

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 3095

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

72 **SECTION 1.** This act shall be known and may be cited as the
73 "House Bill No. 1 of the 2025 Regular Session, the Build Up
74 Mississippi Act".

75 **SECTION 2.** Section 27-7-5, Mississippi Code of 1972, is
76 amended as follows:

77 27-7-5. (1) (a) Except as otherwise provided in this
78 section, there is hereby assessed and levied, to be collected and
79 paid as hereinafter provided, for the calendar year 1983 and
80 fiscal years ending during the calendar year 1983 and all taxable
81 years thereafter, upon the entire net income of every resident



individual, corporation, association, trust or estate, in excess of the credits provided, a tax at the following rates:

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

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

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

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

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



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

110 (ii) On taxable income in excess of Five Thousand
111 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
112 (\$10,000.00), or any part thereof, the rate shall be four percent
113 (4%); and

114 (iii) On all taxable income in excess of Ten
115 Thousand Dollars (\$10,000.00), the rate shall be five percent
116 (5%).

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

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

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



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

3. For calendar year 2026 * * *, on such taxable income, the rate shall be four percent (4%);

4. For calendar year 2027, on such taxable income, the rate shall be three and five-tenths percent (3.5%);

5. For calendar year 2028, on such taxable income, the rate shall be three percent (3.0%);

6. For calendar year 2029, on such taxable income, the rate shall be two and seven-tenths percent (2.7%);

7. For calendar year 2030, on such taxable income, the rate shall be two and four-tenths percent (2.4%);

8. For calendar year 2031, on such taxable income, the rate shall be two and one-tenths percent (2.1%);

9. For calendar year 2032, on such taxable income, the rate shall be one and eight-tenths percent (1.8%);

10. For calendar year 2033, on such taxable income, the rate shall be one and five-tenths percent (1.5%);

11. For calendar year 2034, on such taxable income, the rate shall be one and two-tenths percent (1.2%);

12. For calendar year 2035, on such taxable income, the rate shall be nine-tenths of one percent (.9%);

13. For calendar year 2036, on such taxable income, the rate shall be six-tenths of one percent (.6%); and



155 14. For calendar year 2037 and all calendar
156 years thereafter, there shall be no tax levied under subparagraph
157 (iii) of paragraph (a) of this subsection upon taxable income of
158 individuals in excess of Ten Thousand Dollars (\$10,000.00).

159 * * *

160 (c) However, notwithstanding any other provision of
161 this section to the contrary, for calendar year 2025 and each
162 calendar year thereafter, the tax imposed under this section, upon
163 all taxable income of individuals that is derived from illegal
164 activity and for income derived from producing, distributing,
165 directing, manufacturing, issuing, publishing or advertising any
166 depiction of sexually explicit conduct shall be at the rate of
167 five percent (5%). For the purposes of this paragraph (c),
168 "sexually explicit conduct" has the meaning ascribed to such term
169 in Section 97-5-31, notwithstanding whether depicting conduct by
170 an adult or child.

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

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



180 (4) In the case of taxpayers having a fiscal year beginning
181 in a calendar year with a rate in effect that is different than
182 the rate in effect for the next calendar year and ending in the
183 next calendar year, the tax due for that taxable year shall be
184 determined by:

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

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

191 (c) Applying to the tax computed under paragraph (a)
192 the ratio which the number of months falling within the earlier
193 calendar year bears to the total number of months in the fiscal
194 year; and

195 (d) Applying to the tax computed under paragraph (b)
196 the ratio which the number of months falling within the later
197 calendar year bears to the total number of months within the
198 fiscal year; and

199 (e) Adding to the tax determined under paragraph (c)
200 the tax determined under paragraph (d) the sum of which shall be
201 the amount of tax due for the fiscal year.

202 **SECTION 3.** Section 27-65-17, Mississippi Code of 1972, is
203 amended as follows:



27-65-17. (1) (a) Except as otherwise provided in this section, upon every person engaging or continuing within this state in the business of selling any tangible personal property whatsoever there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross proceeds of the retail sales of the business.

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

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

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

1. Self-propelled, or



228 2. Mounted so that it is permanently attached
229 to other equipment which is self-propelled or attached to other
230 equipment drawn by a vehicle which is self-propelled.

231 In order to be eligible for the rate of tax provided for in
232 this subparagraph (ii), such sales must be made to a professional
233 logger. For the purposes of this subparagraph (ii), a
234 "professional logger" is a person, corporation, limited liability
235 company or other entity, or an agent thereof, who possesses a
236 professional logger's permit issued by the Department of Revenue
237 and who presents the permit to the seller at the time of purchase.
238 The department shall establish an application process for a
239 professional logger's permit to be issued, which shall include a
240 requirement that the applicant submit a copy of documentation
241 verifying that the applicant is certified according to Sustainable
242 Forestry Initiative guidelines. Upon a determination that an
243 applicant is a professional logger, the department shall issue the
244 applicant a numbered professional logger's permit.

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

249 (e) Sales of manufacturing machinery or manufacturing
250 machine parts when made to a manufacturer or custom processor for
251 plant use only when the machinery and machine parts will be used
252 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;



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

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

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

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

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

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

298 (j) Sales of equipment used or designed for the purpose
299 of assisting disabled persons, such as wheelchair equipment and
300 lifts, that is mounted or attached to or installed on a private



301 carrier of passengers or light carrier of property, as defined in
302 Section 27-51-101, at the time when the private carrier of
303 passengers or light carrier of property is sold shall be taxed at
304 the same rate as the sale of such vehicles under this section.

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

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

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



(n) From and after July 1, 2026, 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 five percent (5%).

(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 4. Section 27-65-19, Mississippi Code of 1972, is amended as follows:

27-65-19. (1) (a) (i) Except as otherwise provided in this subsection, upon every person selling to consumers, electricity, current, power, potable water, steam, coal, natural gas, liquefied petroleum gas or other fuel, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross income of the business. Provided, gross income from sales to consumers of electricity, current, power, natural gas, liquefied



petroleum gas or other fuel for residential heating, lighting or other residential noncommercial or nonagricultural use, and sales of potable water for residential, noncommercial or nonagricultural use shall be excluded from taxable gross income of the business. Provided further, upon every such seller using electricity, current, power, potable water, steam, coal, natural gas, liquefied petroleum gas or other fuel for nonindustrial purposes, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the cost or value of the product or service used.

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

(b) (i) There is hereby levied, assessed and shall be collected a tax equal to one and one-half percent (1-1/2%) of the gross income of the business from the sale of naturally occurring



carbon dioxide and anthropogenic carbon dioxide lawfully injected into the earth for:

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

2. Permanent sequestration in a geological formation.

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

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

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

1. A tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross income received from all charges for intrastate telecommunications services.



399 2. A tax equal to seven percent (7%) through
400 June 30, 2026, seven and one-half percent (7.5%) from and after
401 July 1, 2026, through June 30, 2027, and eight percent (8%) from
402 and after July 1, 2027, of the gross income received from all
403 charges for interstate telecommunications services.

404 3. A tax equal to seven percent (7%) through
405 June 30, 2026, seven and one-half percent (7.5%) from and after
406 July 1, 2026, through June 30, 2027, and eight percent (8%) from
407 and after July 1, 2027, of the gross income received from all
408 charges for international telecommunications services.

409 4. A tax equal to seven percent (7%) through
410 June 30, 2026, seven and one-half percent (7.5%) from and after
411 July 1, 2026, through June 30, 2027, and eight percent (8%) from
412 and after July 1, 2027, of the gross income received from all
413 charges for ancillary services.

414 Sales of computer software, computer software services,
415 specified digital products, or other products delivered
416 electronically, including, but not limited to, music, games,
417 reading materials or ring tones, shall be taxed as provided in
418 other sections of this chapter.

419 (ii) A person, upon proof that he has paid a tax
420 in another state on an event described in subparagraph (i) of this
421 paragraph (d), shall be allowed a credit against the tax imposed
422 in this paragraph (d) on interstate telecommunications service
423 charges to the extent that the amount of such tax is properly due



and actually paid in such other state and to the extent that the rate of sales tax imposed by and paid in such other state does not exceed the rate of sales tax imposed by this paragraph (d).

(iii) Charges by one (1) telecommunications provider to another telecommunications provider holding a permit issued under Section 27-65-27 for services that are resold by such other telecommunications provider, including, but not limited to, access charges, shall not be subject to the tax levied pursuant to this paragraph (d).

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

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

a. Data processing and information services that allow data to be generated, acquired, stored, processed or retrieved and delivered by an electronic transmission



448 to a purchaser where such purchaser's primary purpose for the
449 underlying transaction is the processed data or information;
450 b. Installation or maintenance of wiring
451 or equipment on a customer's premises;
452 c. Tangible personal property;
453 d. Advertising, including, but not
454 limited to, directory advertising;
455 e. Billing and collection services
456 provided to third parties;
457 f. Internet access service;
458 g. Radio and television audio and video
459 programming services regardless of the medium, including the
460 furnishing of transmission, conveyance and routing of such
461 services by the programming service provider. Radio and
462 television audio and video programming services shall include, but
463 not be limited to, cable service as defined in 47 USCS 522(6) and
464 audio and video programming services delivered by commercial
465 mobile radio service providers, as defined in 47 CFR 20.3;
466 h. Ancillary services; or
467 i. Digital products delivered
468 electronically, including, but not limited to, computer software,
469 computer software services, electronically stored or maintained
470 data, music, video, reading materials, specified digital products,
471 or ring tones.



472 2. "Ancillary services" means services that
473 are associated with or incidental to the provision of
474 telecommunications services, including, but not limited to,
475 detailed telecommunications billing, directory assistance,
476 vertical service and voice mail service.

477 a. "Conference bridging" means an
478 ancillary service that links two (2) or more participants of an
479 audio or video conference call and may include the provision of a
480 telephone number. Conference bridging does not include the
481 telecommunications services used to reach the conference bridge.

482 b. "Detailed telecommunications billing
483 service" means an ancillary service of separately stating
484 information pertaining to individual calls on a customer's billing
485 statement.

486 c. "Directory assistance" means an
487 ancillary service of providing telephone number information and/or
488 address information.

489 d. "Vertical service" means an ancillary
490 service that is offered in connection with one or more
491 telecommunications services, which offers advanced calling
492 features that allow customers to identify callers and to manage
493 multiple calls and call connections, including conference bridging
494 services.

495 e. "Voice mail service" means an
496 ancillary service that enables the customer to store, send or



receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.

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

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

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

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

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

- a. Each level of taxing jurisdiction where the call originates and terminates in that jurisdiction, or
- b. Each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.



522 2. Except for the defined telecommunications
523 services in item 3 of this subparagraph, a sale of
524 telecommunications services sold on a basis other than a
525 call-by-call basis, is sourced to the customer's place of primary
526 use.

527 3. The sale of the following
528 telecommunications services shall be sourced to each level of
529 taxing jurisdiction as follows:

530 a. A sale of mobile telecommunications
531 services other than air-to-ground radiotelephone service and
532 prepaid calling service is sourced to the customer's place of
533 primary use as required by the Mobile Telecommunication Sourcing
534 Act.

535 A. A home service provider shall be
536 responsible for obtaining and maintaining the customer's place of
537 primary use. The home service provider shall be entitled to rely
538 on the applicable residential or business street address supplied
539 by such customer, if the home service provider's reliance is in
540 good faith; and the home service provider shall be held harmless
541 from liability for any additional taxes based on a different
542 determination of the place of primary use for taxes that are
543 customarily passed on to the customer as a separate itemized
544 charge. A home service provider shall be allowed to treat the
545 address used for purposes of the tax levied by this chapter for
546 any customer under a service contract in effect on August 1, 2002,



as that customer's place of primary use for the remaining term of such service contract or agreement, excluding any extension or renewal of such service contract or agreement. Month-to-month services provided after the expiration of a contract shall be treated as an extension or renewal of such contract or agreement.

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

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

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

A. The seller's telecommunications system; or



571 B. Information received by the
572 seller from its service provider, where the system used to
573 transport such signals is not that of the seller.

574 c. A sale of a prepaid calling service
575 or prepaid wireless calling service shall be subject to the tax
576 imposed by this paragraph if the sale takes place in this state.
577 If the customer physically purchases a prepaid calling service or
578 prepaid wireless calling service at the vendor's place of
579 business, the sale is deemed to take place at the vendor's place
580 of business. If the customer does not physically purchase the
581 service at the vendor's place of business, the sale of a prepaid
582 calling card or prepaid wireless calling card is deemed to take
583 place at the first of the following locations that applies to the
584 sale:

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

587 B. The customer's billing address;

588 C. Any other address of the
589 customer that is known by the vendor; or

590 D. The address of the vendor, or
591 alternatively, in the case of a prepaid wireless calling service,
592 the location associated with the mobile telephone number.

593 4. A sale of a private communication service
594 is sourced as follows:



595 a. Service for a separate charge related
596 to a customer channel termination point is sourced to each level
597 of jurisdiction in which such customer channel termination point
598 is located.

599 b. Service where all customer
600 termination points are located entirely within one (1)
601 jurisdiction or levels of jurisdiction is sourced in such
602 jurisdiction in which the customer channel termination points are
603 located.

604 c. Service for segments of a channel
605 between two (2) customer channel termination points located in
606 different jurisdictions and which segments of a channel are
607 separately charged is sourced fifty percent (50%) in each level of
608 jurisdiction in which the customer channel termination points are
609 located.

610 d. Service for segments of a channel
611 located in more than one (1) jurisdiction or levels of
612 jurisdiction and which segments are not separately billed is
613 sourced in each jurisdiction based on the percentage determined by
614 dividing the number of customer channel termination points in such
615 jurisdiction by the total number of customer channel termination
616 points.

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



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

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

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

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

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

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



643 6. "End user" means the person who utilizes
644 the telecommunications service. In the case of an entity, "end
645 user" means the individual who utilizes the service on behalf of
646 the entity.

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

650 8. "Mobile telecommunications service" has
651 the meaning ascribed to such term in Section 124(7) of Public Law
652 106-252 (Mobile Telecommunications Sourcing Act).

653 9. "Place of primary use" means the street
654 address representative of where the customer's use of the
655 telecommunications service primarily occurs, which must be the
656 residential street address or the primary business street address
657 of the customer. In the case of mobile telecommunications
658 services, the place of primary use must be within the licensed
659 service area of the home service provider.

660 10. "Post-paid calling service" means the
661 telecommunications service obtained by making a payment on a
662 call-by-call basis either through the use of a credit card or
663 payment mechanism such as a bank card, travel card, credit card or
664 debit card, or by charge made to a telephone number which is not
665 associated with the origination or termination of the
666 telecommunications service. A post-paid calling service includes
667 a telecommunications service, except a prepaid wireless calling



668 service that would be a prepaid calling service except it is not
669 exclusively a telecommunications service.

670 11. "Prepaid calling service" means the right
671 to access exclusively telecommunications services, which must be
672 paid for in advance and which enables the origination of calls
673 using an access number or authorization code, whether manually or
674 electronically dialed, and that is sold in predetermined units or
675 dollars of which the number declines with use in a known amount.

676 12. "Prepaid wireless calling service" means
677 a telecommunications service that provides the right to utilize
678 mobile wireless service as well as other nontelecommunications
679 services, including the download of digital products delivered
680 electronically, content and ancillary service, which must be paid
681 for in advance that is sold in predetermined units or dollars of
682 which the number declines with use in a known amount.

683 13. "Private communication service" means a
684 telecommunications service that entitles the customer to exclusive
685 or priority use of a communications channel or group of channels
686 between or among termination points, regardless of the manner in
687 which such channel or channels are connected, and includes
688 switching capacity, extension lines, stations and any other
689 associated services that are provided in connection with the use
690 of such channel or channels.

691 14. "Service address" means:



692 a. The location of the
693 telecommunications equipment to which a customer's call is charged
694 and from which the call originates or terminates, regardless of
695 where the call is billed or paid.

