under the
259 provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3),
260 27-65-21 and 27-65-24, on business activities within the corporate
261 limits of the City of Jackson, Mississippi, and (ii) twelve
262 percent (12%) of the total sales tax revenue collected during the
263 preceding month under the provisions of Section 27-65-17(1)(n) on
264 business activities within the corporate limits of the City of



265 Jackson, Mississippi, shall be deposited into the Capitol Complex
266 Improvement District Project Fund created in Section 29-5-215.

267 (d) (i) On or before the fifteenth day of the month
268 that the diversion authorized by this section begins, and each
269 succeeding month thereafter, eighteen and one-half percent
270 (18-1/2%) of the total sales tax revenue collected during the
271 preceding month under the provisions of this chapter, except that
272 collected under the provisions of Sections 27-65-15, 27-65-19(3)
273 and 27-65-21, on business activities within a redevelopment
274 project area developed under a redevelopment plan adopted under
275 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
276 allocated for distribution to the county in which the project area
277 is located if:

- 278 1. The county:
- 279 a. Borders on the Mississippi Sound and
280 the State of Alabama, or
- 281 b. Is Harrison County, Mississippi, and
282 the project area is within a radius of two (2) miles from the
283 intersection of Interstate 10 and Menge Avenue;
- 284 2. The county has issued bonds under Section
285 21-45-9 to finance all or a portion of a redevelopment project in
286 the redevelopment project area;
- 287 3. Any debt service for the indebtedness
288 incurred is outstanding; and



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

292 (ii) Before any sales tax revenue may be allocated
293 for distribution to a county under this paragraph, the county
294 shall certify to the Department of Revenue that the requirements
295 of this paragraph have been met, the amount of bonded indebtedness
296 that has been incurred by the county for the redevelopment project
297 and the expected date the indebtedness incurred by the county will
298 be satisfied.

299 (iii) The diversion of sales tax revenue
300 authorized by this paragraph shall begin the month following the
301 month in which the Department of Revenue determines that the
302 requirements of this paragraph have been met. The diversion shall
303 end the month the indebtedness incurred by the county is
304 satisfied. All revenue received by the county under this
305 paragraph shall be deposited in the fund required to be created in
306 the tax increment financing plan under Section 21-45-11 and be
307 utilized solely to satisfy the indebtedness incurred by the
308 county.

309 (2) On or before September 15, 1987, and each succeeding
310 month thereafter, from the revenue collected under this chapter
311 during the preceding month, One Million One Hundred Twenty-five
312 Thousand Dollars (\$1,125,000.00) shall be allocated for
313 distribution to municipal corporations as defined under subsection



314 (1) of this section in the proportion that the number of gallons
315 of gasoline and diesel fuel sold by distributors to consumers and
316 retailers in each such municipality during the preceding fiscal
317 year bears to the total gallons of gasoline and diesel fuel sold
318 by distributors to consumers and retailers in municipalities
319 statewide during the preceding fiscal year. The Department of
320 Revenue shall require all distributors of gasoline and diesel fuel
321 to report to the department monthly the total number of gallons of
322 gasoline and diesel fuel sold by them to consumers and retailers
323 in each municipality during the preceding month. The Department
324 of Revenue shall have the authority to promulgate such rules and
325 regulations as is necessary to determine the number of gallons of
326 gasoline and diesel fuel sold by distributors to consumers and
327 retailers in each municipality. In determining the percentage
328 allocation of funds under this subsection for the fiscal year
329 beginning July 1, 1987, and ending June 30, 1988, the Department
330 of Revenue may consider gallons of gasoline and diesel fuel sold
331 for a period of less than one (1) fiscal year. For the purposes
332 of this subsection, the term "fiscal year" means the fiscal year
333 beginning July 1 of a year.

