

By: Representatives Hulum, Harness

To: Ways and Means

## HOUSE BILL NO. 734

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

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

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

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

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





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

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

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

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

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





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

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

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

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





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

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

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

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

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

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

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

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





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

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

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

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

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

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





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

(m) Sales of equipment and materials used in connection with geophysical surveying, exploring, developing, drilling, redrilling, completing, working over, producing, distributing, or testing of oil, gas and other mineral resources shall be taxed at the rate of four and one-half percent (4-1/2%). Operators that rebill sales of equipment and materials to nonoperating working interest owners on behalf of a joint account through the joint interest billing (JIB), where the sales tax has been paid or accrued by the operator shall not be charged a sales tax on the JIB as services income.

(n) From and after July 1, 2025, retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt under Section 27-65-111(o) from the taxes imposed by this chapter if the food items were purchased with food stamps, shall be taxed at the rate of three and one-half percent (3-1/2%).

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





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

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

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

(1) (a) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) 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 municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before August 15, 1993, and each succeeding month thereafter through August 15, 2025, 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 municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before September





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, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before September 15, 2025, and each succeeding month thereafter, thirty-seven percent (37%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation.

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

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





192 Monies allocated for distribution and credited to a municipal  
193 corporation under this paragraph may be pledged as security for a  
194 loan if the distribution received by the municipal corporation is  
195 otherwise authorized or required by law to be pledged as security  
196 for such a loan.

197 In any county having a county seat that is not an  
198 incorporated municipality, the distribution provided under this  
199 subsection shall be made as though the county seat was an  
200 incorporated municipality; however, the distribution to the  
201 municipality shall be paid to the county treasury in which the  
202 municipality is located, and those funds shall be used for road,  
203 bridge and street construction or maintenance in the county.

204 (b) On or before August 15, 2006, and each succeeding  
205 month thereafter through August 15, 2025, eighteen and one-half  
206 percent (18-1/2%) of the total sales tax revenue collected during  
207 the preceding month under the provisions of this chapter, except  
208 that collected under the provisions of Sections 27-65-15,  
209 27-65-19(3) and 27-65-21, on business activities on the campus of  
210 a state institution of higher learning or community or junior  
211 college whose campus is not located within the corporate limits of  
212 a municipality, shall be allocated for distribution to the state  
213 institution of higher learning or community or junior college and  
214 paid to the state institution of higher learning or community or  
215 junior college. On or before September 15, 2025, and each  
216 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,  
27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities  
on the campus of a state institution of higher learning or  
community or junior college whose campus is not located within the  
corporate limits of a municipality, shall be allocated for  
distribution to the state institution of higher learning or  
community or junior college and paid to the state institution of  
higher learning or community or junior college. On or before  
September 15, 2025, and each succeeding month thereafter,  
thirty-seven percent (37%) of the total sales tax revenue  
collected during the preceding month under the provisions of  
Section 27-65-17(1) (n) on business activities on the campus of a  
state institution of higher learning or community or junior  
college whose campus is not located within the corporate limits of  
a municipality, shall be allocated for distribution to the state  
institution of higher learning or community or junior college and  
paid to the state institution of higher learning or community or  
junior college.

(c) On or before August 15, 2018, and each succeeding  
month thereafter until August 14, 2019, two percent (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 the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2019, and each succeeding month thereafter until August 14, 2020, four percent (4%) 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 the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2020, and each succeeding month thereafter through July 15, 2023, six percent (6%) 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 the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2023, and each succeeding month thereafter through August 15, 2025, nine percent (9%) 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 the corporate limits





of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2025, and each succeeding month thereafter, (i) nine percent (9%) 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, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, and (ii) eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within the corporate limits of 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:





292                   1. The county:

293                   a. Borders on the Mississippi Sound and

294 the State of Alabama, or

295                   b. Is Harrison County, Mississippi, and

296 the project area is within a radius of two (2) miles from the

297 intersection of Interstate 10 and Menge Avenue;

298                   2. The county has issued bonds under Section

299 21-45-9 to finance all or a portion of a redevelopment project in

300 the redevelopment project area;

301                   3. Any debt service for the indebtedness

302 incurred is outstanding; and

303                   4. A development with a value of Ten Million

304 Dollars (\$10,000,000.00) or more is, or will be, located in the

305 redevelopment area.

