

By: Senator(s) Sparks

To: Finance; Accountability,
Efficiency, Transparency

SENATE BILL NO. 2908

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO INCREASE, FROM 18.5% TO 19.5%, THE PORTION OF THE STATE SALES
3 TAX REVENUE COLLECTED ON BUSINESS ACTIVITIES IN A MUNICIPALITY
4 THAT SHALL BE PAID TO THE MUNICIPALITY; TO PROVIDE THAT 10% OF THE
5 STATE SALES TAX REVENUE COLLECTED ON BUSINESS ACTIVITIES IN A
6 COUNTY, AND NOT IN A MUNICIPALITY OR ON THE CAMPUS OF A STATE
7 INSTITUTION OF HIGHER LEARNING OR COMMUNITY OR JUNIOR COLLEGE,
8 SHALL BE PAID TO THE COUNTY; TO AMEND SECTION 27-65-53,
9 MISSISSIPPI CODE OF 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

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

13 27-65-75. On or before the fifteenth day of each month, the
14 revenue collected under * * * this chapter during the preceding
15 month shall be paid and distributed as follows:

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



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



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

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

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

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



70 college and paid to the state institution of higher learning or
71 community or junior college.

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



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

103 (d) (i) On or before the fifteenth day of the month
104 that the diversion authorized by this section begins, and each
105 succeeding month thereafter, eighteen and one-half percent
106 (18-1/2%) of the total sales tax revenue collected during the
107 preceding month under * * * this chapter, except that collected
108 under * * * Sections * * * 27-65-19(3) and 27-65-21, on business
109 activities within a redevelopment project area developed under a
110 redevelopment plan adopted under the Tax Increment Financing Act
111 (Section 21-45-1 et seq.) shall be allocated for distribution to
112 the county in which the project area is located if:

- 113 1. The county:
- 114 a. Borders on the Mississippi Sound and
115 the State of Alabama, or
- 116 b. Is Harrison County, Mississippi, and
117 the project area is within a radius of two (2) miles from the
118 intersection of Interstate 10 and Menge Avenue;



119 2. The county has issued bonds under Section
120 21-45-9 to finance all or a portion of a redevelopment project in
121 the redevelopment project area;

122 3. Any debt service for the indebtedness
123 incurred is outstanding; and

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

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

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



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



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

181 (4) On or before August 15, 1994, and on or before the
182 fifteenth day of each succeeding month through July 15, 1999, from
183 the proceeds of gasoline, diesel fuel or kerosene taxes as
184 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
185 (\$4,000,000.00) shall be deposited in the State Treasury to the
186 credit of a special fund designated as the "State Aid Road Fund,"
187 created by Section 65-9-17. On or before August 15, 1999, and on
188 or before the fifteenth day of each succeeding month, from the
189 total amount of the proceeds of gasoline, diesel fuel or kerosene
190 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
191 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
192 one-fourth percent (23-1/4%) of those funds, whichever is the
193 greater amount, shall be deposited in the State Treasury to the



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

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

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

217 (c) One-third (1/3) shall be allocated to counties
218 based on the proportion that the rural population of the county



219 bears to the total rural population in all counties of the state,
220 according to the latest federal decennial census.

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

224 The amount of funds allocated to any county under this
225 subsection for any fiscal year after fiscal year 1994 shall not be
226 less than the amount allocated to the county for fiscal year 1994.

227 Any reference in the general laws of this state or the
228 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
229 construed to refer and apply to subsection (4) of Section
230 27-65-75.

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

238 (6) An amount each month beginning August 15, 1983, through
239 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
240 1983, shall be paid into the special fund known as the
241 Correctional Facilities Construction Fund created in Section 6,
242 Chapter 542, Laws of 1983.



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

264 (8) On or before August 15, 1992, and each succeeding month
265 thereafter, nine and seventy-three one-thousandths percent
266 (9.073%) of the total sales tax revenue collected during the
267 preceding month under * * * this chapter, except that collected



268 under * * * Section 27-65-17(2), shall be deposited into the
269 Education Enhancement Fund created under Section 37-61-33.

270 (9) On or before August 15, 1994, and each succeeding month
271 thereafter, from the revenue collected under this chapter during
272 the preceding month, Two Hundred Fifty Thousand Dollars
273 (\$250,000.00) shall be paid into the State Aid Road Fund.