334 (3) On or before September 15, 1987, and on or before the
335 fifteenth day of each succeeding month, until the date specified
336 in Section 65-39-35, the proceeds derived from contractors' taxes
337 levied under Section 27-65-21 on contracts for the construction or
338 reconstruction of highways designated under the highway program



339 created under Section 65-3-97 shall, except as otherwise provided
340 in Section 31-17-127, be deposited into the State Treasury to the
341 credit of the State Highway Fund to be used to fund that highway
342 program. The Mississippi Department of Transportation shall
343 provide to the Department of Revenue such information as is
344 necessary to determine the amount of proceeds to be distributed
345 under this subsection.

346 (4) On or before August 15, 1994, and on or before the
347 fifteenth day of each succeeding month through July 15, 1999, from
348 the proceeds of gasoline, diesel fuel or kerosene taxes as
349 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
350 (\$4,000,000.00) shall be deposited in the State Treasury to the
351 credit of a special fund designated as the "State Aid Road Fund,"
352 created by Section 65-9-17. On or before August 15, 1999, and on
353 or before the fifteenth day of each succeeding month, from the
354 total amount of the proceeds of gasoline, diesel fuel or kerosene
355 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
356 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
357 one-fourth percent (23-1/4%) of those funds, whichever is the
358 greater amount, shall be deposited in the State Treasury to the
359 credit of the "State Aid Road Fund," created by Section 65-9-17.
360 Those funds shall be pledged to pay the principal of and interest
361 on state aid road bonds heretofore issued under Sections 19-9-51
362 through 19-9-77, in lieu of and in substitution for the funds
363 previously allocated to counties under this section. Those funds



364 may not be pledged for the payment of any state aid road bonds
365 issued after April 1, 1981; however, this prohibition against the
366 pledging of any such funds for the payment of bonds shall not
367 apply to any bonds for which intent to issue those bonds has been
368 published for the first time, as provided by law before March 29,
369 1981. From the amount of taxes paid into the special fund under
370 this subsection and subsection (9) of this section, there shall be
371 first deducted and paid the amount necessary to pay the expenses
372 of the Office of State Aid Road Construction, as authorized by the
373 Legislature for all other general and special fund agencies. The
374 remainder of the fund shall be allocated monthly to the several
375 counties in accordance with the following formula:

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

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

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

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



389 The amount of funds allocated to any county under this
390 subsection for any fiscal year after fiscal year 1994 shall not be
391 less than the amount allocated to the county for fiscal year 1994.

392 Any reference in the general laws of this state or the
393 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
394 construed to refer and apply to subsection (4) of Section
395 27-65-75.

396 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
397 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
398 the special fund known as the "Educational Facilities Revolving
399 Loan Fund" created and existing under the provisions of Section
400 37-47-24. Those payments into that fund are to be made on the
401 last day of each succeeding month hereafter. This subsection (5)
402 shall stand repealed on July 1, 2023.

403 (6) An amount each month beginning August 15, 1983, through
404 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
405 1983, shall be paid into the special fund known as the
406 Correctional Facilities Construction Fund created in Section 6,
407 Chapter 542, Laws of 1983.

408 (7) On or before August 15, 1992, and each succeeding month
409 thereafter through July 15, 2000, two and two hundred sixty-six
410 one-thousandths percent (2.266%) of the total sales tax revenue
411 collected during the preceding month under the provisions of this
412 chapter, except that collected under the provisions of Section
413 27-65-17(2), shall be deposited by the department into the School