306                   (ii) Before any sales tax revenue may be allocated

307 for distribution to a county under this paragraph, the county

308 shall certify to the Department of Revenue that the requirements

309 of this paragraph have been met, the amount of bonded indebtedness

310 that has been incurred by the county for the redevelopment project

311 and the expected date the indebtedness incurred by the county will

312 be satisfied.

313                   (iii) The diversion of sales tax revenue

314 authorized by this paragraph shall begin the month following the

315 month in which the Department of Revenue determines that the

316 requirements of this paragraph have been met. The diversion shall





end the month the indebtedness incurred by the county is satisfied. All revenue received by the county under this paragraph shall be deposited in the fund required to be created in the tax increment financing plan under Section 21-45-11 and be utilized solely to satisfy the indebtedness incurred by the county.

(2) On or before September 15, 1987, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, One Million One Hundred Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated for 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





367 or before the fifteenth day of each succeeding month, from the  
368 total amount of the proceeds of gasoline, diesel fuel or kerosene  
369 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
370 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
371 one-fourth percent (23-1/4%) of those funds, whichever is the  
372 greater amount, shall be deposited in the State Treasury to the  
373 credit of the "State Aid Road Fund," created by Section 65-9-17.  
374 Those funds shall be pledged to pay the principal of and interest  
375 on state aid road bonds heretofore issued under Sections 19-9-51  
376 through 19-9-77, in lieu of and in substitution for the funds  
377 previously allocated to counties under this section. Those funds  
378 may not be pledged for the payment of any state aid road bonds  
379 issued after April 1, 1981; however, this prohibition against the  
380 pledging of any such funds for the payment of bonds shall not  
381 apply to any bonds for which intent to issue those bonds has been  
382 published for the first time, as provided by law before March 29,  
383 1981. From the amount of taxes paid into the special fund under  
384 this subsection and subsection (9) of this section, there shall be  
385 first deducted and paid the amount necessary to pay the expenses  
386 of the Office of State Aid Road Construction, as authorized by the  
387 Legislature for all other general and special fund agencies. The  
388 remainder of the fund shall be allocated monthly to the several  
389 counties in accordance with the following formula:

390           (a) One-third (1/3) shall be allocated to all counties  
391 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.

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

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

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

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





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

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, 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 by the department into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35. On or before August 15, 2000, and each succeeding month thereafter through August 15, 2025, 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. On or





442 before September 15, 2025, and each succeeding month thereafter,  
443 two and two hundred sixty-six one-thousandths percent (2.266%) of  
444 the total sales tax revenue collected during the preceding month  
445 under the provisions of this chapter, except that collected under  
446 the provisions of Section 27-65-17(1)(n) and (2), and four and  
447 fifty-three one-hundredths percent (4.53%) of the total sales tax  
448 revenue collected during the preceding month under the provisions  
449 of Section 27-65-17(1)(n) shall be deposited into the School Ad  
450 Valorem Tax Reduction Fund created under Section 37-61-35 until  
451 such time that the total amount deposited into the fund during a  
452 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
453 Thereafter, the amounts diverted under this subsection (7) during  
454 the fiscal year in excess of Forty-two Million Dollars  
455 (\$42,000,000.00) shall be deposited into the Education Enhancement  
456 Fund created under Section 37-61-33 for appropriation by the  
457 Legislature as other education needs and shall not be subject to  
458 the percentage appropriation requirements set forth in Section  
459 37-61-33.