274 (10) On or before August 15, 1994, and each succeeding month
275 thereafter through August 15, 1995, from the revenue collected
276 under this chapter during the preceding month, Two Million Dollars
277 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
278 Valorem Tax Reduction Fund established in Section 27-51-105.

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

288 (12) Notwithstanding any other provision of this section to
289 the contrary, on or before August 15, 1995, and each succeeding
290 month thereafter, the sales tax revenue collected during the
291 preceding month under * * * Section 27-65-17(1) on retail sales of
292 private carriers of passengers and light carriers of property, as



293 defined in Section 27-51-101 and the corresponding levy in Section
294 27-65-23 on the rental or lease of these vehicles, shall be
295 deposited, after diversion, into the Motor Vehicle Ad Valorem Tax
296 Reduction Fund established in Section 27-51-105.

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

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



318 69-37-39 until all debts or other obligations incurred by the
319 Certified Cotton Growers Organization under the Mississippi Boll
320 Weevil Management Act before January 1, 2007, are satisfied in
321 full. On or before August 15, 2010, and each succeeding month
322 thereafter through July 15, 2011, fifty percent (50%) of that
323 portion of the avails of the tax imposed in Section 27-65-23 that
324 is derived from sales by cotton compresses or cotton warehouses
325 and that would otherwise be paid into the General Fund shall be
326 deposited into the special fund created under Section 69-37-39
327 until such time that the total amount deposited into the fund
328 during a fiscal year equals One Million Dollars (\$1,000,000.00).
329 On or before August 15, 2011, and each succeeding month
330 thereafter, that portion of the avails of the tax imposed in
331 Section 27-65-23 that is derived from sales by cotton compresses
332 or cotton warehouses and that would otherwise be paid into the
333 General Fund shall be deposited into the special fund created
334 under Section 69-37-39 until such time that the total amount
335 deposited into the fund during a fiscal year equals One Million
336 Dollars (\$1,000,000.00).

337 (15) Notwithstanding any other provision of this section to
338 the contrary, on or before September 15, 2000, and each succeeding
339 month thereafter, the sales tax revenue collected during the
340 preceding month under * * * Section 27-65-19(1)(d)(i)2 * * *
341 and * * * (1)(d)(i)3 shall be deposited, without diversion, into



342 the Telecommunications Ad Valorem Tax Reduction Fund established
343 in Section 27-38-7.

344 (16) (a) On or before August 15, 2000, and each succeeding
345 month thereafter, the sales tax revenue collected during the
346 preceding month under * * * this chapter on the gross proceeds of
347 sales of a project as defined in Section 57-30-1 shall be
348 deposited, after all diversions except the diversion provided for
349 in subsection (1) of this section, into the Sales Tax Incentive
350 Fund created in Section 57-30-3.

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

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

365 (18) [Repealed]



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

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



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

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

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

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

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

410 (20) On or before January 15, 2007, and each succeeding
411 month thereafter, eighty percent (80%) of the sales tax revenue
412 collected during the preceding month under * * * this chapter from
413 the operation of a tourism project under * * * Sections 57-28-1
414 through 57-28-5 shall be deposited, after the diversions required



415 in subsections (7) and (8) of this section, into the Tourism Sales
416 Tax Incentive Fund created in Section 57-28-3.

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

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

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



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

446 (24) On or before August 15, 2024, and each succeeding month
447 thereafter, ten percent (10%) of the total sales tax revenue
448 collected during the preceding month under this chapter, except
449 that collected under Sections 27-65-19(3), 27-65-21 and 27-65-24,
450 on business activities within a county, and not within a
451 municipality or on the campus of a state institution of higher
452 learning or community or junior college, shall be allocated for
453 distribution to the county and paid to the county. The amount
454 paid to a county under this subsection (24) shall be in addition
455 to any other funds allocated for distribution to the various
456 counties under this section.

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



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

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

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

486 (* * * 27) (a) It shall be the duty of the municipal
487 officials of any municipality that expands its limits, or of any
488 community that incorporates as a municipality, to notify the
489 commissioner of that action thirty (30) days before the effective



490 date. Failure to so notify the commissioner shall cause the
491 municipality to forfeit the revenue that it would have been
492 entitled to receive during this period of time when the
493 commissioner had no knowledge of the action.

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

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



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

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



538 Provided, that where the taxpayer has overpaid his tax, the
539 commissioner may give credit for same and allow the taxpayer to
540 take credit on a subsequent return or, if necessary, in his
541 discretion, have the taxpayer file for a refund as provided
542 herein.

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

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

