By: Representatives Bozeman, Banks, Clarke, To: Ways and Means Flaggs, Robinson (63rd), Wallace

HOUSE BILL NO. 1027

1 2 3 4 5 6 7	AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A CERTAIN PORTION OF THE STATE'S SALES TAX REVENUE COLLECTIONS ON BUSINESS ACTIVITY WITHIN A COUNTY, INCLUDING ALL OF THE MUNICIPAL CORPORATIONS LOCATED WITHIN A COUNTY, SHALL BE ALLOCATED FOR DISTRIBUTION AND PAID TO SUCH COUNTY; TO AMEND SECTION 27-65-53, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
9	SECTION 1. Section 27-65-75, Mississippi Code of 1972, is
10	amended as follows:
11	[Until July 1, 2002, this section reads as follows:]
12	27-65-75. On or before the fifteenth day of each month, the
13	revenue collected under the provisions of this chapter during the
14	preceding month shall be paid and distributed as follows:
15	(1) On or before August 15, 1992, and each succeeding month
16	thereafter through July 15, 1993, eighteen percent (18%) of the
17	total sales tax revenue collected during the preceding month under
18	the provisions of this chapter, except that collected under the
19	provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
20	business activities within a municipal corporation shall be
21	allocated for distribution to such municipality and paid to such
22	municipal corporation. On or before August 15, 1993, and each
23	succeeding month thereafter, eighteen and one-half percent
24	(18-1/2%) of the total sales tax revenue collected during the
25	preceding month under the provisions of this chapter, except that
26	collected under the provisions of Sections 27-65-15, 27-65-19(3),
27	27-65-21, and that collected under the provisions of Section
28	27-65-17(2) and the corresponding levy in Section 27-65-23 on the

rental or lease of private carriers of passengers and light

- 30 carriers of property as defined in Sections 27-51-101, on business
- 31 activities within a municipal corporation shall be allocated for
- 32 distribution to such municipality and paid to such municipal
- 33 corporation.
- 34 A municipal corporation, for the purpose of distributing the
- 35 tax under this subsection, shall mean and include all incorporated
- 36 cities, towns and villages.
- 37 Monies allocated for distribution and credited to a municipal
- 38 corporation under this subsection may be pledged as security for
- 39 any loan received by the municipal corporation for the purpose of
- 40 capital improvements as authorized under Section 57-1-303, or
- 41 loans as authorized under Section 57-44-7, or water systems
- 42 improvements as authorized under Section 41-3-16.
- In any county having a county seat which is not an
- 44 incorporated municipality, the distribution provided hereunder
- 45 shall be made as though the county seat was an incorporated
- 46 municipality; however, the distribution to such municipality shall
- 47 be paid to the county treasury wherein the municipality is located
- 48 and such funds shall be used for road, bridge and street
- 49 construction or maintenance therein.
- 50 (2) On or before September 15, 1987, and each succeeding
- 51 month thereafter, from the revenue collected under this chapter
- 52 during the preceding month One Million One Hundred Twenty-five
- 53 Thousand Dollars (\$1,125,000.00) shall be allocated for
- 54 distribution to municipal corporations as defined under subsection
- 55 (1) of this section in the proportion that the number of gallons
- of gasoline and diesel fuel sold by distributors to consumers and
- 57 retailers in each such municipality during the preceding fiscal
- 58 year bears to the total gallons of gasoline and diesel fuel sold
- 59 by distributors to consumers and retailers in municipalities
- 60 statewide during the preceding fiscal year. The State Tax
- 61 Commission shall require all distributors of gasoline and diesel
- 62 fuel to report to the commission monthly the total number of
- 63 gallons of gasoline and diesel fuel sold by them to consumers and
- 64 retailers in each municipality during the preceding month. The
- 65 State Tax Commission shall have the authority to promulgate such
- 66 rules and regulations as is necessary to determine the number of
- 67 gallons of gasoline and diesel fuel sold by distributors to

