

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1701

1 AN ACT TO BRING FORWARD SECTIONS 27-65-17, 27-65-18,
 2 27-65-19, 27-65-20, 27-65-21, 27-65-22, 27-65-23, 27-65-24,
 3 27-65-25, 27-65-26 AND 27-65-201, WHICH AUTHORIZE VARIOUS SALES
 4 TAXES, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
 5 SECTION 27-65-75, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE
 6 DISTRIBUTION OF STATE SALES TAX REVENUE, FOR THE PURPOSES OF
 7 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-67-31, MISSISSIPPI
 8 CODE OF 1972, WHICH PROVIDES FOR THE DISTRIBUTION OF STATE USE TAX
 9 REVENUE, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
 10 SECTIONS 27-55-11, 27-55-519 AND 27-55-521, WHICH PROVIDE FOR
 11 VARIOUS FUEL TAXES, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
 12 BRING FORWARD SECTION 27-5-101, MISSISSIPPI CODE OF 1972, WHICH
 13 PROVIDES FOR THE DISTRIBUTION OF FUEL TAX REVENUE, FOR THE
 14 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
 15 75-76-177 AND 75-76-129, MISSISSIPPI CODE OF 1972, WHICH PROVIDE
 16 FOR THE IMPOSITION OF A GAMING LICENSE GROSS REVENUE FEE AND THE
 17 DISTRIBUTION OF STATE GAMING REVENUES UNDER THE MISSISSIPPI GAMING
 18 CONTROL ACT; TO BRING FORWARD SECTION 27-7-5, MISSISSIPPI CODE OF
 19 1972, WHICH PROVIDES FOR IMPOSITION OF THE STATE INCOME TAX, FOR
 20 THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
 23 brought forward as follows:

24 27-65-17. (1) (a) Except as otherwise provided in this
 25 section, upon every person engaging or continuing within this
 26 state in the business of selling any tangible personal property
 27 whatsoever there is hereby levied, assessed and shall be collected



28 a tax equal to seven percent (7%) of the gross proceeds of the
29 retail sales of the business.

30 (b) Retail sales of farm tractors and parts and labor
31 used to maintain and/or repair such tractors shall be taxed at the
32 rate of one and one-half percent (1-1/2%) when made to farmers for
33 agricultural purposes.

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

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

- 45 1. Self-propelled, or
- 46 2. Mounted so that it is permanently attached
47 to other equipment which is self-propelled or attached to other
48 equipment drawn by a vehicle which is self-propelled.

49 In order to be eligible for the rate of tax provided for in
50 this subparagraph (ii), such sales must be made to a professional
51 logger. For the purposes of this subparagraph (ii), a
52 "professional logger" is a person, corporation, limited liability



53 company or other entity, or an agent thereof, who possesses a
54 professional logger's permit issued by the Department of Revenue
55 and who presents the permit to the seller at the time of purchase.
56 The department shall establish an application process for a
57 professional logger's permit to be issued, which shall include a
58 requirement that the applicant submit a copy of documentation
59 verifying that the applicant is certified according to Sustainable
60 Forestry Initiative guidelines. Upon a determination that an
61 applicant is a professional logger, the department shall issue the
62 applicant a numbered professional logger's permit.

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

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

73 (f) Sales of machinery and machine parts when made to a
74 technology intensive enterprise for plant use only when the
75 machinery and machine parts will be used exclusively and directly
76 within this state for industrial purposes, including, but not
77 limited to, manufacturing or research and development activities,



78 shall be taxed at the rate of one and one-half percent (1-1/2%).
79 In order to be considered a technology intensive enterprise for
80 purposes of this paragraph:

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

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

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

88 (iv) The enterprise shall manufacture plastics,
89 chemicals, automobiles, aircraft, computers or electronics; or
90 shall be a research and development facility, a computer design or
91 related facility, or a software publishing facility or other
92 technology intensive facility or enterprise as determined by the
93 Mississippi Development Authority;

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

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

99 A medical cannabis establishment, as defined in the
100 Mississippi Medical Cannabis Act, shall not be considered to be a
101 technology intensive enterprise for the purposes of this paragraph
102 (f).



103 (g) Sales of materials for use in track and track
104 structures to a railroad whose rates are fixed by the Interstate
105 Commerce Commission or the Mississippi Public Service Commission
106 shall be taxed at the rate of three percent (3%).

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

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

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

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



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

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

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

140 **SECTION 2.** Section 27-65-18, Mississippi Code of 1972, is
141 brought forward as follows:

142 27-65-18. (1) There is levied, assessed and shall be
143 collected a tax of three and one-half percent (3-1/2%) upon the
144 gross proceeds of sales or gross receipts of sales of every person
145 engaging or continuing within this state in the business of
146 selling any tangible personal property or performing any
147 construction activity upon (a) any floating structure that is
148 normally moored and not normally engaged in the business of
149 transporting people or property, and that is located in the waters
150 within the State of Mississippi, and (b) any cruise vessel. Such
151 structures include, but are not limited to, casinos, floating



152 restaurants, floating hotels and similar property, regardless of
153 whether the property is self-propelled. The tax imposed under
154 this subsection (1) shall not apply to tangible personal property
155 that is not a component part of the structure.

156 (2) If the owner of a structure described in subsection (1)
157 of this section holds a direct pay permit issued by the State Tax
158 Commission under Section 27-65-93, the owner shall furnish the
159 permit to the seller or person performing the construction
160 activity unless the holder of the direct pay permit is given
161 written instructions or written authority to do otherwise by the
162 commissioner. After being furnished the direct pay permit, the
163 seller or person performing the construction activity shall be
164 relieved of the duty to collect the tax imposed under subsection
165 (1) of this section. The commissioner may assign a distinctive
166 number to a structure and issue the distinctive number to the
167 owner. The owner of the structure may furnish the distinctive
168 number to persons performing construction activity in order to
169 allow such persons to purchase component materials and parts for
170 use in the construction activity without the requirement of paying
171 sales tax on the purchases.

172 **SECTION 3.** Section 27-65-19, Mississippi Code of 1972, is
173 brought forward as follows:

174 27-65-19. (1) (a) (i) Except as otherwise provided in
175 this subsection, upon every person selling to consumers,
176 electricity, current, power, potable water, steam, coal, natural



177 gas, liquefied petroleum gas or other fuel, there is hereby
178 levied, assessed and shall be collected a tax equal to seven
179 percent (7%) of the gross income of the business. Provided, gross
180 income from sales to consumers of electricity, current, power,
181 natural gas, liquefied petroleum gas or other fuel for residential
182 heating, lighting or other residential noncommercial or
183 nonagricultural use, and sales of potable water for residential,
184 noncommercial or nonagricultural use shall be excluded from
185 taxable gross income of the business. Provided further, upon
186 every such seller using electricity, current, power, potable
187 water, steam, coal, natural gas, liquefied petroleum gas or other
188 fuel for nonindustrial purposes, there is hereby levied, assessed
189 and shall be collected a tax equal to seven percent (7%) of the
190 cost or value of the product or service used.

191 (ii) Gross income from sales to a church that is
192 exempt from federal income taxation under 26 USCS Section
193 501(c)(3) of electricity, current, power, natural gas, liquefied
194 petroleum gas or other fuel for heating, lighting or other use,
195 and sales of potable water to such a church shall be excluded from
196 taxable gross income of the business if the electricity, current,
197 power, natural gas, liquefied petroleum gas or potable water is
198 utilized on property that is primarily used for religious or
199 educational purposes.

200 (b) (i) There is hereby levied, assessed and shall be
201 collected a tax equal to one and one-half percent (1-1/2%) of the



202 gross income of the business from the sale of naturally occurring
203 carbon dioxide and anthropogenic carbon dioxide lawfully injected
204 into the earth for:

205 1. Use in an enhanced oil recovery project,
206 including, but not limited to, use for cycling, repressuring or
207 lifting of oil; or

208 2. Permanent sequestration in a geological
209 formation.

210 (ii) The one and one-half percent (1-1/2%) rate
211 provided for in this subsection shall apply to electricity,
212 current, power, steam, coal, natural gas, liquefied petroleum gas
213 or other fuel that is sold to a producer of oil and gas for use
214 directly in enhanced oil recovery using carbon dioxide and/or the
215 permanent sequestration of carbon dioxide in a geological
216 formation.

217 (c) The one and one-half percent (1-1/2%) rate provided
218 for in this subsection shall not apply to sales of fuel for
219 automobiles, trucks, truck-tractors, buses, farm tractors or
220 airplanes.

221 (d) (i) Upon every person providing services in this
222 state, there is hereby levied, assessed and shall be collected:

223 1. A tax equal to seven percent (7%) of the
224 gross income received from all charges for intrastate
225 telecommunications services.



226 2. A tax equal to seven percent (7%) of the
227 gross income received from all charges for interstate
228 telecommunications services.

229 3. A tax equal to seven percent (7%) of the
230 gross income received from all charges for international
231 telecommunications services.

232 4. A tax equal to seven percent (7%) of the
233 gross income received from all charges for ancillary services.

234 Sales of computer software, computer software services,
235 specified digital products, or other products delivered
236 electronically, including, but not limited to, music, games,
237 reading materials or ring tones, shall be taxed as provided in
238 other sections of this chapter.

239 (ii) A person, upon proof that he has paid a tax
240 in another state on an event described in subparagraph (i) of this
241 paragraph (d), shall be allowed a credit against the tax imposed
242 in this paragraph (d) on interstate telecommunications service
243 charges to the extent that the amount of such tax is properly due
244 and actually paid in such other state and to the extent that the
245 rate of sales tax imposed by and paid in such other state does not
246 exceed the rate of sales tax imposed by this paragraph (d).

247 (iii) Charges by one (1) telecommunications
248 provider to another telecommunications provider holding a permit
249 issued under Section 27-65-27 for services that are resold by such
250 other telecommunications provider, including, but not limited to,



251 access charges, shall not be subject to the tax levied pursuant to
252 this paragraph (d).

253 (iv) For purposes of this paragraph (d):

254 1. "Telecommunications service" means the
255 electronic transmission, conveyance or routing of voice, data,
256 audio, video or any other information or signals to a point, or
257 between points. The term "telecommunications service" includes
258 such transmission, conveyance or routing in which computer
259 processing applications are used to act on the form, code or
260 protocol of the content for purposes of transmission, conveyance
261 or routing without regard to whether such service is referred to
262 as Voice over Internet Protocol services or is classified by the
263 Federal Communications Commission as enhanced or value added. The
264 term "telecommunications service" shall not include:

265 a. Data processing and information
266 services that allow data to be generated, acquired, stored,
267 processed or retrieved and delivered by an electronic transmission
268 to a purchaser where such purchaser's primary purpose for the
269 underlying transaction is the processed data or information;

270 b. Installation or maintenance of wiring
271 or equipment on a customer's premises;

272 c. Tangible personal property;

273 d. Advertising, including, but not
274 limited to, directory advertising;



275 e. Billing and collection services
276 provided to third parties;
277 f. Internet access service;
278 g. Radio and television audio and video
279 programming services regardless of the medium, including the
280 furnishing of transmission, conveyance and routing of such
281 services by the programming service provider. Radio and
282 television audio and video programming services shall include, but
283 not be limited to, cable service as defined in 47 USCS 522(6) and
284 audio and video programming services delivered by commercial
285 mobile radio service providers, as defined in 47 CFR 20.3;
286 h. Ancillary services; or
287 i. Digital products delivered
288 electronically, including, but not limited to, computer software,
289 computer software services, electronically stored or maintained
290 data, music, video, reading materials, specified digital products,
291 or ring tones.

292 2. "Ancillary services" means services that
293 are associated with or incidental to the provision of
294 telecommunications services, including, but not limited to,
295 detailed telecommunications billing, directory assistance,
296 vertical service and voice mail service.

297 a. "Conference bridging" means an
298 ancillary service that links two (2) or more participants of an
299 audio or video conference call and may include the provision of a



300 telephone number. Conference bridging does not include the
301 telecommunications services used to reach the conference bridge.

302 b. "Detailed telecommunications billing
303 service" means an ancillary service of separately stating
304 information pertaining to individual calls on a customer's billing
305 statement.

306 c. "Directory assistance" means an
307 ancillary service of providing telephone number information and/or
308 address information.

309 d. "Vertical service" means an ancillary
310 service that is offered in connection with one or more
311 telecommunications services, which offers advanced calling
312 features that allow customers to identify callers and to manage
313 multiple calls and call connections, including conference bridging
314 services.

315 e. "Voice mail service" means an
316 ancillary service that enables the customer to store, send or
317 receive recorded messages. Voice mail service does not include
318 any vertical services that the customer may be required to have in
319 order to utilize the voice mail service.

320 3. "Intrastate" means telecommunications
321 service that originates in one (1) United States state or United
322 States territory or possession, and terminates in the same United
323 States state or United States territory or possession.



324 4. "Interstate" means a telecommunications
325 service that originates in one (1) United States state or United
326 States territory or possession, and terminates in a different
327 United States state or United States territory or possession.

328 5. "International" means a telecommunications
329 service that originates or terminates in the United States and
330 terminates or originates outside the United States, respectively.

331 (v) For purposes of paragraph (d), the following
332 sourcing rules shall apply:

333 1. Except for the defined telecommunications
334 services in item 3 of this subparagraph, the sales of
335 telecommunications services sold on a call-by-call basis shall be
336 sourced to:

337 a. Each level of taxing jurisdiction
338 where the call originates and terminates in that jurisdiction, or

339 b. Each level of taxing jurisdiction
340 where the call either originates or terminates and in which the
341 service address is also located.

342 2. Except for the defined telecommunications
343 services in item 3 of this subparagraph, a sale of
344 telecommunications services sold on a basis other than a
345 call-by-call basis, is sourced to the customer's place of primary
346 use.



347 3. The sale of the following
348 telecommunications services shall be sourced to each level of
349 taxing jurisdiction as follows:

350 a. A sale of mobile telecommunications
351 services other than air-to-ground radiotelephone service and
352 prepaid calling service is sourced to the customer's place of
353 primary use as required by the Mobile Telecommunication Sourcing
354 Act.

355 A. A home service provider shall be
356 responsible for obtaining and maintaining the customer's place of
357 primary use. The home service provider shall be entitled to rely
358 on the applicable residential or business street address supplied
359 by such customer, if the home service provider's reliance is in
360 good faith; and the home service provider shall be held harmless
361 from liability for any additional taxes based on a different
362 determination of the place of primary use for taxes that are
363 customarily passed on to the customer as a separate itemized
364 charge. A home service provider shall be allowed to treat the
365 address used for purposes of the tax levied by this chapter for
366 any customer under a service contract in effect on August 1, 2002,
367 as that customer's place of primary use for the remaining term of
368 such service contract or agreement, excluding any extension or
369 renewal of such service contract or agreement. Month-to-month
370 services provided after the expiration of a contract shall be
371 treated as an extension or renewal of such contract or agreement.



372 B. If the commissioner determines
373 that the address used by a home service provider as a customer's
374 place of primary use does not meet the definition of the term
375 "place of primary use" as defined in subitem a.A. of this item 3,
376 the commissioner shall give binding notice to the home service
377 provider to change the place of primary use on a prospective basis
378 from the date of notice of determination; however, the customer
379 shall have the opportunity, prior to such notice of determination,
380 to demonstrate that such address satisfies the definition.

381 C. The department has the right to
382 collect any taxes due directly from the home service provider's
383 customer that has failed to provide an address that meets the
384 definition of the term "place of primary use" which resulted in a
385 failure of tax otherwise due being remitted.

386 b. A sale of postpaid calling service is
387 sourced to the origination point of the telecommunications signal
388 as first identified by either:

389 A. The seller's telecommunications
390 system; or

391 B. Information received by the
392 seller from its service provider, where the system used to
393 transport such signals is not that of the seller.

394 c. A sale of a prepaid calling service
395 or prepaid wireless calling service shall be subject to the tax
396 imposed by this paragraph if the sale takes place in this state.



397 If the customer physically purchases a prepaid calling service or
398 prepaid wireless calling service at the vendor's place of
399 business, the sale is deemed to take place at the vendor's place
400 of business. If the customer does not physically purchase the
401 service at the vendor's place of business, the sale of a prepaid
402 calling card or prepaid wireless calling card is deemed to take
403 place at the first of the following locations that applies to the
404 sale:

405 A. The customer's shipping address,
406 if the sale involves a shipment;

407 B. The customer's billing address;

408 C. Any other address of the
409 customer that is known by the vendor; or

410 D. The address of the vendor, or
411 alternatively, in the case of a prepaid wireless calling service,
412 the location associated with the mobile telephone number.

413 4. A sale of a private communication service
414 is sourced as follows:

415 a. Service for a separate charge related
416 to a customer channel termination point is sourced to each level
417 of jurisdiction in which such customer channel termination point
418 is located.

419 b. Service where all customer
420 termination points are located entirely within one (1)
421 jurisdiction or levels of jurisdiction is sourced in such



422 jurisdiction in which the customer channel termination points are
423 located.

