

By: Representative Rushing

To: Ways and Means

HOUSE BILL NO. 589

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

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

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

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

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



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

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

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

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



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

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

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



71 succeeding month thereafter until August 14, 2020, four percent  
72 (4%) of the total sales tax revenue collected during the preceding  
73 month under the provisions of this chapter, except that collected  
74 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
75 and 27-65-24, on business activities within the corporate limits  
76 of the City of Jackson, Mississippi, shall be deposited into the  
77 Capitol Complex Improvement District Project Fund created in  
78 Section 29-5-215. On or before August 15, 2020, and each  
79 succeeding month thereafter through July 15, 2023, six percent  
80 (6%) of the total sales tax revenue collected during the preceding  
81 month under the provisions of this chapter, except that collected  
82 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
83 and 27-65-24, on business activities within the corporate limits  
84 of the City of Jackson, Mississippi, shall be deposited into the  
85 Capitol Complex Improvement District Project Fund created in  
86 Section 29-5-215. On or before August 15, 2023, and each  
87 succeeding month thereafter, nine percent (9%) of the total sales  
88 tax revenue collected during the preceding month under the  
89 provisions of this chapter, except that collected under the  
90 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
91 27-65-24, on business activities within the corporate limits of  
92 the City of Jackson, Mississippi, shall be deposited into the  
93 Capitol Complex Improvement District Project Fund created in  
94 Section 29-5-215.



95                   (d)   (i)   On or before the fifteenth day of the month  
96 that the diversion authorized by this section begins, and each  
97 succeeding month thereafter, eighteen and one-half percent  
98 (18-1/2%) of the total sales tax revenue collected during the  
99 preceding month under the provisions of this chapter, except that  
100 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
101 and 27-65-21, on business activities within a redevelopment  
102 project area developed under a redevelopment plan adopted under  
103 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
104 allocated for distribution to the county in which the project area  
105 is located if:

- 106                                   1. The county:
  - 107   a. Borders on the Mississippi Sound and  
108 the State of Alabama, or
  - 109   b. Is Harrison County, Mississippi, and  
110 the project area is within a radius of two (2) miles from the  
111 intersection of Interstate 10 and Menge Avenue;
- 112                                   2. The county has issued bonds under Section  
113 21-45-9 to finance all or a portion of a redevelopment project in  
114 the redevelopment project area;
- 115                                   3. Any debt service for the indebtedness  
116 incurred is outstanding; and
- 117                                   4. A development with a value of Ten Million  
118 Dollars (\$10,000,000.00) or more is, or will be, located in the  
119 redevelopment area.



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

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

137           (2) On or before September 15, 1987, and each succeeding  
138 month thereafter, from the revenue collected under this chapter  
139 during the preceding month, One Million One Hundred Twenty-five  
140 Thousand Dollars (\$1,125,000.00) shall be allocated for  
141 distribution to municipal corporations as defined under subsection  
142 (1) of this section in the proportion that the number of gallons  
143 of gasoline and diesel fuel sold by distributors to consumers and  
144 retailers in each such municipality during the preceding fiscal



145 year bears to the total gallons of gasoline and diesel fuel sold  
146 by distributors to consumers and retailers in municipalities  
147 statewide during the preceding fiscal year. The Department of  
148 Revenue shall require all distributors of gasoline and diesel fuel  
149 to report to the department monthly the total number of gallons of  
150 gasoline and diesel fuel sold by them to consumers and retailers  
151 in each municipality during the preceding month. The Department  
152 of Revenue shall have the authority to promulgate such rules and  
153 regulations as is necessary to determine the number of gallons of  
154 gasoline and diesel fuel sold by distributors to consumers and  
155 retailers in each municipality. In determining the percentage  
156 allocation of funds under this subsection for the fiscal year  
157 beginning July 1, 1987, and ending June 30, 1988, the Department  
158 of Revenue may consider gallons of gasoline and diesel fuel sold  
159 for a period of less than one (1) fiscal year. For the purposes  
160 of this subsection, the term "fiscal year" means the fiscal year  
161 beginning July 1 of a year.