68 consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the 69 70 fiscal year beginning July 1, 1987, and ending June 30, 1988, the State Tax Commission may consider gallons of gasoline and diesel 71 72 fuel sold for a period of less than one (1) fiscal year. 73 purposes of this subsection, the term "fiscal year" means the 74 fiscal year beginning July 1 of a year. (3) On or before September 15, 1987, and on or before the 75 fifteenth day of each succeeding month, until the date specified 76 77 in Section 65-39-35, the proceeds derived from contractors' taxes levied under Section 27-65-21 on contracts for the construction or 78 79 reconstruction of highways designated under the Four-Lane Highway Program created under Section 65-3-97 shall be deposited into the 80 State Treasury to the credit of the State Highway Fund to be used 81 to fund such Four-Lane Highway Program. The Mississippi 82 83 Department of Transportation shall provide to the State Tax 84 Commission such information as is necessary to determine the amount of proceeds to be distributed under this subsection. 85 86 On or before August 15, 1994, and on or before the 87 fifteenth day of each succeeding month, from the proceeds of 88 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 89 90 deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 91 65-9-17. Such funds shall be pledged to pay the principal of and 92 93 interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the 94 funds heretofore allocated to counties under this section. 95 funds may not be pledged for the payment of any state aid road 96 bonds issued after April 1, 1981; however, this prohibition 97 98 against the pledging of any such funds for the payment of bonds

shall not apply to any bonds for which intent to issue such bonds

has been published, for the first time, as provided by law prior

to March 29, 1981. From the amount of taxes paid into the special

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- 102 fund pursuant to this subsection and subsection (9) of this
- 103 section, there shall be first deducted and paid the amount
- 104 necessary to pay the expenses of the Office of State Aid Road
- 105 Construction, as authorized by the Legislature for all other
- 106 general and special fund agencies. The remainder of the fund
- 107 shall be allocated monthly to the several counties in accordance
- 108 with the following formula:
- 109 (a) One-third (1/3) shall be allocated to all counties
- 110 in equal shares;
- 111 (b) One-third (1/3) shall be allocated to counties
- 112 based on the proportion that the total number of rural road miles
- 113 in a county bears to the total number of rural road miles in all
- 114 counties of the state; and
- 115 (c) One-third (1/3) shall be allocated to counties
- 116 based on the proportion that the rural population of the county
- 117 bears to the total rural population in all counties of the state,
- 118 according to the latest federal decennial census.
- For the purposes of this subsection, the term "gasoline,
- 120 diesel fuel or kerosene taxes" means such taxes as defined in
- 121 paragraph (f) of Section 27-5-101.
- 122 The amount of funds allocated to any county under this
- 123 subsection for any fiscal year after Fiscal Year 1994 shall not be
- 124 less than the amount allocated to such county for Fiscal Year
- 125 1994. Monies allocated to a county from the State Aid Road Fund
- 126 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
- 127 amount of funds allocated to that county from the State Aid Road
- 128 Fund for Fiscal Year 1994, first must be expended by the county
- 129 for replacement or rehabilitation of bridges on the state aid road
- 130 system that have a sufficiency rating of less than twenty-five
- 131 (25), according to National Bridge Inspection standards before
- 132 such monies may be approved for expenditure by the State Aid Road
- 133 Engineer on other projects that qualify for the use of state aid
- 134 road funds.
- 135 Any reference in the general laws of this state or the H. B. No. 1027 $$99\R03\R1226$

- 136 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
- 137 construed to refer and apply to subsection (4) of Section
- 138 27-65-75.
- 139 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
- 140 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
- 141 the special fund known as the "State Public School Building Fund"
- 142 created and existing under the provisions of Sections 37-47-1
- 143 through 37-47-67. Such payments into said fund are to be made on
- 144 the last day of each succeeding month hereafter.
- 145 (6) An amount each month beginning August 15, 1983, through
- 146 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
- 147 of 1983, shall be paid into the special fund known as the
- 148 Correctional Facilities Construction Fund created in Section 6 of
- 149 Chapter 542, Laws of 1983.
- 150 (7) On or before August 15, 1992, and each succeeding month
- 151 thereafter, two and two hundred sixty-six one-thousandths percent
- 152 (2.266%) of the total sales tax revenue collected during the
- 153 preceding month under the provisions of this chapter, except that
- 154 collected under the provisions of Section 27-65-17(2) shall be
- 155 deposited by the commission into the School Ad Valorem Tax
- 156 Reduction Fund created pursuant to Section 37-61-35.
- 157 (8) On or before August 15, 1992, and each succeeding month
- 158 thereafter, nine and seventy-three one-thousandths percent
- 159 (9.073%) of the total sales tax revenue collected during the
- 160 preceding month under the provisions of this chapter, except that
- 161 collected under the provisions of Section 27-65-17(2) shall be
- 162 deposited into the Education Enhancement Fund created pursuant to
- 163 Section 37-61-33.
- 164 (9) On or before August 15, 1994, and each succeeding month
- 165 thereafter, from the revenue collected under this chapter during
- 166 the preceding month, Two Hundred Fifty Thousand Dollars
- 167 (\$250,000.00) shall be paid into the State Aid Road Fund.
- 168 (10) On or before August 15, 1994, and each succeeding month
- 169 thereafter through August 15, 1995, from the revenue collected