696 b. If the location in subitem a of this
697 item 14 is not known, the origination point of the signal of the
698 telecommunications services first identified by either the
699 seller's telecommunications system or in information received by
700 the seller from its service provider, where the system used to
701 transport such signals is not that of the seller.

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

705 (vii) 1. For purposes of this subparagraph (vii),
706 "bundled transaction" means a transaction that consists of
707 distinct and identifiable properties or services which are sold
708 for a single nonitemized price but which are treated differently
709 for tax purposes.

710 2. In the case of a bundled transaction that
711 includes telecommunications services, ancillary services, internet
712 access, or audio or video programming services taxed under this
713 chapter in which the price of the bundled transaction is
714 attributable to properties or services that are taxable and
715 nontaxable, the portion of the price that is attributable to any
716 nontaxable property or service shall be subject to the tax unless



the provider can reasonably identify that portion from its books and records kept in the regular course of business.

3. In the case of a bundled transaction that includes telecommunications services, ancillary services, internet access, audio or video programming services subject to tax under this chapter in which the price is attributable to properties or services that are subject to the tax but the tax revenue from the different properties or services are dedicated to different funds or purposes, the provider shall allocate the price among the properties or services:

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

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

4. This subparagraph (vii) shall not create a right of action for a customer to require that the provider or the department, for purposes of determining the amount of tax applicable to a bundled transaction, allocate the price to the different portions of the transaction in order to minimize the amount of tax charged to the customer. A customer shall not be entitled to rely on the fact that a portion of the price is attributable to properties or services not subject to tax unless the provider elects, after receiving a written request from the



customer in the form required by the provider, to provide verifiable data based upon the provider's books and records that are kept in the regular course of business that reasonably identifies the portion of the price attributable to the properties or services not subject to the tax.

(2) Persons making sales to consumers of electricity, current, power, natural gas, liquefied petroleum gas or other fuel for residential heating, lighting or other residential noncommercial or nonagricultural use or sales of potable water for residential, noncommercial or nonagricultural use shall indicate on each statement rendered to customers that such charges are exempt from sales taxes.

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

SECTION 5. Section 27-65-22, Mississippi Code of 1972, is amended as follows:

27-65-22. (1) Upon every person engaging or continuing in any amusement business or activity, which shall include all manner and forms of entertainment and amusement, all forms of diversion, sport, recreation or pastime, shows, exhibitions, contests, displays, games or any other and all methods of obtaining



admission charges, donations, contributions or monetary charges of any character, from the general public or a limited or selected number thereof, directly or indirectly in return for other than tangible property or specific personal or professional services, whether such amusement is held or conducted in a public or private building, hotel, tent, pavilion, lot or resort, enclosed or in the open, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross income received as admission, except as otherwise provided herein. In lieu of the rate set forth above, there is hereby imposed, levied and assessed, to be collected as hereinafter provided, a tax of three percent (3%) of gross revenue derived from sales of admission to publicly owned enclosed coliseums and auditoriums (except admissions to athletic contests between colleges and universities). There is hereby imposed, levied and assessed a tax of seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of gross revenue derived from sales of admission to events conducted on property managed by the Mississippi Veterans Memorial Stadium, which tax shall be administered in the manner prescribed in this chapter, subject, however, to the provisions of Sections 55-23-3 through 55-23-11.



792 (2) The operator of any place of amusement in this state
793 shall collect the tax imposed by this section, in addition to the
794 price charged for admission to any place of amusement, and under
795 all circumstances the person conducting the amusement shall be
796 liable for, and pay the tax imposed based upon the actual charge
797 for such admission. Where permits are obtained for conducting
798 temporary amusements by persons who are not the owners, lessees or
799 custodians of the buildings, lots or places where the amusements
800 are to be conducted, or where such temporary amusement is
801 permitted by the owner, lessee or custodian of any place to be
802 conducted without the procurement of a permit as required by this
803 chapter, the tax imposed by this chapter shall be paid by the
804 owner, lessee or custodian of such place where such temporary
805 amusement is held or conducted, unless paid by the person
806 conducting the amusement, and the applicant for such temporary
807 permit shall furnish with the application therefor, the name and
808 address of the owner, lessee or custodian of the premises upon
809 which such amusement is to be conducted, and such owner, lessee or
810 custodian shall be notified by the commission of the issuance of
811 such permit, and of the joint liability for such tax.

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

814 (a) Any admissions charged at any place of amusement
815 operated by a religious, charitable or educational organization,
816 or by a nonprofit civic club or fraternal organization (i) when



the net proceeds of such admissions do not inure to any one or more individuals within such organization and are to be used solely for religious, charitable, educational or civic purposes; or (ii) when the entire net proceeds are used to defray the normal operating expenses of such organization, such as loan payments, maintenance costs, repairs and other operating expenses;

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

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

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

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

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



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

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

849 (i) Any admissions or fees charged by any county or
850 municipally owned and operated swimming pools, golf courses and
851 tennis courts other than sales or rental of tangible personal
852 property;

853 (j) Any admissions charged for the performance of
854 symphony orchestras, operas, vocal or instrumental artists in
855 which professional or amateur performers are compensated out of
856 the proceeds of such admissions, when sponsored by local music or
857 charity associations, or amateur dramatic performances or
858 professional dramatic productions when sponsored by a children's
859 dramatic association, where no dividends are declared, profits
860 received, nor any salary or compensation paid to any of the
861 members of such associations, or to any person for procuring or
862 producing such performance;

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



865 (1) Any admissions or tickets to or for events
866 sanctioned by the Mississippi Athletic Commission that are held
867 within publicly owned enclosed coliseums and auditoriums;

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

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

877 (o) (i) Any admissions charged at events, activities
878 or entertainments:

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

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

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

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



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

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

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

SECTION 6. Section 27-65-23, Mississippi Code of 1972, is amended as follows:

27-65-23. Upon every person engaging or continuing in any of the following businesses or activities there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross income of the business, except as otherwise provided:

Air-conditioning installation or repairs;

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

Billiards, pool or domino parlors;

Bowling or tenpin alleys;



915 Burglar and fire alarm systems or services;
916 Car washing – automatic, self-service, or manual;
917 Computer software services actually performed within
918 this state;
919 Cotton compresses or cotton warehouses;
920 Custom creosoting or treating, custom planing, custom
921 sawing;
922 Custom meat processing;
923 Electricians, electrical work, wiring, all repairs or
924 installation of electrical equipment;
925 Elevator or escalator installing, repairing or
926 servicing;
927 Film developing or photo finishing;
928 Foundries, machine or general repairing;
929 Furniture repairing or upholstering;
930 Grading, excavating, ditching, dredging or landscaping;
931 Hotels (as defined in Section 41-49-3), motels, tourist
932 courts or camps, trailer parks;
933 Insulating services or repairs;
934 Jewelry or watch repairing;
935 Laundering, cleaning, pressing or dyeing;
936 Marina services;
937 Mattress renovating;
938 Office and business machine repairing;
939 Parking garages and lots;



940 Plumbing or pipe fitting;
941 Public storage warehouses (There shall be no tax levied
942 on gross income of a public storage warehouse derived from the
943 temporary storage of tangible personal property in this state
944 pending shipping or mailing of the property to another state.);
945 Refrigerating equipment repairs;
946 Radio or television installing, repairing, or servicing;
947 Renting or leasing personal property used within this
948 state;
949 Services performed in connection with geophysical
950 surveying, exploring, developing, drilling, producing,
951 distributing, or testing of water resources not related to
952 development of oil, gas and other mineral resources;
953 Shoe repairing;
954 Storage lockers;
955 Telephone answering or paging services;
956 Termite or pest control services;
957 Tin and sheet metal shops;
958 TV cable systems, subscription TV services, and other
959 similar activities;
960 Vulcanizing, repairing or recapping of tires or tubes;
961 Welding; and
962 Woodworking or wood-turning shops.
963 Income from services taxed herein performed for electric
964 power associations in the ordinary and necessary operation of



965 their generating or distribution systems shall be taxed at the
966 rate of one percent (1%).

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

972 Income from services performed in connection with geophysical
973 surveying, exploring, developing, drilling, redrilling,
974 completing, working over, producing, distributing, or testing of
975 oil, gas and other mineral resources, including overhead services
976 shall be taxed at the rate of four and one-half percent (4-1/2%).
977 Operators that rebill services to nonoperating working interest
978 owners on behalf of the joint account through the joint interest
979 billing (JIB), where the sales tax has been paid or accrued by the
980 operator shall not be charged a sales tax on the JIB as services
981 income.

982 Income from renting or leasing tangible personal property
983 used within this state shall be taxed at the same rates as sales
984 of the same property.

985 Persons doing business in this state who rent transportation
986 equipment with a situs within or without the state to common,
987 contract or private commercial carriers are taxed on that part of
988 the income derived from use within this state. If specific



accounting is impracticable, a formula may be used with approval of the commissioner.

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

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

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

SECTION 7. Section 27-65-25, Mississippi Code of 1972, is amended as follows:

27-65-25. Upon every person engaging or continuing within this state in the business of selling alcoholic beverages at retail, the sales of which are legal under the provisions of Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and



eight percent (8%) from and after July 1, 2027, of the gross proceeds of the retail sales of the business.

SECTION 8. Section 27-65-26, Mississippi Code of 1972, is amended as follows:

27-65-26. (1) Upon every person engaging or continuing within this state in the business of selling, renting or leasing specified digital products, there shall be levied, assessed and shall be collected a tax equal to seven percent (7%) through June 30, 2026, seven and one-half percent (7.5%) from and after July 1, 2026, through June 30, 2027, and eight percent (8%) from and after July 1, 2027, of the gross income of the business. The sale of a digital code that allows the purchaser to obtain a specified digital product shall be taxed in the same manner as the sale of a specified digital product. The tax is imposed when:

- (a) The sale is to an end user;
- (b) The seller grants the right of permanent or less than permanent use of the products transferred electronically; or
- (c) The sale is conditioned or not conditioned upon continued payment.

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

(3) For purposes of this section:



1039 (a) "Specified digital products" means electronically
1040 transferred digital audio-visual works, digital audio works and
1041 digital books.

1042 (b) "Digital audio-visual works" means a series of
1043 related images which, when shown in succession, impart an
1044 impression of motion, together with accompanying sounds, if any.

1045 (c) "Digital audio works" means works that result from
1046 the fixation of a series of musical, spoken or other sounds,
1047 including ringtones. "Ringtones" means digitized sound files that
1048 are downloaded onto a device and that may be used to alert the
1049 customer with respect to a communication.

1050 (d) "Digital books" means works that are generally
1051 recognized in the ordinary and usual sense as "books."

1052 (e) "Electronically transferred" means obtained by the
1053 purchaser by means other than tangible storage media.

1054 (f) "End user" means any person other than a person who
1055 receives by contract a product transferred electronically for
1056 further commercial broadcast, rebroadcast, transmission,
1057 retransmission, licensing, relicensing, distribution,
1058 redistribution or exhibition of the product, in whole or in part,
1059 to another person or persons.

1060 (g) "Permanent use" means for purposes of this section
1061 for perpetual or for an indefinite or unspecified length of time.

1062 (h) "Digital code" means a code that permits a
1063 purchaser to obtain a specified digital product at a later date.



1064 **SECTION 9.** Section 27-65-75, Mississippi Code of 1972, is
1065 amended as follows:

1066 27-65-75. On or before the fifteenth day of each month, the
1067 revenue collected under the provisions of this chapter during the
1068 preceding month shall be paid and distributed as follows:

1069 (1) (a) On or before August 15, 1992, and each succeeding
1070 month thereafter through July 15, 1993, eighteen percent (18%) of
1071 the total sales tax revenue collected during the preceding month
1072 under the provisions of this chapter, except that collected under
1073 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1074 business activities within a municipal corporation shall be
1075 allocated for distribution to the municipality and paid to the
1076 municipal corporation. Except as otherwise provided in this
1077 paragraph (a), on or before August 15, 1993, and each succeeding
1078 month thereafter through August 15, 2026, eighteen and one-half
1079 percent (18-1/2%) of the total sales tax revenue collected during
1080 the preceding month under the provisions of this chapter, except
1081 that collected under the provisions of Sections 27-65-15,
1082 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
1083 a municipal corporation shall be allocated for distribution to the
1084 municipality and paid to the municipal corporation. Except as
1085 otherwise provided in this paragraph (a), on or before September
1086 15, 2026, and each succeeding month thereafter, eighteen and
1087 one-half percent (18-1/2%) of the total sales tax revenue
1088 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, 2026, and each
succeeding month thereafter, twenty-five and nine-tenths percent
(25.9%) 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.

Monies allocated for distribution and credited to a municipal
corporation under this paragraph may be pledged as security for a
loan if the distribution received by the municipal corporation is



otherwise authorized or required by law to be pledged as security for such a loan.

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

(b) On or before August 15, 2006, and each succeeding month thereafter through August 15, 2026, 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 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, 2026, 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) 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, 2026, and each succeeding month thereafter, twenty-five and nine-tenths percent (25.9%) 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



1164 Section 29-5-215. On or before August 15, 2019, and each
1165 succeeding month thereafter until August 14, 2020, four percent
1166 (4%) of the total sales tax revenue collected during the preceding
1167 month under the provisions of this chapter, except that collected
1168 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1169 and 27-65-24, on business activities within the corporate limits
1170 of the City of Jackson, Mississippi, shall be deposited into the
1171 Capitol Complex Improvement District Project Fund created in
1172 Section 29-5-215. On or before August 15, 2020, and each
1173 succeeding month thereafter through July 15, 2023, six percent
1174 (6%) of the total sales tax revenue collected during the preceding
1175 month under the provisions of this chapter, except that collected
1176 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1177 and 27-65-24, on business activities within the corporate limits
1178 of the City of Jackson, Mississippi, shall be deposited into the
1179 Capitol Complex Improvement District Project Fund created in
1180 Section 29-5-215. On or before August 15, 2023, and each
1181 succeeding month thereafter through August 15, 2026, nine percent
1182 (9%) of the total sales tax revenue collected during the preceding
1183 month under the provisions of this chapter, except that collected
1184 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1185 and 27-65-24, on business activities within the corporate limits
1186 of the City of Jackson, Mississippi, shall be deposited into the
1187 Capitol Complex Improvement District Project Fund created in
1188 Section 29-5-215. On or before September 15, 2026, and each



1189 succeeding month thereafter, nine percent (9%) of the total sales
1190 tax revenue collected during the preceding month under the
1191 provisions of this chapter, except that collected under the
1192 provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3),
1193 27-65-21 and 27-65-24, on business activities within the corporate
1194 limits of the City of Jackson, Mississippi, shall be deposited
1195 into the Capitol Complex Improvement District Project Fund created
1196 in Section 29-5-215. On or before September 15, 2026, and each
1197 succeeding month thereafter, twelve and six-tenths percent (12.6%)
1198 of the total sales tax revenue collected during the preceding
1199 month under the provisions of Section 27-65-17(1)(n) on business
1200 activities within the corporate limits of the City of Jackson,
1201 Mississippi, shall be deposited into the Capitol Complex
1202 Improvement District Project Fund created in Section 29-5-215.

1203 (d) (i) Except as otherwise provided in this paragraph
1204 (d), on or before the fifteenth day of the month that the
1205 diversion authorized by this section begins, and each succeeding
1206 month thereafter, eighteen and one-half percent (18-1/2%) of the
1207 total sales tax revenue collected during the preceding month under
1208 the provisions of this chapter, except that collected under the
1209 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1210 business activities within a redevelopment project area developed
1211 under a redevelopment plan adopted under the Tax Increment
1212 Financing Act (Section 21-45-1 et seq.) shall be allocated for



1213 distribution to the county in which the project area is located
1214 if:

1215 1. The county:

1216 a. Borders on the Mississippi Sound and
1217 the State of Alabama, or

1218 b. Is Harrison County, Mississippi, and
1219 the project area is within a radius of two (2) miles from the
1220 intersection of Interstate 10 and Menge Avenue;

1221 2. The county has issued bonds under Section
1222 21-45-9 to finance all or a portion of a redevelopment project in
1223 the redevelopment project area;

1224 3. Any debt service for the indebtedness
1225 incurred is outstanding; and

1226 4. A development with a value of Ten Million
1227 Dollars (\$10,000,000.00) or more is, or will be, located in the
1228 redevelopment area.