162 (3) On or before September 15, 1987, and on or before the  
163 fifteenth day of each succeeding month, until the date specified  
164 in Section 65-39-35, the proceeds derived from contractors' taxes  
165 levied under Section 27-65-21 on contracts for the construction or  
166 reconstruction of highways designated under the highway program  
167 created under Section 65-3-97 shall, except as otherwise provided  
168 in Section 31-17-127, be deposited into the State Treasury to the  
169 credit of the State Highway Fund to be used to fund that highway



170 program. The Mississippi Department of Transportation shall  
171 provide to the Department of Revenue such information as is  
172 necessary to determine the amount of proceeds to be distributed  
173 under this subsection.

174 (4) On or before August 15, 1994, and on or before the  
175 fifteenth day of each succeeding month through July 15, 1999, from  
176 the proceeds of gasoline, diesel fuel or kerosene taxes as  
177 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
178 (\$4,000,000.00) shall be deposited in the State Treasury to the  
179 credit of a special fund designated as the "State Aid Road Fund,"  
180 created by Section 65-9-17. On or before August 15, 1999, and on  
181 or before the fifteenth day of each succeeding month, from the  
182 total amount of the proceeds of gasoline, diesel fuel or kerosene  
183 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
184 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
185 one-fourth percent (23-1/4%) of those funds, whichever is the  
186 greater amount, shall be deposited in the State Treasury to the  
187 credit of the "State Aid Road Fund," created by Section 65-9-17.  
188 Those funds shall be pledged to pay the principal of and interest  
189 on state aid road bonds heretofore issued under Sections 19-9-51  
190 through 19-9-77, in lieu of and in substitution for the funds  
191 previously allocated to counties under this section. Those funds  
192 may not be pledged for the payment of any state aid road bonds  
193 issued after April 1, 1981; however, this prohibition against the  
194 pledging of any such funds for the payment of bonds shall not





195 apply to any bonds for which intent to issue those bonds has been  
196 published for the first time, as provided by law before March 29,  
197 1981. From the amount of taxes paid into the special fund under  
198 this subsection and subsection (9) of this section, there shall be  
199 first deducted and paid the amount necessary to pay the expenses  
200 of the Office of State Aid Road Construction, as authorized by the  
201 Legislature for all other general and special fund agencies. The  
202 remainder of the fund shall be allocated monthly to the several  
203 counties in accordance with the following formula:

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

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

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

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

217 The amount of funds allocated to any county under this  
218 subsection for any fiscal year after fiscal year 1994 shall not be  
219 less than the amount allocated to the county for fiscal year 1994.



220 Any reference in the general laws of this state or the  
221 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
222 construed to refer and apply to subsection (4) of Section  
223 27-65-75.

224 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
225 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
226 the special fund known as the "Educational Facilities Revolving  
227 Loan Fund" created and existing under the provisions of Section  
228 37-47-24. Those payments into that fund are to be made on the  
229 last day of each succeeding month hereafter. This subsection (5)  
230 shall stand repealed on July 1, 2026.

231 (6) An amount each month beginning August 15, 1983, through  
232 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
233 1983, shall be paid into the special fund known as the  
234 Correctional Facilities Construction Fund created in Section 6,  
235 Chapter 542, Laws of 1983.

236 (7) On or before August 15, 1992, and each succeeding month  
237 thereafter through July 15, 2000, two and two hundred sixty-six  
238 one-thousandths percent (2.266%) of the total sales tax revenue  
239 collected during the preceding month under the provisions of this  
240 chapter, except that collected under the provisions of Section  
241 27-65-17(2), shall be deposited by the department into the School  
242 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
243 or before August 15, 2000, and each succeeding month thereafter,  
244 two and two hundred sixty-six one-thousandths percent (2.266%) of



245 the total sales tax revenue collected during the preceding month  
246 under the provisions of this chapter, except that collected under  
247 the provisions of Section 27-65-17(2), shall be deposited into the  
248 School Ad Valorem Tax Reduction Fund created under Section  
249 37-61-35 until such time that the total amount deposited into the  
250 fund during a fiscal year equals Forty-two Million Dollars  
251 (\$42,000,000.00). Thereafter, the amounts diverted under this  
252 subsection (7) during the fiscal year in excess of Forty-two  
253 Million Dollars (\$42,000,000.00) shall be deposited into the  
254 Education Enhancement Fund created under Section 37-61-33 for  
255 appropriation by the Legislature as other education needs and  
256 shall not be subject to the percentage appropriation requirements  
257 set forth in Section 37-61-33.

