

By: Representatives Owen, McCarty

To: Ways and Means

HOUSE BILL NO. 1456

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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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

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



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

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

100 (i) Wholesale sales of food and drink for human  
101 consumption to full-service vending machine operators to be sold  
102 through vending machines located apart from and not connected with  
103 other taxable businesses shall be taxed at the rate of eight  
104 percent (8%).

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

112 (k) Sales of the factory-built components of modular  
113 homes, panelized homes and precut homes, and panel constructed  
114 homes consisting of structural insulated panels, shall be taxed at  
115 the rate of three percent (3%).

116 (l) Sales of materials used in the repair, renovation,  
117 addition to, expansion and/or improvement of buildings and related  
118 facilities used by a dairy producer shall be taxed at the rate of



119 three and one-half percent (3-1/2%). For the purposes of this  
120 paragraph (1), "dairy producer" means any person engaged in the  
121 production of milk for commercial use.

122 (m) From and after July 1, 2024, retail sales of food  
123 for human consumption not purchased with food stamps issued by the  
124 United States Department of Agriculture, or other federal agency,  
125 but which would be exempt under Section 27-65-111(o) from the  
126 taxes imposed by this chapter if the food items were purchased  
127 with food stamps, shall be taxed at the rate of three and one-half  
128 percent (3-1/2%).

129 (2) From and after January 1, 1995, retail sales of private  
130 carriers of passengers and light carriers of property, as defined  
131 in Section 27-51-101, shall be taxed an additional two percent  
132 (2%).

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

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

138 27-65-75. On or before the fifteenth day of each month, the  
139 revenue collected under the provisions of this chapter during the  
140 preceding month shall be paid and distributed as follows:

141 (1) (a) On or before August 15, 1992, and each succeeding  
142 month thereafter through July 15, 1993, eighteen percent (18%) of  
143 the total sales tax revenue collected during the preceding month



144 under the provisions of this chapter, except that collected under  
145 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
146 business activities within a municipal corporation shall be  
147 allocated for distribution to the municipality and paid to the  
148 municipal corporation. Except as otherwise provided in this  
149 paragraph (a), on or before August 15, 1993, and each succeeding  
150 month thereafter through July 15, 2024, eighteen and one-half  
151 percent (18-1/2%) of the total sales tax revenue collected during  
152 the preceding month under the provisions of this chapter, except  
153 that collected under the provisions of Sections 27-65-15,  
154 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
155 a municipal corporation shall be allocated for distribution to the  
156 municipality and paid to the municipal corporation. On or before  
157 August 15, 2024, and each succeeding month thereafter, eighteen  
158 and one-half percent (18-1/2%) of the total sales tax revenue  
159 collected during the preceding month under the provisions of this  
160 chapter, except that collected under the provisions of Sections  
161 27-65-15, 27-65-17(1) (m), 27-65-19(3), 27-65-21 and 27-65-24, on  
162 business activities within a municipal corporation shall be  
163 allocated for distribution to the municipality and paid to the  
164 municipal corporation. On or before August 15, 2024, and each  
165 succeeding month thereafter, thirty-seven percent (37%) of the  
166 total sales tax revenue collected during the preceding month under  
167 the provisions of Section 27-65-17(1) (m) on business activities  
168 within a municipal corporation shall be allocated for distribution



169 to the municipality and paid to the municipal corporation.

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

177 A municipal corporation, for the purpose of distributing the  
178 tax under this subsection, shall mean and include all incorporated  
179 cities, towns and villages.

180 Monies allocated for distribution and credited to a municipal  
181 corporation under this paragraph may be pledged as security for a  
182 loan if the distribution received by the municipal corporation is  
183 otherwise authorized or required by law to be pledged as security  
184 for such a loan.

185 In any county having a county seat that is not an  
186 incorporated municipality, the distribution provided under this  
187 subsection shall be made as though the county seat was an  
188 incorporated municipality; however, the distribution to the  
189 municipality shall be paid to the county treasury in which the  
190 municipality is located, and those funds shall be used for road,  
191 bridge and street construction or maintenance in the county.