424 c. Service for segments of a channel
425 between two (2) customer channel termination points located in
426 different jurisdictions and which segments of a channel are
427 separately charged is sourced fifty percent (50%) in each level of
428 jurisdiction in which the customer channel termination points are
429 located.

430 d. Service for segments of a channel
431 located in more than one (1) jurisdiction or levels of
432 jurisdiction and which segments are not separately billed is
433 sourced in each jurisdiction based on the percentage determined by
434 dividing the number of customer channel termination points in such
435 jurisdiction by the total number of customer channel termination
436 points.

437 5. A sale of ancillary services is sourced to
438 the customer's place of primary use.

439 (vi) For purposes of subparagraph (v) of this
440 paragraph (d):

441 1. "Air-to-ground radiotelephone service"
442 means a radio service, as that term is defined in 47 CFR 22.99, in
443 which common carriers are authorized to offer and provide radio
444 telecommunications service for hire to subscribers in aircraft.



445 2. "Call-by-call basis" means any method of
446 charging for telecommunications services where the price is
447 measured by individual calls.

448 3. "Communications channel" means a physical
449 or virtual path of communications over which signals are
450 transmitted between or among customer channel termination points.

451 4. "Customer" means the person or entity that
452 contracts with the seller of telecommunications services. If the
453 end user of telecommunications services is not the contracting
454 party, the end user of the telecommunications service is the
455 customer of the telecommunications service. Customer does not
456 include a reseller of telecommunications service or for mobile
457 telecommunications service of a serving carrier under an agreement
458 to serve the customer outside the home service provider's licensed
459 service area.

460 5. "Customer channel termination point" means
461 the location where the customer either inputs or receives the
462 communications.

463 6. "End user" means the person who utilizes
464 the telecommunications service. In the case of an entity, "end
465 user" means the individual who utilizes the service on behalf of
466 the entity.

467 7. "Home service provider" has the meaning
468 ascribed to such term in Section 124(5) of Public Law 106-252
469 (Mobile Telecommunications Sourcing Act).



470 8. "Mobile telecommunications service" has
471 the meaning ascribed to such term in Section 124(7) of Public Law
472 106-252 (Mobile Telecommunications Sourcing Act).

473 9. "Place of primary use" means the street
474 address representative of where the customer's use of the
475 telecommunications service primarily occurs, which must be the
476 residential street address or the primary business street address
477 of the customer. In the case of mobile telecommunications
478 services, the place of primary use must be within the licensed
479 service area of the home service provider.

480 10. "Post-paid calling service" means the
481 telecommunications service obtained by making a payment on a
482 call-by-call basis either through the use of a credit card or
483 payment mechanism such as a bank card, travel card, credit card or
484 debit card, or by charge made to a telephone number which is not
485 associated with the origination or termination of the
486 telecommunications service. A post-paid calling service includes
487 a telecommunications service, except a prepaid wireless calling
488 service that would be a prepaid calling service except it is not
489 exclusively a telecommunications service.

490 11. "Prepaid calling service" means the right
491 to access exclusively telecommunications services, which must be
492 paid for in advance and which enables the origination of calls
493 using an access number or authorization code, whether manually or



494 electronically dialed, and that is sold in predetermined units or
495 dollars of which the number declines with use in a known amount.

496 12. "Prepaid wireless calling service" means
497 a telecommunications service that provides the right to utilize
498 mobile wireless service as well as other nontelecommunications
499 services, including the download of digital products delivered
500 electronically, content and ancillary service, which must be paid
501 for in advance that is sold in predetermined units or dollars of
502 which the number declines with use in a known amount.

503 13. "Private communication service" means a
504 telecommunications service that entitles the customer to exclusive
505 or priority use of a communications channel or group of channels
506 between or among termination points, regardless of the manner in
507 which such channel or channels are connected, and includes
508 switching capacity, extension lines, stations and any other
509 associated services that are provided in connection with the use
510 of such channel or channels.

511 14. "Service address" means:

512 a. The location of the
513 telecommunications equipment to which a customer's call is charged
514 and from which the call originates or terminates, regardless of
515 where the call is billed or paid.

516 b. If the location in subitem a of this
517 item 14 is not known, the origination point of the signal of the
518 telecommunications services first identified by either the



519 seller's telecommunications system or in information received by
520 the seller from its service provider, where the system used to
521 transport such signals is not that of the seller.

522 c. If the location in subitems a and b
523 of this item 14 are not known, the location of the customer's
524 place of primary use.

525 (vii) 1. For purposes of this subparagraph (vii),
526 "bundled transaction" means a transaction that consists of
527 distinct and identifiable properties or services which are sold
528 for a single nonitemized price but which are treated differently
529 for tax purposes.

530 2. In the case of a bundled transaction that
531 includes telecommunications services, ancillary services, Internet
532 access, or audio or video programming services taxed under this
533 chapter in which the price of the bundled transaction is
534 attributable to properties or services that are taxable and
535 nontaxable, the portion of the price that is attributable to any
536 nontaxable property or service shall be subject to the tax unless
537 the provider can reasonably identify that portion from its books
538 and records kept in the regular course of business.

539 3. In the case of a bundled transaction that
540 includes telecommunications services, ancillary services, Internet
541 access, audio or video programming services subject to tax under
542 this chapter in which the price is attributable to properties or
543 services that are subject to the tax but the tax revenue from the



544 different properties or services are dedicated to different funds
545 or purposes, the provider shall allocate the price among the
546 properties or services:

547 a. By reasonably identifying the portion
548 of the price attributable to each of the properties and services
549 from its books and records kept in the regular course of business;
550 or

551 b. Based on a reasonable allocation
552 methodology approved by the department.

553 4. This subparagraph (vii) shall not create a
554 right of action for a customer to require that the provider or the
555 department, for purposes of determining the amount of tax
556 applicable to a bundled transaction, allocate the price to the
557 different portions of the transaction in order to minimize the
558 amount of tax charged to the customer. A customer shall not be
559 entitled to rely on the fact that a portion of the price is
560 attributable to properties or services not subject to tax unless
561 the provider elects, after receiving a written request from the
562 customer in the form required by the provider, to provide
563 verifiable data based upon the provider's books and records that
564 are kept in the regular course of business that reasonably
565 identifies the portion of the price attributable to the properties
566 or services not subject to the tax.

567 (2) Persons making sales to consumers of electricity,
568 current, power, natural gas, liquefied petroleum gas or other fuel



569 for residential heating, lighting or other residential
570 noncommercial or nonagricultural use or sales of potable water for
571 residential, noncommercial or nonagricultural use shall indicate
572 on each statement rendered to customers that such charges are
573 exempt from sales taxes.

574 (3) There is hereby levied, assessed and shall be paid on
575 transportation charges on shipments moving between points within
576 this state when paid directly by the consumer, a tax equal to the
577 rate applicable to the sale of the property being transported.
578 Such tax shall be reported and paid directly to the Department of
579 Revenue by the consumer.

580 **SECTION 4.** Section 27-65-20, Mississippi Code of 1972, is
581 brought forward as follows:

582 27-65-20. Upon every person engaging or continuing within
583 this state in the business of selling machinery, machine parts
584 and/or equipment to an operator or lessee of any structures,
585 facilities and lands acquired and operated or leased pursuant to
586 any of the provisions of Chapter 9, Title 59, Mississippi Code of
587 1972, which machinery, machine parts and/or equipment is to be
588 located on and used exclusively and directly in the operation of
589 such structures, facilities and lands, there is hereby levied,
590 assessed and shall be collected a tax equal to one and one-half
591 percent (1-1/2%) of the gross proceeds of such retail sales of the
592 business.



593 **SECTION 5.** Section 27-65-21, Mississippi Code of 1972, is
594 brought forward as follows:

595 27-65-21. (1) (a) (i) Upon every person engaging or
596 continuing in this state in the business of contracting or
597 performing a contract or engaging in any of the activities, or
598 similar activities, listed below for a price, commission, fee or
599 wage, there is hereby levied, assessed and shall be collected a
600 tax equal to three and one-half percent (3-1/2%) of the total
601 contract price or compensation received, including all charges
602 related to the contract such as finance charges and late charges,
603 from constructing, building, erecting, repairing, grading,
604 excavating, drilling, exploring, testing or adding to any
605 building, highway, street, sidewalk, bridge, culvert, sewer,
606 irrigation or water system, drainage or dredging system, levee or
607 levee system or any part thereof, railway, reservoir, dam, power
608 plant, electrical system, air-conditioning system, heating system,
609 transmission line, pipeline, tower, dock, storage tank, wharf,
610 excavation, grading, water well, any other improvement or
611 structure or any part thereof when the compensation received
612 exceeds Ten Thousand Dollars (\$10,000.00). Such activities shall
613 not include constructing, repairing or adding to property which
614 retains its identity as personal property. The tax imposed in
615 this section is levied upon the prime contractor and shall be paid
616 by him.



617 (ii) Amounts included in the contract price or
618 compensation received representing the sale of manufacturing or
619 processing machinery for a manufacturer or custom processor shall
620 be taxed at the rate of one and one-half percent (1-1/2%) in lieu
621 of the three and one-half percent (3-1/2%).

622 (b) The following shall be excluded from the tax levied
623 by this section:

624 (i) The contract price or compensation received
625 for constructing, building, erecting, repairing or adding to any
626 building, electrical system, air-conditioning system, heating
627 system or any other improvement or structure which is used for or
628 primarily in connection with a residence or dwelling place for
629 human beings. Such residences shall include homes, mobile homes,
630 summer cottages, fishing and hunting camp buildings and similar
631 buildings, but shall not include apartment buildings,
632 condominiums, hotels, motels, hospitals, nursing or retirement
633 homes, tourist cottages or other commercial establishments.

634 (ii) The portion of the total contract price
635 attributable to design or engineering services if:

636 1. The total contract price for the project
637 exceeds the sum of One Hundred Million Dollars (\$100,000,000.00);
638 or

639 2. The engineering services are performed by
640 a professional engineer as defined in Section 73-13-3, who is the
641 general or prime contractor.



642 (iii) The contract price or compensation received
643 to restore, repair or replace a utility distribution or
644 transmission system that has been damaged due to ice storm,
645 hurricane, flood, tornado, wind, earthquake or other natural
646 disaster if such restoration, repair or replacement is performed
647 by the entity providing the service at its cost.

648 (iv) The contract price or compensation received
649 for constructing, building, erecting, repairing or adding to any
650 building, facility or structure located at any refinery as defined
651 in Section 27-65-24.

652 (c) Sales of materials and services for use in the
653 activities hereby excluded from taxes imposed by this section,
654 except services used in activities excluded pursuant to paragraph
655 (b)(iii) of this subsection, shall be subject to taxes imposed by
656 other sections in this chapter.

657 (2) Upon every person engaging or continuing in this state
658 in the business of contracting or performing a contract of
659 redrilling, or working over, or of drilling or completing an oil
660 well or a gas well, regardless of whether such well is productive
661 or nonproductive, for any valuable consideration, there is hereby
662 levied, assessed and shall be collected a tax equal to three and
663 one-half percent (3-1/2%) of the total contract price or
664 compensation received when such compensation exceeds Ten Thousand
665 Dollars (\$10,000.00).



666 The words, terms and phrases as used in this subsection shall
667 have the meaning ascribed to them as follows:

668 "Operator" – One who holds all or a fraction of the working
669 or operating rights in an oil or gas lease, and is obligated for
670 the costs of production either as a fee owner or under a lease or
671 any other form of contract creating working or operating rights.

672 "Bottom-hole contribution" – Money or property given to an
673 operator for his use in the drilling of a well on property in
674 which the payor has no interest. The contribution is payable
675 whether the well is productive or nonproductive.

676 "Dry-hole contribution" – Money or property given to an
677 operator for his use in the drilling of a well on property in
678 which the payor has no interest. Such contribution is payable
679 only in the event the well is found to be nonproductive.

680 "Turnkey drilling contract" – A contract for the drilling of
681 a well which requires the driller to drill a well and, if
682 commercial production is obtained, to equip the well to such stage
683 that the lessee or operator may turn a valve and the oil will flow
684 into a tank.

685 "Total contract price or compensation received" – As related
686 to oil and gas well contractors, shall include amounts received as
687 compensation for all costs of performing a turnkey drilling
688 contract; amounts received or to be received under assignment as
689 dry-hole money or bottom-hole money; and shall mean and include
690 anything of value received by the contractor as remuneration for



691 services taxable hereunder. When the kind and amount of
692 compensation received by the contractor is contingent upon
693 production, the taxable amount shall be the total compensation
694 receivable in the event the well is a dry hole. The taxable
695 amount in the event of production when the contractor receives a
696 production interest of an undetermined value in lieu of a fixed
697 compensation shall be an amount equal to the compensation to the
698 contractor if the well had been a dry hole.

699 (3) When the work to be performed under any contract is
700 sublet by the prime contractor to different persons, or in
701 separate contracts to the same persons, each such subcontractor
702 performing any part of said work shall be liable for the amount of
703 the tax which accrues on account of the work performed by such
704 person when the tax heretofore imposed has not been paid upon the
705 whole contract by the prime contractor.

706 When a person engaged in any business on which a tax is
707 levied in Section 27-65-23, also qualifies as a contractor, and
708 contracts with the owner of any project to perform any services in
709 excess of Ten Thousand Dollars (\$10,000.00) herein taxed, such
710 person shall pay the tax imposed by this section in lieu of the
711 tax imposed by Section 27-65-23.

712 Any person entering into any contract over Seventy-five
713 Thousand Dollars (\$75,000.00) as defined in this section shall,
714 before beginning the performance of such contract or contracts,
715 either pay the contractors' tax in advance, together with any use



716 taxes due under Section 27-67-5, or execute and file with the
717 commissioner a good and valid bond in a surety company authorized
718 to do business in this state, or with sufficient sureties to be
719 approved by the commissioner conditioned that all taxes which may
720 accrue to the State of Mississippi under this chapter, or under
721 Section 27-67-5 and Section 27-7-5, will be paid when due. Such
722 bonds shall be either (a) "job bonds" which guarantee payment when
723 due of the aforesaid taxes resulting from performance of a
724 specified job or activity regardless of date of completion; or (b)
725 "blanket bonds" which guarantee payment when due of the aforesaid
726 taxes resulting from performance of all jobs or activities taxable
727 under this section begun during the period specified therein,
728 regardless of date of completion. The payments of the taxes due
729 or the execution and filing of a surety bond shall be a condition
730 precedent to the commencing work on any contract taxed hereunder.
731 Provided, that when any bond is filed in lieu of the prepayment of
732 the tax under this section, that the tax shall be payable monthly
733 on the amount received during the previous month, and any use
734 taxes due shall be payable on or before the twentieth day of the
735 month following the month in which the property is brought into
736 Mississippi.

737 Any person failing either to execute any bond herein
738 provided, or to pay the taxes in advance, before beginning the
739 performance of any contract shall be denied the right to perform
740 such contract until he complies with such requirements, and the



741 commissioner is hereby authorized to proceed either under Section
742 27-65-59, under Section 27-65-61 or by injunction to prevent any
743 activity in the performance of such contract until either a
744 satisfactory bond is executed and filed, or all taxes are paid in
745 advance, and a temporary injunction enjoining the execution of
746 such contract shall be granted without notice by any judge or
747 chancellor now authorized by law to grant injunctions.

748 Any person liable for a tax under this section may apply for
749 and obtain a material purchase certificate from the commissioner
750 which may entitle the holder to purchase materials and services
751 that are to become a component part of the structure to be erected
752 or repaired with no tax due. Provided, that the contractor
753 applying for the contractor's material purchase certificate shall
754 furnish the Department of Revenue a list of all work sublet to
755 others, indicating the amount of work to be performed, and the
756 names and addresses of each subcontractor.

757 **SECTION 6.** Section 27-65-22, Mississippi Code of 1972, is
758 brought forward as follows:

759 27-65-22. (1) Upon every person engaging or continuing in
760 any amusement business or activity, which shall include all manner
761 and forms of entertainment and amusement, all forms of diversion,
762 sport, recreation or pastime, shows, exhibitions, contests,
763 displays, games or any other and all methods of obtaining
764 admission charges, donations, contributions or monetary charges of
765 any character, from the general public or a limited or selected



766 number thereof, directly or indirectly in return for other than
767 tangible property or specific personal or professional services,
768 whether such amusement is held or conducted in a public or private
769 building, hotel, tent, pavilion, lot or resort, enclosed or in the
770 open, there is hereby levied, assessed and shall be collected a
771 tax equal to seven percent (7%) of the gross income received as
772 admission, except as otherwise provided herein. In lieu of the
773 rate set forth above, there is hereby imposed, levied and
774 assessed, to be collected as hereinafter provided, a tax of three
775 percent (3%) of gross revenue derived from sales of admission to
776 publicly owned enclosed coliseums and auditoriums (except
777 admissions to athletic contests between colleges and
778 universities). There is hereby imposed, levied and assessed a tax
779 of seven percent (7%) of gross revenue derived from sales of
780 admission to events conducted on property managed by the
781 Mississippi Veterans Memorial Stadium, which tax shall be
782 administered in the manner prescribed in this chapter, subject,
783 however, to the provisions of Sections 55-23-3 through 55-23-11.

