

By: Senator(s) Hill

To: Accountability,
Efficiency, Transparency;
Finance

SENATE BILL NO. 2293

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

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

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

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

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



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

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

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

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



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

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

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



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



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

105 1. The county:

106 a. Borders on the Mississippi Sound and
107 the State of Alabama, or

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

111 2. The county has issued bonds under Section
112 21-45-9 to finance all or a portion of a redevelopment project in
113 the redevelopment project area;

114 3. Any debt service for the indebtedness
115 incurred is outstanding; and

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



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

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

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



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

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



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

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



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

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

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

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

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

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



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

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

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

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



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

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

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



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

273 (11) Notwithstanding any other provision of this section to
274 the contrary, on or before February 15, 1995, and each succeeding
275 month thereafter, the sales tax revenue collected during the
276 preceding month under the provisions of Section 27-65-17(2) and
277 the corresponding levy in Section 27-65-23 on the rental or lease
278 of private carriers of passengers and light carriers of property
279 as defined in Section 27-51-101 shall be deposited, without
280 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
281 established in Section 27-51-105.

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

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



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

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



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

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

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



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

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

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

360 (18) [Repealed]

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



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

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

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



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

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

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

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

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

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



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

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

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

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



442 restaurants and hotels shall be allocated for distribution to the
443 Mississippi Development Authority Tourism Advertising Fund
444 established under Section 57-1-64, to be used exclusively for the
445 purpose stated therein. On or before August 15, 2021, and each
446 month thereafter, three percent (3%) of the total sales tax
447 revenue collected during the preceding month from restaurants and
448 hotels shall be allocated for distribution to the Mississippi
449 Development Authority Tourism Advertising Fund established under
450 Section 57-1-64, to be used exclusively for the purpose stated
451 therein. The revenue diverted pursuant to this subsection shall
452 not be available for expenditure until February 1, 2020.

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

459 (24) On or before August 15, 2024, and each succeeding month
460 thereafter, nine percent (9%) of the total sales tax revenue
461 collected during the preceding month under the provisions of this
462 chapter, except that collected under the provisions of Sections
463 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business
464 activities within a county that occur outside of the
465 municipalities in the county shall be allocated for distribution
466 to the county and paid to the county. The amount paid to a county



467 under this subsection (24) shall be in addition to any other funds
468 allocated for distribution to the various counties under this
469 section.

470 (* * *25) The remainder of the amounts collected under the
471 provisions of this chapter shall be paid into the State Treasury
472 to the credit of the General Fund.

473 (* * *26) (a) It shall be the duty of the municipal
474 officials of any municipality that expands its limits, or of any
475 community that incorporates as a municipality, to notify the
476 commissioner of that action thirty (30) days before the effective
477 date. Failure to so notify the commissioner shall cause the
478 municipality to forfeit the revenue that it would have been
479 entitled to receive during this period of time when the
480 commissioner had no knowledge of the action.

481 (b) (i) Except as otherwise provided in subparagraph
482 (ii) of this paragraph, if any funds have been erroneously
483 disbursed to any municipality or any overpayment of tax is
484 recovered by the taxpayer, the commissioner may make correction
485 and adjust the error or overpayment with the municipality by
486 withholding the necessary funds from any later payment to be made
487 to the municipality.

488 (ii) Subject to the provisions of Sections
489 27-65-51 and 27-65-53, if any funds have been erroneously
490 disbursed to a municipality under subsection (1) of this section
491 for a period of three (3) years or more, the maximum amount that



492 may be recovered or withheld from the municipality is the total
493 amount of funds erroneously disbursed for a period of three (3)
494 years beginning with the date of the first erroneous disbursement.
495 However, if during such period, a municipality provides written
496 notice to the Department of Revenue indicating the erroneous
497 disbursement of funds, then the maximum amount that may be
498 recovered or withheld from the municipality is the total amount of
499 funds erroneously disbursed for a period of one (1) year beginning
500 with the date of the first erroneous disbursement.

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

503 27-65-53. If the commissioner finds that the taxpayer has
504 overpaid his tax for any reason and the taxpayer has discontinued
505 business and there is no subsequent liability upon which the
506 excess may be credited, or if the amount of the excess so paid
507 shall exceed the estimated liability for the next twelve (12)
508 months, the excess shall be refunded to the taxpayer. Such amount
509 shall be certified to the State Auditor of Public Accounts by the
510 commission. The said auditor is hereby authorized to make such
511 investigation and audit of the claim as he finds necessary. If he
512 finds that the commissioner is correct in his determination, the
513 auditor may issue his warrant to the State Treasurer in favor of
514 the taxpayer for the amount of tax erroneously paid into the State
515 Treasury, such refunds to be made from current sales tax
516 collections. If part of the overpayment has been disbursed to any



517 municipality * * *, state institution of higher learning or
518 county, under authority of Section 27-65-75, the
519 municipality * * *, state institution of higher learning or
520 county, having erroneously received the money, shall adjust the
521 amount with the commissioner, or the overpayment may be withheld
522 by the state from any funds due by the state to the
523 municipality * * *, state institution of higher learning or
524 county.

525 Provided, that where the taxpayer has overpaid his tax, the
526 commissioner may give credit for same and allow the taxpayer to
527 take credit on a subsequent return or, if necessary, in his
528 discretion, have the taxpayer file for a refund as provided
529 herein.

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



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