170 under this chapter during the preceding month, Two Million Dollars

171 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad

- 172 Valorem Tax Reduction Fund established in Section 27-51-105.
- 173 (11) Notwithstanding any other provision of this section to
- 174 the contrary, on or before February 15, 1995, and each succeeding
- 175 month thereafter, the sales tax revenue collected during the
- 176 preceding month under the provisions of Section 27-65-17(2) and
- 177 the corresponding levy in Section 27-65-23 on the rental or lease
- 178 of private carriers of passengers and light carriers of property
- 179 as defined in Section 27-51-101 shall be deposited, without
- 180 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
- 181 established in Section 27-51-105.
- 182 (12) Notwithstanding any other provision of this section to
- 183 the contrary, on or before August 15, 1995, and each succeeding
- 184 month thereafter, the sales tax revenue collected during the
- 185 preceding month under the provisions of Section 27-65-17(1) on
- 186 retail sales of private carriers of passengers and light carriers
- 187 of property, as defined in Section 27-51-101 and the corresponding
- 188 levy in Section 27-65-23 on the rental or lease of these vehicles,
- 189 shall be deposited, after diversion, into the Motor Vehicle Ad
- 190 Valorem Tax Reduction Fund established in Section 27-51-105.
- 191 (13) On or before July 15, 1994, and on or before the
- 192 fifteenth day of each succeeding month thereafter, that portion of
- 193 the avails of the tax imposed in Section 27-65-22, which is
- 194 derived from activities held on the Mississippi state fairgrounds
- 195 complex, shall be paid into a special fund hereby created in the
- 196 State Treasury and shall be expended pursuant to legislative
- 197 appropriations solely to defray the costs of repairs and
- 198 renovation at such Trade Mart and Coliseum.
- 199 (14) On or before August 15, 1998, and each succeeding month
- 200 thereafter through July 15, 2005, that portion of the avails of
- 201 the tax imposed in Section 27-65-23 which is derived from sales by
- 202 cotton compresses or cotton warehouses and which would otherwise
- 203 be paid into the General Fund, shall be deposited in an amount not

- to exceed Two Million Dollars (\$2,000,000.00) into the special fund created pursuant to Section 69-37-39.
- 206 (15) On or before August 15, 1999, and each succeeding month
- 207 thereafter, two percent (2%) of the total sales tax revenue
- 208 <u>collected during the preceding month under the provisions of this</u>
- 209 chapter, except that collected under the provisions of Sections
- 210 <u>27-65-15</u>, <u>27-65-19(3)</u>, <u>27-65-21</u>, and that collected under the
- 211 provisions of Section 27-65-17(2) and the corresponding levy in
- 212 <u>Section 27-65-23 on the rental or lease of private carriers of</u>
- 213 passengers and light carriers of property as defined in Section
- 214 <u>27-51-101</u>, on business activities within a county, including all
- 215 of the municipal corporations located within a county, shall be
- 216 <u>allocated for distribution to such county and paid to the county.</u>
- 217 (16) The remainder of the amounts collected under the
- 218 provisions of this chapter shall be paid into the State Treasury
- 219 to the credit of the General Fund.
- 220 (17) It shall be the duty of the municipal officials of any
- 221 municipality which expands its limits, or of any community which
- 222 incorporates as a municipality, to notify the commissioner of such
- 223 action thirty (30) days before the effective date. Failure to so
- 224 notify the commissioner shall cause such municipality to forfeit
- 225 the revenue which it would have been entitled to receive during
- 226 this period of time when the commissioner had no knowledge of the
- 227 action. If any funds have been erroneously disbursed to any
- 228 municipality or county or any overpayment of tax is recovered by
- 229 the taxpayer, the commissioner may make correction and adjust the
- 230 error or overpayment with such municipality or county by
- 231 withholding the necessary funds from any subsequent payment to be
- 232 made to the municipality or county.
- [From and after July 1, 2002, this section reads as follows:]
- 234 27-65-75. On or before the fifteenth day of each month, the
- 235 revenue collected under the provisions of this chapter during the
- 236 preceding month shall be paid and distributed as follows:
- 237 (1) On or before August 15, 1992, and each succeeding month H. B. No. 1027 $99\kplant{102}$ HR03 $\kplant{122}$ R1226