784 (2) The operator of any place of amusement in this state
785 shall collect the tax imposed by this section, in addition to the
786 price charged for admission to any place of amusement, and under
787 all circumstances the person conducting the amusement shall be
788 liable for, and pay the tax imposed based upon the actual charge
789 for such admission. Where permits are obtained for conducting
790 temporary amusements by persons who are not the owners, lessees or



791 custodians of the buildings, lots or places where the amusements
792 are to be conducted, or where such temporary amusement is
793 permitted by the owner, lessee or custodian of any place to be
794 conducted without the procurement of a permit as required by this
795 chapter, the tax imposed by this chapter shall be paid by the
796 owner, lessee or custodian of such place where such temporary
797 amusement is held or conducted, unless paid by the person
798 conducting the amusement, and the applicant for such temporary
799 permit shall furnish with the application therefor, the name and
800 address of the owner, lessee or custodian of the premises upon
801 which such amusement is to be conducted, and such owner, lessee or
802 custodian shall be notified by the commission of the issuance of
803 such permit, and of the joint liability for such tax.

804 (3) The tax imposed by this section shall not be levied or
805 collected upon:

806 (a) Any admissions charged at any place of amusement
807 operated by a religious, charitable or educational organization,
808 or by a nonprofit civic club or fraternal organization (i) when
809 the net proceeds of such admissions do not inure to any one or
810 more individuals within such organization and are to be used
811 solely for religious, charitable, educational or civic purposes;
812 or (ii) when the entire net proceeds are used to defray the normal
813 operating expenses of such organization, such as loan payments,
814 maintenance costs, repairs and other operating expenses;



815 (b) Any admissions charged to hear gospel singing when
816 promoted by a duly constituted local, bona fide nonprofit
817 charitable or religious organization, irrespective of the fact
818 that the performers and promoters are paid out of the proceeds of
819 admissions collected, provided the program is composed entirely of
820 gospel singing and not generally mixed with hillbilly or popular
821 singing;

822 (c) Any admissions charged at any athletic games or
823 contests between high schools or between grammar schools;

824 (d) Any admissions or tickets to or for baseball games
825 between teams operated under a professional league franchise;

826 (e) Any admissions to county, state or community fairs,
827 or any admissions to entertainments presented in community homes
828 or houses which are publicly owned and controlled, and the
829 proceeds of which do not inure to any individual or individuals;

830 (f) Any admissions or tickets to organized garden
831 pilgrimages and to antebellum and historic houses when sponsored
832 by an organized civic or garden club;

833 (g) Any admissions to any golf tournament held under
834 the auspices of the Professional Golf Association or United States
835 Golf Association wherein touring professionals compete, if such
836 tournament is sponsored by a nonprofit association incorporated
837 under the laws of the State of Mississippi where no dividends are
838 declared and the proceeds do not inure to any individual or group;



839 (h) Any admissions to university or community college
840 conference, state, regional or national playoffs or championships;

841 (i) Any admissions or fees charged by any county or
842 municipally owned and operated swimming pools, golf courses and
843 tennis courts other than sales or rental of tangible personal
844 property;

845 (j) Any admissions charged for the performance of
846 symphony orchestras, operas, vocal or instrumental artists in
847 which professional or amateur performers are compensated out of
848 the proceeds of such admissions, when sponsored by local music or
849 charity associations, or amateur dramatic performances or
850 professional dramatic productions when sponsored by a children's
851 dramatic association, where no dividends are declared, profits
852 received, nor any salary or compensation paid to any of the
853 members of such associations, or to any person for procuring or
854 producing such performance;

855 (k) Any admissions or tickets to or for hockey games
856 between teams operated under a professional league franchise;

857 (l) Any admissions or tickets to or for events
858 sanctioned by the Mississippi Athletic Commission that are held
859 within publicly owned enclosed coliseums and auditoriums;

860 (m) Guided tours on any navigable waters of this state,
861 which include providing accommodations, guide services and/or
862 related equipment operated by or under the direction of the person
863 providing the tour, for the purposes of outdoor tourism;



864 (n) Any admissions to events held solely for religious
865 or charitable purposes at livestock facilities, agriculture
866 facilities or other facilities constructed, renovated or expanded
867 with funds from the grant program authorized under Section 18 of
868 Chapter 530, Laws of 1995; and

869 (o) (i) Any admissions charged at events, activities
870 or entertainments:

871 1. Which are open to the public and held in
872 or on parks, lands or buildings which are publicly owned, leased,
873 used and/or controlled by a municipality, or any agency thereof;

874 2. Which are created and sponsored by the
875 municipality, or an agency thereof; and

876 3. The proceeds of which do not inure to the
877 benefit of any individual or individuals; however,

878 (ii) The governing authorities of a municipality
879 may require the tax imposed by this section to be levied and
880 collected at events, activities or entertainments described in
881 subparagraph (i) of this paragraph by:

882 1. Adopting an ordinance requiring the levy
883 and collection of the tax;

884 2. Providing the Department of Revenue with a
885 certified copy of the ordinance requiring the tax to be levied and
886 assessed at least thirty (30) days prior to the effective date of
887 the ordinance;



888 (iii) If the ordinance described in subparagraph
889 (ii) of this paragraph is repealed, the municipality shall provide
890 the Department of Revenue with a certified copy of the repeal of
891 the ordinance at least thirty (30) days prior to the effective
892 date of the repeal.

893 **SECTION 7.** Section 27-65-23, Mississippi Code of 1972, is
894 brought forward as follows:

895 27-65-23. Upon every person engaging or continuing in any of
896 the following businesses or activities there is hereby levied,
897 assessed and shall be collected a tax equal to seven percent (7%)
898 of the gross income of the business, except as otherwise provided:

899 Air-conditioning installation or repairs;

900 Automobile, motorcycle, boat or any other vehicle
901 repairing or servicing;

902 Billiards, pool or domino parlors;

903 Bowling or tenpin alleys;

904 Burglar and fire alarm systems or services;

905 Car washing – automatic, self-service, or manual;

906 Computer software services actually performed within
907 this state;

908 Cotton compresses or cotton warehouses;

909 Custom creosoting or treating, custom planing, custom
910 sawing;

911 Custom meat processing;



912 Electricians, electrical work, wiring, all repairs or
913 installation of electrical equipment;
914 Elevator or escalator installing, repairing or
915 servicing;
916 Film developing or photo finishing;
917 Foundries, machine or general repairing;
918 Furniture repairing or upholstering;
919 Grading, excavating, ditching, dredging or landscaping;
920 Hotels (as defined in Section 41-49-3), motels, tourist
921 courts or camps, trailer parks;
922 Insulating services or repairs;
923 Jewelry or watch repairing;
924 Laundering, cleaning, pressing or dyeing;
925 Marina services;
926 Mattress renovating;
927 Office and business machine repairing;
928 Parking garages and lots;
929 Plumbing or pipe fitting;
930 Public storage warehouses (There shall be no tax levied
931 on gross income of a public storage warehouse derived from the
932 temporary storage of tangible personal property in this state
933 pending shipping or mailing of the property to another state.);
934 Refrigerating equipment repairs;
935 Radio or television installing, repairing, or servicing;



936 Renting or leasing personal property used within this
937 state;

938 Services performed in connection with geophysical
939 surveying, exploring, developing, drilling, producing,
940 distributing, or testing of oil, gas, water and other mineral
941 resources;

942 Shoe repairing;

943 Storage lockers;

944 Telephone answering or paging services;

945 Termite or pest control services;

946 Tin and sheet metal shops;

947 TV cable systems, subscription TV services, and other
948 similar activities;

949 Vulcanizing, repairing or recapping of tires or tubes;

950 Welding; and

951 Woodworking or wood-turning shops.

952 Income from services taxed herein performed for electric
953 power associations in the ordinary and necessary operation of
954 their generating or distribution systems shall be taxed at the
955 rate of one percent (1%).

956 Income from services taxed herein performed on materials for
957 use in track or track structures to a railroad whose rates are
958 fixed by the Interstate Commerce Commission or the Mississippi
959 Public Service Commission shall be taxed at the rate of three
960 percent (3%).



961 Income from renting or leasing tangible personal property
962 used within this state shall be taxed at the same rates as sales
963 of the same property.

964 Persons doing business in this state who rent transportation
965 equipment with a situs within or without the state to common,
966 contract or private commercial carriers are taxed on that part of
967 the income derived from use within this state. If specific
968 accounting is impracticable, a formula may be used with approval
969 of the commissioner.

970 A lessor may deduct from the tax computed on the rental
971 income from tangible personal property a credit for sales or use
972 tax paid to this state at the time of purchase of the specific
973 personal property being leased or rented until such credit has
974 been exhausted.

975 Charges for custom processing and repairing services may be
976 excluded from gross taxable income when the property on which the
977 service was performed is delivered to the customer in another
978 state either by common carrier or in the seller's equipment.

979 When a taxpayer performs services covered by this section,
980 which are performed both in intrastate and interstate commerce,
981 the taxpayer may utilize any reasonable formulae of apportionment
982 which will apportion to this state, for taxation, that portion of
983 the services which are performed within the State of Mississippi.

984 **SECTION 8.** Section 27-65-24, Mississippi Code of 1972, is
985 brought forward as follows:



986 27-65-24. (1) There is levied, assessed and shall be
987 collected a tax on the sale of manufacturing or processing
988 machinery to be installed and/or used at a refinery in this state
989 and on the performance of construction activities at or in regard
990 to a refinery in this state. The tax is in the amount of:

991 (a) One and one-half percent (1-1/2%) on the gross
992 proceeds of sales for manufacturing or processing machinery
993 without any regard as to whether or not the machinery retains its
994 identity as tangible personal property after installation; and

995 (b) Three and one-half percent (3-1/2%) of one hundred
996 three and one-half percent (103-1/2%) of the total contract price
997 or compensation paid for the performance of a construction
998 activity.

999 (2) If the owner of the refinery holds a direct pay permit
1000 issued by the Department of Revenue under Section 27-65-93, the
1001 owner shall furnish the permit to the seller or person performing
1002 the construction activity unless the holder of the direct pay
1003 permit is given written instructions or written authority to do
1004 otherwise by the commissioner. After being furnished the direct
1005 pay permit, the seller or person performing the construction
1006 activity shall be relieved of the duty to collect the tax imposed
1007 under subsection (1) of this section and the owner of the refinery
1008 shall pay the tax in the manner required by rule and regulation
1009 promulgated by the commissioner. The commissioner may assign a
1010 distinctive number to the refinery and issue the distinctive



1011 number to the owner. The owner of the refinery may furnish the
1012 distinctive number to persons performing construction activities
1013 in order to allow such persons to purchase component materials and
1014 parts for use in the construction activity without the requirement
1015 of paying sales tax on the purchases.

1016 (3) Any owner of a refinery who makes application for a
1017 distinctive number as provided for in subsection (2), shall be
1018 required to execute and file with the commissioner a good and
1019 valid bond in a surety company authorized to do business in this
1020 state, or with sufficient sureties to be approved by the
1021 commissioner, conditioned that all taxes which may accrue to the
1022 State of Mississippi under this chapter will be paid when due.

1023 (4) As used in this section:

1024 (a) "Refinery" means any facility that manufactures
1025 finished petroleum products from crude oil, unfinished oils,
1026 natural gas liquids, other hydrocarbons, or alcohol. The term
1027 "refinery" does not include terminals, bulk plants or other
1028 locations where finished products are blended.

1029 (b) "Construction activity" means the performance of
1030 any activity involving and/or incidental to constructing,
1031 building, erecting, repairing, grading, excavating, drilling,
1032 exploring, testing or adding to any building, highway, street,
1033 sidewalk, bridge, culvert, sewer, irrigation or water system,
1034 drainage or dredging system, levee or levee system or any part
1035 thereof, railway, reservoir, dam, power plant, electrical system,



1036 air-conditioning system, heating system, transmission line,
1037 pipeline, tower, dock, storage tank, wharf, excavation, grading,
1038 water well, and other improvement or structure or any part
1039 thereof.

1040 (c) "Total contract price or compensation received"
1041 means all compensation received for the performance of
1042 construction activities, including monies received for all charges
1043 related to the contract or construction activities, including, but
1044 not limited to, finance charges and late charges; however, where
1045 the total contract price of a project exceeds the sum of One
1046 Hundred Million Dollars (\$100,000,000.00) that portion of the
1047 compensation received in regard to the project that is
1048 attributable to design or engineering shall not be considered part
1049 of the total contract price or compensation received for
1050 construction activities from the project.

1051 **SECTION 9.** Section 27-65-25, Mississippi Code of 1972, is
1052 brought forward as follows:

1053 27-65-25. Upon every person engaging or continuing within
1054 this state in the business of selling alcoholic beverages at
1055 retail, the sales of which are legal under the provisions of
1056 Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby
1057 levied, assessed and shall be collected a tax equal to seven
1058 percent (7%) of the gross proceeds of the retail sales of the
1059 business.



1060 **SECTION 10.** Section 27-65-26, Mississippi Code of 1972, is
1061 brought forward as follows:

1062 27-65-26. (1) Upon every person engaging or continuing
1063 within this state in the business of selling, renting or leasing
1064 specified digital products, there shall be levied, assessed and
1065 shall be collected a tax equal to seven percent (7%) of the gross
1066 income of the business. The sale of a digital code that allows
1067 the purchaser to obtain a specified digital product shall be taxed
1068 in the same manner as the sale of a specified digital product.

1069 The tax is imposed when:

1070 (a) The sale is to an end user;

1071 (b) The seller grants the right of permanent or less
1072 than permanent use of the products transferred electronically; or

1073 (c) The sale is conditioned or not conditioned upon
1074 continued payment.

1075 (2) Charges by one (1) specified digital products provider
1076 to another specified digital products provider holding a permit
1077 issued under Section 27-65-27 for services that are resold by such
1078 other specified digital products provider shall not be subject to
1079 the tax levied pursuant to this section.

1080 (3) For purposes of this section:

1081 (a) "Specified digital products" means electronically
1082 transferred digital audio-visual works, digital audio works and
1083 digital books.



1084 (b) "Digital audio-visual works" means a series of
1085 related images which, when shown in succession, impart an
1086 impression of motion, together with accompanying sounds, if any.

1087 (c) "Digital audio works" means works that result from
1088 the fixation of a series of musical, spoken or other sounds,
1089 including ringtones. "Ringtones" means digitized sound files that
1090 are downloaded onto a device and that may be used to alert the
1091 customer with respect to a communication.

1092 (d) "Digital books" means works that are generally
1093 recognized in the ordinary and usual sense as "books."

1094 (e) "Electronically transferred" means obtained by the
1095 purchaser by means other than tangible storage media.

1096 (f) "End user" means any person other than a person who
1097 receives by contract a product transferred electronically for
1098 further commercial broadcast, rebroadcast, transmission,
1099 retransmission, licensing, relicensing, distribution,
1100 redistribution or exhibition of the product, in whole or in part,
1101 to another person or persons.

1102 (g) "Permanent use" means for purposes of this section
1103 for perpetual or for an indefinite or unspecified length of time.

1104 (h) "Digital code" means a code that permits a
1105 purchaser to obtain a specified digital product at a later date.

1106 **SECTION 11.** Section 27-65-201, Mississippi Code of 1972, is
1107 brought forward as follows:



1108 27-65-201. (1) For the purposes of this section, unless the
1109 context otherwise requires, the term "motor vehicle" means a motor
1110 vehicle required to be registered or licensed by the county tax
1111 collectors pursuant to Section 27-19-43.

1112 (2) Upon every person, firm or corporation purchasing other
1113 than at wholesale within this state any motor vehicle required to
1114 be registered or licensed with the tax collector of any county in
1115 this state from any person, firm or corporation which is not a
1116 licensed dealer engaged in selling motor vehicles, there shall be
1117 levied and collected a sales tax at the rate of five percent (5%)
1118 of the true value of the motor vehicle as calculated by using the
1119 most current official motor vehicle assessment schedule supplied
1120 by the Department of Revenue.

1121 (3) Upon every person, firm or corporation purchasing other
1122 than at wholesale outside the state any motor vehicle required to
1123 be registered or licensed with the tax collector of any county in
1124 this state from any person, firm or corporation which is not a
1125 licensed dealer engaged in selling motor vehicles, for use,
1126 storage or other consumption within this state there is levied a
1127 use tax at the rate of five percent (5%) of the true value of the
1128 motor vehicle as calculated by using the most current official
1129 motor vehicle assessment schedule supplied by the Department of
1130 Revenue.

1131 (4) Where any motor vehicle is taken in trade as a credit or
1132 part payment on the sale of a motor vehicle taxable under this



1133 section, the tax levied by this section shall be paid on the net
1134 difference, that is, the true value of the motor vehicle sold less
1135 the credit for the motor vehicle taken in trade.

1136 (5) The tax levied by this section shall be collected by the
1137 tax collector at the time of, and as a prerequisite to, the
1138 registration of or licensing of any such motor vehicle. The tax
1139 collector shall give to the person registering the vehicle a
1140 receipt in a form prescribed and furnished by the Department of
1141 Revenue for the amount of tax collected.

