

By: Representative Powell

To: Ways and Means

## HOUSE BILL NO. 95

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT EIGHTEEN AND ONE-HALF PERCENT OF THE SALES TAX  
3 REVENUE COLLECTED ON BUSINESS ACTIVITIES WITHIN A COUNTY THAT IS A  
4 PART OF THE PEARL RIVER VALLEY WATER SUPPLY DISTRICT ON PROPERTY  
5 THAT IS OWNED BY THE DISTRICT AND OUTSIDE OF THE CORPORATE LIMITS  
6 OF MUNICIPALITIES IN SUCH COUNTY SHALL BE DISTRIBUTED TO THE PEARL  
7 RIVER VALLEY WATER SUPPLY DISTRICT; TO AMEND SECTION 27-65-53,  
8 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED  
9 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 the provisions of this chapter during the  
15 preceding 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 the provisions of this chapter, except that collected under  
20 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
21 business activities within a municipal corporation shall be



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

39 A municipal corporation, for the purpose of distributing the  
40 tax under this subsection, shall mean and include all incorporated  
41 cities, towns and villages.

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



47           In any county having a county seat that is not an  
48 incorporated municipality, the distribution provided under this  
49 subsection shall be made as though the county seat was an  
50 incorporated municipality; however, the distribution to the  
51 municipality shall be paid to the county treasury in which the  
52 municipality is located, and those funds shall be used for road,  
53 bridge and street construction or maintenance in the county.

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

65           (c) On or before August 15, 2018, and each succeeding  
66 month thereafter until August 14, 2019, two percent (2%) of the  
67 total sales tax revenue collected during the preceding month under  
68 the provisions of this chapter, except that collected under the  
69 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
70 27-65-24, on business activities within the corporate limits of  
71 the City of Jackson, Mississippi, shall be deposited into the



72 Capitol Complex Improvement District Project Fund created in  
73 Section 29-5-215. On or before August 15, 2019, and each  
74 succeeding month thereafter until August 14, 2020, four percent  
75 (4%) of the total sales tax revenue collected during the preceding  
76 month under the provisions of this chapter, except that collected  
77 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
78 and 27-65-24, on business activities within the corporate limits  
79 of the City of Jackson, Mississippi, shall be deposited into the  
80 Capitol Complex Improvement District Project Fund created in  
81 Section 29-5-215. On or before August 15, 2020, and each  
82 succeeding month thereafter through July 15, 2023, six percent  
83 (6%) of the total sales tax revenue collected during the preceding  
84 month under the provisions of this chapter, except that collected  
85 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
86 and 27-65-24, on business activities within the corporate limits  
87 of the City of Jackson, Mississippi, shall be deposited into the  
88 Capitol Complex Improvement District Project Fund created in  
89 Section 29-5-215. On or before August 15, 2023, and each  
90 succeeding month thereafter, nine percent (9%) of the total sales  
91 tax revenue collected during the preceding month under the  
92 provisions of this chapter, except that collected under the  
93 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
94 27-65-24, on business activities within the corporate limits of  
95 the City of Jackson, Mississippi, shall be deposited into the



Capitol Complex Improvement District Project Fund created in  
Section 29-5-215.

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

1. The county:

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

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

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

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



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

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

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

140                   (2) On or before September 15, 1987, and each succeeding  
141 month thereafter, from the revenue collected under this chapter  
142 during the preceding month, One Million One Hundred Twenty-five  
143 Thousand Dollars (\$1,125,000.00) shall be allocated for  
144 distribution to municipal corporations as defined under subsection



(1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel to report to the department monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department of Revenue shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes levied under Section 27-65-21 on contracts for the construction or reconstruction of highways designated under the highway program



created under Section 65-3-97 shall, except as otherwise provided in Section 31-17-127, be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund that highway program. The Mississippi Department of Transportation shall provide to the Department of Revenue such information as is necessary to determine the amount of proceeds to be distributed under this subsection.

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds





may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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



220           The amount of funds allocated to any county under this  
221 subsection for any fiscal year after fiscal year 1994 shall not be  
222 less than the amount allocated to the county for fiscal year 1994.

223           Any reference in the general laws of this state or the  
224 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
225 construed to refer and apply to subsection (4) of Section  
226 27-65-75.

227           (5) On or before August 15, 2024, and each succeeding month  
228 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred  
229 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special  
230 fund known as the Education Enhancement Fund created and existing  
231 under the provisions of Section 37-61-33.

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

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



two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars (\$42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars (\$42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

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

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



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

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

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

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



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

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



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

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

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



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

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

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

(18) [Repealed]

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



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

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

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





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

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

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

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

409 (20) On or before January 15, 2007, and each succeeding  
410 month thereafter, eighty percent (80%) of the sales tax revenue  
411 collected during the preceding month under the provisions of this  
412 chapter from the operation of a tourism project under the  
413 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
414 after the diversions required in subsections (7) and (8) of this  
415 section, into the Tourism Sales Tax Incentive Fund created in  
416 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



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

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

(22) On or before June 1, 2024, and each succeeding month thereafter until December 31, 2057, an amount determined annually by the Mississippi Development Authority of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-125-3. This amount shall be based on estimated payments due within the upcoming year to construction contractors pursuant to construction contracts subject to the tax imposed by Section 27-65-21 for construction to be performed on the project site of a project defined under Section 57-75-5(f)(xxxiii) for the coming year.

(23) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2009, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201 shall be



deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(24) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

(b) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) must provide an annual report to the Legislature indicating the amount of funds deposited



into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.

(25) On or before August 15, 2025, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a county that is a part of the Pearl River Valley Water Supply District on property that is owned by the district and outside of the corporate limits of municipalities in such county shall be allocated for distribution to the Pearl River Valley Water Supply District and paid to the Pearl River Valley Water Supply District.

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

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



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

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

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

27-65-53. If the commissioner finds that the taxpayer has overpaid his tax for any reason and the taxpayer has discontinued 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 or state institution of higher learning or to the  
531 Pearl River Valley Water Supply District, under authority of  
532 Section 27-65-75, the municipality or state institution of higher  
533 learning or the Pearl River Valley Water Supply District, having  
534 erroneously received the money, shall adjust the amount with the  
535 commissioner, or the overpayment may be withheld by the state from  
536 any funds due by the state to the municipality or state  
537 institution of higher learning or such district.

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, 2025.