1229 (ii) For a county that is eligible to receive
1230 funds under this paragraph (d), as determined by the Department of
1231 Revenue under this paragraph (d), from and after September 15,
1232 2026, and each succeeding month thereafter, eighteen and one-half
1233 percent (18-1/2%) of the total sales tax revenue collected during
1234 the preceding month under the provisions of this chapter, except
1235 that collected under the provisions of Sections 27-65-15,
1236 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities
1237 within a redevelopment project area developed under a



1238 redevelopment plan adopted under the Tax Increment Financing Act
1239 (Section 21-45-1 et seq.) shall be allocated for distribution to
1240 the county in which the project area is located, and twenty-five
1241 and nine-tenths percent (25.9%) of the total sales tax revenue
1242 collected during the preceding month under the provisions of
1243 Section 27-65-17(1) (n) on business activities within a
1244 redevelopment project area developed under a redevelopment plan
1245 adopted under the Tax Increment Financing Act (Section 21-45-1 et
1246 seq.) shall be allocated for distribution to the county in which
1247 the project area is located.

1248 (* * *iii) Before any sales tax revenue may be
1249 allocated for distribution to a county under this paragraph (d),
1250 the county shall certify to the Department of Revenue that the
1251 requirements of this paragraph (d) have been met, the amount of
1252 bonded indebtedness that has been incurred by the county for the
1253 redevelopment project and the expected date the indebtedness
1254 incurred by the county will be satisfied.

1255 (* * *iv) The diversion of sales tax revenue
1256 authorized by this paragraph (d) shall begin the month following
1257 the month in which the Department of Revenue determines that the
1258 requirements of this paragraph (d) have been met. The diversion
1259 shall end the month the indebtedness incurred by the county is
1260 satisfied. All revenue received by the county under this
1261 paragraph (d) shall be deposited in the fund required to be
1262 created in the tax increment financing plan under Section 21-45-11



1263 and be utilized solely to satisfy the indebtedness incurred by the
1264 county.

1265 (2) On or before September 15, 1987, and each succeeding
1266 month thereafter, from the revenue collected under this chapter
1267 during the preceding month, One Million One Hundred Twenty-five
1268 Thousand Dollars (\$1,125,000.00) shall be allocated for
1269 distribution to municipal corporations as defined under subsection
1270 (1) of this section in the proportion that the number of gallons
1271 of gasoline and diesel fuel sold by distributors to consumers and
1272 retailers in each such municipality during the preceding fiscal
1273 year bears to the total gallons of gasoline and diesel fuel sold
1274 by distributors to consumers and retailers in municipalities
1275 statewide during the preceding fiscal year. The Department of
1276 Revenue shall require all distributors of gasoline and diesel fuel
1277 to report to the department monthly the total number of gallons of
1278 gasoline and diesel fuel sold by them to consumers and retailers
1279 in each municipality during the preceding month. The Department
1280 of Revenue shall have the authority to promulgate such rules and
1281 regulations as is necessary to determine the number of gallons of
1282 gasoline and diesel fuel sold by distributors to consumers and
1283 retailers in each municipality. In determining the percentage
1284 allocation of funds under this subsection for the fiscal year
1285 beginning July 1, 1987, and ending June 30, 1988, the Department
1286 of Revenue may consider gallons of gasoline and diesel fuel sold
1287 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



1313 one-fourth percent (23-1/4%) of those funds, whichever is the
1314 greater amount, shall be deposited in the State Treasury to the
1315 credit of the "State Aid Road Fund," created by Section 65-9-17.
1316 Those funds shall be pledged to pay the principal of and interest
1317 on state aid road bonds heretofore issued under Sections 19-9-51
1318 through 19-9-77, in lieu of and in substitution for the funds
1319 previously allocated to counties under this section. Those funds
1320 may not be pledged for the payment of any state aid road bonds
1321 issued after April 1, 1981; however, this prohibition against the
1322 pledging of any such funds for the payment of bonds shall not
1323 apply to any bonds for which intent to issue those bonds has been
1324 published for the first time, as provided by law before March 29,
1325 1981. From the amount of taxes paid into the special fund under
1326 this subsection and subsection (9) of this section, there shall be
1327 first deducted and paid the amount necessary to pay the expenses
1328 of the Office of State Aid Road Construction, as authorized by the
1329 Legislature for all other general and special fund agencies. The
1330 remainder of the fund shall be allocated monthly to the several
1331 counties in accordance with the following formula:

1332 (a) One-third (1/3) shall be allocated to all counties
1333 in equal shares;

1334 (b) One-third (1/3) shall be allocated to counties
1335 based on the proportion that the total number of rural road miles
1336 in a county bears to the total number of rural road miles in all
1337 counties of the state; and



1338 (c) One-third (1/3) shall be allocated to counties
1339 based on the proportion that the rural population of the county
1340 bears to the total rural population in all counties of the state,
1341 according to the latest federal decennial census.

1342 For the purposes of this subsection, the term "gasoline,
1343 diesel fuel or kerosene taxes" means such taxes as defined in
1344 paragraph (f) of Section 27-5-101.

1345 The amount of funds allocated to any county under this
1346 subsection for any fiscal year after fiscal year 1994 shall not be
1347 less than the amount allocated to the county for fiscal year 1994.

1348 Any reference in the general laws of this state or the
1349 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1350 construed to refer and apply to subsection (4) of Section
1351 27-65-75.

1352 (5) On or before August 15, 2024, and each succeeding month
1353 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred
1354 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special
1355 fund known as the Education Enhancement Fund created and existing
1356 under the provisions of Section 37-61-33.

1357 (6) An amount each month beginning August 15, 1983, through
1358 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1359 1983, shall be paid into the special fund known as the
1360 Correctional Facilities Construction Fund created in Section 6,
1361 Chapter 542, Laws of 1983.



1362 (7) On or before August 15, 1992, and each succeeding month
1363 thereafter through July 15, 2000, two and two hundred sixty-six
1364 one-thousandths percent (2.266%) of the total sales tax revenue
1365 collected during the preceding month under the provisions of this
1366 chapter, except that collected under the provisions of Section
1367 27-65-17(2), shall be deposited by the department into the School
1368 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1369 or before August 15, 2000, and each succeeding month thereafter
1370 through August 15, 2026, two and two hundred sixty-six
1371 one-thousandths percent (2.266%) of the total sales tax revenue
1372 collected during the preceding month under the provisions of this
1373 chapter, except that collected under the provisions of Section
1374 27-65-17(2), shall be deposited into the School Ad Valorem Tax
1375 Reduction Fund created under Section 37-61-35 until such time that
1376 the total amount deposited into the fund during a fiscal year
1377 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
1378 the amounts diverted under this subsection (7) during the fiscal
1379 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
1380 be deposited into the Education Enhancement Fund created under
1381 Section 37-61-33 for appropriation by the Legislature as other
1382 education needs and shall not be subject to the percentage
1383 appropriation requirements set forth in Section 37-61-33. On or
1384 before September 15, 2026, and each succeeding month thereafter,
1385 two and two hundred sixty-six one-thousandths percent (2.266%) of
1386 the total sales tax revenue collected during the preceding month



1387 under the provisions of this chapter, except that collected under
1388 the provisions of Sections 27-65-17(1)(n) and (2), and three and
1389 seventeen one-hundredths percent (3.17%) of the total sales tax
1390 revenue collected during the preceding month under the provisions
1391 of Section 27-65-17(1)(n) shall be deposited into the School Ad
1392 Valorem Tax Reduction Fund created under Section 37-61-35 until
1393 such time that the total amount deposited into the fund during a
1394 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1395 Thereafter, the amounts diverted under this subsection (7) during
1396 the fiscal year in excess of Forty-two Million Dollars
1397 (\$42,000,000.00) shall be deposited into the Education Enhancement
1398 Fund created under Section 37-61-33 for appropriation by the
1399 Legislature as other education needs and shall not be subject to
1400 the percentage appropriation requirements set forth in Section
1401 37-61-33.

1402 (8) On or before August 15, 1992, and each succeeding month
1403 thereafter through August 15, 2026, nine and seventy-three
1404 one-thousandths percent (9.073%) of the total sales tax revenue
1405 collected during the preceding month under the provisions of this
1406 chapter, except that collected under the provisions of Section
1407 27-65-17(2), shall be deposited into the Education Enhancement
1408 Fund created under Section 37-61-33. On or before September 15,
1409 2026, and each succeeding month thereafter, nine and seventy-three
1410 one-thousandths percent (9.073%) of the total sales tax revenue
1411 collected during the preceding month under the provisions of this



1412 chapter, except that collected under the provisions of Sections
1413 27-65-17(1)(n) and (2), shall be deposited into the Education
1414 Enhancement Fund created under Section 37-61-33. On or before
1415 September 15, 2026, and each succeeding month thereafter, twelve
1416 and seven-tenths percent (12.7%) of the total sales tax revenue
1417 collected during the preceding month under the provisions of
1418 Section 27-65-17(1)(n) shall be deposited into the Education
1419 Enhancement Fund created under Section 37-61-33.

1420 (9) On or before August 15, 1994, and each succeeding month
1421 thereafter, from the revenue collected under this chapter during
1422 the preceding month, Two Hundred Fifty Thousand Dollars
1423 (\$250,000.00) shall be paid into the State Aid Road Fund.

1424 (10) On or before August 15, 1994, and each succeeding month
1425 thereafter through August 15, 1995, from the revenue collected
1426 under this chapter during the preceding month, Two Million Dollars
1427 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1428 Valorem Tax Reduction Fund established in Section 27-51-105.

1429 (11) Notwithstanding any other provision of this section to
1430 the contrary, on or before February 15, 1995, and each succeeding
1431 month thereafter, the sales tax revenue collected during the
1432 preceding month under the provisions of Section 27-65-17(2) and
1433 the corresponding levy in Section 27-65-23 on the rental or lease
1434 of private carriers of passengers and light carriers of property
1435 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



1461 created under Section 69-37-39. On or before August 15, 2007, and
1462 each succeeding month thereafter through July 15, 2010, that
1463 portion of the avails of the tax imposed in Section 27-65-23 that
1464 is derived from sales by cotton compresses or cotton warehouses
1465 and that would otherwise be paid into the General Fund shall be
1466 deposited in an amount not to exceed Two Million Dollars
1467 (\$2,000,000.00) into the special fund created under Section
1468 69-37-39 until all debts or other obligations incurred by the
1469 Certified Cotton Growers Organization under the Mississippi Boll
1470 Weevil Management Act before January 1, 2007, are satisfied in
1471 full. On or before August 15, 2010, and each succeeding month
1472 thereafter through July 15, 2011, fifty percent (50%) of that
1473 portion of the avails of the tax imposed in Section 27-65-23 that
1474 is derived from sales by cotton compresses or cotton warehouses
1475 and that would otherwise be paid into the General Fund shall be
1476 deposited into the special fund created under Section 69-37-39
1477 until such time that the total amount deposited into the fund
1478 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1479 On or before August 15, 2011, and each succeeding month
1480 thereafter, that portion of the avails of the tax imposed in
1481 Section 27-65-23 that is derived from sales by cotton compresses
1482 or cotton warehouses and that would otherwise be paid into the
1483 General Fund shall be deposited into the special fund created
1484 under Section 69-37-39 until such time that the total amount



1485 deposited into the fund during a fiscal year equals One Million
1486 Dollars (\$1,000,000.00).

1487 (15) Notwithstanding any other provision of this section to
1488 the contrary, on or before September 15, 2000, and each succeeding
1489 month thereafter, the sales tax revenue collected during the
1490 preceding month under the provisions of Section
1491 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
1492 without diversion, into the Telecommunications Ad Valorem Tax
1493 Reduction Fund established in Section 27-38-7.

1494 (16) (a) On or before August 15, 2000, and each succeeding
1495 month thereafter, the sales tax revenue collected during the
1496 preceding month under the provisions of this chapter on the gross
1497 proceeds of sales of a project as defined in Section 57-30-1 shall
1498 be deposited, after all diversions except the diversion provided
1499 for in subsection (1) of this section, into the Sales Tax
1500 Incentive Fund created in Section 57-30-3.

1501 (b) On or before August 15, 2007, and each succeeding
1502 month thereafter, eighty percent (80%) of the sales tax revenue
1503 collected during the preceding month under the provisions of this
1504 chapter from the operation of a tourism project under the
1505 provisions of Sections 57-26-1 through 57-26-5, shall be
1506 deposited, after the diversions required in subsections (7) and
1507 (8) of this section, into the Tourism Project Sales Tax Incentive
1508 Fund created in Section 57-26-3.



1509 (17) Notwithstanding any other provision of this section to
1510 the contrary, on or before April 15, 2002, and each succeeding
1511 month thereafter, the sales tax revenue collected during the
1512 preceding month under Section 27-65-23 on sales of parking
1513 services of parking garages and lots at airports shall be
1514 deposited, without diversion, into the special fund created under
1515 Section 27-5-101(d) .

1516 (18) [Repealed]

1517 (19) (a) On or before August 15, 2005, and each succeeding
1518 month thereafter, the sales tax revenue collected during the
1519 preceding month under the provisions of this chapter on the gross
1520 proceeds of sales of a business enterprise located within a
1521 redevelopment project area under the provisions of Sections
1522 57-91-1 through 57-91-11, and the revenue collected on the gross
1523 proceeds of sales from sales made to a business enterprise located
1524 in a redevelopment project area under the provisions of Sections
1525 57-91-1 through 57-91-11 (provided that such sales made to a
1526 business enterprise are made on the premises of the business
1527 enterprise), shall, except as otherwise provided in this
1528 subsection (19), be deposited, after all diversions, into the
1529 Redevelopment Project Incentive Fund as created in Section
1530 57-91-9.

1531 (b) For a municipality participating in the Economic
1532 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1533 the diversion provided for in subsection (1) of this section



1534 attributable to the gross proceeds of sales of a business
1535 enterprise located within a redevelopment project area under the
1536 provisions of Sections 57-91-1 through 57-91-11, and attributable
1537 to the gross proceeds of sales from sales made to a business
1538 enterprise located in a redevelopment project area under the
1539 provisions of Sections 57-91-1 through 57-91-11 (provided that
1540 such sales made to a business enterprise are made on the premises
1541 of the business enterprise), shall be deposited into the
1542 Redevelopment Project Incentive Fund as created in Section
1543 57-91-9, as follows:

1544 (i) For the first six (6) years in which payments
1545 are made to a developer from the Redevelopment Project Incentive
1546 Fund, one hundred percent (100%) of the diversion shall be
1547 deposited into the fund;

1548 (ii) For the seventh year in which such payments
1549 are made to a developer from the Redevelopment Project Incentive
1550 Fund, eighty percent (80%) of the diversion shall be deposited
1551 into the fund;

1552 (iii) For the eighth year in which such payments
1553 are made to a developer from the Redevelopment Project Incentive
1554 Fund, seventy percent (70%) of the diversion shall be deposited
1555 into the fund;

1556 (iv) For the ninth year in which such payments are
1557 made to a developer from the Redevelopment Project Incentive Fund,



1558 sixty percent (60%) of the diversion shall be deposited into the
1559 fund; and

1560 (v) For the tenth year in which such payments are
1561 made to a developer from the Redevelopment Project Incentive Fund,
1562 fifty percent (50%) of the funds shall be deposited into the fund.

1563 (20) On or before January 15, 2007, and each succeeding
1564 month thereafter, eighty percent (80%) of the sales tax revenue
1565 collected during the preceding month under the provisions of this
1566 chapter from the operation of a tourism project under the
1567 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1568 after the diversions required in subsections (7) and (8) of this
1569 section, into the Tourism Sales Tax Incentive Fund created in
1570 Section 57-28-3.

