

By: Representative Arnold

To: Ways and Means

HOUSE BILL NO. 651

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE FROM EIGHTEEN AND ONE-HALF PERCENT TO TWENTY PERCENT
 3 THE AMOUNT OF STATE SALES TAX REVENUE COLLECTED IN MUNICIPALITIES
 4 THAT IS DIVERTED TO MUNICIPALITIES WITHIN THE STATE; TO PROVIDE
 5 THAT TWENTY PERCENT OF THE STATE SALES TAX REVENUE COLLECTED FROM
 6 BUSINESS ACTIVITIES OUTSIDE THE MUNICIPALITIES IN A COUNTY SHALL
 7 BE PAID TO THE COUNTY; TO PROVIDE THAT SUCH MONIES PAID TO A
 8 COUNTY SHALL BE USED FOR REPAIR, MAINTENANCE AND RECONSTRUCTION OF
 9 ROADS, STREETS AND BRIDGES; TO AMEND SECTION 27-65-53, MISSISSIPPI
 10 CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

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

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



23 allocated for distribution to the municipality and paid to the
24 municipal corporation. Except as otherwise provided in this
25 paragraph (a), on or before August 15, 1993, and each succeeding
26 month thereafter through August 15, 2024, eighteen and one-half
27 percent (18-1/2%) of the total sales tax revenue collected during
28 the preceding month under the provisions of this chapter, except
29 that collected under the provisions of Sections 27-65-15,
30 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
31 a municipal corporation shall be allocated for distribution to the
32 municipality and paid to the municipal corporation. Except as
33 otherwise provided in this paragraph (a), on or before September
34 15, 2024, and each succeeding month thereafter, twenty percent
35 (20%) of the total sales tax revenue collected during the
36 preceding month under the provisions of this chapter, except that
37 collected under the provisions of Sections 27-65-15, 27-65-19(3),
38 27-65-21 and 27-65-24, on business activities within a municipal
39 corporation shall be allocated for distribution to the
40 municipality and paid to the municipal corporation. However, in
41 the event the State Auditor issues a certificate of noncompliance
42 pursuant to Section 21-35-31, the Department of Revenue shall
43 withhold ten percent (10%) of the allocations and payments to the
44 municipality that would otherwise be payable to the municipality
45 under this paragraph (a) until such time that the department
46 receives written notice of the cancellation of a certificate of
47 noncompliance from the State Auditor.



48 A municipal corporation, for the purpose of distributing the
49 tax under this subsection, shall mean and include all incorporated
50 cities, towns and villages.

51 Monies allocated for distribution and credited to a municipal
52 corporation under this paragraph may be pledged as security for a
53 loan if the distribution received by the municipal corporation is
54 otherwise authorized or required by law to be pledged as security
55 for such a loan.

56 In any county having a county seat that is not an
57 incorporated municipality, the distribution provided under this
58 subsection shall be made as though the county seat was an
59 incorporated municipality; however, the distribution to the
60 municipality shall be paid to the county treasury in which the
61 municipality is located, and those funds shall be used for road,
62 bridge and street construction or maintenance in the county.

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



72 learning or community or junior college and paid to the state
73 institution of higher learning or community or junior college.

74 (c) On or before August 15, 2018, and each succeeding
75 month thereafter until August 14, 2019, two percent (2%) of the
76 total sales tax revenue collected during the preceding month under
77 the provisions of this chapter, except that collected under the
78 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
79 27-65-24, on business activities within the corporate limits of
80 the City of Jackson, Mississippi, shall be deposited into the
81 Capitol Complex Improvement District Project Fund created in
82 Section 29-5-215. On or before August 15, 2019, and each
83 succeeding month thereafter until August 14, 2020, four percent
84 (4%) of the total sales tax revenue collected during the preceding
85 month under the provisions of this chapter, except that collected
86 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
87 and 27-65-24, on business activities within the corporate limits
88 of the City of Jackson, Mississippi, shall be deposited into the
89 Capitol Complex Improvement District Project Fund created in
90 Section 29-5-215. On or before August 15, 2020, and each
91 succeeding month thereafter through July 15, 2023, six percent
92 (6%) of the total sales tax revenue collected during the preceding
93 month under the provisions of this chapter, except that collected
94 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
95 and 27-65-24, on business activities within the corporate limits
96 of the City of Jackson, Mississippi, shall be deposited into the