414 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
415 or before August 15, 2000, and each succeeding month thereafter
416 through August 15, 2023, two and two hundred sixty-six
417 one-thousandths percent (2.266%) of the total sales tax revenue
418 collected during the preceding month under the provisions of this
419 chapter, except that collected under the provisions of Section
420 27-65-17(2), shall be deposited into the School Ad Valorem Tax
421 Reduction Fund created under Section 37-61-35 until such time that
422 the total amount deposited into the fund during a fiscal year
423 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
424 the amounts diverted under this subsection (7) during the fiscal
425 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
426 be deposited into the Education Enhancement Fund created under
427 Section 37-61-33 for appropriation by the Legislature as other
428 education needs and shall not be subject to the percentage
429 appropriation requirements set forth in Section 37-61-33. On or
430 before September 15, 2023, and each succeeding month thereafter,
431 two and two hundred sixty-six one-thousandths percent (2.266%) of
432 the total sales tax revenue collected during the preceding month
433 under the provisions of this chapter, except that collected under
434 the provisions of Section 27-65-17(1)(n) and (2), and four and
435 fifty-three one-hundredths percent (4.53%) of the total sales tax
436 revenue collected during the preceding month under the provisions
437 of Section 27-65-17(1)(n) shall be deposited into the School Ad
438 Valorem Tax Reduction Fund created under Section 37-61-35 until



439 such time that the total amount deposited into the fund during a
440 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
441 Thereafter, the amounts diverted under this subsection (7) during
442 the fiscal year in excess of Forty-two Million Dollars
443 (\$42,000,000.00) shall be deposited into the Education Enhancement
444 Fund created under Section 37-61-33 for appropriation by the
445 Legislature as other education needs and shall not be subject to
446 the percentage appropriation requirements set forth in Section
447 37-61-33.

448 (8) On or before August 15, 1992, and each succeeding month
449 thereafter through August 15, 2023, nine and seventy-three
450 one-thousandths percent (9.073%) of the total sales tax revenue
451 collected during the preceding month under the provisions of this
452 chapter, except that collected under the provisions of Section
453 27-65-17(2), shall be deposited into the Education Enhancement
454 Fund created under Section 37-61-33. On or before September 15,
455 2023, and each succeeding month thereafter, nine and seventy-three
456 one-thousandths percent (9.073%) of the total sales tax revenue
457 collected during the preceding month under the provisions of this
458 chapter, except that collected under the provisions of Section
459 27-65-17(1) (n) and (2), shall be deposited into the Education
460 Enhancement Fund created under Section 37-61-33. On or before
461 September 15, 2023, and each succeeding month thereafter, eighteen
462 and fifteen one-hundredths percent (18.15%) of the total sales tax
463 revenue collected during the preceding month under the provisions



464 of Section 27-65-17(1)(n) shall be deposited into the Education
465 Enhancement Fund created under Section 37-61-33.

466 (9) On or before August 15, 1994, and each succeeding month
467 thereafter, from the revenue collected under this chapter during
468 the preceding month, Two Hundred Fifty Thousand Dollars
469 (\$250,000.00) shall be paid into the State Aid Road Fund.

470 (10) On or before August 15, 1994, and each succeeding month
471 thereafter through August 15, 1995, from the revenue collected
472 under this chapter during the preceding month, Two Million Dollars
473 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
474 Valorem Tax Reduction Fund established in Section 27-51-105.

475 (11) Notwithstanding any other provision of this section to
476 the contrary, on or before February 15, 1995, and each succeeding
477 month thereafter, the sales tax revenue collected during the
478 preceding month under the provisions of Section 27-65-17(2) and
479 the corresponding levy in Section 27-65-23 on the rental or lease
480 of private carriers of passengers and light carriers of property
481 as defined in Section 27-51-101 shall be deposited, without
482 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
483 established in Section 27-51-105.

484 (12) Notwithstanding any other provision of this section to
485 the contrary, on or before August 15, 1995, and each succeeding
486 month thereafter, the sales tax revenue collected during the
487 preceding month under the provisions of Section 27-65-17(1) on
488 retail sales of private carriers of passengers and light carriers



489 of property, as defined in Section 27-51-101 and the corresponding
490 levy in Section 27-65-23 on the rental or lease of these vehicles,
491 shall be deposited, after diversion, into the Motor Vehicle Ad
492 Valorem Tax Reduction Fund established in Section 27-51-105.