1571 (21) (a) On or before April 15, 2007, and each succeeding
1572 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1573 Dollars (\$150,000.00) of the sales tax revenue collected during
1574 the preceding month under the provisions of this chapter shall be
1575 deposited into the MMEIA Tax Incentive Fund created in Section
1576 57-101-3.

1577 (b) On or before July 15, 2013, and each succeeding
1578 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1579 of the sales tax revenue collected during the preceding month
1580 under the provisions of this chapter shall be deposited into the
1581 Mississippi Development Authority Job Training Grant Fund created
1582 in Section 57-1-451.



1583 (22) On or before June 1, 2024, and each succeeding month
1584 thereafter until December 31, 2057, an amount determined annually
1585 by the Mississippi Development Authority of the sales tax revenue
1586 collected during the preceding month under the provisions of this
1587 chapter shall be deposited into the MMEIA Tax Incentive Fund
1588 created in Section 57-125-3. This amount shall be based on
1589 estimated payments due within the upcoming year to construction
1590 contractors pursuant to construction contracts subject to the tax
1591 imposed by Section 27-65-21 for construction to be performed on
1592 the project site of a project defined under Section
1593 57-75-5(f)(xxxiii) for the coming year.

1594 (23) Notwithstanding any other provision of this section to
1595 the contrary, on or before August 15, 2009, and each succeeding
1596 month thereafter, the sales tax revenue collected during the
1597 preceding month under the provisions of Section 27-65-201 shall be
1598 deposited, without diversion, into the Motor Vehicle Ad Valorem
1599 Tax Reduction Fund established in Section 27-51-105.

1600 (24) (a) On or before August 15, 2019, and each month
1601 thereafter through July 15, 2020, one percent (1%) of the total
1602 sales tax revenue collected during the preceding month from
1603 restaurants and hotels shall be allocated for distribution to the
1604 Mississippi Development Authority Tourism Advertising Fund
1605 established under Section 57-1-64, to be used exclusively for the
1606 purpose stated therein. On or before August 15, 2020, and each
1607 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 September 15, 2026, and each succeeding month thereafter, Four Million Dollars (\$4,000,000.00) of the total sales tax revenue collected during the preceding month under the provisions of this chapter shall deposited, after diversion, into the State Aid Road Fund created in Section 65-9-17.

(26) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2026, and each succeeding



month thereafter, the total sales tax revenue collected during the preceding month under the provisions of Sections 27-65-17(1)(a), 27-65-19(1)(a)(i) and (d), 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the increases to tax rates under such sections as provided in Senate Bill No. 3095, 2025 Regular Session, shall be deposited without diversion, except the diversion required in subsection (1)(a) of this section, into the State Treasury to the credit of the General Fund. The provisions of this subsection (26) shall supersede and control over any other provisions of this section providing for the distribution of revenue under this section.

(* * *27) 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.

(* * *28) (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 10. Section 27-55-11, Mississippi Code of 1972, is amended as follows:

27-55-11. Any person in business as a distributor of gasoline or who acts as a distributor of gasoline, as defined in this article, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Eighteen Cents (18¢) per gallon through June 30, 2026, Twenty-three Cents (23¢) per gallon from July 1, 2026, through



1683 June 30, 2027, Twenty-eight Cents (28¢) per gallon from July 1,
1684 2027, through June 30, 2028, Thirty-three Cents (33¢) per gallon
1685 from July 1, 2028, until the date specified in Section 65-39-35,
1686 and Fourteen and Four-tenths Cents (14.4¢) per gallon thereafter,
1687 on all gasoline and blend stock stored, sold, distributed,
1688 manufactured, refined, distilled, blended or compounded in this
1689 state or received in this state for sale, use on the highways,
1690 storage, distribution, or for any purpose.

1691 Any person in business as a distributor of aviation gasoline,
1692 or who acts as a distributor of aviation gasoline, shall pay for
1693 the privilege of engaging in such business or acting as such
1694 distributor an excise tax equal to Six and Four-tenths Cents
1695 (6.4¢) per gallon on all aviation gasoline stored, sold,
1696 distributed, manufactured, refined, distilled, blended or
1697 compounded in this state or received in this state for sale,
1698 storage, distribution or for any purpose.

1699 Beginning July 1, 2030, and on July 1 of every other year
1700 thereafter, the excise tax rate provided in this section shall be
1701 adjusted by the percentage change in the yearly average of the
1702 National Highway Construction Cost Index (NHCCI) issued by the
1703 U.S. Federal Highway Administration (FHWA) for the most recent
1704 twelve-month published period ending December 31, compared to the
1705 base year average, which is the average for the twelve-month
1706 period ending December 31, 2026, and rounded to the nearest whole
1707 cent. The maximum amount of increase in the excise tax rate shall



1708 not exceed One Cent (1¢) per net gallon of gasoline or special
1709 fuel and shall take effect every other year. The Department of
1710 Revenue shall notify each terminal supplier, position holder,
1711 licensed distributors distributor, and importer of the tax rate
1712 adjustment applicable under this paragraph on or before March 1.

1713 The excise taxes collected under this section shall be paid
1714 and distributed in accordance with Section 27-5-101.

1715 The tax herein imposed and assessed shall be collected and
1716 paid to the State of Mississippi but once in respect to any
1717 gasoline. The basis for determining the tax liability shall be
1718 the correct invoiced gallons, adjusted to sixty (60) degrees
1719 Fahrenheit at the refinery or point of origin of shipment when
1720 such shipment is made by tank car or by motor carrier. The point
1721 of origin of shipment of gasoline transported into this state by
1722 pipelines shall be deemed to be that point in this state where
1723 such gasoline is withdrawn from the pipeline for storage or
1724 distribution, and adjustment to sixty (60) degrees Fahrenheit
1725 shall there be made. The basis for determining the tax liability
1726 on gasoline shipped into this state in barge cargoes and by
1727 pipeline shall be the actual number of gallons adjusted to sixty
1728 (60) degrees Fahrenheit unloaded into storage tanks or other
1729 containers in this state, such gallonage to be determined by
1730 measurement and/or gauge of storage tank or tanks or by any other
1731 method authorized by the commission. The tank or tanks into which
1732 barge cargoes of gasoline are discharged, or into which gasoline



1733 transported by pipeline is discharged, shall have correct gauge
1734 tables listing capacity, such gauge tables to be prepared by some
1735 recognized calibrating agency and to be approved by the
1736 commission.

1737 The tax levied herein shall accrue at the time gasoline is
1738 withdrawn from a refinery in this state except when withdrawal is
1739 by pipeline, barge, ship or vessel. The refiner shall pay to the
1740 commission the tax levied herein when gasoline is sold or
1741 delivered to persons who do not hold gasoline distributor permits.
1742 The refiner shall report to the commission all sales and
1743 deliveries of gasoline to bonded distributors of gasoline. The
1744 bonded distributor of gasoline who purchases, receives or acquires
1745 gasoline from a refinery in this state shall report such gasoline
1746 and pay the tax levied herein.

1747 Gasoline imported by common carrier shall be deemed to be
1748 received by the distributor of gasoline, and the tax levied herein
1749 shall accrue, when the car or tank truck containing such gasoline
1750 is unloaded by the carrier.

1751 With respect to distributors or other persons who bring,
1752 ship, have transported, or have brought into this state gasoline
1753 by means other than through a common carrier, the tax accrues and
1754 the tax liability attaches on the distributor or other person for
1755 each gallon of gasoline brought into the state at the time when
1756 and at the point where such gasoline is brought into the state.



1757 The tax levied herein shall accrue on blend stock at the time
1758 it is blended with gasoline. The blender shall pay to the
1759 commission the tax levied herein when blend stock is sold or
1760 delivered to persons who do not hold gasoline distributor permits.
1761 The blender shall report to the commission all sales and
1762 deliveries of blend stock to bonded distributors of gasoline. The
1763 bonded distributor of gasoline who purchases, receives or acquires
1764 blend stock from a blender in this state shall report blend stock
1765 and pay the tax levied herein.

1766 **SECTION 11.** Section 27-55-519, Mississippi Code of 1972, is
1767 amended as follows:

1768 27-55-519. (1) Any person engaged in business as a
1769 distributor of special fuel or who acts as a distributor of
1770 special fuel, as defined in this article, shall pay for the
1771 privilege of engaging in such business or acting as such
1772 distributor an excise tax on all special fuel stored, used, sold,
1773 distributed, manufactured, refined, distilled, blended or
1774 compounded in this state or received in this state for sale,
1775 storage, distribution or for any purpose, adjusted to sixty (60)
1776 degrees Fahrenheit.

1777 The excise tax shall become due and payable when:

1778 (a) Special fuel is withdrawn from storage at a
1779 refinery, marine or pipeline terminal, except when withdrawal is
1780 by barge or pipeline.



1781 (b) Special fuel imported by a common carrier is
1782 unloaded by that carrier unless the special fuel is unloaded
1783 directly into the storage tanks of a refinery, marine or pipeline
1784 terminal.

1785 (c) Special fuel imported by any person other than a
1786 common carrier enters the State of Mississippi unless the special
1787 fuel is unloaded directly into the storage tanks of a refinery,
1788 marine or pipeline terminal.

1789 (d) Special fuel is blended in this state unless such
1790 blending occurs in a refinery, marine or pipeline terminal.

1791 (e) Special fuel is acquired tax free.

1792 (2) The special fuel excise tax shall be as follows:

1793 (a) * * * On undyed diesel fuel, Eighteen Cents (18¢)
1794 per gallon through June 30, 2026, Twenty-three Cents (23¢) per
1795 gallon from July 1, 2026, through June 30, 2027, Twenty-eight
1796 Cents (28¢) per gallon from July 1, 2027, through June 30, 2028,
1797 Thirty-three Cents (33¢) per gallon from July 1, 2028, until the
1798 date specified in Section 65-39-35, and Fourteen and Three-fourths
1799 Cents (14.75¢) per gallon thereafter;

1800 (b) Five and Three-fourths Cents (5.75¢) per gallon on
1801 all special fuel except undyed diesel fuel and special fuel used
1802 as fuels in aircraft; and

1803 (c) Five and One-fourth Cents (5.25¢) per gallon on
1804 special fuel used as fuel in aircraft.



(3) Beginning July 1, 2030, and on July 1 of every other year thereafter, the excise tax rate provided in this section shall be adjusted by the percentage change in the yearly average of the National Highway Construction Cost Index (NHCCI) issued by the U.S. Federal Highway Administration (FHWA) for the most recent twelve-month published period ending December 31, compared to the base year average, which is the average for the twelve-month period ending December 31, 2026, and rounded to the nearest whole cent. The maximum amount of increase in the excise tax rate shall not exceed One Cent (1¢) per net gallon of gasoline or special fuel and shall take effect every other year. The Department of Revenue shall notify each terminal supplier, position holder, licensed distributors distributor, and importer of the tax rate adjustment applicable under this paragraph on or before March 1.

SECTION 12. Section 27-55-521, Mississippi Code of 1972, is amended as follows:

27-55-521. (1) An excise tax at the rate of Eighteen Cents (18¢) per gallon through June 30, 2026, Twenty-three Cents (23¢) per gallon from July 1, 2026, through June 30, 2027, Twenty-eight Cents (28¢) per gallon from July 1, 2027, through June 30, 2028, Thirty-three Cents (33¢) per gallon from July 1, 2028, until the date specified in Section 65-39-35, * * * and Fourteen and Three-fourths Cents (14.75¢) per gallon thereafter is levied on any person engaged in business as a distributor of special fuel or who acts as such who sells:



1830 (a) Special fuel for use in performing contracts for
1831 construction, reconstruction, maintenance or repairs, where such
1832 contracts are entered into with the State of Mississippi, any
1833 political subdivision of the State of Mississippi, or any
1834 department, agency, institution of the State of Mississippi or any
1835 political subdivision thereof.

1836 (b) Dyed diesel fuel or kerosene to a state or local
1837 governmental entity for use on the highways in a motor vehicle.

1838 (c) Special fuel for use on the highway.

1839 (2) An excise tax at the rate of Eighteen Cents (18¢) per
1840 gallon through June 30, 2026, Twenty-three Cents (23¢) per gallon
1841 from July 1, 2026, through June 30, 2027, Twenty-eight Cents (28¢)
1842 per gallon from July 1, 2027, through June 30, 2028, Thirty-three
1843 Cents (33¢) per gallon from July 1, 2028, until the date specified
1844 in Section 65-39-35, * * * and Fourteen and Three-fourths Cents
1845 (14.75¢) per gallon thereafter is levied on any person who:

1846 (a) Uses dyed diesel fuel or kerosene in a motor
1847 vehicle on the highways of this state in violation of Section
1848 27-55-539.

1849 (b) Purchases or acquires undyed diesel fuel or
1850 kerosene for nonhighway use and subsequently uses such diesel fuel
1851 or kerosene in a motor vehicle on the highways of this state.

1852 (c) Purchases or acquires special fuel for use in
1853 performing contracts as specified in this section.



(3) Beginning July 1, 2030, and on July 1 of every other year thereafter, the excise tax rate provided in this section shall be adjusted by the percentage change in the yearly average of the National Highway Construction Cost Index (NHCCI) issued by the U.S. Federal Highway Administration (FHWA) for the most recent twelve-month published period ending December 31, compared to the base year average, which is the average for the twelve-month period ending December 31, 2026, and rounded to the nearest whole cent. The maximum amount of increase in the excise tax rate shall not exceed One Cent (1¢) per net gallon of gasoline or special fuel and shall take effect every other year. The Department of Revenue shall notify each terminal supplier, position holder, licensed distributors distributor, and importer of the tax rate adjustment applicable under this paragraph on or before March 1.

SECTION 13. Section 27-55-12, Mississippi Code of 1972, is amended as follows:

27-55-12. (1) The United States government, the State of Mississippi, counties, municipalities, school districts and all other political subdivisions of the state, and volunteer fire departments chartered under the laws of the State of Mississippi as nonprofit corporations shall be exempt from excise taxes on gasoline, special fuel and compressed gas as follows:

(a) From the excise tax rate in excess of Nine Cents (9¢) per gallon of gasoline and from the excise tax rate in excess of One Cent (1¢) per gallon of aviation gasoline levied under



1879 Section 27-55-11, Mississippi Code of 1972, Five and Four-tenths
1880 Cents (5.4¢) thereof shall be exempt as provided in Section
1881 27-55-19, Mississippi Code of 1972.

1882 (b) From the excise tax rate in excess of Ten Cents
1883 (10¢) per gallon of special fuel levied * * * under Sections
1884 27-55-519 and 27-55-521 and subject to reduction on the date
1885 specified in Section 65-39-35, Four and Three-fourths Cents
1886 (4.75¢) thereof shall be exempt.

1887 (c) From the excise tax rate in excess of One Cent (1¢)
1888 per gallon of special fuel taxed at Five and Three-fourths Cents
1889 (5.75¢) per gallon and from the excise tax rate in excess of
1890 One-half Cent (1/2¢) per gallon of special fuel used in aircraft
1891 levied under Section 27-55-519, Four and Three-fourths Cents
1892 (4.75¢) thereof shall be exempt.

1893 (d) From the portion of the excise tax rate on
1894 compressed gas used as a motor fuel that exceeds the rate of tax
1895 in effect on June 30, 1987, Three Cents (3¢) thereof shall be
1896 exempt.

1897 (2) The exemption provided in subsection (1) of this section
1898 for sales of gasoline, special fuel and compressed gas to
1899 volunteer fire departments shall apply only to sales of gasoline,
1900 special fuel and compressed gas for use in a vehicle owned by a
1901 volunteer fire department and used for department purposes.

1902 (3) The exemption provided in subsection (1) of this section
1903 for sales of gasoline, special fuel and compressed gas also shall



1904 apply to sales of gasoline, special fuel and compressed gas to an
1905 entity described in Section 27-51-41(2)(u) for use in buses and
1906 other motor vehicles that are exempt from ad valorem taxation
1907 under Section 27-51-41(2)(u).