258 (8) On or before August 15, 1992, and each succeeding month  
259 thereafter, nine and seventy-three one-thousandths percent  
260 (9.073%) of the total sales tax revenue collected during the  
261 preceding month under the provisions of this chapter, except that  
262 collected under the provisions of Section 27-65-17(2), shall be  
263 deposited into the Education Enhancement Fund created under  
264 Section 37-61-33.

265 (9) On or before August 15, 1994, and each succeeding month  
266 thereafter, from the revenue collected under this chapter during  
267 the preceding month, Two Hundred Fifty Thousand Dollars  
268 (\$250,000.00) shall be paid into the State Aid Road Fund.



269 (10) On or before August 15, 1994, and each succeeding month  
270 thereafter through August 15, 1995, from the revenue collected  
271 under this chapter during the preceding month, Two Million Dollars  
272 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
273 Valorem Tax Reduction Fund established in Section 27-51-105.

274 (11) Notwithstanding any other provision of this section to  
275 the contrary, on or before February 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(2) and  
278 the corresponding levy in Section 27-65-23 on the rental or lease  
279 of private carriers of passengers and light carriers of property  
280 as defined in Section 27-51-101 shall be deposited, without  
281 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
282 established in Section 27-51-105.

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

292 (13) On or before July 15, 1994, and on or before the  
293 fifteenth day of each succeeding month thereafter, that portion of



294 the avails of the tax imposed in Section 27-65-22 that is derived  
295 from activities held on the Mississippi State Fairgrounds Complex  
296 shall be paid into a special fund that is created in the State  
297 Treasury and shall be expended upon legislative appropriation  
298 solely to defray the costs of repairs and renovation at the Trade  
299 Mart and Coliseum.

300 (14) On or before August 15, 1998, and each succeeding month  
301 thereafter through July 15, 2005, that portion of the avails of  
302 the tax imposed in Section 27-65-23 that is derived from sales by  
303 cotton compresses or cotton warehouses and that would otherwise be  
304 paid into the General Fund shall be deposited in an amount not to  
305 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
306 created under Section 69-37-39. On or before August 15, 2007, and  
307 each succeeding month thereafter through July 15, 2010, that  
308 portion of the avails of the tax imposed in Section 27-65-23 that  
309 is derived from sales by cotton compresses or cotton warehouses  
310 and that would otherwise be paid into the General Fund shall be  
311 deposited in an amount not to exceed Two Million Dollars  
312 (\$2,000,000.00) into the special fund created under Section  
313 69-37-39 until all debts or other obligations incurred by the  
314 Certified Cotton Growers Organization under the Mississippi Boll  
315 Weevil Management Act before January 1, 2007, are satisfied in  
316 full. On or before August 15, 2010, and each succeeding month  
317 thereafter through July 15, 2011, fifty percent (50%) of that  
318 portion of the avails of the tax imposed in Section 27-65-23 that



319 is derived from sales by cotton compresses or cotton warehouses  
320 and that would otherwise be paid into the General Fund shall be  
321 deposited into the special fund created under Section 69-37-39  
322 until such time that the total amount deposited into the fund  
323 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
324 On or before August 15, 2011, and each succeeding month  
325 thereafter, that portion of the avails of the tax imposed in  
326 Section 27-65-23 that is derived from sales by cotton compresses  
327 or cotton warehouses and that would otherwise be paid into the  
328 General Fund shall be deposited into the special fund created  
329 under Section 69-37-39 until such time that the total amount  
330 deposited into the fund during a fiscal year equals One Million  
331 Dollars (\$1,000,000.00).

332 (15) Notwithstanding any other provision of this section to  
333 the contrary, on or before September 15, 2000, and each succeeding  
334 month thereafter, the sales tax revenue collected during the  
335 preceding month under the provisions of Section  
336 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
337 without diversion, into the Telecommunications Ad Valorem Tax  
338 Reduction Fund established in Section 27-38-7.

339 (16) (a) On or before August 15, 2000, and each succeeding  
340 month thereafter, the sales tax revenue collected during the  
341 preceding month under the provisions of this chapter on the gross  
342 proceeds of sales of a project as defined in Section 57-30-1 shall  
343 be deposited, after all diversions except the diversion provided



344 for in subsection (1) of this section, into the Sales Tax  
345 Incentive Fund created in Section 57-30-3.