192 (b) On or before August 15, 2006, and each succeeding  
193 month thereafter through July 15, 2024, eighteen and one-half





194 percent (18-1/2%) of the total sales tax revenue collected during  
195 the preceding month under the provisions of this chapter, except  
196 that collected under the provisions of Sections 27-65-15,  
197 27-65-19(3) and 27-65-21, on business activities on the campus of  
198 a state institution of higher learning or community or junior  
199 college whose campus is not located within the corporate limits of  
200 a municipality, shall be allocated for distribution to the state  
201 institution of higher learning or community or junior college and  
202 paid to the state institution of higher learning or community or  
203 junior college. On or before August 15, 2024, and each succeeding  
204 month thereafter, eighteen and one-half percent (18-1/2%) of the  
205 total sales tax revenue collected during the preceding month under  
206 the provisions of this chapter, except that collected under the  
207 provisions of Sections 27-65-15, 27-65-17(1) (m), 27-65-19(3) and  
208 27-65-21, on business activities on the campus of a state  
209 institution of higher learning or community or junior college  
210 whose campus is not located within the corporate limits of a  
211 municipality, shall be allocated for distribution to the state  
212 institution of higher learning or community or junior college and  
213 paid to the state institution of higher learning or community or  
214 junior college. On or before August 15, 2024, and each succeeding  
215 month thereafter, thirty-seven percent (37%) of the total sales  
216 tax revenue collected during the preceding month under the  
217 provisions of Section 27-65-17(1) (m) on business activities on the  
218 campus of a state institution of higher learning or community or



219 junior college whose campus is not located within the corporate  
220 limits of a municipality, shall be allocated for distribution to  
221 the state institution of higher learning or community or junior  
222 college and paid to the state institution of higher learning or  
223 community or junior college.

224 (c) On or before August 15, 2018, and each succeeding  
225 month thereafter until August 14, 2019, two percent (2%) of the  
226 total sales tax revenue collected during the preceding month under  
227 the provisions of this chapter, except that collected under the  
228 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
229 27-65-24, on business activities within the corporate limits of  
230 the City of Jackson, Mississippi, shall be deposited into the  
231 Capitol Complex Improvement District Project Fund created in  
232 Section 29-5-215. On or before August 15, 2019, and each  
233 succeeding month thereafter until August 14, 2020, four percent  
234 (4%) of the total sales tax revenue collected during the preceding  
235 month under the provisions of this chapter, except that collected  
236 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
237 and 27-65-24, on business activities within the corporate limits  
238 of the City of Jackson, Mississippi, shall be deposited into the  
239 Capitol Complex Improvement District Project Fund created in  
240 Section 29-5-215. On or before August 15, 2020, and each  
241 succeeding month thereafter through July 15, 2023, six percent  
242 (6%) of the total sales tax revenue collected during the preceding  
243 month under the provisions of this chapter, except that collected



244 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
245 and 27-65-24, on business activities within the corporate limits  
246 of the City of Jackson, Mississippi, shall be deposited into the  
247 Capitol Complex Improvement District Project Fund created in  
248 Section 29-5-215. On or before August 15, 2023, and each  
249 succeeding month thereafter through July 15, 2024, nine percent  
250 (9%) of the total sales tax revenue collected during the preceding  
251 month under the provisions of this chapter, except that collected  
252 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
253 and 27-65-24, on business activities within the corporate limits  
254 of the City of Jackson, Mississippi, shall be deposited into the  
255 Capitol Complex Improvement District Project Fund created in  
256 Section 29-5-215. On or before August 15, 2024, and each  
257 succeeding month thereafter, (i) nine and fifty-one one-hundredths  
258 percent (9.51%) of the total sales tax revenue collected during  
259 the preceding month under the provisions of this chapter, except  
260 that collected under the provisions of Sections 27-65-15,  
261 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
262 the corporate limits of the City of Jackson, Mississippi, shall be  
263 deposited into the Capitol Complex Improvement District Project  
264 Fund created in Section 29-5-215.