97 Capitol Complex Improvement District Project Fund created in
98 Section 29-5-215. On or before August 15, 2023, and each
99 succeeding month thereafter, nine percent (9%) of the total sales
100 tax revenue collected during the preceding month under the
101 provisions of this chapter, except that collected under the
102 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
103 27-65-24, on business activities within the corporate limits of
104 the City of Jackson, Mississippi, shall be deposited into the
105 Capitol Complex Improvement District Project Fund created in
106 Section 29-5-215.

107 (d) (i) On or before the fifteenth day of the month
108 that the diversion authorized by this section begins, and each
109 succeeding month thereafter, eighteen and one-half percent
110 (18-1/2%) of the total sales tax revenue collected during the
111 preceding month under the provisions of this chapter, except that
112 collected under the provisions of Sections 27-65-15, 27-65-19(3)
113 and 27-65-21, on business activities within a redevelopment
114 project area developed under a redevelopment plan adopted under
115 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
116 allocated for distribution to the county in which the project area
117 is located if:

- 118 1. The county:
- 119 a. Borders on the Mississippi Sound and
120 the State of Alabama, or



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

124 2. The county has issued bonds under Section
125 21-45-9 to finance all or a portion of a redevelopment project in
126 the redevelopment project area;

127 3. Any debt service for the indebtedness
128 incurred is outstanding; and

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

132 (ii) Before any sales tax revenue may be allocated
133 for distribution to a county under this paragraph, the county
134 shall certify to the Department of Revenue that the requirements
135 of this paragraph have been met, the amount of bonded indebtedness
136 that has been incurred by the county for the redevelopment project
137 and the expected date the indebtedness incurred by the county will
138 be satisfied.

139 (iii) The diversion of sales tax revenue
140 authorized by this paragraph shall begin the month following the
141 month in which the Department of Revenue determines that the
142 requirements of this paragraph have been met. The diversion shall
143 end the month the indebtedness incurred by the county is
144 satisfied. All revenue received by the county under this
145 paragraph shall be deposited in the fund required to be created in



146 the tax increment financing plan under Section 21-45-11 and be
147 utilized solely to satisfy the indebtedness incurred by the
148 county.

149 (2) On or before September 15, 1987, and each succeeding
150 month thereafter, from the revenue collected under this chapter
151 during the preceding month, One Million One Hundred Twenty-five
152 Thousand Dollars (\$1,125,000.00) shall be allocated for
153 distribution to municipal corporations as defined under subsection
154 (1) of this section in the proportion that the number of gallons
155 of gasoline and diesel fuel sold by distributors to consumers and
156 retailers in each such municipality during the preceding fiscal
157 year bears to the total gallons of gasoline and diesel fuel sold
158 by distributors to consumers and retailers in municipalities
159 statewide during the preceding fiscal year. The Department of
160 Revenue shall require all distributors of gasoline and diesel fuel
161 to report to the department monthly the total number of gallons of
162 gasoline and diesel fuel sold by them to consumers and retailers
163 in each municipality during the preceding month. The Department
164 of Revenue shall have the authority to promulgate such rules and
165 regulations as is necessary to determine the number of gallons of
166 gasoline and diesel fuel sold by distributors to consumers and
167 retailers in each municipality. In determining the percentage
168 allocation of funds under this subsection for the fiscal year
169 beginning July 1, 1987, and ending June 30, 1988, the Department
170 of Revenue may consider gallons of gasoline and diesel fuel sold



171 for a period of less than one (1) fiscal year. For the purposes
172 of this subsection, the term "fiscal year" means the fiscal year
173 beginning July 1 of a year.