1908 (4) Any person other than a bonded distributor of gasoline,
1909 bonded distributor of special fuel or bonded distributor of
1910 compressed gas who sells or delivers any gasoline, special fuel or
1911 compressed gas, subject to the exemption set forth in this
1912 section, is required to obtain credit for such exemption from a
1913 bonded distributor of gasoline, special fuel or compressed gas.

1914 **SECTION 14.** Section 27-55-523, Mississippi Code of 1972, is
1915 amended as follows:

1916 27-55-523. For the purpose of determining the amount of his
1917 liability for the tax imposed by this article, each bonded
1918 distributor of special fuel shall, not later than the twentieth
1919 day of the month next following the month in which this article
1920 becomes effective, and not later than the twentieth day of each
1921 month thereafter, file with the department a monthly report which
1922 shall include a statement of the number of gallons of special fuel
1923 received and sold by such distributor of special fuel within this
1924 state during the preceding calendar month, and such other
1925 information as may be reasonably necessary for the proper
1926 administration of this article.

1927 At the time of filing each monthly report with the
1928 department, a distributor may take a credit for the number of



1929 gallons of special fuel that he purchased during the preceding
1930 calendar month from a distributor who pays the excise tax imposed
1931 by this article on such special fuel.

1932 At the time of filing each monthly report with the
1933 department, each distributor of special fuel shall pay to the
1934 department the full amount of the special fuel tax due from such
1935 distributor for the preceding calendar month.

1936 Reports and payments must be filed electronically by the due
1937 date in order to be considered timely filed, except when the due
1938 date falls on a weekend or holiday, in which case such reports and
1939 payments must be filed electronically by the first working day
1940 following the due date in order to be considered timely filed.

1941 The monthly report of the distributor of special fuel shall
1942 be prepared and filed with the department on forms prescribed by
1943 the department, or the distributor of special fuel may, with the
1944 approval of the department, furnish the required information on
1945 machine-prepared schedules. Such monthly reports or schedules
1946 shall be signed by the distributor or his duly authorized agent
1947 and shall contain a declaration that the statements contained in
1948 such report are true and correct and are made under the penalty of
1949 perjury.

1950 When special fuel, which would otherwise be taxable under the
1951 provisions of this article, is imported, sold, delivered or
1952 exported, under conditions which will exclude such special fuel
1953 from the tax levied under this article by reasons of one or more



of the exemptions provided in this article, deduction for such exempt special fuel may be taken without prior approval of the department on the monthly report of the bonded distributor of special fuel importing, selling, delivering or exporting such special fuel. Provided, however, that the department may require proof to be furnished of such deduction for exempt special fuel.

When the Five and Three-fourths Cents (5.75¢) per gallon tax has accrued or has been paid on special fuel that is taxed * * * under Sections 27-55-519 and 27-55-521 and subject to reduction on the date specified in Section 65-39-35, a deduction of Five and Three-fourths Cents (5.75¢) per gallon may be made.

SECTION 15. Section 27-5-101, Mississippi Code of 1972, is amended as follows:

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

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

(a) (i) Except as otherwise provided in Section 31-17-127, from the gross amount of gasoline, diesel fuel or kerosene taxes produced by the state, there shall be deducted an amount equal to one-sixth (1/6) of principal and interest certified by the State Treasurer to the * * * Department of



1979 Revenue to be due on the next semiannual bond and interest payment
1980 date, as required under the provisions of Chapter 130, Laws of
1981 1938, and subsequent acts authorizing the issuance of bonds
1982 payable from gasoline, diesel fuel or kerosene tax revenue on a
1983 parity with the bonds issued under authority of said Chapter 130.
1984 The State Treasurer shall certify to the * * * Department of
1985 Revenue on or before the fifteenth day of each month the amount to
1986 be paid to the "Highway Bonds Sinking Fund" as provided by said
1987 Chapter 130, Laws of 1938, and subsequent acts authorizing the
1988 issuance of bonds payable from gasoline, diesel fuel or kerosene
1989 tax revenue, on a parity with the bonds issued under authority of
1990 said Chapter 130; and the * * * Department of Revenue shall, on or
1991 before the twenty-fifth day of each month, pay into the State
1992 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
1993 so certified to him by the State Treasurer due to be paid into
1994 such fund each month. The payments to the "Highway Bonds Sinking
1995 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
1996 tax collections before deductions of any nature are considered;
1997 however, such payments shall be deducted from the allocation to
1998 the Mississippi Department of Transportation under paragraph (c)
1999 of this section.

2000 (ii) From collections derived from the portion of
2001 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
2002 from the portion of the tax on aviation gas under Section 27-55-11
2003 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the



2004 portion of the special fuel tax levied under Sections 27-55-519
2005 and 27-55-521, * * * that exceeds Ten Cents (10¢) per gallon, from
2006 the portion of the taxes levied under Section 27-55-519, at Five
2007 and Three-fourths Cents (5.75¢) per gallon that exceeds One Cent
2008 (1¢) per gallon on special fuel and Five and One-fourth Cents
2009 (5.25¢) per gallon on special fuel used as aircraft fuel, from the
2010 portion of the excise tax on compressed gas used as a motor fuel
2011 that exceeds the rate of tax in effect on June 30, 1987, and from
2012 the portion of the gasoline excise tax in excess of Seven Cents
2013 (7¢) per gallon and the diesel excise tax in excess of Ten Cents
2014 (10¢) per gallon under Section 27-61-5 there shall be deducted:

2015 1. An amount as provided in Section
2016 27-65-75(4) to the credit of a special fund designated as the
2017 "Office of State Aid Road Construction."

2018 2. An amount equal to the tax collections
2019 derived from Two Cents (2¢) per gallon of the gasoline excise tax
2020 for distribution to the State Highway Fund to be used exclusively
2021 for the construction, reconstruction and maintenance of highways
2022 of the State of Mississippi or the payment of interest and
2023 principal on bonds when specifically authorized by the Legislature
2024 for that purpose.

2025 3. The balance shall be deposited in the
2026 State Treasury to the credit of the State Highway Fund. However,
2027 beginning September 15, 2028, and each succeeding month
2028 thereafter, an amount equal to the tax collections derived from



2029 One Cent (1¢) per gallon from the gasoline excise tax levied under
2030 Section 27-55-11 and One Cent (1¢) per gallon from the special
2031 fuel taxes levied under Sections 27-55-519 and 27-55-521 shall be
2032 deposited into the Strategic Multi-Modal Investments Fund created
2033 in Section 65-1-901, and the balance shall be deposited in the
2034 State Treasury to the credit of the State Highway Fund.

2035 (b) Subject to the provisions that said basis of
2036 distribution shall in nowise affect adversely the amount
2037 specifically pledged in paragraph (a) of this section to be paid
2038 into the "Highway Bonds Sinking Fund," the following shall be
2039 deducted from the amount produced by the state tax on gasoline,
2040 diesel fuel or kerosene tax collections, excluding collections
2041 derived from the portion of the gasoline excise tax that exceeds
2042 Seven Cents (7¢) per gallon, from the portion of the tax on
2043 aviation gas under Section 27-55-11 that exceeds Six and
2044 Four-tenths Cents (6.4¢) per gallon, from the portion of the
2045 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
2046 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
2047 gallon, from the portion of the taxes levied under Section
2048 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
2049 exceeds One Cent (1¢) per gallon on special fuel and Five and
2050 One-fourth Cents (5.25¢) per gallon on special fuel used as
2051 aircraft fuel, from the portion of the excise tax on compressed
2052 gas used as a motor fuel that exceeds the rate of tax in effect on
2053 June 30, 1987, and from the portion of the gasoline excise tax in



2054 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
2055 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

2056 (i) Twenty percent (20%) of such amount which
2057 shall be earmarked and set aside for the construction,
2058 reconstruction and maintenance of the highways and roads of the
2059 state, provided that if such twenty percent (20%) should reduce
2060 any county to a lesser amount than that received in the fiscal
2061 year ending June 30, 1966, then such twenty percent (20%) shall be
2062 reduced to a percentage to provide that no county shall receive
2063 less than its portion for the fiscal year ending June 30, 1966;

2064 (ii) The amount allowed as refund on gasoline or
2065 as tax credit on diesel fuel or kerosene used for agricultural,
2066 maritime, industrial, domestic, and nonhighway purposes;

2067 (iii) Five percent (5%) of such amount shall be
2068 paid to the State Highway Fund;

2069 (iv) The amount or portion thereof authorized by
2070 legislative appropriation to the Fisheries and Wildlife Fund
2071 created under Section 59-21-25;

2072 (v) The amount for deposit into the special
2073 aviation fund under paragraph (d) of this section; and

2074 (vi) The remainder shall be divided on a basis of
2075 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
2076 same basis as Four and One-half Cents (4-1/2¢) and Two and
2077 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
2078 six and forty-three one-hundredths (6.43) and three and



2079 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
2080 fuel or kerosene). The amount produced by the nine-fourteenths
2081 (9/14) division shall be allocated to the * * * Department of
2082 Transportation and paid into the State Treasury as provided in
2083 this section and in Section 27-5-103 and the five-fourteenths
2084 (5/14) division shall be returned to the counties of the state on
2085 the following basis:

2086 1. In each fiscal year, each county shall be
2087 paid each month the same percentage of the monthly total to be
2088 distributed as was paid to that county during the same month in
2089 the fiscal year which ended April 9, 1960, until the county
2090 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
2091 fiscal year, at which time funds shall be distributed under the
2092 provisions of paragraph (b)(vi)4 of this section.

2093 2. If after payments in 1 above, any county
2094 has not received a total of One Hundred Ninety Thousand Dollars
2095 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
2096 and each fiscal year thereafter, then any available funds not
2097 distributed under 1 above shall be used to bring such county or
2098 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
2099 or such funds shall be divided equally among such counties not
2100 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
2101 there is not sufficient money to bring all the counties to said
2102 One Hundred Ninety Thousand Dollars (\$190,000.00).



2103 3. When a county has been paid an amount
2104 equal to the total which was paid to the same county during the
2105 fiscal year ended April 9, 1960, such county shall receive no
2106 further payments during the then current fiscal year until the
2107 last month of such current fiscal year, at which time distribution
2108 will be made under 2 above, except as set out in 4 below.

2109 4. During the last month of the current
2110 fiscal year, should it be determined that there are funds
2111 available in excess of the amount distributed for the year under 1
2112 and 2 above, then such excess funds shall be distributed among the
2113 various counties as follows:

2114 One-third (1/3) of such excess to be
2115 divided equally among the counties;

2116 One-third (1/3) of such excess to be paid
2117 to the counties in the proportion which the population of each
2118 county bears to the total population of the state according to the
2119 last federal census;

2120 One-third (1/3) of such excess to be paid
2121 to the counties in the proportion which the number of square miles
2122 of each county bears to the total square miles in the state.

2123 5. It is the declared purpose and intent of
2124 the Legislature that no county shall be paid less than was paid
2125 during the year ended April 9, 1960, unless the amount to be
2126 distributed to all counties in any year is less than the amount
2127 distributed to all counties during the year ended April 9, 1960.



2128 The Municipal Aid Fund as established by Section 27-5-103
2129 shall not participate in any portion of any funds allocated to any
2130 county hereunder over and above One Hundred Ninety Thousand
2131 Dollars (\$190,000.00).

2132 In any county having countywide road or bridge bonds, or
2133 supervisors district or district road or bridge bonds outstanding,
2134 which exceed, in the aggregate, twelve percent (12%) of the
2135 assessed valuation of the taxable property of the county or
2136 district, it shall be the duty of the board of supervisors to set
2137 aside not less than sixty percent (60%) of such county's share or
2138 district's share of the gasoline, diesel fuel or kerosene taxes to
2139 be used in paying the principal and interest on such road or
2140 bridge bonds as they mature.

2141 In any county having such countywide road or bridge bonds or
2142 district road or bridge bonds outstanding which exceed, in the
2143 aggregate, eight percent (8%) of the assessed valuation of the
2144 taxable property of the county, but which do not exceed, in the
2145 aggregate, twelve percent (12%) of the assessed valuation of the
2146 taxable property of the county, it shall be the duty of the board
2147 of supervisors to set aside not less than thirty-five percent
2148 (35%) of such county's share of the gasoline, diesel fuel or
2149 kerosene taxes to be used in paying the principal and interest of
2150 such road or bridge bonds as they mature.

2151 In any county having such countywide road or bridge bonds or
2152 district road or bridge bonds outstanding which exceed, in the



2153 aggregate, five percent (5%) of the assessed valuation of the
2154 taxable property of the county, but which do not exceed, in the
2155 aggregate, eight percent (8%) of the assessed valuation of the
2156 taxable property of the county, it shall be the duty of the board
2157 of supervisors to set aside not less than twenty percent (20%) of
2158 such county's share of the gasoline, diesel fuel or kerosene taxes
2159 to be used in paying the principal and interest of such road and
2160 bridge bonds as they mature.

2161 In any county having such countywide road or bridge bonds or
2162 district road or bridge bonds outstanding which do not exceed, in
2163 the aggregate, five percent (5%) of the assessed valuation of the
2164 taxable property of the county, it shall be the duty of the board
2165 of supervisors to set aside not less than ten percent (10%) of
2166 such county's share of the gasoline, diesel fuel or kerosene taxes
2167 to be used in paying the principal and interest on such road or
2168 bridge bonds as they mature.

2169 The portion of any such county's share of the gasoline,
2170 diesel fuel or kerosene taxes thus set aside for the payment of
2171 the principal and interest of road or bridge bonds, as provided
2172 for in this section, shall be used first in paying the currently
2173 maturing installments of the principal and interest of such
2174 countywide road or bridge bonds, if there be any such countywide
2175 road or bridge bonds outstanding, and secondly, in paying the
2176 currently maturing installments of principal and interest of
2177 district road or bridge bonds outstanding. It shall be the duty



2178 of the board of supervisors to pay bonds and interest maturing in
2179 each supervisors district out of the supervisors district's share
2180 of the gasoline, diesel fuel or kerosene taxes of such district.

2181 The remaining portion of such county's share of the gasoline,
2182 diesel fuel or kerosene taxes, after setting aside the portion
2183 above provided for the payment of the principal and interest of
2184 bonds, shall be used in the construction and maintenance of any
2185 public highways, bridges, or culverts of the county, including the
2186 roads in special or separate road districts, in the discretion of
2187 the board of supervisors, or in paying the interest and principal
2188 of county road and bridge bonds or district road and bridge bonds,
2189 in the discretion of the board of supervisors.

2190 In any county having no countywide road or bridge bonds or
2191 district road or bridge bonds outstanding, all such county's share
2192 of the gasoline, diesel fuel or kerosene taxes shall be used in
2193 the construction, reconstruction, and maintenance of the public
2194 highways, bridges, or culverts of the county as the board of
2195 supervisors may determine.

2196 In every county in which there are county road bonds or
2197 seawall or road protection bonds outstanding which were issued for
2198 the purpose of building bridges or constructing public roads or
2199 seawalls, such funds shall be used in the manner provided by law.

2200 (c) From the amount produced by the nine-fourteenths
2201 (9/14) division allocated to the * * * Department of
2202 Transportation, there shall be deducted:



2203 (i) The amount paid to the State Treasurer for the
2204 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

2205 (ii) Any amounts due counties in accordance with
2206 Section 65-33-45 which have outstanding bonds issued for seawall
2207 or road protection purposes, issued under provisions of Chapter
2208 319, Laws of 1924, and amendments thereto;

2209 (iii) Except as otherwise provided in Section
2210 31-17-127, the remainder shall be paid by the * * * Department of
2211 Revenue to the State Treasurer on the fifteenth day of each month
2212 next succeeding the month in which the gasoline, diesel fuel or
2213 kerosene taxes were collected to the credit of the State Highway
2214 Fund.

2215 The funds allocated for the construction, reconstruction, and
2216 improvement of state highways, bridges, and culverts, or so much
2217 thereof as may be necessary, shall first be used in conjunction
2218 with funds supplied by the federal government for such purposes
2219 and allocated to the * * * Department of Transportation to be
2220 expended on the state highway system. It is specifically provided
2221 hereby that the necessary portion of such funds hereinabove
2222 allocated to the * * * Department of Transportation may be used
2223 for the prompt payment of principal and interest on highway bonds
2224 heretofore issued, including such bonds issued or to be issued
2225 under the provisions of Chapter 312, Laws of 1956, and amendments
2226 thereto.