265 (d) (i) On or before the fifteenth day of the month  
266 that the diversion authorized by this section begins, and each  
267 succeeding month thereafter, eighteen and one-half percent  
268 (18-1/2%) of the total sales tax revenue collected during the



269 preceding month under the provisions of this chapter, except that  
270 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
271 and 27-65-21, on business activities within a redevelopment  
272 project area developed under a redevelopment plan adopted under  
273 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
274 allocated for distribution to the county in which the project area  
275 is located if:

276 1. The county:

277 a. Borders on the Mississippi Sound and  
278 the State of Alabama, or

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

282 2. The county has issued bonds under Section  
283 21-45-9 to finance all or a portion of a redevelopment project in  
284 the redevelopment project area;

285 3. Any debt service for the indebtedness  
286 incurred is outstanding; and

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

290 (ii) Before any sales tax revenue may be allocated  
291 for distribution to a county under this paragraph, the county  
292 shall certify to the Department of Revenue that the requirements  
293 of this paragraph have been met, the amount of bonded indebtedness



294 that has been incurred by the county for the redevelopment project  
295 and the expected date the indebtedness incurred by the county will  
296 be satisfied.

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

307 (2) On or before September 15, 1987, and each succeeding  
308 month thereafter, from the revenue collected under this chapter  
309 during the preceding month, One Million One Hundred Twenty-five  
310 Thousand Dollars (\$1,125,000.00) shall be allocated for  
311 distribution to municipal corporations as defined under subsection  
312 (1) of this section in the proportion that the number of gallons  
313 of gasoline and diesel fuel sold by distributors to consumers and  
314 retailers in each such municipality during the preceding fiscal  
315 year bears to the total gallons of gasoline and diesel fuel sold  
316 by distributors to consumers and retailers in municipalities  
317 statewide during the preceding fiscal year. The Department of  
318 Revenue shall require all distributors of gasoline and diesel fuel



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

332 (3) On or before September 15, 1987, and on or before the  
333 fifteenth day of each succeeding month, until the date specified  
334 in Section 65-39-35, the proceeds derived from contractors' taxes  
335 levied under Section 27-65-21 on contracts for the construction or  
336 reconstruction of highways designated under the highway program  
337 created under Section 65-3-97 shall, except as otherwise provided  
338 in Section 31-17-127, be deposited into the State Treasury to the  
339 credit of the State Highway Fund to be used to fund that highway  
340 program. The Mississippi Department of Transportation shall  
341 provide to the Department of Revenue such information as is  
342 necessary to determine the amount of proceeds to be distributed  
343 under this subsection.



344 (4) On or before August 15, 1994, and on or before the  
345 fifteenth day of each succeeding month through July 15, 1999, from  
346 the proceeds of gasoline, diesel fuel or kerosene taxes as  
347 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
348 (\$4,000,000.00) shall be deposited in the State Treasury to the  
349 credit of a special fund designated as the "State Aid Road Fund,"  
350 created by Section 65-9-17. On or before August 15, 1999, and on  
351 or before the fifteenth day of each succeeding month, from the  
352 total amount of the proceeds of gasoline, diesel fuel or kerosene  
353 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
354 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
355 one-fourth percent (23-1/4%) of those funds, whichever is the  
356 greater amount, shall be deposited in the State Treasury to the  
357 credit of the "State Aid Road Fund," created by Section 65-9-17.  
358 Those funds shall be pledged to pay the principal of and interest  
359 on state aid road bonds heretofore issued under Sections 19-9-51  
360 through 19-9-77, in lieu of and in substitution for the funds  
361 previously allocated to counties under this section. Those funds  
362 may not be pledged for the payment of any state aid road bonds  
363 issued after April 1, 1981; however, this prohibition against the  
364 pledging of any such funds for the payment of bonds shall not  
365 apply to any bonds for which intent to issue those bonds has been  
366 published for the first time, as provided by law before March 29,  
367 1981. From the amount of taxes paid into the special fund under  
368 this subsection and subsection (9) of this section, there shall be