1142 (6) County tax collectors shall be liable for the tax they
1143 are required to collect, and taxes which are in fact collected,
1144 under this section and failure to properly collect or maintain
1145 proper records shall not relieve them of liability for payment to
1146 the Department of Revenue. Deficiencies in collection or payment
1147 shall be assessed against the tax collector, or his successor, in
1148 the same manner and subject to the same penalties and provisions
1149 for appeal as are deficiencies assessed against taxpayers under
1150 Chapter 65, Title 27, Mississippi Code of 1972.

1151 Each tax collector of the several counties shall, on or
1152 before the twentieth day of each month, file a report with and pay
1153 to the Department of Revenue all funds collected under the
1154 provisions of this section, less a commission of three percent
1155 (3%) which shall be retained by the tax collector as a commission
1156 for collecting such tax, and such commission shall be deposited in
1157 the county general fund. The report required to be filed shall



1158 cover all collections made during the calendar month next
1159 preceding the date on which the report is due and filed.

1160 Any error in the report and remittance to the Department of
1161 Revenue may be adjusted on a subsequent report. If the error was
1162 in the collection by the tax collector, it shall be adjusted
1163 through the tax collector with the taxpayer before credit is
1164 allowed by the Department of Revenue.

1165 All information relating to the collection of this tax by tax
1166 collectors and such records as the Department of Revenue may
1167 require shall be preserved in the tax collector's office for a
1168 period of three (3) years for audit by the Department of Revenue.

1169 (7) The tax levied by this section shall not apply to the
1170 following:

1171 (a) Transfers of legal ownership of motor vehicles
1172 currently registered or licensed in the transferor's name between
1173 husband and wife, parent and child, or grandparents and
1174 grandchildren, unless the transferor is a licensed dealer of motor
1175 vehicles and the transfer of the motor vehicle is made in the
1176 regular course of business.

1177 (b) Transfers of legal ownership of motor vehicles
1178 pursuant to a will or pursuant to any law providing for the
1179 distribution of the property of one dying intestate.

1180 (c) Transfers of legal ownership of motor vehicles ten
1181 (10) or more years after the date of the manufacture of such
1182 vehicle.



1183 (d) Transfers of legal ownership of motor vehicles
1184 between siblings, unless the transferor is a licensed dealer of
1185 motor vehicles and the transfer of the motor vehicle is made in
1186 the regular course of business.

1187 (e) Transfers of legal ownership of motor vehicles,
1188 without actual consideration for the transfer, between a trustee
1189 and a beneficiary of a trust, as evidenced by an affidavit
1190 prepared by the Department of Revenue and signed by the
1191 transferor.

1192 (f) Transfers of legal ownership of motor vehicles
1193 between a corporation and one (1) of its shareholders in a
1194 transaction which qualifies for nonrecognition of gain or loss
1195 pursuant to Section 351 of the Internal Revenue Code as it exists
1196 at the time of the transfer, as evidenced by an affidavit prepared
1197 by the Department of Revenue and signed by the transferor.

1198 (g) Transfers of legal ownership of motor vehicles
1199 between a partnership or limited liability company and one (1) of
1200 its partners or owners, as evidenced by an affidavit prepared by
1201 the Department of Revenue and signed by the transferor.

1202 **SECTION 12.** Section 27-65-75, Mississippi Code of 1972, is
1203 brought forward as follows:

1204 27-65-75. On or before the fifteenth day of each month, the
1205 revenue collected under the provisions of this chapter during the
1206 preceding month shall be paid and distributed as follows:



1207 (1) (a) On or before August 15, 1992, and each succeeding
1208 month thereafter through July 15, 1993, eighteen percent (18%) of
1209 the total sales tax revenue collected during the preceding month
1210 under the provisions of this chapter, except that collected under
1211 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1212 business activities within a municipal corporation shall be
1213 allocated for distribution to the municipality and paid to the
1214 municipal corporation. Except as otherwise provided in this
1215 paragraph (a), on or before August 15, 1993, and each succeeding
1216 month thereafter, eighteen and one-half percent (18-1/2%) of the
1217 total sales tax revenue collected during the preceding month under
1218 the provisions of this chapter, except that collected under the
1219 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1220 27-65-24, on business activities within a municipal corporation
1221 shall be allocated for distribution to the municipality and paid
1222 to the municipal corporation. However, in the event the State
1223 Auditor issues a certificate of noncompliance pursuant to Section
1224 21-35-31, the Department of Revenue shall withhold ten percent
1225 (10%) of the allocations and payments to the municipality that
1226 would otherwise be payable to the municipality under this
1227 paragraph (a) until such time that the department receives written
1228 notice of the cancellation of a certificate of noncompliance from
1229 the State Auditor.



1230 A municipal corporation, for the purpose of distributing the
1231 tax under this subsection, shall mean and include all incorporated
1232 cities, towns and villages.

1233 Monies allocated for distribution and credited to a municipal
1234 corporation under this paragraph may be pledged as security for a
1235 loan if the distribution received by the municipal corporation is
1236 otherwise authorized or required by law to be pledged as security
1237 for such a loan.

1238 In any county having a county seat that is not an
1239 incorporated municipality, the distribution provided under this
1240 subsection shall be made as though the county seat was an
1241 incorporated municipality; however, the distribution to the
1242 municipality shall be paid to the county treasury in which the
1243 municipality is located, and those funds shall be used for road,
1244 bridge and street construction or maintenance in the county.

1245 (b) On or before August 15, 2006, and each succeeding
1246 month thereafter, eighteen and one-half percent (18-1/2%) of the
1247 total sales tax revenue collected during the preceding month under
1248 the provisions of this chapter, except that collected under the
1249 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1250 business activities on the campus of a state institution of higher
1251 learning or community or junior college whose campus is not
1252 located within the corporate limits of a municipality, shall be
1253 allocated for distribution to the state institution of higher



1254 learning or community or junior college and paid to the state
1255 institution of higher learning or community or junior college.

1256 (c) On or before August 15, 2018, and each succeeding
1257 month thereafter until August 14, 2019, two percent (2%) of the
1258 total sales tax revenue collected during the preceding month under
1259 the provisions of this chapter, except that collected under the
1260 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1261 27-65-24, on business activities within the corporate limits of
1262 the City of Jackson, Mississippi, shall be deposited into the
1263 Capitol Complex Improvement District Project Fund created in
1264 Section 29-5-215. On or before August 15, 2019, and each
1265 succeeding month thereafter until August 14, 2020, four percent
1266 (4%) of the total sales tax revenue collected during the preceding
1267 month under the provisions of this chapter, except that collected
1268 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1269 and 27-65-24, on business activities within the corporate limits
1270 of the City of Jackson, Mississippi, shall be deposited into the
1271 Capitol Complex Improvement District Project Fund created in
1272 Section 29-5-215. On or before August 15, 2020, and each
1273 succeeding month thereafter through July 15, 2023, six percent
1274 (6%) of the total sales tax revenue collected during the preceding
1275 month under the provisions of this chapter, except that collected
1276 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1277 and 27-65-24, on business activities within the corporate limits
1278 of the City of Jackson, Mississippi, shall be deposited into the



1279 Capitol Complex Improvement District Project Fund created in
1280 Section 29-5-215. On or before August 15, 2023, and each
1281 succeeding month thereafter, nine percent (9%) of the total sales
1282 tax revenue collected during the preceding month under the
1283 provisions of this chapter, except that collected under the
1284 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1285 27-65-24, on business activities within the corporate limits of
1286 the City of Jackson, Mississippi, shall be deposited into the
1287 Capitol Complex Improvement District Project Fund created in
1288 Section 29-5-215.

1289 (d) (i) On or before the fifteenth day of the month
1290 that the diversion authorized by this section begins, and each
1291 succeeding month thereafter, eighteen and one-half percent
1292 (18-1/2%) of the total sales tax revenue collected during the
1293 preceding month under the provisions of this chapter, except that
1294 collected under the provisions of Sections 27-65-15, 27-65-19(3)
1295 and 27-65-21, on business activities within a redevelopment
1296 project area developed under a redevelopment plan adopted under
1297 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
1298 allocated for distribution to the county in which the project area
1299 is located if:

- 1300 1. The county:
- 1301 a. Borders on the Mississippi Sound and
1302 the State of Alabama, or



1303 b. Is Harrison County, Mississippi, and
1304 the project area is within a radius of two (2) miles from the
1305 intersection of Interstate 10 and Menge Avenue;

1306 2. The county has issued bonds under Section
1307 21-45-9 to finance all or a portion of a redevelopment project in
1308 the redevelopment project area;

1309 3. Any debt service for the indebtedness
1310 incurred is outstanding; and

1311 4. A development with a value of Ten Million
1312 Dollars (\$10,000,000.00) or more is, or will be, located in the
1313 redevelopment area.

1314 (ii) Before any sales tax revenue may be allocated
1315 for distribution to a county under this paragraph, the county
1316 shall certify to the Department of Revenue that the requirements
1317 of this paragraph have been met, the amount of bonded indebtedness
1318 that has been incurred by the county for the redevelopment project
1319 and the expected date the indebtedness incurred by the county will
1320 be satisfied.

1321 (iii) The diversion of sales tax revenue
1322 authorized by this paragraph shall begin the month following the
1323 month in which the Department of Revenue determines that the
1324 requirements of this paragraph have been met. The diversion shall
1325 end the month the indebtedness incurred by the county is
1326 satisfied. All revenue received by the county under this
1327 paragraph shall be deposited in the fund required to be created in



1328 the tax increment financing plan under Section 21-45-11 and be
1329 utilized solely to satisfy the indebtedness incurred by the
1330 county.

1331 (2) On or before September 15, 1987, and each succeeding
1332 month thereafter, from the revenue collected under this chapter
1333 during the preceding month, One Million One Hundred Twenty-five
1334 Thousand Dollars (\$1,125,000.00) shall be allocated for
1335 distribution to municipal corporations as defined under subsection
1336 (1) of this section in the proportion that the number of gallons
1337 of gasoline and diesel fuel sold by distributors to consumers and
1338 retailers in each such municipality during the preceding fiscal
1339 year bears to the total gallons of gasoline and diesel fuel sold
1340 by distributors to consumers and retailers in municipalities
1341 statewide during the preceding fiscal year. The Department of
1342 Revenue shall require all distributors of gasoline and diesel fuel
1343 to report to the department monthly the total number of gallons of
1344 gasoline and diesel fuel sold by them to consumers and retailers
1345 in each municipality during the preceding month. The Department
1346 of Revenue shall have the authority to promulgate such rules and
1347 regulations as is necessary to determine the number of gallons of
1348 gasoline and diesel fuel sold by distributors to consumers and
1349 retailers in each municipality. In determining the percentage
1350 allocation of funds under this subsection for the fiscal year
1351 beginning July 1, 1987, and ending June 30, 1988, the Department
1352 of Revenue may consider gallons of gasoline and diesel fuel sold



1353 for a period of less than one (1) fiscal year. For the purposes
1354 of this subsection, the term "fiscal year" means the fiscal year
1355 beginning July 1 of a year.

1356 (3) On or before September 15, 1987, and on or before the
1357 fifteenth day of each succeeding month, until the date specified
1358 in Section 65-39-35, the proceeds derived from contractors' taxes
1359 levied under Section 27-65-21 on contracts for the construction or
1360 reconstruction of highways designated under the highway program
1361 created under Section 65-3-97 shall, except as otherwise provided
1362 in Section 31-17-127, be deposited into the State Treasury to the
1363 credit of the State Highway Fund to be used to fund that highway
1364 program. The Mississippi Department of Transportation shall
1365 provide to the Department of Revenue such information as is
1366 necessary to determine the amount of proceeds to be distributed
1367 under this subsection.

1368 (4) On or before August 15, 1994, and on or before the
1369 fifteenth day of each succeeding month through July 15, 1999, from
1370 the proceeds of gasoline, diesel fuel or kerosene taxes as
1371 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1372 (\$4,000,000.00) shall be deposited in the State Treasury to the
1373 credit of a special fund designated as the "State Aid Road Fund,"
1374 created by Section 65-9-17. On or before August 15, 1999, and on
1375 or before the fifteenth day of each succeeding month, from the
1376 total amount of the proceeds of gasoline, diesel fuel or kerosene
1377 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million



1378 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1379 one-fourth percent (23-1/4%) of those funds, whichever is the
1380 greater amount, shall be deposited in the State Treasury to the
1381 credit of the "State Aid Road Fund," created by Section 65-9-17.
1382 Those funds shall be pledged to pay the principal of and interest
1383 on state aid road bonds heretofore issued under Sections 19-9-51
1384 through 19-9-77, in lieu of and in substitution for the funds
1385 previously allocated to counties under this section. Those funds
1386 may not be pledged for the payment of any state aid road bonds
1387 issued after April 1, 1981; however, this prohibition against the
1388 pledging of any such funds for the payment of bonds shall not
1389 apply to any bonds for which intent to issue those bonds has been
1390 published for the first time, as provided by law before March 29,
1391 1981. From the amount of taxes paid into the special fund under
1392 this subsection and subsection (9) of this section, there shall be
1393 first deducted and paid the amount necessary to pay the expenses
1394 of the Office of State Aid Road Construction, as authorized by the
1395 Legislature for all other general and special fund agencies. The
1396 remainder of the fund shall be allocated monthly to the several
1397 counties in accordance with the following formula:

1398 (a) One-third (1/3) shall be allocated to all counties
1399 in equal shares;

1400 (b) One-third (1/3) shall be allocated to counties
1401 based on the proportion that the total number of rural road miles



1402 in a county bears to the total number of rural road miles in all
1403 counties of the state; and

1404 (c) One-third (1/3) shall be allocated to counties
1405 based on the proportion that the rural population of the county
1406 bears to the total rural population in all counties of the state,
1407 according to the latest federal decennial census.

1408 For the purposes of this subsection, the term "gasoline,
1409 diesel fuel or kerosene taxes" means such taxes as defined in
1410 paragraph (f) of Section 27-5-101.

1411 The amount of funds allocated to any county under this
1412 subsection for any fiscal year after fiscal year 1994 shall not be
1413 less than the amount allocated to the county for fiscal year 1994.

1414 Any reference in the general laws of this state or the
1415 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1416 construed to refer and apply to subsection (4) of Section
1417 27-65-75.

1418 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1419 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1420 the special fund known as the "Educational Facilities Revolving
1421 Loan Fund" created and existing under the provisions of Section
1422 37-47-24. Those payments into that fund are to be made on the
1423 last day of each succeeding month hereafter. This subsection (5)
1424 shall stand repealed on July 1, 2026.

1425 (6) An amount each month beginning August 15, 1983, through
1426 November 15, 1986, as specified in Section 6, Chapter 542, Laws of



1427 1983, shall be paid into the special fund known as the
1428 Correctional Facilities Construction Fund created in Section 6,
1429 Chapter 542, Laws of 1983.

1430 (7) On or before August 15, 1992, and each succeeding month
1431 thereafter through July 15, 2000, two and two hundred sixty-six
1432 one-thousandths percent (2.266%) of the total sales tax revenue
1433 collected during the preceding month under the provisions of this
1434 chapter, except that collected under the provisions of Section
1435 27-65-17(2), shall be deposited by the department into the School
1436 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1437 or before August 15, 2000, and each succeeding month thereafter,
1438 two and two hundred sixty-six one-thousandths percent (2.266%) of
1439 the total sales tax revenue collected during the preceding month
1440 under the provisions of this chapter, except that collected under
1441 the provisions of Section 27-65-17(2), shall be deposited into the
1442 School Ad Valorem Tax Reduction Fund created under Section
1443 37-61-35 until such time that the total amount deposited into the
1444 fund during a fiscal year equals Forty-two Million Dollars
1445 (\$42,000,000.00). Thereafter, the amounts diverted under this
1446 subsection (7) during the fiscal year in excess of Forty-two
1447 Million Dollars (\$42,000,000.00) shall be deposited into the
1448 Education Enhancement Fund created under Section 37-61-33 for
1449 appropriation by the Legislature as other education needs and
1450 shall not be subject to the percentage appropriation requirements
1451 set forth in Section 37-61-33.



1452 (8) On or before August 15, 1992, and each succeeding month
1453 thereafter, nine and seventy-three one-thousandths percent
1454 (9.073%) of the total sales tax revenue collected during the
1455 preceding month under the provisions of this chapter, except that
1456 collected under the provisions of Section 27-65-17(2), shall be
1457 deposited into the Education Enhancement Fund created under
1458 Section 37-61-33.

1459 (9) On or before August 15, 1994, and each succeeding month
1460 thereafter, from the revenue collected under this chapter during
1461 the preceding month, Two Hundred Fifty Thousand Dollars
1462 (\$250,000.00) shall be paid into the State Aid Road Fund.

1463 (10) On or before August 15, 1994, and each succeeding month
1464 thereafter through August 15, 1995, from the revenue collected
1465 under this chapter during the preceding month, Two Million Dollars
1466 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1467 Valorem Tax Reduction Fund established in Section 27-51-105.