2227 Nothing contained in this section shall be construed to
2228 reduce the amount of such gasoline, diesel fuel or kerosene excise
2229 taxes levied by the state, allotted under the provisions of Title
2230 65, Chapter 33, Mississippi Code of 1972, to counties in which
2231 there are outstanding bonds issued for seawall or road protection
2232 purposes issued under the provisions of Chapter 319, Laws of 1924,
2233 and amendments thereto; the amount of said gasoline, diesel fuel
2234 or kerosene excise taxes designated in this section for the
2235 payment of bonds and interest authorized and issued or to be
2236 issued under the provisions of Chapter 130, Laws of 1938, and
2237 subsequent acts authorizing the issuance of bonds payable from
2238 gasoline, diesel fuel or kerosene tax revenue, shall, in such
2239 counties, be considered as being paid "into the State Treasury to
2240 the credit of the State Highway Fund" within the meaning of
2241 Section 65-33-45 in computing the amount to be paid to such
2242 counties under the provisions of said section, and this section
2243 shall be administered in connection with Title 65, Chapter 33,
2244 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
2245 65-33-49 dealing with seawalls, as if made a part of this section.

2246 (d) The proceeds of the Five and One-fourth Cents
2247 (5.25¢) of the tax per gallon on oils used as a propellant for jet
2248 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
2249 per gallon on aviation gasoline and the tax of One Cent (1¢) per
2250 gallon for each gallon of gasoline for which a refund has been
2251 made pursuant to Section 27-55-23 because such gasoline was used



2252 for aviation purposes, shall be paid to the State Treasury into a
2253 special fund to be used exclusively, pursuant to legislative
2254 appropriation, for the support and development of aeronautics as
2255 defined in Section 61-1-3.

2256 (e) State highway funds in an amount equal to the
2257 difference between Forty-two Million Dollars (\$42,000,000.00) and
2258 the annual debt service payable on the state's highway revenue
2259 refunding bonds, Series 1985, shall be expended for the
2260 construction or reconstruction of highways designated under the
2261 highway program created under Section 65-3-97.

2262 (f) "Gasoline, diesel fuel or kerosene taxes" as used
2263 in this section shall be deemed to mean and include state
2264 gasoline, diesel fuel or kerosene taxes levied and imposed on
2265 distributors of gasoline, diesel fuel or kerosene, and all state
2266 excise taxes derived from any fuel used to propel vehicles upon
2267 the highways of this state, when levied by any statute.

2268 **[With regard to any county which is required to operate on a**
2269 **countywide system of road administration as described in Section**
2270 **19-2-3, this section shall read as follows:]**

2271 27-5-101. Unless otherwise provided in this section, on or
2272 before the fifteenth day of each month, all gasoline, diesel fuel
2273 or kerosene taxes which are levied under the laws of this state
2274 and collected during the previous month shall be paid and
2275 apportioned by the * * * Department of Revenue as follows:



2276 (a) (i) Except as otherwise provided in Section
2277 31-17-127, from the gross amount of gasoline, diesel fuel or
2278 kerosene taxes produced by the state, there shall be deducted an
2279 amount equal to one-sixth (1/6) of principal and interest
2280 certified by the State Treasurer to the * * * Department of
2281 Revenue to be due on the next semiannual bond and interest payment
2282 date, as required under the provisions of Chapter 130, Laws of
2283 1938, and subsequent acts authorizing the issuance of bonds
2284 payable from gasoline, diesel fuel or kerosene tax revenue on a
2285 parity with the bonds issued under authority of said Chapter 130.
2286 The State Treasurer shall certify to the * * * Department of
2287 Revenue on or before the fifteenth day of each month the amount to
2288 be paid to the "Highway Bonds Sinking Fund" as provided by said
2289 Chapter 130, Laws of 1938, and subsequent acts authorizing the
2290 issuance of bonds payable from gasoline, diesel fuel or kerosene
2291 tax revenue, on a parity with the bonds issued under authority of
2292 said Chapter 130; and the * * * Department of Revenue shall, on or
2293 before the twenty-fifth day of each month, pay into the State
2294 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
2295 so certified to him by the State Treasurer due to be paid into
2296 such fund each month. The payments to the "Highway Bonds Sinking
2297 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
2298 tax collections before deductions of any nature are considered;
2299 however, such payments shall be deducted from the allocation to



2300 the * * * Department of Transportation under paragraph (c) of this
2301 section.

2302 (ii) From collections derived from the portion of
2303 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
2304 from the portion of the tax on aviation gas under Section 27-55-11
2305 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
2306 portion of the special fuel tax levied under Sections 27-55-519
2307 and 27-55-521, * * * that exceeds Ten Cents (10¢) per gallon, from
2308 the portion of the taxes levied under Section 27-55-519, at Five
2309 and Three-fourths Cents (5.75¢) per gallon that exceeds One Cent
2310 (1¢) per gallon on special fuel and Five and One-fourth Cents
2311 (5.25¢) per gallon on special fuel used as aircraft fuel, from the
2312 portion of the excise tax on compressed gas used as a motor fuel
2313 that exceeds the rate of tax in effect on June 30, 1987, and from
2314 the portion of the gasoline excise tax in excess of Seven Cents
2315 (7¢) per gallon and the diesel excise tax in excess of Ten Cents
2316 (10¢) per gallon under Section 27-61-5 there shall be deducted:

2317 1. An amount as provided in Section
2318 27-65-75(4) to the credit of a special fund designated as the
2319 "Office of State Aid Road Construction."

2320 2. An amount equal to the tax collections
2321 derived from Two Cents (2¢) per gallon of the gasoline excise tax
2322 for distribution to the State Highway Fund to be used exclusively
2323 for the construction, reconstruction and maintenance of highways
2324 of the State of Mississippi or the payment of interest and



2325 principal on bonds when specifically authorized by the Legislature
2326 for that purpose.

2327 3. The balance shall be deposited in the
2328 State Treasury to the credit of the State Highway Fund. However,
2329 beginning September 15, 2028, and each succeeding month
2330 thereafter, an amount equal to the tax collections derived from
2331 One Cent (1¢) per gallon from the gasoline excise tax levied under
2332 Section 27-55-11 and One Cent (1¢) per gallon from the special
2333 fuel taxes levied under Sections 27-55-519 and 27-55-521 shall be
2334 deposited into the Strategic Multi-Modal Investments Fund created
2335 in Section 65-1-901, and the balance shall be deposited in the
2336 State Treasury to the credit of the State Highway Fund.

2337 (b) Subject to the provisions that said basis of
2338 distribution shall in nowise affect adversely the amount
2339 specifically pledged in paragraph (a) of this section to be paid
2340 into the "Highway Bonds Sinking Fund," the following shall be
2341 deducted from the amount produced by the state tax on gasoline,
2342 diesel fuel or kerosene tax collections, excluding collections
2343 derived from the portion of the gasoline excise tax that exceeds
2344 Seven Cents (7¢) per gallon, from the portion of the tax on
2345 aviation gas under Section 27-55-11 that exceeds Six and
2346 Four-tenths Cents (6.4¢) per gallon, from the portion of the
2347 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
2348 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
2349 gallon, from the portion of the taxes levied under Section



2350 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
2351 One Cent (1¢) per gallon on special fuel and Five and One-fourth
2352 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
2353 from the portion of the excise tax on compressed gas used as a
2354 motor fuel that exceeds the rate of tax in effect on June 30,
2355 1987, and from the portion of the gasoline excise tax in excess of
2356 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
2357 Ten Cents (10¢) per gallon under Section 27-61-5:

2358 (i) Twenty percent (20%) of such amount which
2359 shall be earmarked and set aside for the construction,
2360 reconstruction and maintenance of the highways and roads of the
2361 state, provided that if such twenty percent (20%) should reduce
2362 any county to a lesser amount than that received in the fiscal
2363 year ending June 30, 1966, then such twenty percent (20%) shall be
2364 reduced to a percentage to provide that no county shall receive
2365 less than its portion for the fiscal year ending June 30, 1966;

2366 (ii) The amount allowed as refund on gasoline or
2367 as tax credit on diesel fuel or kerosene used for agricultural,
2368 maritime, industrial, domestic and nonhighway purposes;

2369 (iii) Five percent (5%) of such amount shall be
2370 paid to the State Highway Fund;

2371 (iv) The amount or portion thereof authorized by
2372 legislative appropriation to the Fisheries and Wildlife Fund
2373 created under Section 59-21-25;



2374 (v) The amount for deposit into the special
2375 aviation fund under paragraph (d) of this section; and
2376 (vi) The remainder shall be divided on a basis of
2377 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
2378 same basis as Four and One-half Cents (4-1/2¢) and Two and
2379 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
2380 six and forty-three one-hundredths (6.43) and three and
2381 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
2382 fuel or kerosene). The amount produced by the nine-fourteenths
2383 (9/14) division shall be allocated to the * * * Department of
2384 Transportation and paid into the State Treasury as provided in
2385 this section and in Section 27-5-103 and the five-fourteenths
2386 (5/14) division shall be returned to the counties of the state on
2387 the following basis:

2388 1. In each fiscal year, each county shall be
2389 paid each month the same percentage of the monthly total to be
2390 distributed as was paid to that county during the same month in
2391 the fiscal year which ended April 9, 1960, until the county
2392 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
2393 fiscal year, at which time funds shall be distributed under the
2394 provisions of paragraph (b)(vi)4 of this section.

2395 2. If after payments in 1 above, any county
2396 has not received a total of One Hundred Ninety Thousand Dollars
2397 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
2398 and each fiscal year thereafter, then any available funds not



2399 distributed under 1 above shall be used to bring such county or
2400 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
2401 or such funds shall be divided equally among such counties not
2402 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
2403 there is not sufficient money to bring all the counties to said
2404 One Hundred Ninety Thousand Dollars (\$190,000.00).

2405 3. When a county has been paid an amount
2406 equal to the total which was paid to the same county during the
2407 fiscal year ended April 9, 1960, such county shall receive no
2408 further payments during the then current fiscal year until the
2409 last month of such current fiscal year, at which time distribution
2410 will be made under 2 above, except as set out in 4 below.

2411 4. During the last month of the current
2412 fiscal year, should it be determined that there are funds
2413 available in excess of the amount distributed for the year under 1
2414 and 2 above, then such excess funds shall be distributed among the
2415 various counties as follows:

2416 One-third (1/3) of such excess to be
2417 divided equally among the counties;

2418 One-third (1/3) of such excess to be paid
2419 to the counties in the proportion which the population of each
2420 county bears to the total population of the state according to the
2421 last federal census;



2422 One-third (1/3) of such excess to be paid
2423 to the counties in the proportion which the number of square miles
2424 of each county bears to the total square miles in the state.

2425 5. It is the declared purpose and intent of
2426 the Legislature that no county shall be paid less than was paid
2427 during the year ended April 9, 1960, unless the amount to be
2428 distributed to all counties in any year is less than the amount
2429 distributed to all counties during the year ended April 9, 1960.

2430 The Municipal Aid Fund as established by Section 27-5-103
2431 shall not participate in any portion of any funds allocated to any
2432 county hereunder over and above One Hundred Ninety Thousand
2433 Dollars (\$190,000.00).

2434 In any county having road or bridge bonds outstanding which
2435 exceed, in the aggregate, twelve percent (12%) of the assessed
2436 valuation of the taxable property of the county, it shall be the
2437 duty of the board of supervisors to set aside not less than sixty
2438 percent (60%) of such county's share of the gasoline, diesel fuel
2439 or kerosene taxes to be used in paying the principal and interest
2440 on such road or bridge bonds as they mature.

2441 In any county having such road or bridge bonds outstanding
2442 which exceed, in the aggregate, eight percent (8%) of the assessed
2443 valuation of the taxable property of the county, but which do not
2444 exceed, in the aggregate, twelve percent (12%) of the assessed
2445 valuation of the taxable property of the county, it shall be the
2446 duty of the board of supervisors to set aside not less than



2447 thirty-five percent (35%) of such county's share of the gasoline,
2448 diesel fuel or kerosene taxes to be used in paying the principal
2449 and interest of such road or bridge bonds as they mature.

2450 In any county having such road or bridge bonds outstanding
2451 which exceed, in the aggregate, five percent (5%) of the assessed
2452 valuation of the taxable property of the county, but which do not
2453 exceed, in the aggregate, eight percent (8%) of the assessed
2454 valuation of the taxable property of the county, it shall be the
2455 duty of the board of supervisors to set aside not less than twenty
2456 percent (20%) of such county's share of the gasoline, diesel fuel
2457 or kerosene taxes to be used in paying the principal and interest
2458 of such road and bridge bonds as they mature.

2459 In any county having such road or bridge bonds outstanding
2460 which do not exceed, in the aggregate, five percent (5%) of the
2461 assessed valuation of the taxable property of the county, it shall
2462 be the duty of the board of supervisors to set aside not less than
2463 ten percent (10%) of such county's share of the gasoline, diesel
2464 fuel or kerosene taxes to be used in paying the principal and
2465 interest on such road or bridge bonds as they mature.

2466 The portion of any such county's share of the gasoline,
2467 diesel fuel or kerosene taxes thus set aside for the payment of
2468 the principal and interest of road or bridge bonds, as provided
2469 for in this section, shall be used in paying the currently
2470 maturing installments of the principal and interest of such road



2471 or bridge bonds, if there be any such road or bridge bonds
2472 outstanding.

2473 The remaining portion of such county's share of the gasoline,
2474 diesel fuel or kerosene taxes, after setting aside the portion
2475 above provided for the payment of the principal and interest of
2476 bonds, shall be used in the construction and maintenance of any
2477 public highways, bridges or culverts of the county, in the
2478 discretion of the board of supervisors.

2479 In any county having no road or bridge bonds outstanding, all
2480 such county's share of the gasoline, diesel fuel or kerosene taxes
2481 shall be used in the construction, reconstruction and maintenance
2482 of the public highways, bridges or culverts of the county, as the
2483 board of supervisors may determine.

2484 In every county in which there are county road bonds or
2485 seawall or road protection bonds outstanding which were issued for
2486 the purpose of building bridges or constructing public roads or
2487 seawalls, such funds shall be used in the manner provided by law.

2488 (c) From the amount produced by the nine-fourteenths
2489 (9/14) division allocated to the * * * Department of
2490 Transportation, there shall be deducted:

2491 (i) The amount paid to the State Treasurer for the
2492 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

2493 (ii) Any amounts due counties in accordance with
2494 Section 65-33-45 which have outstanding bonds issued for seawall



2495 or road protection purposes, issued under provisions of Chapter
2496 319, Laws of 1924, and amendments thereto; and

2497 (iii) Except as otherwise provided in Section
2498 31-17-127, the remainder shall be paid by the * * * Department of
2499 Revenue to the State Treasurer on the fifteenth day of each month
2500 next succeeding the month in which the gasoline, diesel fuel or
2501 kerosene taxes were collected to the credit of the State Highway
2502 Fund.

2503 The funds allocated for the construction, reconstruction and
2504 improvement of state highways, bridges and culverts, or so much
2505 thereof as may be necessary, shall first be used in conjunction
2506 with funds supplied by the federal government for such purposes
2507 and allocated to the * * * Department of Transportation to be
2508 expended on the state highway system. It is specifically provided
2509 hereby that the necessary portion of such funds hereinabove
2510 allocated to the * * * Department of Transportation may be used
2511 for the prompt payment of principal and interest on highway bonds
2512 heretofore issued, including such bonds issued or to be issued
2513 under the provisions of Chapter 312, Laws of 1956, and amendments
2514 thereto.