369 first deducted and paid the amount necessary to pay the expenses  
370 of the Office of State Aid Road Construction, as authorized by the  
371 Legislature for all other general and special fund agencies. The  
372 remainder of the fund shall be allocated monthly to the several  
373 counties in accordance with the following formula:

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

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

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

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

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

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





394 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
395 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
396 the special fund known as the "Educational Facilities Revolving  
397 Loan Fund" created and existing under the provisions of Section  
398 37-47-24. Those payments into that fund are to be made on the  
399 last day of each succeeding month hereafter. This subsection (5)  
400 shall stand repealed on July 1, 2026.

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

406 (7) On or before August 15, 1992, and each succeeding month  
407 thereafter through July 15, 2000, two and two hundred sixty-six  
408 one-thousandths percent (2.266%) of the total sales tax revenue  
409 collected during the preceding month under the provisions of this  
410 chapter, except that collected under the provisions of Section  
411 27-65-17(2), shall be deposited by the department into the School  
412 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
413 or before August 15, 2000, and each succeeding month thereafter  
414 through July 15, 2024, two and two hundred sixty-six  
415 one-thousandths percent (2.266%) of the total sales tax revenue  
416 collected during the preceding month under the provisions of this  
417 chapter, except that collected under the provisions of Section  
418 27-65-17(2), shall be deposited into the School Ad Valorem Tax



419 Reduction Fund created under Section 37-61-35 until such time that  
420 the total amount deposited into the fund during a fiscal year  
421 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,  
422 the amounts diverted under this subsection (7) during the fiscal  
423 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall  
424 be deposited into the Education Enhancement Fund created under  
425 Section 37-61-33 for appropriation by the Legislature as other  
426 education needs and shall not be subject to the percentage  
427 appropriation requirements set forth in Section 37-61-33. On or  
428 before August 15, 2024, and each succeeding month thereafter, two  
429 and two hundred sixty-six one-thousandths percent (2.266%) of the  
430 total sales tax revenue collected during the preceding month under  
431 the provisions of this chapter, except that collected under the  
432 provisions of Section 27-65-17(1)(m) and (2), and four and five  
433 hundred thirty-two one-thousandths percent (4.532%) of the total  
434 sales tax revenue collected during the preceding month under the  
435 provisions of Section 27-65-17(1)(m) shall be deposited into the  
436 School Ad Valorem Tax Reduction Fund created under Section  
437 37-61-35 until such time that the total amount deposited into the  
438 fund during a fiscal year equals Forty-two Million Dollars  
439 (\$42,000,000.00). Thereafter, the amounts diverted under this  
440 subsection (7) during the fiscal year in excess of Forty-two  
441 Million Dollars (\$42,000,000.00) shall be deposited into the  
442 Education Enhancement Fund created under Section 37-61-33 for  
443 appropriation by the Legislature as other education needs and



444 shall not be subject to the percentage appropriation requirements  
445 set forth in Section 37-61-33.

446 (8) On or before August 15, 1992, and each succeeding month  
447 thereafter through July 15, 2024, nine and seventy-three  
448 one-thousandths percent (9.073%) of the total sales tax revenue  
449 collected during the preceding month under the provisions of this  
450 chapter, except that collected under the provisions of Section  
451 27-65-17(2), shall be deposited into the Education Enhancement  
452 Fund created under Section 37-61-33. On or before August 15,  
453 2024, and each succeeding month thereafter, nine and seventy-three  
454 one-thousandths percent (9.073%) of the total sales tax revenue  
455 collected during the preceding month under the provisions of this  
456 chapter, except that collected under the provisions of Section  
457 27-65-17(1)(m) and (2), shall be deposited into the Education  
458 Enhancement Fund created under Section 37-61-33. On or before  
459 August 15, 2024, and each succeeding month thereafter, eighteen  
460 and one hundred forty-six one-thousandths percent (18.146%) of the  
461 total sales tax revenue collected during the preceding month under  
462 the provisions of Section 27-65-17(1)(m) shall be deposited into  
463 the Education Enhancement Fund created under Section 37-61-33.