460 (8) On or before August 15, 1992, and each succeeding month  
461 thereafter through August 15, 2025, nine and seventy-three  
462 one-thousandths percent (9.073%) of the total sales tax revenue  
463 collected during the preceding month under the provisions of this  
464 chapter, except that collected under the provisions of Section  
465 27-65-17(2), shall be deposited into the Education Enhancement  
466 Fund created under Section 37-61-33. On or before September 15,





2025, 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(1)(n) and (2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33. On or before September 15, 2025, and each succeeding month thereafter, eighteen and one hundred forty-six one-thousandths percent (18.146%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) 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





517 paid into the General Fund shall be deposited in an amount not to  
518 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
519 created under Section 69-37-39. On or before August 15, 2007, and  
520 each succeeding month thereafter through July 15, 2010, that  
521 portion of the avails of the tax imposed in Section 27-65-23 that  
522 is derived from sales by cotton compresses or cotton warehouses  
523 and that would otherwise be paid into the General Fund shall be  
524 deposited in an amount not to exceed Two Million Dollars  
525 (\$2,000,000.00) into the special fund created under Section  
526 69-37-39 until all debts or other obligations incurred by the  
527 Certified Cotton Growers Organization under the Mississippi Boll  
528 Weevil Management Act before January 1, 2007, are satisfied in  
529 full. On or before August 15, 2010, and each succeeding month  
530 thereafter through July 15, 2011, fifty percent (50%) of that  
531 portion of the avails of the tax imposed in Section 27-65-23 that  
532 is derived from sales by cotton compresses or cotton warehouses  
533 and that would otherwise be paid into the General Fund shall be  
534 deposited into the special fund created under Section 69-37-39  
535 until such time that the total amount deposited into the fund  
536 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
537 On or before August 15, 2011, and each succeeding month  
538 thereafter, that portion of the avails of the tax imposed in  
539 Section 27-65-23 that is derived from sales by cotton compresses  
540 or cotton warehouses and that would otherwise be paid into the  
541 General Fund shall be deposited into the special fund created





542 under Section 69-37-39 until such time that the total amount  
543 deposited into the fund during a fiscal year equals One Million  
544 Dollars (\$1,000,000.00).

545 (15) Notwithstanding any other provision of this section to  
546 the contrary, on or before September 15, 2000, and each succeeding  
547 month thereafter, the sales tax revenue collected during the  
548 preceding month under the provisions of Section  
549 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
550 without diversion, into the Telecommunications Ad Valorem Tax  
551 Reduction Fund established in Section 27-38-7.

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

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





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

574           (18) [Repealed]

575           (19) (a) On or before August 15, 2005, and each succeeding  
576 month thereafter, the sales tax revenue collected during the  
577 preceding month under the provisions of this chapter on the gross  
578 proceeds of sales of a business enterprise located within a  
579 redevelopment project area under the provisions of Sections  
580 57-91-1 through 57-91-11, and the revenue collected on the gross  
581 proceeds of sales from sales made to a business enterprise located  
582 in a redevelopment project area under the provisions of Sections  
583 57-91-1 through 57-91-11 (provided that such sales made to a  
584 business enterprise are made on the premises of the business  
585 enterprise), shall, except as otherwise provided in this  
586 subsection (19), be deposited, after all diversions, into the  
587 Redevelopment Project Incentive Fund as created in Section  
588 57-91-9.

589           (b) For a municipality participating in the Economic  
590 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
591 the diversion provided for in subsection (1) of this section





592 attributable to the gross proceeds of sales of a business  
593 enterprise located within a redevelopment project area under the  
594 provisions of Sections 57-91-1 through 57-91-11, and attributable  
595 to the gross proceeds of sales from sales made to a business  
596 enterprise located in a redevelopment project area under the  
597 provisions of Sections 57-91-1 through 57-91-11 (provided that  
598 such sales made to a business enterprise are made on the premises  
599 of the business enterprise), shall be deposited into the  
600 Redevelopment Project Incentive Fund as created in Section  
601 57-91-9, as follows:

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

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

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

614                   (iv) For the ninth year in which such payments are  
615 made to a developer from the Redevelopment Project Incentive Fund,





616 sixty percent (60%) of the diversion shall be deposited into the  
617 fund; and

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

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

629 (21) (a) On or before April 15, 2007, and each succeeding  
630 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
631 Dollars (\$150,000.00) of the sales tax revenue collected during  
632 the preceding month under the provisions of this chapter shall be  
633 deposited into the MMEIA Tax Incentive Fund created in Section  
634 57-101-3.