2515 Nothing contained in this section shall be construed to
2516 reduce the amount of such gasoline, diesel fuel or kerosene excise
2517 taxes levied by the state, allotted under the provisions of Title
2518 65, Chapter 33, Mississippi Code of 1972, to counties in which
2519 there are outstanding bonds issued for seawall or road protection



2520 purposes issued under the provisions of Chapter 319, Laws of 1924,
2521 and amendments thereto; the amount of said gasoline, diesel fuel
2522 or kerosene excise taxes designated in this section for the
2523 payment of bonds and interest authorized and issued or to be
2524 issued under the provisions of Chapter 130, Laws of 1938, and
2525 subsequent acts authorizing the issuance of bonds payable from
2526 gasoline, diesel fuel or kerosene tax revenue, shall, in such
2527 counties, be considered as being paid "into the State Treasury to
2528 the credit of the State Highway Fund" within the meaning of
2529 Section 65-33-45 in computing the amount to be paid to such
2530 counties under the provisions of said section, and this section
2531 shall be administered in connection with Title 65, Chapter 33,
2532 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
2533 65-33-49 dealing with seawalls, as if made a part of this section.

2534 (d) The proceeds of the Five and One-fourth Cents
2535 (5.25¢) of the tax per gallon on oils used as a propellant for jet
2536 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
2537 per gallon on aviation gasoline and the tax of One Cent (1¢) per
2538 gallon for each gallon of gasoline for which a refund has been
2539 made pursuant to Section 27-55-23 because such gasoline was used
2540 for aviation purposes, shall be paid to the State Treasury into a
2541 special fund to be used exclusively, pursuant to legislative
2542 appropriation, for the support and development of aeronautics as
2543 defined in Section 61-1-3.



2544 (e) State highway funds in an amount equal to the
2545 difference between Forty-two Million Dollars (\$42,000,000.00) and
2546 the annual debt service payable on the state's highway revenue
2547 refunding bonds, Series 1985, shall be expended for the
2548 construction or reconstruction of highways designated under the
2549 highway program created under Section 65-3-97.

2550 (f) "Gasoline, diesel fuel or kerosene taxes" as used
2551 in this section shall be deemed to mean and include state
2552 gasoline, diesel fuel or kerosene taxes levied and imposed on
2553 distributors of gasoline, diesel fuel or kerosene, and all state
2554 excise taxes derived from any fuel used to propel vehicles upon
2555 the highways of this state, when levied by any statute.

2556 **SECTION 16.** Section 27-33-75, Mississippi Code of 1972, is
2557 amended as follows:

2558 27-33-75. (1) Qualified homeowners described in subsection
2559 (1) of Section 27-33-67 shall be allowed an exemption from ad
2560 valorem taxes according to the following table:

2561	ASSESSED VALUE	HOMESTEAD
2562	OF HOMESTEAD	EXEMPTION
2563	\$ 1 - \$ 150.....	\$ 6.00
2564	151 - 300.....	12.00
2565	301 - 450.....	18.00
2566	451 - 600.....	24.00
2567	601 - 750.....	30.00
2568	751 - 900.....	36.00



2569	901 - 1,050.....	42.00
2570	1,051 - 1,200.....	48.00
2571	1,201 - 1,350.....	54.00
2572	1,351 - 1,500.....	60.00
2573	1,501 - 1,650.....	66.00
2574	1,651 - 1,800.....	72.00
2575	1,801 - 1,950.....	78.00
2576	1,951 - 2,100.....	84.00
2577	2,101 - 2,250.....	90.00
2578	2,251 - 2,400.....	96.00
2579	2,401 - 2,550.....	102.00
2580	2,551 - 2,700.....	108.00
2581	2,701 - 2,850.....	114.00
2582	2,851 - 3,000.....	120.00
2583	3,001 - 3,150.....	126.00
2584	3,151 - 3,300.....	132.00
2585	3,301 - 3,450.....	138.00
2586	3,451 - 3,600.....	144.00
2587	3,601 - 3,750.....	150.00
2588	3,751 - 3,900.....	156.00
2589	3,901 - 4,050.....	162.00
2590	4,051 - 4,200.....	168.00
2591	4,201 - 4,350.....	174.00
2592	4,351 - 4,500.....	180.00
2593	4,501 - 4,650.....	186.00



2594	4,651 - 4,800.....	192.00
2595	4,801 - 4,950.....	198.00
2596	4,951 - 5,100.....	204.00
2597	5,101 - 5,250.....	210.00
2598	5,251 - 5,400.....	216.00
2599	5,401 - 5,550.....	222.00
2600	5,551 - 5,700.....	228.00
2601	5,701 - 5,850.....	234.00
2602	5,851 - 6,000.....	240.00
2603	6,001 - 6,150.....	246.00
2604	6,151 - 6,300.....	252.00
2605	6,301 - 6,450.....	258.00
2606	6,451 - 6,600.....	264.00
2607	6,601 - 6,750.....	270.00
2608	6,751 - 6,900.....	276.00
2609	6,901 - 7,050.....	282.00
2610	7,051 - 7,200.....	288.00
2611	7,201 - 7,350.....	294.00
2612	7,351 and above.....	300.00

2613 Assessed values shall be rounded to the next whole dollar
2614 (Fifty Cents (50¢) rounded to the next highest dollar) for the
2615 purposes of the above table.

2616 One-half (1/2) of the exemption allowed in the above table
2617 shall be from taxes levied for school district purposes and



one-half (1/2) shall be from taxes levied for county general fund purposes.

(2) (a) (i) Except as otherwise provided in this subsection, qualified homeowners described in subsection (2) of Section 27-33-67 shall be allowed an exemption from all ad valorem taxes on not in excess of Seven Thousand Five Hundred Dollars (\$7,500.00) of the assessed value of the homestead property.

(ii) From and after January 1, 2026, in addition to any other exemption authorized in this section, qualified homeowners described in subsection (2) of Section 27-33-67 shall be allowed an exemption from all ad valorem taxes in the amount of Two Hundred Dollars (\$200.00). Each receipt for ad valorem taxes on homestead property shall clearly indicate that the exemption provided for by this subparagraph (ii) is authorized as a result of legislative action taken during the 2025 Regular Session.

(b) From and after January 1, 2015, qualified homeowners described in subsection (2)(a) of Section 27-33-67 and unremarried surviving spouses of such homeowners shall be allowed an exemption from all ad valorem taxes on the assessed value of the homestead property.

(c) Except as otherwise provided in this paragraph (c), a qualified homeowner claiming an exemption under paragraph (a) of this subsection shall be allowed an additional exemption from all ad valorem taxes on an amount equal to the difference between (i) the assessed value of the homestead property on January 1, 2018,



2643 or January 1 of the first year for which the qualified homeowner
2644 claims an exemption for the homestead property under paragraph (a)
2645 of this subsection, and (ii) any increase in the assessed value of
2646 the homestead property resulting from a subsequent update in
2647 valuation of the homestead property that is completed during the
2648 time the qualified homeowner owns the property. In addition, if a
2649 subsequent update in valuation of the homestead property that is
2650 completed during the time the qualified homeowner owns the
2651 property results in the assessed value of the homestead property
2652 being less than the assessed value of the property on January 1,
2653 2018, or January 1 of the first year for which the qualified
2654 homeowner claims an exemption for the homestead property under
2655 paragraph (a) of this subsection, then the exemption authorized
2656 under this paragraph (c) shall be on an amount equal to the
2657 difference between (i) such lower assessed value and (ii) any
2658 increase in the assessed value of the homestead property resulting
2659 from a subsequent update in valuation of the homestead property
2660 that is completed during the time the qualified homeowner owns the
2661 property. However, except for renovations, expansions,
2662 improvements or additions to promote energy efficiency, safety or
2663 access to the homestead property, the exemption authorized in this
2664 paragraph (c) shall not apply to any portion of increase in the
2665 assessed value of the homestead property that is attributable to
2666 renovations, expansions or improvements of or additions to the
2667 property during such time. For the purposes of this paragraph



2668 (c), an update in valuation of the homestead property occurs when
2669 a county has completed an update in the valuation of Class I
2670 property, as designated by Section 112, Mississippi Constitution
2671 of 1890, in the county according to procedures prescribed by the
2672 Department of Revenue and in effect on January 1, 2018, and for
2673 which the Department of Revenue has certified that such new
2674 valuations have been implemented for the purposes of ad valorem
2675 taxation.

2676 (d) From and after January 1, 2023, a qualified
2677 homeowner who is the unremarried surviving spouse of a member of
2678 the United States Armed Forces who was killed or died on active
2679 duty, or of a member of a reserve component of the United States
2680 Armed Forces or of the National Guard who was killed or died on
2681 active duty for training, shall be allowed an exemption from all
2682 ad valorem taxes on the assessed value of the homestead property.

2683 (e) From and after January 1, 2025, a qualified
2684 homeowner who is an American veteran who has been honorably
2685 discharged from military service and has reached ninety (90) years
2686 of age on or before January 1 of the year for which the exemption
2687 is claimed, shall be allowed an exemption from all ad valorem
2688 taxes on the assessed value of the homestead property.

2689 (3) Except as otherwise provided in this subsection, this
2690 section shall apply to exemptions claimed in the 2001 calendar
2691 year for which reimbursement is made in the 2002 calendar year and
2692 to exemptions claimed for which reimbursement is made in



subsequent years. The exemption provided for in subsection (2)(b) of this section shall apply to exemptions claimed in the 2015 calendar year for which reimbursement is made in the 2016 calendar year and to exemptions claimed for which reimbursement is made in subsequent years. The exemption provided for in subsection (2)(c) of this section shall apply to exemptions claimed in the 2018 calendar year for which reimbursement is made in the 2019 calendar year and to exemptions claimed for which reimbursement is made in subsequent years. The exemption provided for in subsection (2)(e) of this section shall apply to exemptions claimed in the 2025 calendar year for which reimbursement is made in the 2026 calendar year and to exemptions claimed for which reimbursement is made in subsequent years. The exemption provided for in subsection (2)(a)(ii) of this section shall apply to exemptions claimed in the 2026 calendar year for which reimbursement is made in the 2027 calendar year and to exemptions claimed for which reimbursement is made in subsequent years.

SECTION 17. (1) (a) There is created in the State Treasury a special fund to be known as the "2026 Additional Homestead Exemption Reimbursement Fund", into which shall be deposited monies as provided in Section 27-67-31(i) and monies from any other source designated for deposit into such fund. The monies in the fund shall be used for the purpose of making payments to counties for the reduction in ad valorem tax revenues incurred by local taxing districts in the county as a result of the additional



2718 homestead exemption from ad valorem taxes provided for in Section
2719 27-33-75(2)(a)(ii). For the purposes of this section, the term
2720 "local taxing district" means any county, municipality, school
2721 district or other local entity that levies an ad valorem tax or
2722 for which an ad valorem tax is levied, to fund all or a portion of
2723 its budget.

2724 (b) The 2026 Additional Homestead Exemption
2725 Reimbursement Fund shall be administered by the department, and
2726 monies in the fund shall be expended upon appropriation by the
2727 Legislature. Unexpended amounts remaining in the fund at the end
2728 of a state fiscal year shall not lapse into the State General
2729 Fund, and any interest earned on amounts in the fund shall be
2730 deposited to the credit of the fund.

2731 (c) The department shall make payments from the 2026
2732 Additional Homestead Exemption Reimbursement Fund to the county
2733 tax collectors for distribution to the local taxing districts as
2734 reimbursement for ad valorem taxes that are lost as a result of
2735 the additional homestead exemption from ad valorem taxes provided
2736 for in Section 27-33-75(2)(a)(ii). The department shall make
2737 payments in the manner that it makes other reimbursements for ad
2738 valorem tax losses as a result of exemptions under this article.

2739 (2) The department shall have all powers necessary to
2740 implement and administer the provisions of this section, and the
2741 department shall promulgate rules and regulations, in accordance



with the Mississippi Administrative Procedures Law, necessary for the implementation of this section.

SECTION 18. Section 27-67-31, Mississippi Code of 1972, is amended as follows:

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

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

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

(a) On or before July 15, 1994, through July 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total use tax



2767 revenue collected during the preceding month under the provisions
2768 of this article shall be deposited in the School Ad Valorem Tax
2769 Reduction Fund created pursuant to Section 37-61-35. On or before
2770 August 15, 2000, and each succeeding month thereafter, two and two
2771 hundred sixty-six one-thousandths percent (2.266%) of the total
2772 use tax revenue collected during the preceding month under the
2773 provisions of this chapter shall be deposited into the School Ad
2774 Valorem Tax Reduction Fund created under Section 37-61-35 until
2775 such time that the total amount deposited into the fund during a
2776 fiscal year equals Four Million Dollars (\$4,000,000.00).
2777 Thereafter, the amounts diverted under this paragraph (a) during
2778 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
2779 shall be deposited into the Education Enhancement Fund created
2780 under Section 37-61-33 for appropriation by the Legislature as
2781 other education needs and shall not be subject to the percentage
2782 appropriation requirements set forth in Section 37-61-33.

2783 (b) On or before July 15, 1994, and each succeeding
2784 month thereafter, nine and seventy-three one-thousandths percent
2785 (9.073%) of the total use tax revenue collected during the
2786 preceding month under the provisions of this article shall be
2787 deposited into the Education Enhancement Fund created pursuant to
2788 Section 37-61-33.

2789 (c) On or before July 15, 1997, and on or before the
2790 fifteenth day of each succeeding month thereafter, the revenue
2791 collected under the provisions of this article imposed and levied



2792 as a result of Section 27-65-17(2) and the corresponding levy in
2793 Section 27-65-23 on the rental or lease of private carriers of
2794 passengers and light carriers of property as defined in Section
2795 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2796 Reduction Fund created pursuant to Section 27-51-105.

2797 (d) On or before July 15, 1997, and on or before the
2798 fifteenth day of each succeeding month thereafter and after the
2799 deposits required by paragraphs (a) and (b) of this section are
2800 made, the remaining revenue collected under the provisions of this
2801 article imposed and levied as a result of Section 27-65-17(1) and
2802 the corresponding levy in Section 27-65-23 on the rental or lease
2803 of private carriers of passengers and light carriers of property
2804 as defined in Section 27-51-101 shall be deposited into the Motor
2805 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2806 27-51-105.

2807 (e) On or before August 15, 2019, and each succeeding
2808 month thereafter through July 15, 2020, three and three-fourths
2809 percent (3-3/4%) of the total use tax revenue collected during the
2810 preceding month under the provisions of this article shall be
2811 deposited into the special fund created in Section 27-67-35(1).
2812 On or before August 15, 2020, and each succeeding month thereafter
2813 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2814 total use tax revenue collected during the preceding month under
2815 the provisions of this article shall be deposited into the special
2816 fund created in Section 27-67-35(1). On or before August 15,



2817 2021, and each succeeding month thereafter through July 15, 2022,
2818 eleven and one-fourth percent (11-1/4%) of the total use tax
2819 revenue collected during the preceding month under the provisions
2820 of this article shall be deposited into the special fund created
2821 in Section 27-67-35(1). On or before August 15, 2022, and each
2822 succeeding month thereafter, fifteen percent (15%) of the total
2823 use tax revenue collected during the preceding month under the
2824 provisions of this article shall be deposited into the special
2825 fund created in Section 27-67-35(1).

2826 (f) On or before August 15, 2019, and each succeeding
2827 month thereafter through July 15, 2020, three and three-fourths
2828 percent (3-3/4%) of the total use tax revenue collected during the
2829 preceding month under the provisions of this article shall be
2830 deposited into the special fund created in Section 27-67-35(2).
2831 On or before August 15, 2020, and each succeeding month thereafter
2832 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2833 total use tax revenue collected during the preceding month under
2834 the provisions of this article shall be deposited into the special
2835 fund created in Section 27-67-35(2). On or before August 15,
2836 2021, and each succeeding month thereafter through July 15, 2022,
2837 eleven and one-fourth percent (11-1/4%) of the total use tax
2838 revenue collected during the preceding month under the provisions
2839 of this article shall be deposited into the special fund created
2840 in Section 27-67-35(2). On or before August 15, 2022, and each
2841 succeeding month thereafter, fifteen percent (15%) of the total



2842 use tax revenue collected during the preceding month under the
2843 provisions of this article shall be deposited into the special
2844 fund created in Section 27-67-35(2).