174 (3) On or before September 15, 1987, and on or before the
175 fifteenth day of each succeeding month, until the date specified
176 in Section 65-39-35, the proceeds derived from contractors' taxes
177 levied under Section 27-65-21 on contracts for the construction or
178 reconstruction of highways designated under the highway program
179 created under Section 65-3-97 shall, except as otherwise provided
180 in Section 31-17-127, be deposited into the State Treasury to the
181 credit of the State Highway Fund to be used to fund that highway
182 program. The Mississippi Department of Transportation shall
183 provide to the Department of Revenue such information as is
184 necessary to determine the amount of proceeds to be distributed
185 under this subsection.

186 (4) On or before August 15, 1994, and on or before the
187 fifteenth day of each succeeding month through July 15, 1999, from
188 the proceeds of gasoline, diesel fuel or kerosene taxes as
189 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
190 (\$4,000,000.00) shall be deposited in the State Treasury to the
191 credit of a special fund designated as the "State Aid Road Fund,"
192 created by Section 65-9-17. On or before August 15, 1999, and on
193 or before the fifteenth day of each succeeding month, from the
194 total amount of the proceeds of gasoline, diesel fuel or kerosene
195 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million



196 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
197 one-fourth percent (23-1/4%) of those funds, whichever is the
198 greater amount, shall be deposited in the State Treasury to the
199 credit of the "State Aid Road Fund," created by Section 65-9-17.
200 Those funds shall be pledged to pay the principal of and interest
201 on state aid road bonds heretofore issued under Sections 19-9-51
202 through 19-9-77, in lieu of and in substitution for the funds
203 previously allocated to counties under this section. Those funds
204 may not be pledged for the payment of any state aid road bonds
205 issued after April 1, 1981; however, this prohibition against the
206 pledging of any such funds for the payment of bonds shall not
207 apply to any bonds for which intent to issue those bonds has been
208 published for the first time, as provided by law before March 29,
209 1981. From the amount of taxes paid into the special fund under
210 this subsection and subsection (9) of this section, there shall be
211 first deducted and paid the amount necessary to pay the expenses
212 of the Office of State Aid Road Construction, as authorized by the
213 Legislature for all other general and special fund agencies. The
214 remainder of the fund shall be allocated monthly to the several
215 counties in accordance with the following formula:

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

218 (b) One-third (1/3) shall be allocated to counties
219 based on the proportion that the total number of rural road miles



220 in a county bears to the total number of rural road miles in all
221 counties of the state; and

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

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

229 The amount of funds allocated to any county under this
230 subsection for any fiscal year after fiscal year 1994 shall not be
231 less than the amount allocated to the county for fiscal year 1994.

232 Any reference in the general laws of this state or the
233 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
234 construed to refer and apply to subsection (4) of Section
235 27-65-75.

236 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
237 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
238 the special fund known as the "Educational Facilities Revolving
239 Loan Fund" created and existing under the provisions of Section
240 37-47-24. Those payments into that fund are to be made on the
241 last day of each succeeding month hereafter. This subsection (5)
242 shall stand repealed on July 1, 2026.

243 (6) An amount each month beginning August 15, 1983, through
244 November 15, 1986, as specified in Section 6, Chapter 542, Laws of



245 1983, shall be paid into the special fund known as the
246 Correctional Facilities Construction Fund created in Section 6,
247 Chapter 542, Laws of 1983.

248 (7) On or before August 15, 1992, and each succeeding month
249 thereafter through July 15, 2000, two and two hundred sixty-six
250 one-thousandths percent (2.266%) of the total sales tax revenue
251 collected during the preceding month under the provisions of this
252 chapter, except that collected under the provisions of Section
253 27-65-17(2), shall be deposited by the department into the School
254 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
255 or before August 15, 2000, and each succeeding month thereafter,
256 two and two hundred sixty-six one-thousandths percent (2.266%) of
257 the total sales tax revenue collected during the preceding month
258 under the provisions of this chapter, except that collected under
259 the provisions of Section 27-65-17(2), shall be deposited into the
260 School Ad Valorem Tax Reduction Fund created under Section
261 37-61-35 until such time that the total amount deposited into the
262 fund during a fiscal year equals Forty-two Million Dollars
263 (\$42,000,000.00). Thereafter, the amounts diverted under this
264 subsection (7) during the fiscal year in excess of Forty-two
265 Million Dollars (\$42,000,000.00) shall be deposited into the
266 Education Enhancement Fund created under Section 37-61-33 for
267 appropriation by the Legislature as other education needs and
268 shall not be subject to the percentage appropriation requirements
269 set forth in Section 37-61-33.