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





641           (22) On or before June 1, 2024, and each succeeding month  
642 thereafter until December 31, 2057, an amount determined annually  
643 by the Mississippi Development Authority of the sales tax revenue  
644 collected during the preceding month under the provisions of this  
645 chapter shall be deposited into the MMEIA Tax Incentive Fund  
646 created in Section 57-125-3. This amount shall be based on  
647 estimated payments due within the upcoming year to construction  
648 contractors pursuant to construction contracts subject to the tax  
649 imposed by Section 27-65-21 for construction to be performed on  
650 the project site of a project defined under Section  
651 57-75-5(f)(xxxiii) for the coming year.

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

658           (24) (a) On or before August 15, 2019, and each month  
659 thereafter through July 15, 2020, one percent (1%) of the total  
660 sales tax revenue collected during the preceding month from  
661 restaurants and hotels shall be allocated for distribution to the  
662 Mississippi Development Authority Tourism Advertising Fund  
663 established under Section 57-1-64, to be used exclusively for the  
664 purpose stated therein. On or before August 15, 2020, and each  
665 month thereafter through July 15, 2021, two percent (2%) of the





666 total sales tax revenue collected during the preceding month from  
667 restaurants and hotels shall be allocated for distribution to the  
668 Mississippi Development Authority Tourism Advertising Fund  
669 established under Section 57-1-64, to be used exclusively for the  
670 purpose stated therein. On or before August 15, 2021, and each  
671 month thereafter, three percent (3%) of the total sales tax  
672 revenue collected during the preceding month from restaurants and  
673 hotels shall be allocated for distribution to the Mississippi  
674 Development Authority Tourism Advertising Fund established under  
675 Section 57-1-64, to be used exclusively for the purpose stated  
676 therein. The revenue diverted pursuant to this subsection shall  
677 not be available for expenditure until February 1, 2020.

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

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

687 (26) (a) It shall be the duty of the municipal officials of  
688 any municipality that expands its limits, or of any community that  
689 incorporates as a municipality, to notify the commissioner of that  
690 action thirty (30) days before the effective date. Failure to so





691 notify the commissioner shall cause the municipality to forfeit  
692 the revenue that it would have been entitled to receive during  
693 this period of time when the commissioner had no knowledge of the  
694 action.

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

702           (ii) Subject to the provisions of Sections  
703 27-65-51 and 27-65-53, if any funds have been erroneously  
704 disbursed to a municipality under subsection (1) of this section  
705 for a period of three (3) years or more, the maximum amount that  
706 may be recovered or withheld from the municipality is the total  
707 amount of funds erroneously disbursed for a period of three (3)  
708 years beginning with the date of the first erroneous disbursement.  
709 However, if during such period, a municipality provides written  
710 notice to the Department of Revenue indicating the erroneous  
711 disbursement of funds, then the maximum amount that may be  
712 recovered or withheld from the municipality is the total amount of  
713 funds erroneously disbursed for a period of one (1) year beginning  
714 with the date of the first erroneous disbursement.





715           **SECTION 3.** Nothing in this act shall affect or defeat any  
716 claim, assessment, appeal, suit, right or cause of action for  
717 taxes due or accrued under the sales tax laws before the date on  
718 which this act becomes effective, whether such claims,  
719 assessments, appeals, suits or actions have been begun before the  
720 date on which this act becomes effective or are begun thereafter;  
721 and the provisions of the sales tax laws are expressly continued  
722 in full force, effect and operation for the purpose of the  
723 assessment, collection and enrollment of liens for any taxes due  
724 or accrued and the execution of any warrant under such laws before  
725 the date on which this act becomes effective, and for the  
726 imposition of any penalties, forfeitures or claims for failure to  
727 comply with such laws.

728           **SECTION 4.** This act shall take effect and be in force from  
729 and after July 1, 2025.