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

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

361 (18) [Repealed]

362 (19) (a) On or before August 15, 2005, and each succeeding  
363 month thereafter, the sales tax revenue collected during the  
364 preceding month under the provisions of this chapter on the gross  
365 proceeds of sales of a business enterprise located within a  
366 redevelopment project area under the provisions of Sections  
367 57-91-1 through 57-91-11, and the revenue collected on the gross  
368 proceeds of sales from sales made to a business enterprise located



369 in a redevelopment project area under the provisions of Sections  
370 57-91-1 through 57-91-11 (provided that such sales made to a  
371 business enterprise are made on the premises of the business  
372 enterprise), shall, except as otherwise provided in this  
373 subsection (19), be deposited, after all diversions, into the  
374 Redevelopment Project Incentive Fund as created in Section  
375 57-91-9.

376 (b) For a municipality participating in the Economic  
377 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
378 the diversion provided for in subsection (1) of this section  
379 attributable to the gross proceeds of sales of a business  
380 enterprise located within a redevelopment project area under the  
381 provisions of Sections 57-91-1 through 57-91-11, and attributable  
382 to the gross proceeds of sales from sales made to a business  
383 enterprise located in a redevelopment project area under the  
384 provisions of Sections 57-91-1 through 57-91-11 (provided that  
385 such sales made to a business enterprise are made on the premises  
386 of the business enterprise), shall be deposited into the  
387 Redevelopment Project Incentive Fund as created in Section  
388 57-91-9, as follows:

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





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

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

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

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

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

416 (21) (a) On or before April 15, 2007, and each succeeding  
417 month thereafter through June 15, 2013, One Hundred Fifty Thousand



418 Dollars (\$150,000.00) of the sales tax revenue collected during  
419 the preceding month under the provisions of this chapter shall be  
420 deposited into the MMEIA Tax Incentive Fund created in Section  
421 57-101-3.

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

428 (22) On or before June 1, 2024, and each succeeding month  
429 thereafter until December 31, 2057, an amount determined annually  
430 by the Mississippi Development Authority of the sales tax revenue  
431 collected during the preceding month under the provisions of this  
432 chapter shall be deposited into the MMEIA Tax Incentive Fund  
433 created in Section 18 of \* \* \* Senate Bill No. 2001, 2024 Second  
434 Extraordinary Session. This amount shall be based on estimated  
435 payments due within the upcoming year to construction contractors  
436 pursuant to construction contracts subject to the tax imposed by  
437 Section 27-65-21 for construction to be performed on the project  
438 site of a project defined under Section 57-75-5(f)(xxxiii) for the  
439 coming year.

440 (23) Notwithstanding any other provision of this section to  
441 the contrary, on or before August 15, 2009, and each succeeding  
442 month thereafter, the sales tax revenue collected during the



443 preceding month under the provisions of Section 27-65-201 shall be  
444 deposited, without diversion, into the Motor Vehicle Ad Valorem  
445 Tax Reduction Fund established in Section 27-51-105.

446         (24) (a) On or before August 15, 2019, and each month  
447 thereafter through July 15, 2020, one percent (1%) of the total  
448 sales tax revenue collected during the preceding month from  
449 restaurants and hotels shall be allocated for distribution to the  
450 Mississippi Development Authority Tourism Advertising Fund  
451 established under Section 57-1-64, to be used exclusively for the  
452 purpose stated therein. On or before August 15, 2020, and each  
453 month thereafter through July 15, 2021, two percent (2%) of the  
454 total sales tax revenue collected during the preceding month from  
455 restaurants and hotels shall be allocated for distribution to the  
456 Mississippi Development Authority Tourism Advertising Fund  
457 established under Section 57-1-64, to be used exclusively for the  
458 purpose stated therein. On or before August 15, 2021, and each  
459 month thereafter, three percent (3%) of the total sales tax  
460 revenue collected during the preceding month from restaurants and  
461 hotels shall be allocated for distribution to the Mississippi  
462 Development Authority Tourism Advertising Fund established under  
463 Section 57-1-64, to be used exclusively for the purpose stated  
464 therein. The revenue diverted pursuant to this subsection shall  
465 not be available for expenditure until February 1, 2020.

466         (b) The Joint Legislative Committee on Performance  
467 Evaluation and Expenditure Review (PEER) must provide an annual



468 report to the Legislature indicating the amount of funds deposited  
469 into the Mississippi Development Authority Tourism Advertising  
470 Fund established under Section 57-1-64, and a detailed record of  
471 how the funds are spent.