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

501 (14) On or before August 15, 1998, and each succeeding month
502 thereafter through July 15, 2005, that portion of the avails of
503 the tax imposed in Section 27-65-23 that is derived from sales by
504 cotton compresses or cotton warehouses and that would otherwise be
505 paid into the General Fund shall be deposited in an amount not to
506 exceed Two Million Dollars (\$2,000,000.00) into the special fund
507 created under Section 69-37-39. On or before August 15, 2007, and
508 each succeeding month thereafter through July 15, 2010, that
509 portion of the avails of the tax imposed in Section 27-65-23 that
510 is derived from sales by cotton compresses or cotton warehouses
511 and that would otherwise be paid into the General Fund shall be
512 deposited in an amount not to exceed Two Million Dollars
513 (\$2,000,000.00) into the special fund created under Section



514 69-37-39 until all debts or other obligations incurred by the
515 Certified Cotton Growers Organization under the Mississippi Boll
516 Weevil Management Act before January 1, 2007, are satisfied in
517 full. On or before August 15, 2010, and each succeeding month
518 thereafter through July 15, 2011, fifty percent (50%) of that
519 portion of the avails of the tax imposed in Section 27-65-23 that
520 is derived from sales by cotton compresses or cotton warehouses
521 and that would otherwise be paid into the General Fund shall be
522 deposited into the special fund created under Section 69-37-39
523 until such time that the total amount deposited into the fund
524 during a fiscal year equals One Million Dollars (\$1,000,000.00).
525 On or before August 15, 2011, and each succeeding month
526 thereafter, that portion of the avails of the tax imposed in
527 Section 27-65-23 that is derived from sales by cotton compresses
528 or cotton warehouses and that would otherwise be paid into the
529 General Fund shall be deposited into the special fund created
530 under Section 69-37-39 until such time that the total amount
531 deposited into the fund during a fiscal year equals One Million
532 Dollars (\$1,000,000.00).

533 (15) Notwithstanding any other provision of this section to
534 the contrary, on or before September 15, 2000, and each succeeding
535 month thereafter, the sales tax revenue collected during the
536 preceding month under the provisions of Section
537 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



538 without diversion, into the Telecommunications Ad Valorem Tax
539 Reduction Fund established in Section 27-38-7.

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

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

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

562 (18) [Repealed]



563 (19) (a) On or before August 15, 2005, and each succeeding
564 month thereafter, the sales tax revenue collected during the
565 preceding month under the provisions of this chapter on the gross
566 proceeds of sales of a business enterprise located within a
567 redevelopment project area under the provisions of Sections
568 57-91-1 through 57-91-11, and the revenue collected on the gross
569 proceeds of sales from sales made to a business enterprise located
570 in a redevelopment project area under the provisions of Sections
571 57-91-1 through 57-91-11 (provided that such sales made to a
572 business enterprise are made on the premises of the business
573 enterprise), shall, except as otherwise provided in this
574 subsection (19), be deposited, after all diversions, into the
575 Redevelopment Project Incentive Fund as created in Section
576 57-91-9.

577 (b) For a municipality participating in the Economic
578 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
579 the diversion provided for in subsection (1) of this section
580 attributable to the gross proceeds of sales of a business
581 enterprise located within a redevelopment project area under the
582 provisions of Sections 57-91-1 through 57-91-11, and attributable
583 to the gross proceeds of sales from sales made to a business
584 enterprise located in a redevelopment project area under the
585 provisions of Sections 57-91-1 through 57-91-11 (provided that
586 such sales made to a business enterprise are made on the premises
587 of the business enterprise), shall be deposited into the



588 Redevelopment Project Incentive Fund as created in Section
589 57-91-9, as follows:

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

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

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

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

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

609 (20) On or before January 15, 2007, and each succeeding
610 month thereafter, eighty percent (80%) of the sales tax revenue
611 collected during the preceding month under the provisions of this
612 chapter from the operation of a tourism project under the



613 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
614 after the diversions required in subsections (7) and (8) of this
615 section, into the Tourism Sales Tax Incentive Fund created in
616 Section 57-28-3.