270 (8) On or before August 15, 1992, and each succeeding month
271 thereafter, nine and seventy-three one-thousandths percent
272 (9.073%) of the total sales tax revenue collected during the
273 preceding month under the provisions of this chapter, except that
274 collected under the provisions of Section 27-65-17(2), shall be
275 deposited into the Education Enhancement Fund created under
276 Section 37-61-33.

277 (9) On or before August 15, 1994, and each succeeding month
278 thereafter, from the revenue collected under this chapter during
279 the preceding month, Two Hundred Fifty Thousand Dollars
280 (\$250,000.00) shall be paid into the State Aid Road Fund.

281 (10) On or before August 15, 1994, and each succeeding month
282 thereafter through August 15, 1995, from the revenue collected
283 under this chapter during the preceding month, Two Million Dollars
284 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
285 Valorem Tax Reduction Fund established in Section 27-51-105.

286 (11) Notwithstanding any other provision of this section to
287 the contrary, on or before February 15, 1995, and each succeeding
288 month thereafter, the sales tax revenue collected during the
289 preceding month under the provisions of Section 27-65-17(2) and
290 the corresponding levy in Section 27-65-23 on the rental or lease
291 of private carriers of passengers and light carriers of property
292 as defined in Section 27-51-101 shall be deposited, without
293 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
294 established in Section 27-51-105.



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

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

312 (14) On or before August 15, 1998, and each succeeding month
313 thereafter through July 15, 2005, that portion of the avails of
314 the tax imposed in Section 27-65-23 that is derived from sales by
315 cotton compresses or cotton warehouses and that would otherwise be
316 paid into the General Fund shall be deposited in an amount not to
317 exceed Two Million Dollars (\$2,000,000.00) into the special fund
318 created under Section 69-37-39. On or before August 15, 2007, and
319 each succeeding month thereafter through July 15, 2010, that



320 portion of the avails of the tax imposed in Section 27-65-23 that
321 is derived from sales by cotton compresses or cotton warehouses
322 and that would otherwise be paid into the General Fund shall be
323 deposited in an amount not to exceed Two Million Dollars
324 (\$2,000,000.00) into the special fund created under Section
325 69-37-39 until all debts or other obligations incurred by the
326 Certified Cotton Growers Organization under the Mississippi Boll
327 Weevil Management Act before January 1, 2007, are satisfied in
328 full. On or before August 15, 2010, and each succeeding month
329 thereafter through July 15, 2011, fifty percent (50%) of that
330 portion of the avails of the tax imposed in Section 27-65-23 that
331 is derived from sales by cotton compresses or cotton warehouses
332 and that would otherwise be paid into the General Fund shall be
333 deposited into the special fund created under Section 69-37-39
334 until such time that the total amount deposited into the fund
335 during a fiscal year equals One Million Dollars (\$1,000,000.00).
336 On or before August 15, 2011, and each succeeding month
337 thereafter, that portion of the avails of the tax imposed in
338 Section 27-65-23 that is derived from sales by cotton compresses
339 or cotton warehouses and that would otherwise be paid into the
340 General Fund shall be deposited into the special fund created
341 under Section 69-37-39 until such time that the total amount
342 deposited into the fund during a fiscal year equals One Million
343 Dollars (\$1,000,000.00).



344 (15) Notwithstanding any other provision of this section to
345 the contrary, on or before September 15, 2000, and each succeeding
346 month thereafter, the sales tax revenue collected during the
347 preceding month under the provisions of Section
348 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
349 without diversion, into the Telecommunications Ad Valorem Tax
350 Reduction Fund established in Section 27-38-7.

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

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

366 (17) Notwithstanding any other provision of this section to
367 the contrary, on or before April 15, 2002, and each succeeding
368 month thereafter, the sales tax revenue collected during the



369 preceding month under Section 27-65-23 on sales of parking
370 services of parking garages and lots at airports shall be
371 deposited, without diversion, into the special fund created under
372 Section 27-5-101(d).