1468 (11) Notwithstanding any other provision of this section to
1469 the contrary, on or before February 15, 1995, and each succeeding
1470 month thereafter, the sales tax revenue collected during the
1471 preceding month under the provisions of Section 27-65-17(2) and
1472 the corresponding levy in Section 27-65-23 on the rental or lease
1473 of private carriers of passengers and light carriers of property
1474 as defined in Section 27-51-101 shall be deposited, without
1475 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1476 established in Section 27-51-105.



1477 (12) Notwithstanding any other provision of this section to
1478 the contrary, on or before August 15, 1995, and each succeeding
1479 month thereafter, the sales tax revenue collected during the
1480 preceding month under the provisions of Section 27-65-17(1) on
1481 retail sales of private carriers of passengers and light carriers
1482 of property, as defined in Section 27-51-101 and the corresponding
1483 levy in Section 27-65-23 on the rental or lease of these vehicles,
1484 shall be deposited, after diversion, into the Motor Vehicle Ad
1485 Valorem Tax Reduction Fund established in Section 27-51-105.

1486 (13) On or before July 15, 1994, and on or before the
1487 fifteenth day of each succeeding month thereafter, that portion of
1488 the avails of the tax imposed in Section 27-65-22 that is derived
1489 from activities held on the Mississippi State Fairgrounds Complex
1490 shall be paid into a special fund that is created in the State
1491 Treasury and shall be expended upon legislative appropriation
1492 solely to defray the costs of repairs and renovation at the Trade
1493 Mart and Coliseum.

1494 (14) On or before August 15, 1998, and each succeeding month
1495 thereafter through July 15, 2005, that portion of the avails of
1496 the tax imposed in Section 27-65-23 that is derived from sales by
1497 cotton compresses or cotton warehouses and that would otherwise be
1498 paid into the General Fund shall be deposited in an amount not to
1499 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1500 created under Section 69-37-39. On or before August 15, 2007, and
1501 each succeeding month thereafter through July 15, 2010, that



1502 portion of the avails of the tax imposed in Section 27-65-23 that
1503 is derived from sales by cotton compresses or cotton warehouses
1504 and that would otherwise be paid into the General Fund shall be
1505 deposited in an amount not to exceed Two Million Dollars
1506 (\$2,000,000.00) into the special fund created under Section
1507 69-37-39 until all debts or other obligations incurred by the
1508 Certified Cotton Growers Organization under the Mississippi Boll
1509 Weevil Management Act before January 1, 2007, are satisfied in
1510 full. On or before August 15, 2010, and each succeeding month
1511 thereafter through July 15, 2011, fifty percent (50%) of that
1512 portion of the avails of the tax imposed in Section 27-65-23 that
1513 is derived from sales by cotton compresses or cotton warehouses
1514 and that would otherwise be paid into the General Fund shall be
1515 deposited into the special fund created under Section 69-37-39
1516 until such time that the total amount deposited into the fund
1517 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1518 On or before August 15, 2011, and each succeeding month
1519 thereafter, that portion of the avails of the tax imposed in
1520 Section 27-65-23 that is derived from sales by cotton compresses
1521 or cotton warehouses and that would otherwise be paid into the
1522 General Fund shall be deposited into the special fund created
1523 under Section 69-37-39 until such time that the total amount
1524 deposited into the fund during a fiscal year equals One Million
1525 Dollars (\$1,000,000.00).



1526 (15) Notwithstanding any other provision of this section to
1527 the contrary, on or before September 15, 2000, and each succeeding
1528 month thereafter, the sales tax revenue collected during the
1529 preceding month under the provisions of Section
1530 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,
1531 without diversion, into the Telecommunications Ad Valorem Tax
1532 Reduction Fund established in Section 27-38-7.

1533 (16) (a) On or before August 15, 2000, and each succeeding
1534 month thereafter, the sales tax revenue collected during the
1535 preceding month under the provisions of this chapter on the gross
1536 proceeds of sales of a project as defined in Section 57-30-1 shall
1537 be deposited, after all diversions except the diversion provided
1538 for in subsection (1) of this section, into the Sales Tax
1539 Incentive Fund created in Section 57-30-3.

1540 (b) On or before August 15, 2007, and each succeeding
1541 month thereafter, eighty percent (80%) of the sales tax revenue
1542 collected during the preceding month under the provisions of this
1543 chapter from the operation of a tourism project under the
1544 provisions of Sections 57-26-1 through 57-26-5, shall be
1545 deposited, after the diversions required in subsections (7) and
1546 (8) of this section, into the Tourism Project Sales Tax Incentive
1547 Fund created in Section 57-26-3.

1548 (17) Notwithstanding any other provision of this section to
1549 the contrary, on or before April 15, 2002, and each succeeding
1550 month thereafter, the sales tax revenue collected during the



1551 preceding month under Section 27-65-23 on sales of parking
1552 services of parking garages and lots at airports shall be
1553 deposited, without diversion, into the special fund created under
1554 Section 27-5-101(d).

1555 (18) [Repealed]

1556 (19) (a) On or before August 15, 2005, and each succeeding
1557 month thereafter, the sales tax revenue collected during the
1558 preceding month under the provisions of this chapter on the gross
1559 proceeds of sales of a business enterprise located within a
1560 redevelopment project area under the provisions of Sections
1561 57-91-1 through 57-91-11, and the revenue collected on the gross
1562 proceeds of sales from sales made to a business enterprise located
1563 in a redevelopment project area under the provisions of Sections
1564 57-91-1 through 57-91-11 (provided that such sales made to a
1565 business enterprise are made on the premises of the business
1566 enterprise), shall, except as otherwise provided in this
1567 subsection (19), be deposited, after all diversions, into the
1568 Redevelopment Project Incentive Fund as created in Section
1569 57-91-9.

1570 (b) For a municipality participating in the Economic
1571 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1572 the diversion provided for in subsection (1) of this section
1573 attributable to the gross proceeds of sales of a business
1574 enterprise located within a redevelopment project area under the
1575 provisions of Sections 57-91-1 through 57-91-11, and attributable



1576 to the gross proceeds of sales from sales made to a business
1577 enterprise located in a redevelopment project area under the
1578 provisions of Sections 57-91-1 through 57-91-11 (provided that
1579 such sales made to a business enterprise are made on the premises
1580 of the business enterprise), shall be deposited into the
1581 Redevelopment Project Incentive Fund as created in Section
1582 57-91-9, as follows:

1583 (i) For the first six (6) years in which payments
1584 are made to a developer from the Redevelopment Project Incentive
1585 Fund, one hundred percent (100%) of the diversion shall be
1586 deposited into the fund;

1587 (ii) For the seventh year in which such payments
1588 are made to a developer from the Redevelopment Project Incentive
1589 Fund, eighty percent (80%) of the diversion shall be deposited
1590 into the fund;

1591 (iii) For the eighth year in which such payments
1592 are made to a developer from the Redevelopment Project Incentive
1593 Fund, seventy percent (70%) of the diversion shall be deposited
1594 into the fund;

1595 (iv) For the ninth year in which such payments are
1596 made to a developer from the Redevelopment Project Incentive Fund,
1597 sixty percent (60%) of the diversion shall be deposited into the
1598 fund; and



1599 (v) For the tenth year in which such payments are
1600 made to a developer from the Redevelopment Project Incentive Fund,
1601 fifty percent (50%) of the funds shall be deposited into the fund.

1602 (20) On or before January 15, 2007, and each succeeding
1603 month thereafter, eighty percent (80%) of the sales tax revenue
1604 collected during the preceding month under the provisions of this
1605 chapter from the operation of a tourism project under the
1606 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1607 after the diversions required in subsections (7) and (8) of this
1608 section, into the Tourism Sales Tax Incentive Fund created in
1609 Section 57-28-3.

1610 (21) (a) On or before April 15, 2007, and each succeeding
1611 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1612 Dollars (\$150,000.00) of the sales tax revenue collected during
1613 the preceding month under the provisions of this chapter shall be
1614 deposited into the MMEIA Tax Incentive Fund created in Section
1615 57-101-3.

1616 (b) On or before July 15, 2013, and each succeeding
1617 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1618 of the sales tax revenue collected during the preceding month
1619 under the provisions of this chapter shall be deposited into the
1620 Mississippi Development Authority Job Training Grant Fund created
1621 in Section 57-1-451.

1622 (22) On or before June 1, 2024, and each succeeding month
1623 thereafter until December 31, 2057, an amount determined annually



1624 by the Mississippi Development Authority of the sales tax revenue
1625 collected during the preceding month under the provisions of this
1626 chapter shall be deposited into the MMEIA Tax Incentive Fund
1627 created in Section 18 of this act. This amount shall be based on
1628 estimated payments due within the upcoming year to construction
1629 contractors pursuant to construction contracts subject to the tax
1630 imposed by Section 27-65-21 for construction to be performed on
1631 the project site of a project defined under Section
1632 57-75-5(f) (xxxiii) for the coming year.

1633 (23) Notwithstanding any other provision of this section to
1634 the contrary, on or before August 15, 2009, and each succeeding
1635 month thereafter, the sales tax revenue collected during the
1636 preceding month under the provisions of Section 27-65-201 shall be
1637 deposited, without diversion, into the Motor Vehicle Ad Valorem
1638 Tax Reduction Fund established in Section 27-51-105.

1639 (24) (a) On or before August 15, 2019, and each month
1640 thereafter through July 15, 2020, one percent (1%) of the total
1641 sales tax revenue collected during the preceding month from
1642 restaurants and hotels shall be allocated for distribution to the
1643 Mississippi Development Authority Tourism Advertising Fund
1644 established under Section 57-1-64, to be used exclusively for the
1645 purpose stated therein. On or before August 15, 2020, and each
1646 month thereafter through July 15, 2021, two percent (2%) of the
1647 total sales tax revenue collected during the preceding month from
1648 restaurants and hotels shall be allocated for distribution to the



1649 Mississippi Development Authority Tourism Advertising Fund
1650 established under Section 57-1-64, to be used exclusively for the
1651 purpose stated therein. On or before August 15, 2021, and each
1652 month thereafter, three percent (3%) of the total sales tax
1653 revenue collected during the preceding month from restaurants and
1654 hotels shall be allocated for distribution to the Mississippi
1655 Development Authority Tourism Advertising Fund established under
1656 Section 57-1-64, to be used exclusively for the purpose stated
1657 therein. The revenue diverted pursuant to this subsection shall
1658 not be available for expenditure until February 1, 2020.

1659 (b) The Joint Legislative Committee on Performance
1660 Evaluation and Expenditure Review (PEER) must provide an annual
1661 report to the Legislature indicating the amount of funds deposited
1662 into the Mississippi Development Authority Tourism Advertising
1663 Fund established under Section 57-1-64, and a detailed record of
1664 how the funds are spent.

1665 (25) The remainder of the amounts collected under the
1666 provisions of this chapter shall be paid into the State Treasury
1667 to the credit of the General Fund.

1668 (26) (a) It shall be the duty of the municipal officials of
1669 any municipality that expands its limits, or of any community that
1670 incorporates as a municipality, to notify the commissioner of that
1671 action thirty (30) days before the effective date. Failure to so
1672 notify the commissioner shall cause the municipality to forfeit
1673 the revenue that it would have been entitled to receive during



1674 this period of time when the commissioner had no knowledge of the
1675 action.

1676 (b) (i) Except as otherwise provided in subparagraph
1677 (ii) of this paragraph, if any funds have been erroneously
1678 disbursed to any municipality or any overpayment of tax is
1679 recovered by the taxpayer, the commissioner may make correction
1680 and adjust the error or overpayment with the municipality by
1681 withholding the necessary funds from any later payment to be made
1682 to the municipality.

1683 (ii) Subject to the provisions of Sections
1684 27-65-51 and 27-65-53, if any funds have been erroneously
1685 disbursed to a municipality under subsection (1) of this section
1686 for a period of three (3) years or more, the maximum amount that
1687 may be recovered or withheld from the municipality is the total
1688 amount of funds erroneously disbursed for a period of three (3)
1689 years beginning with the date of the first erroneous disbursement.
1690 However, if during such period, a municipality provides written
1691 notice to the Department of Revenue indicating the erroneous
1692 disbursement of funds, then the maximum amount that may be
1693 recovered or withheld from the municipality is the total amount of
1694 funds erroneously disbursed for a period of one (1) year beginning
1695 with the date of the first erroneous disbursement.

1696 **SECTION 13.** Section 27-67-31, Mississippi Code of 1972, is
1697 brought forward as follows:



1698 27-67-31. All administrative provisions of the sales tax
1699 law, and amendments thereto, including those which fix damages,
1700 penalties and interest for failure to comply with the provisions
1701 of said sales tax law, and all other requirements and duties
1702 imposed upon taxpayer, shall apply to all persons liable for use
1703 taxes under the provisions of this article. The commissioner
1704 shall exercise all power and authority and perform all duties with
1705 respect to taxpayers under this article as are provided in said
1706 sales tax law, except where there is conflict, then the provisions
1707 of this article shall control.

1708 The commissioner may require transportation companies to
1709 permit the examination of waybills, freight bills, or other
1710 documents covering shipments of tangible personal property into
1711 this state.

1712 On or before the fifteenth day of each month, the amount
1713 received from taxes, damages and interest under the provisions of
1714 this article during the preceding month shall be paid and
1715 distributed as follows:

1716 (a) On or before July 15, 1994, through July 15, 2000,
1717 and each succeeding month thereafter, two and two hundred
1718 sixty-six one-thousandths percent (2.266%) of the total use tax
1719 revenue collected during the preceding month under the provisions
1720 of this article shall be deposited in the School Ad Valorem Tax
1721 Reduction Fund created pursuant to Section 37-61-35. On or before
1722 August 15, 2000, and each succeeding month thereafter, two and two



1723 hundred sixty-six one-thousandths percent (2.266%) of the total
1724 use tax revenue collected during the preceding month under the
1725 provisions of this chapter shall be deposited into the School Ad
1726 Valorem Tax Reduction Fund created under Section 37-61-35 until
1727 such time that the total amount deposited into the fund during a
1728 fiscal year equals Four Million Dollars (\$4,000,000.00).

1729 Thereafter, the amounts diverted under this paragraph (a) during
1730 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
1731 shall be deposited into the Education Enhancement Fund created
1732 under Section 37-61-33 for appropriation by the Legislature as
1733 other education needs and shall not be subject to the percentage
1734 appropriation requirements set forth in Section 37-61-33.

1735 (b) On or before July 15, 1994, and each succeeding
1736 month thereafter, nine and seventy-three one-thousandths percent
1737 (9.073%) of the total use tax revenue collected during the
1738 preceding month under the provisions of this article shall be
1739 deposited into the Education Enhancement Fund created pursuant to
1740 Section 37-61-33.

1741 (c) On or before July 15, 1997, and on or before the
1742 fifteenth day of each succeeding month thereafter, the revenue
1743 collected under the provisions of this article imposed and levied
1744 as a result of Section 27-65-17(2) and the corresponding levy in
1745 Section 27-65-23 on the rental or lease of private carriers of
1746 passengers and light carriers of property as defined in Section



1747 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
1748 Reduction Fund created pursuant to Section 27-51-105.

1749 (d) On or before July 15, 1997, and on or before the
1750 fifteenth day of each succeeding month thereafter and after the
1751 deposits required by paragraphs (a) and (b) of this section are
1752 made, the remaining revenue collected under the provisions of this
1753 article imposed and levied as a result of Section 27-65-17(1) and
1754 the corresponding levy in Section 27-65-23 on the rental or lease
1755 of private carriers of passengers and light carriers of property
1756 as defined in Section 27-51-101 shall be deposited into the Motor
1757 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
1758 27-51-105.

1759 (e) On or before August 15, 2019, and each succeeding
1760 month thereafter through July 15, 2020, three and three-fourths
1761 percent (3-3/4%) of the total use tax revenue collected during the
1762 preceding month under the provisions of this article shall be
1763 deposited into the special fund created in Section 27-67-35(1).
1764 On or before August 15, 2020, and each succeeding month thereafter
1765 through July 15, 2021, seven and one-half percent (7-1/2%) of the
1766 total use tax revenue collected during the preceding month under
1767 the provisions of this article shall be deposited into the special
1768 fund created in Section 27-67-35(1). On or before August 15,
1769 2021, and each succeeding month thereafter through July 15, 2022,
1770 eleven and one-fourth percent (11-1/4%) of the total use tax
1771 revenue collected during the preceding month under the provisions



1772 of this article shall be deposited into the special fund created
1773 in Section 27-67-35(1). On or before August 15, 2022, and each
1774 succeeding month thereafter, fifteen percent (15%) of the total
1775 use tax revenue collected during the preceding month under the
1776 provisions of this article shall be deposited into the special
1777 fund created in Section 27-67-35(1).