617 (21) (a) On or before April 15, 2007, and each succeeding
618 month thereafter through June 15, 2013, One Hundred Fifty Thousand
619 Dollars (\$150,000.00) of the sales tax revenue collected during
620 the preceding month under the provisions of this chapter shall be
621 deposited into the MMEIA Tax Incentive Fund created in Section
622 57-101-3.

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

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

635 (23) (a) On or before August 15, 2019, and each month
636 thereafter through July 15, 2020, one percent (1%) of the total
637 sales tax revenue collected during the preceding month from



638 restaurants and hotels shall be allocated for distribution to the
639 Mississippi Development Authority Tourism Advertising Fund
640 established under Section 57-1-64, to be used exclusively for the
641 purpose stated therein. On or before August 15, 2020, and each
642 month thereafter through July 15, 2021, two percent (2%) of the
643 total sales tax revenue collected during the preceding month from
644 restaurants and hotels shall be allocated for distribution to the
645 Mississippi Development Authority Tourism Advertising Fund
646 established under Section 57-1-64, to be used exclusively for the
647 purpose stated therein. On or before August 15, 2021, and each
648 month thereafter, three percent (3%) of the total sales tax
649 revenue collected during the preceding month from restaurants and
650 hotels shall be allocated for distribution to the Mississippi
651 Development Authority Tourism Advertising Fund established under
652 Section 57-1-64, to be used exclusively for the purpose stated
653 therein. The revenue diverted pursuant to this subsection shall
654 not be available for expenditure until February 1, 2020.

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



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

664 (25) (a) It shall be the duty of the municipal officials of
665 any municipality that expands its limits, or of any community that
666 incorporates as a municipality, to notify the commissioner of that
667 action thirty (30) days before the effective date. Failure to so
668 notify the commissioner shall cause the municipality to forfeit
669 the revenue that it would have been entitled to receive during
670 this period of time when the commissioner had no knowledge of the
671 action.

672 (b) (i) Except as otherwise provided in subparagraph
673 (ii) of this paragraph, if any funds have been erroneously
674 disbursed to any municipality or any overpayment of tax is
675 recovered by the taxpayer, the commissioner may make correction
676 and adjust the error or overpayment with the municipality by
677 withholding the necessary funds from any later payment to be made
678 to the municipality.

679 (ii) Subject to the provisions of Sections
680 27-65-51 and 27-65-53, if any funds have been erroneously
681 disbursed to a municipality under subsection (1) of this section
682 for a period of three (3) years or more, the maximum amount that
683 may be recovered or withheld from the municipality is the total
684 amount of funds erroneously disbursed for a period of three (3)
685 years beginning with the date of the first erroneous disbursement.



686 However, if during such period, a municipality provides written
687 notice to the Department of Revenue indicating the erroneous
688 disbursement of funds, then the maximum amount that may be
689 recovered or withheld from the municipality is the total amount of
690 funds erroneously disbursed for a period of one (1) year beginning
691 with the date of the first erroneous disbursement.

692 **SECTION 3.** Nothing in this act shall affect or defeat any
693 claim, assessment, appeal, suit, right or cause of action for
694 taxes due or accrued under the sales tax laws before the date on
695 which this act becomes effective, whether such claims,
696 assessments, appeals, suits or actions have been begun before the
697 date on which this act becomes effective or are begun thereafter;
698 and the provisions of the sales tax laws are expressly continued
699 in full force, effect and operation for the purpose of the
700 assessment, collection and enrollment of liens for any taxes due
701 or accrued and the execution of any warrant under such laws before
702 the date on which this act becomes effective, and for the
703 imposition of any penalties, forfeitures or claims for failure to
704 comply with such laws.

705 **SECTION 4.** This act shall take effect and be in force from
706 and after July 1, 2023.