373 (18) [Repealed]

374 (19) (a) On or before August 15, 2005, and each succeeding
375 month thereafter, the sales tax revenue collected during the
376 preceding month under the provisions of this chapter on the gross
377 proceeds of sales of a business enterprise located within a
378 redevelopment project area under the provisions of Sections
379 57-91-1 through 57-91-11, and the revenue collected on the gross
380 proceeds of sales from sales made to a business enterprise located
381 in a redevelopment project area under the provisions of Sections
382 57-91-1 through 57-91-11 (provided that such sales made to a
383 business enterprise are made on the premises of the business
384 enterprise), shall, except as otherwise provided in this
385 subsection (19), be deposited, after all diversions, into the
386 Redevelopment Project Incentive Fund as created in Section
387 57-91-9.

388 (b) For a municipality participating in the Economic
389 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
390 the diversion provided for in subsection (1) of this section
391 attributable to the gross proceeds of sales of a business
392 enterprise located within a redevelopment project area under the
393 provisions of Sections 57-91-1 through 57-91-11, and attributable



394 to the gross proceeds of sales from sales made to a business
395 enterprise located in a redevelopment project area under the
396 provisions of Sections 57-91-1 through 57-91-11 (provided that
397 such sales made to a business enterprise are made on the premises
398 of the business enterprise), shall be deposited into the
399 Redevelopment Project Incentive Fund as created in Section
400 57-91-9, as follows:

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

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

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

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



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

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

428 (21) (a) On or before April 15, 2007, and each succeeding
429 month thereafter through June 15, 2013, One Hundred Fifty Thousand
430 Dollars (\$150,000.00) of the sales tax revenue collected during
431 the preceding month under the provisions of this chapter shall be
432 deposited into the MMEIA Tax Incentive Fund created in Section
433 57-101-3.

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

440 (22) On or before June 1, 2024, and each succeeding month
441 thereafter until December 31, 2057, an amount determined annually



442 by the Mississippi Development Authority of the sales tax revenue
443 collected during the preceding month under the provisions of this
444 chapter shall be deposited into the MMEIA Tax Incentive Fund
445 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
446 Extraordinary Session. This amount shall be based on estimated
447 payments due within the upcoming year to construction contractors
448 pursuant to construction contracts subject to the tax imposed by
449 Section 27-65-21 for construction to be performed on the project
450 site of a project defined under Section 57-75-5(f)(xxxiii) for the
451 coming year.

452 (23) Notwithstanding any other provision of this section to
453 the contrary, on or before August 15, 2009, and each succeeding
454 month thereafter, the sales tax revenue collected during the
455 preceding month under the provisions of Section 27-65-201 shall be
456 deposited, without diversion, into the Motor Vehicle Ad Valorem
457 Tax Reduction Fund established in Section 27-51-105.

458 (24) (a) On or before August 15, 2019, and each month
459 thereafter through July 15, 2020, one percent (1%) of the total
460 sales tax revenue collected during the preceding month from
461 restaurants and hotels shall be allocated for distribution to the
462 Mississippi Development Authority Tourism Advertising Fund
463 established under Section 57-1-64, to be used exclusively for the
464 purpose stated therein. On or before August 15, 2020, and each
465 month thereafter through July 15, 2021, two percent (2%) of the
466 total sales tax revenue collected during the preceding month from



467 restaurants and hotels shall be allocated for distribution to the
468 Mississippi Development Authority Tourism Advertising Fund
469 established under Section 57-1-64, to be used exclusively for the
470 purpose stated therein. On or before August 15, 2021, and each
471 month thereafter, three percent (3%) of the total sales tax
472 revenue collected during the preceding month from restaurants and
473 hotels shall be allocated for distribution to the Mississippi
474 Development Authority Tourism Advertising Fund established under
475 Section 57-1-64, to be used exclusively for the purpose stated
476 therein. The revenue diverted pursuant to this subsection shall
477 not be available for expenditure until February 1, 2020.