472       (25) On or before August 15, 2024, and each succeeding month  
473 thereafter, ten percent (10%) of the total sales tax revenue  
474 collected during the preceding month under the provisions of this  
475 chapter, except that collected under the provisions of Sections  
476 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
477 activities within a county that occur outside of the  
478 municipalities in the county shall be allocated for distribution  
479 to the county and paid to the county. The amount paid to a county  
480 under this subsection (25) shall be in addition to any other funds  
481 allocated for distribution to the various counties under this  
482 section.

483       ( \* \* \*26) The remainder of the amounts collected under the  
484 provisions of this chapter shall be paid into the State Treasury  
485 to the credit of the General Fund.

486       ( \* \* \*27) (a) It shall be the duty of the municipal  
487 officials of any municipality that expands its limits, or of any  
488 community that incorporates as a municipality, to notify the  
489 commissioner of that action thirty (30) days before the effective  
490 date. Failure to so notify the commissioner shall cause the  
491 municipality to forfeit the revenue that it would have been



492 entitled to receive during this period of time when the  
493 commissioner had no knowledge of the action.

494 (b) (i) Except as otherwise provided in subparagraph  
495 (ii) of this paragraph, if any funds have been erroneously  
496 disbursed to any municipality or county or any overpayment of tax  
497 is recovered by the taxpayer, the commissioner may make correction  
498 and adjust the error or overpayment with the municipality or  
499 county by withholding the necessary funds from any later payment  
500 to be made to the municipality or county.

501 (ii) Subject to the provisions of Sections  
502 27-65-51 and 27-65-53, if any funds have been erroneously  
503 disbursed to a municipality under subsection (1) of this section  
504 for a period of three (3) years or more, the maximum amount that  
505 may be recovered or withheld from the municipality is the total  
506 amount of funds erroneously disbursed for a period of three (3)  
507 years beginning with the date of the first erroneous disbursement.  
508 However, if during such period, a municipality provides written  
509 notice to the Department of Revenue indicating the erroneous  
510 disbursement of funds, then the maximum amount that may be  
511 recovered or withheld from the municipality is the total amount of  
512 funds erroneously disbursed for a period of one (1) year beginning  
513 with the date of the first erroneous disbursement.

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



516           27-65-53. If the commissioner finds that the taxpayer has  
517 overpaid his tax for any reason and the taxpayer has discontinued  
518 business and there is no subsequent liability upon which the  
519 excess may be credited, or if the amount of the excess so paid  
520 shall exceed the estimated liability for the next twelve (12)  
521 months, the excess shall be refunded to the taxpayer. Such amount  
522 shall be certified to the State Auditor of Public Accounts by the  
523 commission. The said auditor is hereby authorized to make such  
524 investigation and audit of the claim as he finds necessary. If he  
525 finds that the commissioner is correct in his determination, the  
526 auditor may issue his warrant to the State Treasurer in favor of  
527 the taxpayer for the amount of tax erroneously paid into the State  
528 Treasury, such refunds to be made from current sales tax  
529 collections. If part of the overpayment has been disbursed to any  
530 municipality \* \* \*, state institution of higher learning or  
531 county, under authority of Section 27-65-75, the municipality  
532 \* \* \*, state institution of higher learning or county, having  
533 erroneously received the money, shall adjust the amount with the  
534 commissioner, or the overpayment may be withheld by the state from  
535 any funds due by the state to the municipality \* \* \*, state  
536 institution of higher learning or county.

537           Provided, that where the taxpayer has overpaid his tax, the  
538 commissioner may give credit for same and allow the taxpayer to  
539 take credit on a subsequent return or, if necessary, in his



540 discretion, have the taxpayer file for a refund as provided  
541 herein.

542 If any overpayment of tax as reflected in an application or  
543 amended return, or both, filed by the taxpayer, and verified by  
544 the commissioner or otherwise determined to be due by the  
545 commissioner or commission, is not refunded or credited to a  
546 taxpayer's account within ninety (90) days after the application  
547 or amended return is filed or the date the commission or  
548 commissioner determines a refund is due, whichever is later,  
549 interest at the rate of one-half of one percent (1/2 of 1%) per  
550 month shall be allowed on such overpayment computed for the period  
551 after expiration of the ninety-day period provided herein to the  
552 date of payment.

553 **SECTION 3.** This act shall take effect and be in force from  
554 and after July 1, 2024.