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



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

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

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

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



493 the avails of the tax imposed in Section 27-65-22 that is derived  
494 from activities held on the Mississippi State Fairgrounds Complex  
495 shall be paid into a special fund that is created in the State  
496 Treasury and shall be expended upon legislative appropriation  
497 solely to defray the costs of repairs and renovation at the Trade  
498 Mart and Coliseum.

499 (14) On or before August 15, 1998, and each succeeding month  
500 thereafter through July 15, 2005, that portion of the avails of  
501 the tax imposed in Section 27-65-23 that is derived from sales by  
502 cotton compresses or cotton warehouses and that would otherwise be  
503 paid into the General Fund shall be deposited in an amount not to  
504 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
505 created under Section 69-37-39. On or before August 15, 2007, and  
506 each succeeding month thereafter through July 15, 2010, that  
507 portion of the avails of the tax imposed in Section 27-65-23 that  
508 is derived from sales by cotton compresses or cotton warehouses  
509 and that would otherwise be paid into the General Fund shall be  
510 deposited in an amount not to exceed Two Million Dollars  
511 (\$2,000,000.00) into the special fund created under Section  
512 69-37-39 until all debts or other obligations incurred by the  
513 Certified Cotton Growers Organization under the Mississippi Boll  
514 Weevil Management Act before January 1, 2007, are satisfied in  
515 full. On or before August 15, 2010, and each succeeding month  
516 thereafter through July 15, 2011, fifty percent (50%) of that  
517 portion of the avails of the tax imposed in Section 27-65-23 that



518 is derived from sales by cotton compresses or cotton warehouses  
519 and that would otherwise be paid into the General Fund shall be  
520 deposited into the special fund created under Section 69-37-39  
521 until such time that the total amount deposited into the fund  
522 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
523 On or before August 15, 2011, and each succeeding month  
524 thereafter, that portion of the avails of the tax imposed in  
525 Section 27-65-23 that is derived from sales by cotton compresses  
526 or cotton warehouses and that would otherwise be paid into the  
527 General Fund shall be deposited into the special fund created  
528 under Section 69-37-39 until such time that the total amount  
529 deposited into the fund during a fiscal year equals One Million  
530 Dollars (\$1,000,000.00).

531 (15) Notwithstanding any other provision of this section to  
532 the contrary, on or before September 15, 2000, and each succeeding  
533 month thereafter, the sales tax revenue collected during the  
534 preceding month under the provisions of Section  
535 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
536 without diversion, into the Telecommunications Ad Valorem Tax  
537 Reduction Fund established in Section 27-38-7.

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



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

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

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

560 (18) [Repealed]

561 (19) (a) On or before August 15, 2005, and each succeeding  
562 month thereafter, the sales tax revenue collected during the  
563 preceding month under the provisions of this chapter on the gross  
564 proceeds of sales of a business enterprise located within a  
565 redevelopment project area under the provisions of Sections  
566 57-91-1 through 57-91-11, and the revenue collected on the gross  
567 proceeds of sales from sales made to a business enterprise located



568 in a redevelopment project area under the provisions of Sections  
569 57-91-1 through 57-91-11 (provided that such sales made to a  
570 business enterprise are made on the premises of the business  
571 enterprise), shall, except as otherwise provided in this  
572 subsection (19), be deposited, after all diversions, into the  
573 Redevelopment Project Incentive Fund as created in Section  
574 57-91-9.

575 (b) For a municipality participating in the Economic  
576 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
577 the diversion provided for in subsection (1) of this section  
578 attributable to the gross proceeds of sales of a business  
579 enterprise located within a redevelopment project area under the  
580 provisions of Sections 57-91-1 through 57-91-11, and attributable  
581 to the gross proceeds of sales from sales made to a business  
582 enterprise located in a redevelopment project area under the  
583 provisions of Sections 57-91-1 through 57-91-11 (provided that  
584 such sales made to a business enterprise are made on the premises  
585 of the business enterprise), shall be deposited into the  
586 Redevelopment Project Incentive Fund as created in Section  
587 57-91-9, as follows:

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





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

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

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

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

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

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



617 Dollars (\$150,000.00) of the sales tax revenue collected during  
618 the preceding month under the provisions of this chapter shall be  
619 deposited into the MMEIA Tax Incentive Fund created in Section  
620 57-101-3.