2845 (g) On or before August 15, 2019, and each succeeding
2846 month thereafter through July 15, 2020, Four Hundred Sixteen
2847 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2848 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2849 use tax revenue collected during the preceding month under the
2850 provisions of this article, whichever is the greater amount, shall
2851 be deposited into the Local System Bridge Replacement and
2852 Rehabilitation Fund created in Section 65-37-13. On or before
2853 August 15, 2020, and each succeeding month thereafter through July
2854 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2855 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2856 and one-half percent (2-1/2%) of the total use tax revenue
2857 collected during the preceding month under the provisions of this
2858 article, whichever is the greater amount, shall be deposited into
2859 the Local System Bridge Replacement and Rehabilitation Fund
2860 created in Section 65-37-13. On or before August 15, 2021, and
2861 each succeeding month thereafter through July 15, 2022, One
2862 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2863 three and three-fourths percent (3-3/4%) of the total use tax
2864 revenue collected during the preceding month under the provisions
2865 of this article, whichever is the greater amount, shall be
2866 deposited into the Local System Bridge Replacement and



2867 Rehabilitation Fund created in Section 65-37-13. On or before
2868 August 15, 2022, and each succeeding month thereafter through July
2869 15, 2023, One Million Six Hundred Sixty-six Thousand Six Hundred
2870 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or five
2871 percent (5%) of the total use tax revenue collected during the
2872 preceding month under the provisions of this article, whichever is
2873 the greater amount, shall be deposited into the Local System
2874 Bridge Replacement and Rehabilitation Fund created in Section
2875 65-37-13. On or before August 15, 2023, and each succeeding month
2876 thereafter, (i) One Million Six Hundred Sixty-six Thousand Six
2877 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or
2878 two and one-half percent (2-1/2%) of the total use tax revenue
2879 collected during the preceding month under the provisions of this
2880 article, whichever is the greater amount, shall be deposited into
2881 the Local System Bridge Replacement and Rehabilitation Fund
2882 created in Section 65-37-13, and (ii) One Million Six Hundred
2883 Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven
2884 Cents (\$1,666,666.67) or two and one-half percent (2-1/2%) of the
2885 total use tax revenue collected during the preceding month under
2886 the provisions of this article, whichever is the greater amount,
2887 shall be deposited into the State Aid Road Fund created in Section
2888 65-9-17.

2889 (h) On or before August 15, 2020, and each succeeding
2890 month thereafter through July 15, 2022, One Million Dollars
2891 (\$1,000,000.00) of the total use tax revenue collected during the



preceding month under the provisions of this article shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. Amounts deposited into the Local System Bridge Replacement and Rehabilitation Fund under this paragraph (h) shall be in addition to amounts deposited into the fund under paragraph (g) of this section.

(i) On or before September 15, 2026, and each succeeding month thereafter, the total use tax revenue collected during the preceding month under the provisions of this article as a result of the increases to sales tax rates, as provided in Senate Bill No. 3095, 2025 Regular Session, shall be deposited, without diversion, into the 2026 Additional Homestead Exemption Reimbursement Fund created in Section 17 of this act.

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

SECTION 19. There is hereby created in the State Treasury a special fund to be designated as the "Budget Stabilization Fund", which shall consist of funds made available by the Legislature in any manner and funds from any other source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or interest earned on amounts in the



fund shall be deposited to the credit of the fund. Monies in the fund shall only be appropriated by the Legislature to further the purposes of this act.

SECTION 20. Section 27-115-85, Mississippi Code of 1972, is amended as follows:

27-115-85. (1) Until June 30, * * * 2026, net proceeds generated by the Alyce G. Clarke Mississippi Lottery Law, created pursuant to this chapter and deposited into the Lottery Proceeds Fund under Section 27-115-51(2), except as otherwise provided in this section, shall be paid into the State Highway Fund by warrant issued by the State Fiscal Officer upon requisition of the State Transportation Commission as needed to provide funds to repair, renovate and maintain highways and bridges of the state; however, funds paid into the State Highway Fund under this section shall be first used for matching federal funds authorized to the state pursuant to any federal highway infrastructure program implemented after September 1, 2018. However, all such monies deposited into the Lottery Proceeds Fund over Eighty Million Dollars (\$80,000,000.00) in a fiscal year shall be transferred into the Education Enhancement Fund for the purposes of funding the Early Childhood Learning Collaborative, the Classroom Supply Fund and/or other educational purposes. * * *

(2) From and after July 1, 2026, of the net proceeds generated by the Alyce G. Clarke Mississippi Lottery Law, created pursuant to this chapter and deposited into the Lottery Proceeds



2942 Fund under Section 27-115-51: (a) One Hundred Million Dollars
2943 (\$100,000,000.00) of such net proceeds shall be paid into the
2944 Employer's Accumulation Account of the Public Employees'
2945 Retirement System created in Section 25-11-123(c) until the funded
2946 ratio for the system is eighty percent (80%) at the end of a
2947 fiscal year and thereafter, for each month after that fiscal year
2948 such net proceeds shall be paid into the State General Fund and
2949 (b) all such monies deposited into the Lottery Proceeds Fund over
2950 One Hundred Million Dollars (\$100,000,000.00) shall be transferred
2951 into the Education Enhancement Fund for the purposes of funding
2952 the Early Childhood Learning Collaborative, the Classroom Supply
2953 Fund and/or other educational purposes.

2954 **SECTION 21.** Section 27-115-51, Mississippi Code of 1972, is
2955 brought forward as follows:

2956 27-115-51. (1) (a) All monies received by the corporation
2957 from the sale of lottery tickets and all other sources shall be
2958 deposited into a corporate operating account. Such account shall
2959 be established in a custodian financial institution domiciled in
2960 the State of Mississippi and insured by the Federal Deposit
2961 Insurance Corporation and collateralized as prescribed by Section
2962 27-105-5. The corporation may use all monies in the corporate
2963 operating account for the purposes of paying prizes and the
2964 necessary expenses of the corporation and dividends to the state.
2965 The corporation shall estimate and allocate the amount to be paid
2966 by the corporation to prizewinners.



2967 (b) (i) The investment of monies in the corporate
2968 operating account, other than the amount specifically required for
2969 the purchase of securities for payment of deferred prizes, shall
2970 be invested in a manner prescribed by the board, consistent with
2971 law. Such securities purchased as investments by the corporation
2972 shall be issued in the name of the corporation and shall be kept
2973 at a custodian financial institution domiciled in the State of
2974 Mississippi insured by the Federal Deposit Insurance Corporation.

2975 (ii) The investment of monies in the corporate
2976 operating account, other than the amount specifically required for
2977 the purchase of securities for deferred prize payments to winners,
2978 shall be invested only in securities in a manner prescribed by the
2979 board, consistent with law. Such securities purchased as
2980 investments by the corporation shall be issued in the name of the
2981 corporation and shall be safe kept at a custodian financial
2982 institution domiciled in the State of Mississippi insured by the
2983 Federal Deposit Insurance Corporation.

2984 (iii) These instruments may be in varying
2985 maturities and may be in book-entry form.

2986 (iv) For the purpose of deferred prize payments to
2987 winners, the corporation shall purchase or invest in only those
2988 securities prescribed by the board, consistent with law.

2989 (c) Within twenty (20) days following the close of each
2990 calendar month, the corporation shall transfer to the Lottery
2991 Proceeds Fund in the State Treasury the amount of net proceeds.



2992 (d) The apportionment of the total gross revenues
2993 accruing from the sale of lottery tickets or shares and from all
2994 other sources shall be as follows:

2995 (i) The payment of prizes to the holders of
2996 winning lottery tickets or shares which in any case shall be no
2997 less than fifty percent (50%) of the total gross revenues accruing
2998 from the sale of lottery tickets.

2999 (ii) The payment of costs incurred in the
3000 operation and administration of the lottery, including the
3001 expenses of the corporation and the costs resulting from any
3002 contract or contracts entered into for promotional, advertising or
3003 operational services or for the purchase or lease of lottery
3004 equipment and materials, which in no case shall exceed fifteen
3005 percent (15%) of the total gross revenues accruing from the sale
3006 of lottery tickets. However, this restriction shall not apply
3007 until after the first twelve (12) months of revenue generation.

3008 (2) A Lottery Proceeds Fund is hereby established in the
3009 State Treasury. Net proceeds shall be deposited into this fund as
3010 provided in subsection (1) of this section. Monies deposited into
3011 the Lottery Proceeds Fund shall be invested by the state in
3012 accordance with state investment practices, and all earnings from
3013 such investments shall accrue to this account. No monies shall be
3014 allotted or expended from this account unless pursuant to a
3015 warrant issued as provided under Section 27-115-85.



3016 **SECTION 22.** On July 1, 2026, the State Treasurer, in
3017 conjunction with the State Fiscal Officer, shall transfer the sum
3018 of Three Hundred Million Dollars (\$300,000,000.00) from the
3019 Capital Expense Fund (Fund No. 6447F00000) to the Budget
3020 Stabilization Fund created in Section 19 of this act.

3021 **SECTION 23.** Section 17 of this act shall be codified as a
3022 new section in Article 1, Chapter 33, Title 27, Mississippi Code
3023 of 1972.

3024 **SECTION 24.** Section 2 of this act shall take effect and be
3025 in force from and after January 1, 2025, and the remaining
3026 sections of this act shall take effect and be in force from and
3027 after July 1, 2025.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO CREATE THE "HOUSE NO. 1 OF THE 2025 REGULAR
2 SESSION, THE BUILD UP MISSISSIPPI ACT"; TO AMEND SECTION 27-7-5,
3 MISSISSIPPI CODE OF 1972, TO PHASE OUT THE STATE INCOME TAX ON THE
4 TAXABLE INCOME OF INDIVIDUALS; TO AMEND SECTION 27-65-17,
5 MISSISSIPPI CODE OF 1972, TO REDUCE THE SALES TAX RATE ON RETAIL
6 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
7 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
8 STAMPS; TO INCREASE THE SALES TAX RATE ON SALES OF TANGIBLE
9 PERSONAL PROPERTY; TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF
10 1972, TO INCREASE THE SALES TAX RATE ON SALES OF UTILITIES AND
11 TELECOMMUNICATIONS SERVICES; TO AMEND SECTION 27-65-22,
12 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE ON
13 AMUSEMENT AND ENTERTAINMENT ADMISSIONS; TO AMEND SECTION 27-65-23,
14 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE ON
15 VARIOUS SERVICES; TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF
16 1972, TO INCREASE THE SALES TAX RATE ON RETAIL SALES OF ALCOHOLIC
17 BEVERAGES; TO AMEND SECTION 27-65-26, MISSISSIPPI CODE OF 1972, TO
18 INCREASE THE SALES TAX RATE ON THE SALE, RENTING OR LEASING OF
19 SPECIFIED DIGITAL PRODUCTS; TO AMEND SECTION 27-65-75, MISSISSIPPI
20 CODE OF 1972, TO REVISE THE DISTRIBUTION OF STATE SALES TAX



21 REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION
22 NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM
23 SALES TAX IF PURCHASED WITH FOOD STAMPS; TO PROVIDE THAT
24 \$4,000,000.00 OF STATE SALES TAX REVENUE SHALL BE DEPOSITED
25 MONTHLY INTO THE STATE AID ROAD FUND; TO PROVIDE FOR THE
26 DISTRIBUTION OF THE STATE SALES REVENUE COLLECTED FROM INCREASES
27 TO SALES TAX RATES UNDER THIS ACT; TO AMEND SECTIONS 27-55-11,
28 27-55-519 AND 27-55-521, MISSISSIPPI CODE OF 1972, TO INCREASE THE
29 EXCISE TAXES ON GASOLINE AND CERTAIN SPECIAL FUELS; TO PROVIDE FOR
30 THE INDEXING OF SUCH TAXES; TO AMEND SECTIONS 27-55-12 AND
31 27-55-523, MISSISSIPPI CODE OF 1972, TO CONFORM; TO AMEND SECTION
32 27-5-101, MISSISSIPPI CODE OF 1972, TO REVISE THE DISTRIBUTION OF
33 REVENUE FROM CERTAIN GASOLINE AND SPECIAL FUEL TAXES; TO AMEND
34 SECTION 27-33-75, MISSISSIPPI CODE OF 1972, TO AUTHORIZE AN
35 ADDITIONAL HOMESTEAD EXEMPTION FROM AD VALOREM TAXES FOR QUALIFIED
36 HOMEOWNERS WHO ARE SIXTY-FIVE YEARS OF AGE OR OLDER OR TOTALLY
37 DISABLED; TO CREATE THE "2026 ADDITIONAL HOMESTEAD EXEMPTION
38 REIMBURSEMENT FUND" AS A SPECIAL FUND IN THE STATE TREASURY; TO
39 PROVIDE THAT THE FUND SHALL BE ADMINISTERED BY THE DEPARTMENT OF
40 REVENUE AND THAT MONIES IN THE FUND SHALL BE USED FOR THE PURPOSE
41 OF MAKING PAYMENTS TO COUNTIES FOR THE REDUCTION IN AD VALOREM TAX
42 REVENUES INCURRED BY LOCAL TAXING DISTRICTS IN COUNTIES AS A
43 RESULT OF THE ADDITIONAL HOMESTEAD EXEMPTION FROM AD VALOREM TAXES
44 AUTHORIZED IN THIS ACT; TO AMEND SECTION 27-67-31, MISSISSIPPI
45 CODE OF 1972, TO PROVIDE THAT THE STATE USE TAX REVENUE COLLECTED
46 FROM INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
47 DEPOSITED INTO THE 2026 ADDITIONAL HOMESTEAD EXEMPTION
48 REIMBURSEMENT FUND; TO CREATE THE "BUDGET STABILIZATION FUND" AS A
49 SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT MONIES IN THE
50 FUND SHALL BE APPROPRIATED BY THE LEGISLATURE TO FURTHER THE
51 PURPOSES OF THIS ACT; TO AMEND SECTION 27-115-85, MISSISSIPPI CODE
52 OF 1972, TO REVISE THE DISTRIBUTION OF NET PROCEEDS GENERATED BY
53 THE ALYCE G. CLARKE MISSISSIPPI LOTTERY LAW TO PROVIDE THAT
54 \$100,000,000.00 OF THE NET PROCEEDS SHALL BE PAID INTO THE
55 EMPLOYER'S ACCUMULATION ACCOUNT OF THE PUBLIC EMPLOYEES'
56 RETIREMENT SYSTEM UNTIL THE FUNDED RATIO FOR THE SYSTEM IS 80% AT
57 THE END OF A FISCAL YEAR AND THEREAFTER, FOR EACH MONTH AFTER THAT
58 FISCAL YEAR SUCH NET PROCEEDS SHALL BE PAID INTO THE STATE GENERAL
59 FUND AND THAT ALL SUCH MONIES DEPOSITED INTO THE LOTTERY PROCEEDS
60 FUND OVER \$100,000,000.00 SHALL BE TRANSFERRED INTO THE EDUCATION
61 ENHANCEMENT FUND FOR THE PURPOSES OF FUNDING THE EARLY CHILDHOOD
62 LEARNING COLLABORATIVE, THE CLASSROOM SUPPLY FUND AND/OR OTHER
63 EDUCATIONAL PURPOSES; TO BRING FORWARD SECTION 27-115-51,
64 MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE DEPOSIT OF MONIES
65 RECEIVED FROM LOTTERY TICKET SALES INTO A CORPORATE OPERATING
66 ACCOUNT AND THE TRANSFER OF NET PROCEEDS FROM THE CORPORATE
67 OPERATING ACCOUNT TO THE LOTTERY PROCEEDS FUND FOR THE PURPOSES OF
68 POSSIBLE AMENDMENT; TO TRANSFER \$300,000,000.00 FROM THE CAPITAL
69 EXPENSE FUND TO THE BUDGET STABILIZATION FUND CREATED IN THIS ACT;
70 AND FOR RELATED PURPOSES.