1778 (f) On or before August 15, 2019, and each succeeding
1779 month thereafter through July 15, 2020, three and three-fourths
1780 percent (3-3/4%) of the total use tax revenue collected during the
1781 preceding month under the provisions of this article shall be
1782 deposited into the special fund created in Section 27-67-35(2).
1783 On or before August 15, 2020, and each succeeding month thereafter
1784 through July 15, 2021, seven and one-half percent (7-1/2%) of the
1785 total use tax revenue collected during the preceding month under
1786 the provisions of this article shall be deposited into the special
1787 fund created in Section 27-67-35(2). On or before August 15,
1788 2021, and each succeeding month thereafter through July 15, 2022,
1789 eleven and one-fourth percent (11-1/4%) of the total use tax
1790 revenue collected during the preceding month under the provisions
1791 of this article shall be deposited into the special fund created
1792 in Section 27-67-35(2). On or before August 15, 2022, and each
1793 succeeding month thereafter, fifteen percent (15%) of the total
1794 use tax revenue collected during the preceding month under the
1795 provisions of this article shall be deposited into the special
1796 fund created in Section 27-67-35(2).



1797 (g) On or before August 15, 2019, and each succeeding
1798 month thereafter through July 15, 2020, Four Hundred Sixteen
1799 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
1800 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
1801 use tax revenue collected during the preceding month under the
1802 provisions of this article, whichever is the greater amount, shall
1803 be deposited into the Local System Bridge Replacement and
1804 Rehabilitation Fund created in Section 65-37-13. On or before
1805 August 15, 2020, and each succeeding month thereafter through July
1806 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
1807 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
1808 and one-half percent (2-1/2%) of the total use tax revenue
1809 collected during the preceding month under the provisions of this
1810 article, whichever is the greater amount, shall be deposited into
1811 the Local System Bridge Replacement and Rehabilitation Fund
1812 created in Section 65-37-13. On or before August 15, 2021, and
1813 each succeeding month thereafter through July 15, 2022, One
1814 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
1815 three and three-fourths percent (3-3/4%) of the total use tax
1816 revenue collected during the preceding month under the provisions
1817 of this article, whichever is the greater amount, shall be
1818 deposited into the Local System Bridge Replacement and
1819 Rehabilitation Fund created in Section 65-37-13. On or before
1820 August 15, 2022, and each succeeding month thereafter through July
1821 15, 2023, One Million Six Hundred Sixty-six Thousand Six Hundred



1822 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or five
1823 percent (5%) of the total use tax revenue collected during the
1824 preceding month under the provisions of this article, whichever is
1825 the greater amount, shall be deposited into the Local System
1826 Bridge Replacement and Rehabilitation Fund created in Section
1827 65-37-13. On or before August 15, 2023, and each succeeding month
1828 thereafter, (i) One Million Six Hundred Sixty-six Thousand Six
1829 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or
1830 two and one-half percent (2-1/2%) of the total use tax revenue
1831 collected during the preceding month under the provisions of this
1832 article, whichever is the greater amount, shall be deposited into
1833 the Local System Bridge Replacement and Rehabilitation Fund
1834 created in Section 65-37-13, and (ii) One Million Six Hundred
1835 Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven
1836 Cents (\$1,666,666.67) or two and one-half percent (2-1/2%) of the
1837 total use tax revenue collected during the preceding month under
1838 the provisions of this article, whichever is the greater amount,
1839 shall be deposited into the State Aid Road Fund created in Section
1840 65-9-17.

1841 (h) On or before August 15, 2020, and each succeeding
1842 month thereafter through July 15, 2022, One Million Dollars
1843 (\$1,000,000.00) of the total use tax revenue collected during the
1844 preceding month under the provisions of this article shall be
1845 deposited into the Local System Bridge Replacement and
1846 Rehabilitation Fund created in Section 65-37-13. Amounts



1847 deposited into the Local System Bridge Replacement and
1848 Rehabilitation Fund under this paragraph (h) shall be in addition
1849 to amounts deposited into the fund under paragraph (g) of this
1850 section.

1851 (i) The remainder of the amount received from taxes,
1852 damages and interest under the provisions of this article shall be
1853 paid into the General Fund of the State Treasury by the
1854 commissioner.

1855 **SECTION 14.** Section 27-55-11, Mississippi Code of 1972, is
1856 brought forward as follows:

1857 27-55-11. Any person in business as a distributor of
1858 gasoline or who acts as a distributor of gasoline, as defined in
1859 this article, shall pay for the privilege of engaging in such
1860 business or acting as such distributor an excise tax equal to
1861 Eighteen Cents (18¢) per gallon until the date specified in
1862 Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per
1863 gallon thereafter, on all gasoline and blend stock stored, sold,
1864 distributed, manufactured, refined, distilled, blended or
1865 compounded in this state or received in this state for sale, use
1866 on the highways, storage, distribution, or for any purpose.

1867 Any person in business as a distributor of aviation gasoline,
1868 or who acts as a distributor of aviation gasoline, shall pay for
1869 the privilege of engaging in such business or acting as such
1870 distributor an excise tax equal to Six and Four-tenths Cents
1871 (6.4¢) per gallon on all aviation gasoline stored, sold,



1872 distributed, manufactured, refined, distilled, blended or
1873 compounded in this state or received in this state for sale,
1874 storage, distribution or for any purpose.

1875 The excise taxes collected under this section shall be paid
1876 and distributed in accordance with Section 27-5-101.

1877 The tax herein imposed and assessed shall be collected and
1878 paid to the State of Mississippi but once in respect to any
1879 gasoline. The basis for determining the tax liability shall be
1880 the correct invoiced gallons, adjusted to sixty (60) degrees
1881 Fahrenheit at the refinery or point of origin of shipment when
1882 such shipment is made by tank car or by motor carrier. The point
1883 of origin of shipment of gasoline transported into this state by
1884 pipelines shall be deemed to be that point in this state where
1885 such gasoline is withdrawn from the pipeline for storage or
1886 distribution, and adjustment to sixty (60) degrees Fahrenheit
1887 shall there be made. The basis for determining the tax liability
1888 on gasoline shipped into this state in barge cargoes and by
1889 pipeline shall be the actual number of gallons adjusted to sixty
1890 (60) degrees Fahrenheit unloaded into storage tanks or other
1891 containers in this state, such gallonage to be determined by
1892 measurement and/or gauge of storage tank or tanks or by any other
1893 method authorized by the commission. The tank or tanks into which
1894 barge cargoes of gasoline are discharged, or into which gasoline
1895 transported by pipeline is discharged, shall have correct gauge
1896 tables listing capacity, such gauge tables to be prepared by some



1897 recognized calibrating agency and to be approved by the
1898 commission.

1899 The tax levied herein shall accrue at the time gasoline is
1900 withdrawn from a refinery in this state except when withdrawal is
1901 by pipeline, barge, ship or vessel. The refiner shall pay to the
1902 commission the tax levied herein when gasoline is sold or
1903 delivered to persons who do not hold gasoline distributor permits.
1904 The refiner shall report to the commission all sales and
1905 deliveries of gasoline to bonded distributors of gasoline. The
1906 bonded distributor of gasoline who purchases, receives or acquires
1907 gasoline from a refinery in this state shall report such gasoline
1908 and pay the tax levied herein.

1909 Gasoline imported by common carrier shall be deemed to be
1910 received by the distributor of gasoline, and the tax levied herein
1911 shall accrue, when the car or tank truck containing such gasoline
1912 is unloaded by the carrier.

1913 With respect to distributors or other persons who bring,
1914 ship, have transported, or have brought into this state gasoline
1915 by means other than through a common carrier, the tax accrues and
1916 the tax liability attaches on the distributor or other person for
1917 each gallon of gasoline brought into the state at the time when
1918 and at the point where such gasoline is brought into the state.

1919 The tax levied herein shall accrue on blend stock at the time
1920 it is blended with gasoline. The blender shall pay to the
1921 commission the tax levied herein when blend stock is sold or



1922 delivered to persons who do not hold gasoline distributor permits.
1923 The blender shall report to the commission all sales and
1924 deliveries of blend stock to bonded distributors of gasoline. The
1925 bonded distributor of gasoline who purchases, receives or acquires
1926 blend stock from a blender in this state shall report blend stock
1927 and pay the tax levied herein.

1928 **SECTION 15.** Section 27-55-519, Mississippi Code of 1972, is
1929 brought forward as follows:

1930 27-55-519. (1) Any person engaged in business as a
1931 distributor of special fuel or who acts as a distributor of
1932 special fuel, as defined in this article, shall pay for the
1933 privilege of engaging in such business or acting as such
1934 distributor an excise tax on all special fuel stored, used, sold,
1935 distributed, manufactured, refined, distilled, blended or
1936 compounded in this state or received in this state for sale,
1937 storage, distribution or for any purpose, adjusted to sixty (60)
1938 degrees Fahrenheit.

1939 The excise tax shall become due and payable when:

1940 (a) Special fuel is withdrawn from storage at a
1941 refinery, marine or pipeline terminal, except when withdrawal is
1942 by barge or pipeline.

1943 (b) Special fuel imported by a common carrier is
1944 unloaded by that carrier unless the special fuel is unloaded
1945 directly into the storage tanks of a refinery, marine or pipeline
1946 terminal.



1947 (c) Special fuel imported by any person other than a
1948 common carrier enters the State of Mississippi unless the special
1949 fuel is unloaded directly into the storage tanks of a refinery,
1950 marine or pipeline terminal.

1951 (d) Special fuel is blended in this state unless such
1952 blending occurs in a refinery, marine or pipeline terminal.

1953 (e) Special fuel is acquired tax free.

1954 (2) The special fuel excise tax shall be as follows:

1955 (a) Eighteen Cents (18¢) per gallon on undyed diesel
1956 fuel until the date specified in Section 65-39-35 and Fourteen and
1957 Three-fourths Cents (14.75¢) per gallon thereafter;

1958 (b) Five and Three-fourths Cents (5.75¢) per gallon on
1959 all special fuel except undyed diesel fuel and special fuel used
1960 as fuels in aircraft; and

1961 (c) Five and One-fourth Cents (5.25¢) per gallon on
1962 special fuel used as fuel in aircraft.

1963 **SECTION 16.** Section 27-55-521, Mississippi Code of 1972, is
1964 brought forward as follows:

1965 27-55-521. (1) An excise tax at the rate of Eighteen Cents
1966 (18¢) per gallon until the date specified in Section 65-39-35,
1967 Mississippi Code of 1972, and Fourteen and Three-fourths Cents
1968 (14.75¢) per gallon thereafter is levied on any person engaged in
1969 business as a distributor of special fuel or who acts as such who
1970 sells:



1971 (a) Special fuel for use in performing contracts for
1972 construction, reconstruction, maintenance or repairs, where such
1973 contracts are entered into with the State of Mississippi, any
1974 political subdivision of the State of Mississippi, or any
1975 department, agency, institution of the State of Mississippi or any
1976 political subdivision thereof.

1977 (b) Dyed diesel fuel or kerosene to a state or local
1978 governmental entity for use on the highways in a motor vehicle.

1979 (c) Special fuel for use on the highway.

1980 (2) An excise tax at the rate of Eighteen Cents (18¢) per
1981 gallon until the date specified in Section 65-39-35, Mississippi
1982 Code of 1972, and Fourteen and Three-fourths Cents (14.75¢) per
1983 gallon thereafter is levied on any person who:

1984 (a) Uses dyed diesel fuel or kerosene in a motor
1985 vehicle on the highways of this state in violation of Section
1986 27-55-539.

1987 (b) Purchases or acquires undyed diesel fuel or
1988 kerosene for nonhighway use and subsequently uses such diesel fuel
1989 or kerosene in a motor vehicle on the highways of this state.

1990 (c) Purchases or acquires special fuel for use in
1991 performing contracts as specified in this section.

1992 **SECTION 17.** Section 27-5-101, Mississippi Code of 1972, is
1993 brought forward as follows:

1994 **[With regard to any county which is exempt from the**
1995 **provisions of Section 19-2-3, this section shall read as follows:]**



1996 27-5-101. Unless otherwise provided in this section, on or
1997 before the fifteenth day of each month, all gasoline, diesel fuel
1998 or kerosene taxes which are levied under the laws of this state
1999 and collected during the previous month shall be paid and
2000 apportioned by the State Tax Commission as follows:

2001 (a) (i) Except as otherwise provided in Section
2002 31-17-127, from the gross amount of gasoline, diesel fuel or
2003 kerosene taxes produced by the state, there shall be deducted an
2004 amount equal to one-sixth (1/6) of principal and interest
2005 certified by the State Treasurer to the State Tax Commission to be
2006 due on the next semiannual bond and interest payment date, as
2007 required under the provisions of Chapter 130, Laws of 1938, and
2008 subsequent acts authorizing the issuance of bonds payable from
2009 gasoline, diesel fuel or kerosene tax revenue on a parity with the
2010 bonds issued under authority of said Chapter 130. The State
2011 Treasurer shall certify to the State Tax Commission on or before
2012 the fifteenth day of each month the amount to be paid to the
2013 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
2014 of 1938, and subsequent acts authorizing the issuance of bonds
2015 payable from gasoline, diesel fuel or kerosene tax revenue, on a
2016 parity with the bonds issued under authority of said Chapter 130;
2017 and the State Tax Commission shall, on or before the twenty-fifth
2018 day of each month, pay into the State Treasury for credit to the
2019 "Highway Bonds Sinking Fund" the amount so certified to him by the
2020 State Treasurer due to be paid into such fund each month. The



2021 payments to the "Highway Bonds Sinking Fund" shall be made out of
2022 gross gasoline, diesel fuel or kerosene tax collections before
2023 deductions of any nature are considered; however, such payments
2024 shall be deducted from the allocation to the Mississippi
2025 Department of Transportation under paragraph (c) of this section.

2026 (ii) From collections derived from the portion of
2027 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
2028 from the portion of the tax on aviation gas under Section 27-55-11
2029 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
2030 portion of the special fuel tax levied under Sections 27-55-519
2031 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
2032 Cents (10¢) per gallon, from the portion of the taxes levied under
2033 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
2034 gallon that exceeds One Cent (1¢) per gallon on special fuel and
2035 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
2036 as aircraft fuel, from the portion of the excise tax on compressed
2037 gas used as a motor fuel that exceeds the rate of tax in effect on
2038 June 30, 1987, and from the portion of the gasoline excise tax in
2039 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
2040 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there
2041 shall be deducted:

2042 1. An amount as provided in Section
2043 27-65-75(4) to the credit of a special fund designated as the
2044 "Office of State Aid Road Construction."



2045 2. An amount equal to the tax collections
2046 derived from Two Cents (2¢) per gallon of the gasoline excise tax
2047 for distribution to the State Highway Fund to be used exclusively
2048 for the construction, reconstruction and maintenance of highways
2049 of the State of Mississippi or the payment of interest and
2050 principal on bonds when specifically authorized by the Legislature
2051 for that purpose.

2052 3. The balance shall be deposited in the
2053 State Treasury to the credit of the State Highway Fund.

2054 (b) Subject to the provisions that said basis of
2055 distribution shall in nowise affect adversely the amount
2056 specifically pledged in paragraph (a) of this section to be paid
2057 into the "Highway Bonds Sinking Fund," the following shall be
2058 deducted from the amount produced by the state tax on gasoline,
2059 diesel fuel or kerosene tax collections, excluding collections
2060 derived from the portion of the gasoline excise tax that exceeds
2061 Seven Cents (7¢) per gallon, from the portion of the tax on
2062 aviation gas under Section 27-55-11 that exceeds Six and
2063 Four-tenths Cents (6.4¢) per gallon, from the portion of the
2064 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
2065 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
2066 gallon, from the portion of the taxes levied under Section
2067 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
2068 exceeds One Cent (1¢) per gallon on special fuel and Five and
2069 One-fourth Cents (5.25¢) per gallon on special fuel used as



2070 aircraft fuel, from the portion of the excise tax on compressed
2071 gas used as a motor fuel that exceeds the rate of tax in effect on
2072 June 30, 1987, and from the portion of the gasoline excise tax in
2073 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
2074 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

2075 (i) Twenty percent (20%) of such amount which
2076 shall be earmarked and set aside for the construction,
2077 reconstruction and maintenance of the highways and roads of the
2078 state, provided that if such twenty percent (20%) should reduce
2079 any county to a lesser amount than that received in the fiscal
2080 year ending June 30, 1966, then such twenty percent (20%) shall be
2081 reduced to a percentage to provide that no county shall receive
2082 less than its portion for the fiscal year ending June 30, 1966;

2083 (ii) The amount allowed as refund on gasoline or
2084 as tax credit on diesel fuel or kerosene used for agricultural,
2085 maritime, industrial, domestic, and nonhighway purposes;

2086 (iii) Five percent (5%) of such amount shall be
2087 paid to the State Highway Fund;

2088 (iv) The amount or portion thereof authorized by
2089 legislative appropriation to the Fisheries and Wildlife Fund
2090 created under Section 59-21-25;

2091 (v) The amount for deposit into the special
2092 aviation fund under paragraph (d) of this section; and

2093 (vi) The remainder shall be divided on a basis of
2094 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the



2095 same basis as Four and One-half Cents (4-1/2¢) and Two and
2096 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
2097 six and forty-three one-hundredths (6.43) and three and
2098 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
2099 fuel or kerosene). The amount produced by the nine-fourteenths
2100 (9/14) division shall be allocated to the Transportation
2101 Department and paid into the State Treasury as provided in this
2102 section and in Section 27-5-103 and the five-fourteenths (5/14)
2103 division shall be returned to the counties of the state on the
2104 following basis:

2105 1. In each fiscal year, each county shall be
2106 paid each month the same percentage of the monthly total to be
2107 distributed as was paid to that county during the same month in
2108 the fiscal year which ended April 9, 1960, until the county
2109 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
2110 fiscal year, at which time funds shall be distributed under the
2111 provisions of paragraph (b) (vi)4 of this section.