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

627 (22) On or before June 1, 2024, and each succeeding month  
628 thereafter until December 31, 2057, an amount determined annually  
629 by the Mississippi Development Authority of the sales tax revenue  
630 collected during the preceding month under the provisions of this  
631 chapter shall be deposited into the MMEIA Tax Incentive Fund  
632 created in Section 18 of \* \* \* Senate Bill No. 2001, 2024 Second  
633 Extraordinary Session. This amount shall be based on estimated  
634 payments due within the upcoming year to construction contractors  
635 pursuant to construction contracts subject to the tax imposed by  
636 Section 27-65-21 for construction to be performed on the project  
637 site of a project defined under Section 57-75-5(f)(xxxiii) for the  
638 coming year.

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



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

645       (24) (a) On or before August 15, 2019, and each month  
646 thereafter through July 15, 2020, one percent (1%) of the total  
647 sales tax revenue collected during the preceding month from  
648 restaurants and hotels shall be allocated for distribution to the  
649 Mississippi Development Authority Tourism Advertising Fund  
650 established under Section 57-1-64, to be used exclusively for the  
651 purpose stated therein. On or before August 15, 2020, and each  
652 month thereafter through July 15, 2021, two percent (2%) of the  
653 total sales tax revenue collected during the preceding month from  
654 restaurants and hotels shall be allocated for distribution to the  
655 Mississippi Development Authority Tourism Advertising Fund  
656 established under Section 57-1-64, to be used exclusively for the  
657 purpose stated therein. On or before August 15, 2021, and each  
658 month thereafter, three percent (3%) of the total sales tax  
659 revenue collected during the preceding month from restaurants and  
660 hotels shall be allocated for distribution to the Mississippi  
661 Development Authority Tourism Advertising Fund established under  
662 Section 57-1-64, to be used exclusively for the purpose stated  
663 therein. The revenue diverted pursuant to this subsection shall  
664 not be available for expenditure until February 1, 2020.

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



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

671 (25) The remainder of the amounts collected under the  
672 provisions of this chapter shall be paid into the State Treasury  
673 to the credit of the General Fund.

674 (26) (a) It shall be the duty of the municipal officials of  
675 any municipality that expands its limits, or of any community that  
676 incorporates as a municipality, to notify the commissioner of that  
677 action thirty (30) days before the effective date. Failure to so  
678 notify the commissioner shall cause the municipality to forfeit  
679 the revenue that it would have been entitled to receive during  
680 this period of time when the commissioner had no knowledge of the  
681 action.

682 (b) (i) Except as otherwise provided in subparagraph  
683 (ii) of this paragraph, if any funds have been erroneously  
684 disbursed to any municipality or any overpayment of tax is  
685 recovered by the taxpayer, the commissioner may make correction  
686 and adjust the error or overpayment with the municipality by  
687 withholding the necessary funds from any later payment to be made  
688 to the municipality.

689 (ii) Subject to the provisions of Sections  
690 27-65-51 and 27-65-53, if any funds have been erroneously  
691 disbursed to a municipality under subsection (1) of this section



692 for a period of three (3) years or more, the maximum amount that  
693 may be recovered or withheld from the municipality is the total  
694 amount of funds erroneously disbursed for a period of three (3)  
695 years beginning with the date of the first erroneous disbursement.  
696 However, if during such period, a municipality provides written  
697 notice to the Department of Revenue indicating the erroneous  
698 disbursement of funds, then the maximum amount that may be  
699 recovered or withheld from the municipality is the total amount of  
700 funds erroneously disbursed for a period of one (1) year beginning  
701 with the date of the first erroneous disbursement.

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

