

By: Senator(s) Hill

To: Accountability,  
Efficiency, Transparency;  
Finance

SENATE BILL NO. 2047

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT 9% OF THE SALES TAX REVENUE COLLECTED FROM  
3 BUSINESS ACTIVITIES OUTSIDE THE MUNICIPALITIES IN A COUNTY SHALL  
4 BE PAID TO THE COUNTY; TO AMEND SECTION 27-65-53, MISSISSIPPI CODE  
5 OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

9 27-65-75. On or before the fifteenth day of each month, the  
10 revenue collected under the provisions of this chapter during the  
11 preceding month shall be paid and distributed as follows:

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



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

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

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

43 In any county having a county seat that is not an  
44 incorporated municipality, the distribution provided under this



45 subsection shall be made as though the county seat was an  
46 incorporated municipality; however, the distribution to the  
47 municipality shall be paid to the county treasury in which the  
48 municipality is located, and those funds shall be used for road,  
49 bridge and street construction or maintenance in the county.

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

61 (c) On or before August 15, 2018, and each succeeding  
62 month thereafter until August 14, 2019, two percent (2%) of the  
63 total sales tax revenue collected during the preceding month under  
64 the provisions of this chapter, except that collected under the  
65 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
66 27-65-24, on business activities within the corporate limits of  
67 the City of Jackson, Mississippi, shall be deposited into the  
68 Capitol Complex Improvement District Project Fund created in  
69 Section 29-5-215. On or before August 15, 2019, and each



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

86 (d) (i) On or before the fifteenth day of the month  
87 that the diversion authorized by this section begins, and each  
88 succeeding month thereafter, eighteen and one-half percent  
89 (18-1/2%) of the total sales tax revenue collected during the  
90 preceding month under the provisions of this chapter, except that  
91 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
92 and 27-65-21, on business activities within a redevelopment  
93 project area developed under a redevelopment plan adopted under  
94 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be



95 allocated for distribution to the county in which the project area  
96 is located if:

97 1. The county:

98 a. Borders on the Mississippi Sound and  
99 the State of Alabama, or

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

103 2. The county has issued bonds under Section  
104 21-45-9 to finance all or a portion of a redevelopment project in  
105 the redevelopment project area;

106 3. Any debt service for the indebtedness  
107 incurred is outstanding; and

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

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

118 (iii) The diversion of sales tax revenue  
119 authorized by this paragraph shall begin the month following the



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

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



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

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

165 (4) On or before August 15, 1994, and on or before the  
166 fifteenth day of each succeeding month through July 15, 1999, from  
167 the proceeds of gasoline, diesel fuel or kerosene taxes as  
168 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
169 (\$4,000,000.00) shall be deposited in the State Treasury to the



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





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

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

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

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

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

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

215           (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
216 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
217 the special fund known as the "Educational Facilities Revolving  
218 Loan Fund" created and existing under the provisions of Section  
219 37-47-24. Those payments into that fund are to be made on the



220 last day of each succeeding month hereafter. This subsection (5)  
221 shall stand repealed on July 1, 2023.

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

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



245 Education Enhancement Fund created under Section 37-61-33 for  
246 appropriation by the Legislature as other education needs and  
247 shall not be subject to the percentage appropriation requirements  
248 set forth in Section 37-61-33.

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

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

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

265 (11) Notwithstanding any other provision of this section to  
266 the contrary, on or before February 15, 1995, and each succeeding  
267 month thereafter, the sales tax revenue collected during the  
268 preceding month under the provisions of Section 27-65-17(2) and  
269 the corresponding levy in Section 27-65-23 on the rental or lease



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

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

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

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



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



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

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

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

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



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

352 (18) [Repealed]

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

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



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

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

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

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

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





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

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

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

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

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



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

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



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

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

451 (24) On or before August 15, 2023, and each succeeding month  
452 thereafter, nine percent (9%) of the total sales tax revenue  
453 collected during the preceding month under the provisions of this  
454 chapter, except that collected under the provisions of Sections  
455 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
456 activities within a county that occur outside of the  
457 municipalities in the county shall be allocated for distribution  
458 to the county and paid to the county. The amount paid to a county  
459 under this subsection (24) shall be in addition to any other funds  
460 allocated for distribution to the various counties under this  
461 section.

462 ( \* \* \*25) The remainder of the amounts collected under the  
463 provisions of this chapter shall be paid into the State Treasury  
464 to the credit of the General Fund.

465 ( \* \* \*26) (a) It shall be the duty of the municipal  
466 officials of any municipality that expands its limits, or of any  
467 community that incorporates as a municipality, to notify the



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

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

480 (ii) Subject to the provisions of Sections  
481 27-65-51 and 27-65-53, if any funds have been erroneously  
482 disbursed to a municipality under subsection (1) of this section  
483 for a period of three (3) years or more, the maximum amount that  
484 may be recovered or withheld from the municipality is the total  
485 amount of funds erroneously disbursed for a period of three (3)  
486 years beginning with the date of the first erroneous disbursement.  
487 However, if during such period, a municipality provides written  
488 notice to the Department of Revenue indicating the erroneous  
489 disbursement of funds, then the maximum amount that may be  
490 recovered or withheld from the municipality is the total amount of  
491 funds erroneously disbursed for a period of one (1) year beginning  
492 with the date of the first erroneous disbursement.



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

495           27-65-53. If the commissioner finds that the taxpayer has  
496 overpaid his tax for any reason and the taxpayer has discontinued  
497 business and there is no subsequent liability upon which the  
498 excess may be credited, or if the amount of the excess so paid  
499 shall exceed the estimated liability for the next twelve (12)  
500 months, the excess shall be refunded to the taxpayer. Such amount  
501 shall be certified to the State Auditor of Public Accounts by the  
502 commission. The said auditor is hereby authorized to make such  
503 investigation and audit of the claim as he finds necessary. If he  
504 finds that the commissioner is correct in his determination, the  
505 auditor may issue his warrant to the State Treasurer in favor of  
506 the taxpayer for the amount of tax erroneously paid into the State  
507 Treasury, such refunds to be made from current sales tax  
508 collections. If part of the overpayment has been disbursed to any  
509 municipality \* \* \*, state institution of higher learning or  
510 county, under authority of Section 27-65-75, the  
511 municipality \* \* \*, state institution of higher learning or  
512 county, having erroneously received the money, shall adjust the  
513 amount with the commissioner, or the overpayment may be withheld  
514 by the state from any funds due by the state to the  
515 municipality \* \* \*, state institution of higher learning or  
516 county.



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

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

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