2112 2. If after payments in 1 above, any county
2113 has not received a total of One Hundred Ninety Thousand Dollars
2114 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
2115 and each fiscal year thereafter, then any available funds not
2116 distributed under 1 above shall be used to bring such county or
2117 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
2118 or such funds shall be divided equally among such counties not
2119 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if



2120 there is not sufficient money to bring all the counties to said
2121 One Hundred Ninety Thousand Dollars (\$190,000.00).

2122 3. When a county has been paid an amount
2123 equal to the total which was paid to the same county during the
2124 fiscal year ended April 9, 1960, such county shall receive no
2125 further payments during the then current fiscal year until the
2126 last month of such current fiscal year, at which time distribution
2127 will be made under 2 above, except as set out in 4 below.

2128 4. During the last month of the current
2129 fiscal year, should it be determined that there are funds
2130 available in excess of the amount distributed for the year under 1
2131 and 2 above, then such excess funds shall be distributed among the
2132 various counties as follows:

2133 One-third (1/3) of such excess to be
2134 divided equally among the counties;

2135 One-third (1/3) of such excess to be paid
2136 to the counties in the proportion which the population of each
2137 county bears to the total population of the state according to the
2138 last federal census;

2139 One-third (1/3) of such excess to be paid
2140 to the counties in the proportion which the number of square miles
2141 of each county bears to the total square miles in the state.

2142 5. It is the declared purpose and intent of
2143 the Legislature that no county shall be paid less than was paid
2144 during the year ended April 9, 1960, unless the amount to be



2145 distributed to all counties in any year is less than the amount
2146 distributed to all counties during the year ended April 9, 1960.

2147 The Municipal Aid Fund as established by Section 27-5-103
2148 shall not participate in any portion of any funds allocated to any
2149 county hereunder over and above One Hundred Ninety Thousand
2150 Dollars (\$190,000.00).

2151 In any county having countywide road or bridge bonds, or
2152 supervisors district or district road or bridge bonds outstanding,
2153 which exceed, in the aggregate, twelve percent (12%) of the
2154 assessed valuation of the taxable property of the county or
2155 district, it shall be the duty of the board of supervisors to set
2156 aside not less than sixty percent (60%) of such county's share or
2157 district's share of the gasoline, diesel fuel or kerosene taxes to
2158 be used in paying the principal and interest on such road or
2159 bridge bonds as they mature.

2160 In any county having such countywide road or bridge bonds or
2161 district road or bridge bonds outstanding which exceed, in the
2162 aggregate, eight percent (8%) of the assessed valuation of the
2163 taxable property of the county, but which do not exceed, in the
2164 aggregate, twelve percent (12%) of the assessed valuation of the
2165 taxable property of the county, it shall be the duty of the board
2166 of supervisors to set aside not less than thirty-five percent
2167 (35%) of such county's share of the gasoline, diesel fuel or
2168 kerosene taxes to be used in paying the principal and interest of
2169 such road or bridge bonds as they mature.



2170 In any county having such countywide road or bridge bonds or
2171 district road or bridge bonds outstanding which exceed, in the
2172 aggregate, five percent (5%) of the assessed valuation of the
2173 taxable property of the county, but which do not exceed, in the
2174 aggregate, eight percent (8%) of the assessed valuation of the
2175 taxable property of the county, it shall be the duty of the board
2176 of supervisors to set aside not less than twenty percent (20%) of
2177 such county's share of the gasoline, diesel fuel or kerosene taxes
2178 to be used in paying the principal and interest of such road and
2179 bridge bonds as they mature.

2180 In any county having such countywide road or bridge bonds or
2181 district road or bridge bonds outstanding which do not exceed, in
2182 the aggregate, five percent (5%) of the assessed valuation of the
2183 taxable property of the county, it shall be the duty of the board
2184 of supervisors to set aside not less than ten percent (10%) of
2185 such county's share of the gasoline, diesel fuel or kerosene taxes
2186 to be used in paying the principal and interest on such road or
2187 bridge bonds as they mature.

2188 The portion of any such county's share of the gasoline,
2189 diesel fuel or kerosene taxes thus set aside for the payment of
2190 the principal and interest of road or bridge bonds, as provided
2191 for in this section, shall be used first in paying the currently
2192 maturing installments of the principal and interest of such
2193 countywide road or bridge bonds, if there be any such countywide
2194 road or bridge bonds outstanding, and secondly, in paying the



2195 currently maturing installments of principal and interest of
2196 district road or bridge bonds outstanding. It shall be the duty
2197 of the board of supervisors to pay bonds and interest maturing in
2198 each supervisors district out of the supervisors district's share
2199 of the gasoline, diesel fuel or kerosene taxes of such district.

2200 The remaining portion of such county's share of the gasoline,
2201 diesel fuel or kerosene taxes, after setting aside the portion
2202 above provided for the payment of the principal and interest of
2203 bonds, shall be used in the construction and maintenance of any
2204 public highways, bridges, or culverts of the county, including the
2205 roads in special or separate road districts, in the discretion of
2206 the board of supervisors, or in paying the interest and principal
2207 of county road and bridge bonds or district road and bridge bonds,
2208 in the discretion of the board of supervisors.

2209 In any county having no countywide road or bridge bonds or
2210 district road or bridge bonds outstanding, all such county's share
2211 of the gasoline, diesel fuel or kerosene taxes shall be used in
2212 the construction, reconstruction, and maintenance of the public
2213 highways, bridges, or culverts of the county as the board of
2214 supervisors may determine.

2215 In every county in which there are county road bonds or
2216 seawall or road protection bonds outstanding which were issued for
2217 the purpose of building bridges or constructing public roads or
2218 seawalls, such funds shall be used in the manner provided by law.



2219 (c) From the amount produced by the nine-fourteenths
2220 (9/14) division allocated to the Transportation Department, there
2221 shall be deducted:

2222 (i) The amount paid to the State Treasurer for the
2223 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

2224 (ii) Any amounts due counties in accordance with
2225 Section 65-33-45 which have outstanding bonds issued for seawall
2226 or road protection purposes, issued under provisions of Chapter
2227 319, Laws of 1924, and amendments thereto;

2228 (iii) Except as otherwise provided in Section
2229 31-17-127, the remainder shall be paid by the State Tax Commission
2230 to the State Treasurer on the fifteenth day of each month next
2231 succeeding the month in which the gasoline, diesel fuel or
2232 kerosene taxes were collected to the credit of the State Highway
2233 Fund.

2234 The funds allocated for the construction, reconstruction, and
2235 improvement of state highways, bridges, and culverts, or so much
2236 thereof as may be necessary, shall first be used in conjunction
2237 with funds supplied by the federal government for such purposes
2238 and allocated to the State Transportation Department to be
2239 expended on the state highway system. It is specifically provided
2240 hereby that the necessary portion of such funds hereinabove
2241 allocated to the State Transportation Department may be used for
2242 the prompt payment of principal and interest on highway bonds
2243 heretofore issued, including such bonds issued or to be issued



2244 under the provisions of Chapter 312, Laws of 1956, and amendments
2245 thereto.

2246 Nothing contained in this section shall be construed to
2247 reduce the amount of such gasoline, diesel fuel or kerosene excise
2248 taxes levied by the state, allotted under the provisions of Title
2249 65, Chapter 33, Mississippi Code of 1972, to counties in which
2250 there are outstanding bonds issued for seawall or road protection
2251 purposes issued under the provisions of Chapter 319, Laws of 1924,
2252 and amendments thereto; the amount of said gasoline, diesel fuel
2253 or kerosene excise taxes designated in this section for the
2254 payment of bonds and interest authorized and issued or to be
2255 issued under the provisions of Chapter 130, Laws of 1938, and
2256 subsequent acts authorizing the issuance of bonds payable from
2257 gasoline, diesel fuel or kerosene tax revenue, shall, in such
2258 counties, be considered as being paid "into the State Treasury to
2259 the credit of the State Highway Fund" within the meaning of
2260 Section 65-33-45 in computing the amount to be paid to such
2261 counties under the provisions of said section, and this section
2262 shall be administered in connection with Title 65, Chapter 33,
2263 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
2264 65-33-49 dealing with seawalls, as if made a part of this section.

2265 (d) The proceeds of the Five and One-fourth Cents
2266 (5.25¢) of the tax per gallon on oils used as a propellant for jet
2267 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
2268 per gallon on aviation gasoline and the tax of One Cent (1¢) per



2269 gallon for each gallon of gasoline for which a refund has been
2270 made pursuant to Section 27-55-23 because such gasoline was used
2271 for aviation purposes, shall be paid to the State Treasury into a
2272 special fund to be used exclusively, pursuant to legislative
2273 appropriation, for the support and development of aeronautics as
2274 defined in Section 61-1-3.

2275 (e) State highway funds in an amount equal to the
2276 difference between Forty-two Million Dollars (\$42,000,000.00) and
2277 the annual debt service payable on the state's highway revenue
2278 refunding bonds, Series 1985, shall be expended for the
2279 construction or reconstruction of highways designated under the
2280 highway program created under Section 65-3-97.

2281 (f) "Gasoline, diesel fuel or kerosene taxes" as used
2282 in this section shall be deemed to mean and include state
2283 gasoline, diesel fuel or kerosene taxes levied and imposed on
2284 distributors of gasoline, diesel fuel or kerosene, and all state
2285 excise taxes derived from any fuel used to propel vehicles upon
2286 the highways of this state, when levied by any statute.

2287 **[With regard to any county which is required to operate on a**
2288 **countywide system of road administration as described in Section**
2289 **19-2-3, this section shall read as follows:]**

2290 27-5-101. Unless otherwise provided in this section, on or
2291 before the fifteenth day of each month, all gasoline, diesel fuel
2292 or kerosene taxes which are levied under the laws of this state



2293 and collected during the previous month shall be paid and
2294 apportioned by the State Tax Commission as follows:

2295 (a) (i) Except as otherwise provided in Section
2296 31-17-127, from the gross amount of gasoline, diesel fuel or
2297 kerosene taxes produced by the state, there shall be deducted an
2298 amount equal to one-sixth (1/6) of principal and interest
2299 certified by the State Treasurer to the State Tax Commission to be
2300 due on the next semiannual bond and interest payment date, as
2301 required under the provisions of Chapter 130, Laws of 1938, and
2302 subsequent acts authorizing the issuance of bonds payable from
2303 gasoline, diesel fuel or kerosene tax revenue on a parity with the
2304 bonds issued under authority of said Chapter 130. The State
2305 Treasurer shall certify to the State Tax Commission on or before
2306 the fifteenth day of each month the amount to be paid to the
2307 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
2308 of 1938, and subsequent acts authorizing the issuance of bonds
2309 payable from gasoline, diesel fuel or kerosene tax revenue, on a
2310 parity with the bonds issued under authority of said Chapter 130;
2311 and the State Tax Commission shall, on or before the twenty-fifth
2312 day of each month, pay into the State Treasury for credit to the
2313 "Highway Bonds Sinking Fund" the amount so certified to him by the
2314 State Treasurer due to be paid into such fund each month. The
2315 payments to the "Highway Bonds Sinking Fund" shall be made out of
2316 gross gasoline, diesel fuel or kerosene tax collections before
2317 deductions of any nature are considered; however, such payments



2318 shall be deducted from the allocation to the Transportation
2319 Department under paragraph (c) of this section.

2320 (ii) From collections derived from the portion of
2321 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
2322 from the portion of the tax on aviation gas under Section 27-55-11
2323 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
2324 portion of the special fuel tax levied under Sections 27-55-519
2325 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
2326 Cents (10¢) per gallon, from the portion of the taxes levied under
2327 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
2328 gallon that exceeds One Cent (1¢) per gallon on special fuel and
2329 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
2330 as aircraft fuel, from the portion of the excise tax on compressed
2331 gas used as a motor fuel that exceeds the rate of tax in effect on
2332 June 30, 1987, and from the portion of the gasoline excise tax in
2333 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
2334 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there
2335 shall be deducted:

2336 1. An amount as provided in Section
2337 27-65-75(4) to the credit of a special fund designated as the
2338 "Office of State Aid Road Construction."

2339 2. An amount equal to the tax collections
2340 derived from Two Cents (2¢) per gallon of the gasoline excise tax
2341 for distribution to the State Highway Fund to be used exclusively
2342 for the construction, reconstruction and maintenance of highways



2343 of the State of Mississippi or the payment of interest and
2344 principal on bonds when specifically authorized by the Legislature
2345 for that purpose.

2346 3. The balance shall be deposited in the
2347 State Treasury to the credit of the State Highway Fund.

2348 (b) Subject to the provisions that said basis of
2349 distribution shall in nowise affect adversely the amount
2350 specifically pledged in paragraph (a) of this section to be paid
2351 into the "Highway Bonds Sinking Fund," the following shall be
2352 deducted from the amount produced by the state tax on gasoline,
2353 diesel fuel or kerosene tax collections, excluding collections
2354 derived from the portion of the gasoline excise tax that exceeds
2355 Seven Cents (7¢) per gallon, from the portion of the tax on
2356 aviation gas under Section 27-55-11 that exceeds Six and
2357 Four-tenths Cents (6.4¢) per gallon, from the portion of the
2358 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
2359 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
2360 gallon, from the portion of the taxes levied under Section
2361 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
2362 One Cent (1¢) per gallon on special fuel and Five and One-fourth
2363 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
2364 from the portion of the excise tax on compressed gas used as a
2365 motor fuel that exceeds the rate of tax in effect on June 30,
2366 1987, and from the portion of the gasoline excise tax in excess of



2367 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
2368 Ten Cents (10¢) per gallon under Section 27-61-5:

2369 (i) Twenty percent (20%) of such amount which
2370 shall be earmarked and set aside for the construction,
2371 reconstruction and maintenance of the highways and roads of the
2372 state, provided that if such twenty percent (20%) should reduce
2373 any county to a lesser amount than that received in the fiscal
2374 year ending June 30, 1966, then such twenty percent (20%) shall be
2375 reduced to a percentage to provide that no county shall receive
2376 less than its portion for the fiscal year ending June 30, 1966;

2377 (ii) The amount allowed as refund on gasoline or
2378 as tax credit on diesel fuel or kerosene used for agricultural,
2379 maritime, industrial, domestic and nonhighway purposes;

2380 (iii) Five percent (5%) of such amount shall be
2381 paid to the State Highway Fund;

2382 (iv) The amount or portion thereof authorized by
2383 legislative appropriation to the Fisheries and Wildlife Fund
2384 created under Section 59-21-25;

2385 (v) The amount for deposit into the special
2386 aviation fund under paragraph (d) of this section; and

2387 (vi) The remainder shall be divided on a basis of
2388 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
2389 same basis as Four and One-half Cents (4-1/2¢) and Two and
2390 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
2391 six and forty-three one-hundredths (6.43) and three and



2392 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
2393 fuel or kerosene). The amount produced by the nine-fourteenths
2394 (9/14) division shall be allocated to the Transportation
2395 Department and paid into the State Treasury as provided in this
2396 section and in Section 27-5-103 and the five-fourteenths (5/14)
2397 division shall be returned to the counties of the state on the
2398 following basis:

2399 1. In each fiscal year, each county shall be
2400 paid each month the same percentage of the monthly total to be
2401 distributed as was paid to that county during the same month in
2402 the fiscal year which ended April 9, 1960, until the county
2403 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
2404 fiscal year, at which time funds shall be distributed under the
2405 provisions of paragraph (b) (vi)4 of this section.

2406 2. If after payments in 1 above, any county
2407 has not received a total of One Hundred Ninety Thousand Dollars
2408 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
2409 and each fiscal year thereafter, then any available funds not
2410 distributed under 1 above shall be used to bring such county or
2411 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
2412 or such funds shall be divided equally among such counties not
2413 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
2414 there is not sufficient money to bring all the counties to said
2415 One Hundred Ninety Thousand Dollars (\$190,000.00).



2416 3. When a county has been paid an amount
2417 equal to the total which was paid to the same county during the
2418 fiscal year ended April 9, 1960, such county shall receive no
2419 further payments during the then current fiscal year until the
2420 last month of such current fiscal year, at which time distribution
2421 will be made under 2 above, except as set out in 4 below.

2422 4. During the last month of the current
2423 fiscal year, should it be determined that there are funds
2424 available in excess of the amount distributed for the year under 1
2425 and 2 above, then such excess funds shall be distributed among the
2426 various counties as follows:

2427 One-third (1/3) of such excess to be
2428 divided equally among the counties;

2429 One-third (1/3) of such excess to be paid
2430 to the counties in the proportion which the population of each
2431 county bears to the total population of the state according to the
2432 last federal census;

2433 One-third (1/3) of such excess to be paid
2434 to the counties in the proportion which the number of square miles
2435 of each county bears to the total square miles in the state.