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

484 (25) On or before September 15, 2024, and each succeeding
485 month thereafter, twenty percent (20%) of the total sales tax
486 revenue collected during the preceding month under the provisions
487 of this chapter, except that collected under the provisions of
488 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
489 activities within a county that occur outside of the
490 municipalities in the county shall be allocated for distribution
491 to the county and paid to the county. Monies allocated for and



492 paid to a county pursuant to this subsection (25) shall not be
493 considered by the county as general fund revenue but shall be
494 dedicated to and expended solely for repair, maintenance and/or
495 reconstruction of roads, streets and bridges. The amount paid to
496 a county under this subsection (25) shall be in addition to any
497 other funds allocated for distribution to the various counties
498 under this section.

499 (* * * 26) The remainder of the amounts collected under the
500 provisions of this chapter shall be paid into the State Treasury
501 to the credit of the General Fund.

502 (* * * 27) (a) It shall be the duty of the municipal
503 officials of any municipality that expands its limits, or of any
504 community that incorporates as a municipality, to notify the
505 commissioner of that action thirty (30) days before the effective
506 date. Failure to so notify the commissioner shall cause the
507 municipality to forfeit the revenue that it would have been
508 entitled to receive during this period of time when the
509 commissioner had no knowledge of the action.

510 (b) (i) Except as otherwise provided in subparagraph
511 (ii) of this paragraph, if any funds have been erroneously
512 disbursed to any municipality or county or any overpayment of tax
513 is recovered by the taxpayer, the commissioner may make correction
514 and adjust the error or overpayment with the municipality or
515 county by withholding the necessary funds from any later payment
516 to be made to the municipality or county.



517 (ii) Subject to the provisions of Sections
518 27-65-51 and 27-65-53, if any funds have been erroneously
519 disbursed to a municipality under subsection (1) of this section
520 for a period of three (3) years or more, the maximum amount that
521 may be recovered or withheld from the municipality is the total
522 amount of funds erroneously disbursed for a period of three (3)
523 years beginning with the date of the first erroneous disbursement.
524 However, if during such period, a municipality provides written
525 notice to the Department of Revenue indicating the erroneous
526 disbursement of funds, then the maximum amount that may be
527 recovered or withheld from the municipality is the total amount of
528 funds erroneously disbursed for a period of one (1) year beginning
529 with the date of the first erroneous disbursement.

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

532 27-65-53. If the commissioner finds that the taxpayer has
533 overpaid his tax for any reason and the taxpayer has discontinued
534 business and there is no subsequent liability upon which the
535 excess may be credited, or if the amount of the excess so paid
536 shall exceed the estimated liability for the next twelve (12)
537 months, the excess shall be refunded to the taxpayer. Such amount
538 shall be certified to the State Auditor of Public Accounts by the
539 commission. The said auditor is hereby authorized to make such
540 investigation and audit of the claim as he finds necessary. If he
541 finds that the commissioner is correct in his determination, the



542 auditor may issue his warrant to the State Treasurer in favor of
543 the taxpayer for the amount of tax erroneously paid into the State
544 Treasury, such refunds to be made from current sales tax
545 collections. If part of the overpayment has been disbursed to any
546 municipality * * *, state institution of higher learning or
547 county, under authority of Section 27-65-75, the
548 municipality * * *, state institution of higher learning or
549 county, having erroneously received the money, shall adjust the
550 amount with the commissioner, or the overpayment may be withheld
551 by the state from any funds due by the state to the
552 municipality * * *, state institution of higher learning or
553 county.

554 Provided, that where the taxpayer has overpaid his tax, the
555 commissioner may give credit for same and allow the taxpayer to
556 take credit on a subsequent return or, if necessary, in his
557 discretion, have the taxpayer file for a refund as provided
558 herein.

559 If any overpayment of tax as reflected in an application or
560 amended return, or both, filed by the taxpayer, and verified by
561 the commissioner or otherwise determined to be due by the
562 commissioner or commission, is not refunded or credited to a
563 taxpayer's account within ninety (90) days after the application
564 or amended return is filed or the date the commission or
565 commissioner determines a refund is due, whichever is later,
566 interest at the rate of one-half of one percent (1/2 of 1%) per



567 month shall be allowed on such overpayment computed for the period
568 after expiration of the ninety-day period provided herein to the
569 date of payment.

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