2436 5. It is the declared purpose and intent of
2437 the Legislature that no county shall be paid less than was paid
2438 during the year ended April 9, 1960, unless the amount to be
2439 distributed to all counties in any year is less than the amount
2440 distributed to all counties during the year ended April 9, 1960.



2441 The Municipal Aid Fund as established by Section 27-5-103
2442 shall not participate in any portion of any funds allocated to any
2443 county hereunder over and above One Hundred Ninety Thousand
2444 Dollars (\$190,000.00).

2445 In any county having road or bridge bonds outstanding which
2446 exceed, in the aggregate, twelve percent (12%) of the assessed
2447 valuation of the taxable property of the county, it shall be the
2448 duty of the board of supervisors to set aside not less than sixty
2449 percent (60%) of such county's share of the gasoline, diesel fuel
2450 or kerosene taxes to be used in paying the principal and interest
2451 on such road or bridge bonds as they mature.

2452 In any county having such road or bridge bonds outstanding
2453 which exceed, in the aggregate, eight percent (8%) of the assessed
2454 valuation of the taxable property of the county, but which do not
2455 exceed, in the aggregate, twelve percent (12%) of the assessed
2456 valuation of the taxable property of the county, it shall be the
2457 duty of the board of supervisors to set aside not less than
2458 thirty-five percent (35%) of such county's share of the gasoline,
2459 diesel fuel or kerosene taxes to be used in paying the principal
2460 and interest of such road or bridge bonds as they mature.

2461 In any county having such road or bridge bonds outstanding
2462 which exceed, in the aggregate, five percent (5%) of the assessed
2463 valuation of the taxable property of the county, but which do not
2464 exceed, in the aggregate, eight percent (8%) of the assessed
2465 valuation of the taxable property of the county, it shall be the



2466 duty of the board of supervisors to set aside not less than twenty
2467 percent (20%) of such county's share of the gasoline, diesel fuel
2468 or kerosene taxes to be used in paying the principal and interest
2469 of such road and bridge bonds as they mature.

2470 In any county having such road or bridge bonds outstanding
2471 which do not exceed, in the aggregate, five percent (5%) of the
2472 assessed valuation of the taxable property of the county, it shall
2473 be the duty of the board of supervisors to set aside not less than
2474 ten percent (10%) of such county's share of the gasoline, diesel
2475 fuel or kerosene taxes to be used in paying the principal and
2476 interest on such road or bridge bonds as they mature.

2477 The portion of any such county's share of the gasoline,
2478 diesel fuel or kerosene taxes thus set aside for the payment of
2479 the principal and interest of road or bridge bonds, as provided
2480 for in this section, shall be used in paying the currently
2481 maturing installments of the principal and interest of such road
2482 or bridge bonds, if there be any such road or bridge bonds
2483 outstanding.

2484 The remaining portion of such county's share of the gasoline,
2485 diesel fuel or kerosene taxes, after setting aside the portion
2486 above provided for the payment of the principal and interest of
2487 bonds, shall be used in the construction and maintenance of any
2488 public highways, bridges or culverts of the county, in the
2489 discretion of the board of supervisors.



2490 In any county having no road or bridge bonds outstanding, all
2491 such county's share of the gasoline, diesel fuel or kerosene taxes
2492 shall be used in the construction, reconstruction and maintenance
2493 of the public highways, bridges or culverts of the county, as the
2494 board of supervisors may determine.

2495 In every county in which there are county road bonds or
2496 seawall or road protection bonds outstanding which were issued for
2497 the purpose of building bridges or constructing public roads or
2498 seawalls, such funds shall be used in the manner provided by law.

2499 (c) From the amount produced by the nine-fourteenths
2500 (9/14) division allocated to the Transportation Department, there
2501 shall be deducted:

2502 (i) The amount paid to the State Treasurer for the
2503 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

2504 (ii) Any amounts due counties in accordance with
2505 Section 65-33-45 which have outstanding bonds issued for seawall
2506 or road protection purposes, issued under provisions of Chapter
2507 319, Laws of 1924, and amendments thereto; and

2508 (iii) Except as otherwise provided in Section
2509 31-17-127, the remainder shall be paid by the State Tax Commission
2510 to the State Treasurer on the fifteenth day of each month next
2511 succeeding the month in which the gasoline, diesel fuel or
2512 kerosene taxes were collected to the credit of the State Highway
2513 Fund.



2514 The funds allocated for the construction, reconstruction and
2515 improvement of state highways, bridges and culverts, or so much
2516 thereof as may be necessary, shall first be used in conjunction
2517 with funds supplied by the federal government for such purposes
2518 and allocated to the Transportation Department to be expended on
2519 the state highway system. It is specifically provided hereby that
2520 the necessary portion of such funds hereinabove allocated to the
2521 Transportation Department may be used for the prompt payment of
2522 principal and interest on highway bonds heretofore issued,
2523 including such bonds issued or to be issued under the provisions
2524 of Chapter 312, Laws of 1956, and amendments thereto.

2525 Nothing contained in this section shall be construed to
2526 reduce the amount of such gasoline, diesel fuel or kerosene excise
2527 taxes levied by the state, allotted under the provisions of Title
2528 65, Chapter 33, Mississippi Code of 1972, to counties in which
2529 there are outstanding bonds issued for seawall or road protection
2530 purposes issued under the provisions of Chapter 319, Laws of 1924,
2531 and amendments thereto; the amount of said gasoline, diesel fuel
2532 or kerosene excise taxes designated in this section for the
2533 payment of bonds and interest authorized and issued or to be
2534 issued under the provisions of Chapter 130, Laws of 1938, and
2535 subsequent acts authorizing the issuance of bonds payable from
2536 gasoline, diesel fuel or kerosene tax revenue, shall, in such
2537 counties, be considered as being paid "into the State Treasury to
2538 the credit of the State Highway Fund" within the meaning of



2539 Section 65-33-45 in computing the amount to be paid to such
2540 counties under the provisions of said section, and this section
2541 shall be administered in connection with Title 65, Chapter 33,
2542 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
2543 65-33-49 dealing with seawalls, as if made a part of this section.

2544 (d) The proceeds of the Five and One-fourth Cents
2545 (5.25¢) of the tax per gallon on oils used as a propellant for jet
2546 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
2547 per gallon on aviation gasoline and the tax of One Cent (1¢) per
2548 gallon for each gallon of gasoline for which a refund has been
2549 made pursuant to Section 27-55-23 because such gasoline was used
2550 for aviation purposes, shall be paid to the State Treasury into a
2551 special fund to be used exclusively, pursuant to legislative
2552 appropriation, for the support and development of aeronautics as
2553 defined in Section 61-1-3.

2554 (e) State highway funds in an amount equal to the
2555 difference between Forty-two Million Dollars (\$42,000,000.00) and
2556 the annual debt service payable on the state's highway revenue
2557 refunding bonds, Series 1985, shall be expended for the
2558 construction or reconstruction of highways designated under the
2559 highway program created under Section 65-3-97.

2560 (f) "Gasoline, diesel fuel or kerosene taxes" as used
2561 in this section shall be deemed to mean and include state
2562 gasoline, diesel fuel or kerosene taxes levied and imposed on
2563 distributors of gasoline, diesel fuel or kerosene, and all state



2564 excise taxes derived from any fuel used to propel vehicles upon
2565 the highways of this state, when levied by any statute.

2566 **SECTION 18.** Section 75-76-177, Mississippi Code of 1972, is
2567 brought forward as follows:

2568 75-76-177. (1) From and after August 1, 1990, there is
2569 hereby imposed and levied on each gaming licensee a license fee
2570 based upon all the gross revenue of the licensee as follows:

2571 (a) Four percent (4%) of all the gross revenue of the
2572 licensee which does not exceed Fifty Thousand Dollars (\$50,000.00)
2573 per calendar month;

2574 (b) Six percent (6%) of all the gross revenue of the
2575 licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per
2576 calendar month and does not exceed One Hundred Thirty-four
2577 Thousand Dollars (\$134,000.00) per calendar month; and

2578 (c) Eight percent (8%) of all the gross revenue of the
2579 licensee which exceeds One Hundred Thirty-four Thousand Dollars
2580 (\$134,000.00) per calendar month.

2581 (2) All revenue received from any game or gaming device
2582 which is leased for operation on the premises of the
2583 licensee-owner to a person other than the owner thereof or which
2584 is located in an area or space on such premises which is leased by
2585 the licensee-owner to any such person, must be attributed to the
2586 owner for the purposes of this section and be counted as part of
2587 the gross revenue of the owner. The lessee is liable to the owner
2588 for his proportionate share of such license fees.



2589 (3) If the amount of license fees required to be reported
2590 and paid pursuant to this section is later determined to be
2591 greater or less than the amount actually reported and paid by the
2592 licensee, the Chairman of the State Tax Commission shall:

2593 (a) Assess and collect the additional license fees
2594 determined to be due, with interest thereon until paid; or

2595 (b) Refund any overpayment, with interest thereon, to
2596 the licensee.

2597 Interest must be computed, until paid, at the rate of one
2598 percent (1%) per month from the first day of the first month
2599 following either the due date of the additional license fees or
2600 the date of overpayment.

2601 (4) Failure to pay the fees provided for in this section
2602 when they are due for continuation of a license shall be deemed a
2603 surrender of the license.

2604 **SECTION 19.** Section 75-76-129, Mississippi Code of 1972, is
2605 brought forward as follows:

2606 **[Through June 30, 2028, this section shall read as follows:]**

2607 75-76-129. (1) On or before the last day of each month all
2608 taxes, fees, interest, penalties, damages, fines or other monies
2609 collected by the Department of Revenue during that month under the
2610 provisions of this chapter, with the exception of (a) the local
2611 government fees imposed under Section 75-76-195, and (b) an amount
2612 equal to Three Million Dollars (\$3,000,000.00) of the revenue
2613 collected pursuant to the fee imposed under Section



2614 75-76-177(1)(c), and (c) the revenue collected pursuant to the fee
2615 imposed under Section 75-76-177(1)(c) as a result of wagers on
2616 sporting events shall be paid by the Department of Revenue to the
2617 State Treasurer to be deposited in the State General Fund. The
2618 local government fees shall be distributed by the Department of
2619 Revenue pursuant to Section 75-76-197.

2620 (2) An amount equal to Three Million Dollars (\$3,000,000.00)
2621 of the revenue collected during that month pursuant to the fee
2622 imposed under Section 75-76-177(1)(c) shall be deposited by the
2623 Department of Revenue into the bond sinking fund created in
2624 Section 1(3) of Chapter 479, Laws of 2015.

2625 (3) Revenue collected pursuant to the fee imposed under
2626 Section 75-76-177(1)(c) as a result of wagers on sporting events
2627 shall be deposited into the State Highway Fund to be used solely
2628 for the repair and maintenance of highways and bridges of the
2629 State of Mississippi. This revenue shall be used first for
2630 matching funds made available to the state for such purposes
2631 pursuant to any federal highway infrastructure program implemented
2632 after September 1, 2018.

2633 **[From and after July 1, 2028, this section shall read as**
2634 **follows:]**

2635 75-76-129. On or before the last day of each month all
2636 taxes, fees, interest, penalties, damages, fines or other monies
2637 collected by the Department of Revenue during that month under the
2638 provisions of this chapter, with the exception of (a) the local



2639 government fees imposed under Section 75-76-195, and (b) an amount
2640 equal to Three Million Dollars (\$3,000,000.00) of the revenue
2641 collected pursuant to the fee imposed under Section
2642 75-76-177(1)(c) shall be paid by the Department of Revenue to the
2643 State Treasurer to be deposited in the State General Fund. The
2644 local government fees shall be distributed by the Department of
2645 Revenue pursuant to Section 75-76-197. An amount equal to Three
2646 Million Dollars (\$3,000,000.00) of the revenue collected during
2647 that month pursuant to the fee imposed under Section
2648 75-76-177(1)(c) shall be deposited by the Department of Revenue
2649 into the bond sinking fund created in Section 1(3) of Chapter 479,
2650 Laws of 2015.

2651 **SECTION 20.** Section 27-7-5, Mississippi Code of 1972, is
2652 brought forward as follows:

2653 27-7-5. (1) (a) Except as otherwise provided in this
2654 section, there is hereby assessed and levied, to be collected and
2655 paid as hereinafter provided, for the calendar year 1983 and
2656 fiscal years ending during the calendar year 1983 and all taxable
2657 years thereafter, upon the entire net income of every resident
2658 individual, corporation, association, trust or estate, in excess
2659 of the credits provided, a tax at the following rates:

2660 (i) 1. Through calendar year 2017, on the first
2661 Five Thousand Dollars (\$5,000.00) of taxable income, or any part
2662 thereof, the rate shall be three percent (3%);



2663 2. For calendar year 2018, on the first One
2664 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2665 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2666 taxable income, or any part thereof, the rate shall be three
2667 percent (3%);

2668 3. For calendar year 2019, on the first Two
2669 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2670 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2671 taxable income, or any part thereof, the rate shall be three
2672 percent (3%);

2673 4. For calendar year 2020, on the first Three
2674 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2675 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2676 taxable income, or any part thereof, the rate shall be three
2677 percent (3%);

2678 5. For calendar year 2021, on the first Four
2679 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2680 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2681 taxable income, or any part thereof, the rate shall be three
2682 percent (3%);

2683 6. For calendar year 2022 and all taxable
2684 years thereafter, there shall be no tax levied on the first Five
2685 Thousand Dollars (\$5,000.00) of taxable income;

2686 (ii) On taxable income in excess of Five Thousand
2687 Dollars (\$5,000.00) up to and including Ten Thousand Dollars



2688 (\$10,000.00), or any part thereof, the rate shall be four percent
2689 (4%); and

2690 (iii) On all taxable income in excess of Ten Thousand
2691 Dollars (\$10,000.00), the rate shall be five percent (5%).

2692 (b) (i) For calendar year 2023 and all calendar years
2693 thereafter, there shall be no tax levied under subparagraph (ii)
2694 of paragraph (a) of this subsection on the taxable income of
2695 individuals in excess of Five Thousand Dollars (\$5,000.00) up to
2696 and including Ten Thousand Dollars (\$10,000.00), or any part
2697 thereof; and

2698 (ii) For calendar year 2024 and all calendar years
2699 thereafter, the tax imposed under subparagraph (iii) of paragraph
2700 (a) of this subsection upon all taxable income of individuals in
2701 excess of Ten Thousand Dollars (\$10,000.00), shall be at the
2702 following rates:

2703 1. For calendar year 2024, on such taxable
2704 income, the rate shall be four and seven-tenths percent (4.7%);

2705 2. For calendar year 2025, on such taxable
2706 income, the rate shall be four and four-tenths percent (4.4%); and

2707 3. For calendar year 2026 and all calendar
2708 years thereafter, on such taxable income, the rate shall be four
2709 percent (4%).

2710 It is the intent of the Legislature that before calendar year
2711 2026, the Legislature will consider whether the revised tax rates
2712 provided for in this subparagraph (ii) will be further decreased



2713 for calendar years after calendar year 2026. If the revised tax
2714 rates provided for in this subparagraph (ii) are further decreased
2715 for calendar years after calendar year 2026 to the extent that
2716 there is no tax levied on the taxable income of individuals under
2717 this subparagraph (ii), the individual income tax shall stand
2718 repealed.

2719 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2720 shall not be subject to the income tax imposed under this section.

2721 (3) A like tax is hereby imposed to be assessed, collected
2722 and paid annually, except as hereinafter provided, at the rate
2723 specified in this section and as hereinafter provided, upon and
2724 with respect to the entire net income, from all property owned or
2725 sold, and from every business, trade or occupation carried on in
2726 this state by individuals, corporations, partnerships, trusts or
2727 estates, not residents of the State of Mississippi.

2728 (4) In the case of taxpayers having a fiscal year beginning
2729 in a calendar year with a rate in effect that is different than
2730 the rate in effect for the next calendar year and ending in the
2731 next calendar year, the tax due for that taxable year shall be
2732 determined by:

2733 (a) Computing for the full fiscal year the amount of
2734 tax that would be due under the rates in effect for the calendar
2735 year in which the fiscal year begins; and



2736 (b) Computing for the full fiscal year the amount of
2737 tax that would be due under the rates in effect for the calendar
2738 year in which the fiscal year ends; and

2739 (c) Applying to the tax computed under paragraph (a)
2740 the ratio which the number of months falling within the earlier
2741 calendar year bears to the total number of months in the fiscal
2742 year; and

2743 (d) Applying to the tax computed under paragraph (b)
2744 the ratio which the number of months falling within the later
2745 calendar year bears to the total number of months within the
2746 fiscal year; and

2747 (e) Adding to the tax determined under paragraph (c)
2748 the tax determined under paragraph (d) the sum of which shall be
2749 the amount of tax due for the fiscal year.

2750 **SECTION 21.** This act shall take effect and be in force from
2751 and after July 1, 2024.