- thereafter through July 15, 1993, eighteen percent (18%) of the
- 239 total sales tax revenue collected during the preceding month under
- 240 the provisions of this chapter, except that collected under the
- 241 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
- 242 business activities within a municipal corporation shall be
- 243 allocated for distribution to such municipality and paid to such
- 244 municipal corporation. On or before August 15, 1993, and each
- 245 succeeding month thereafter, eighteen and one-half percent
- 246 (18-1/2%) of the total sales tax revenue collected during the
- 247 preceding month under the provisions of this chapter, except that
- 248 collected under the provisions of Sections 27-65-15, 27-65-17(2),
- 249 27-65-19(3) and 27-65-21, on business activities within a
- 250 municipal corporation shall be allocated for distribution to such
- 251 municipality and paid to such municipal corporation.
- 252 A municipal corporation, for the purpose of distributing the
- 253 tax under this subsection, shall mean and include all incorporated
- 254 cities, towns and villages.
- 255 Monies allocated for distribution and credited to a municipal
- 256 corporation under this subsection may be pledged as security for
- 257 any loan received by the municipal corporation for the purpose of
- 258 capital improvements as authorized under Section 57-1-303, or
- 259 loans as authorized under Section 57-44-7, or water systems
- 260 improvements as authorized under Section 41-3-16.
- In any county having a county seat which is not an
- 262 incorporated municipality, the distribution provided hereunder
- 263 shall be made as though the county seat was an incorporated
- 264 municipality; however, the distribution to such municipality shall
- 265 be paid to the county treasury wherein the municipality is located
- 266 and such funds shall be used for road, bridge and street
- 267 construction or maintenance therein.
- 268 (2) On or before September 15, 1987, and each succeeding
- 269 month thereafter, from the revenue collected under this chapter
- 270 during the preceding month One Million One Hundred Twenty-five
- 271 Thousand Dollars (\$1,125,000.00) shall be allocated for

273 (1) of this section in the proportion that the number of gallons 274 of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal 275 276 year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities 277 statewide during the preceding fiscal year. The State Tax 278 279 Commission shall require all distributors of gasoline and diesel 280 fuel to report to the commission monthly the total number of 281 gallons of gasoline and diesel fuel sold by them to consumers and 282 retailers in each municipality during the preceding month. 283 State Tax Commission shall have the authority to promulgate such rules and regulations as is necessary to determine the number of 284 gallons of gasoline and diesel fuel sold by distributors to 285 286 consumers and retailers in each municipality. In determining the 287 percentage allocation of funds under this subsection for the 288 fiscal year beginning July 1, 1987, and ending June 30, 1988, the State Tax Commission may consider gallons of gasoline and diesel 289 290 fuel sold for a period of less than one (1) fiscal year. purposes of this subsection, the term "fiscal year" means the 291 292 fiscal year beginning July 1 of a year.

distribution to municipal corporations as defined under subsection

- (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 Four-Lane Highway Program created under Section 65-3-97 shall be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund such Four-Lane Highway Program. The Mississippi Department of Transportation shall provide to the State Tax Commission such information as is necessary to determine the amount of proceeds to be distributed under this subsection.
- 304 (4) On or before August 15, 1994, and on or before the
 305 fifteenth day of each succeeding month, from the proceeds of
 H. B. No. 1027
 99\HR03\R1226

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306 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 307 308 deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 309 310 65-9-17. Such funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 311 19-9-51 through 19-9-77, in lieu of and in substitution for the 312 funds heretofore allocated to counties under this section. 313 314 funds may not be pledged for the payment of any state aid road 315 bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds 316 317 shall not apply to any bonds for which intent to issue such bonds has been published, for the first time, as provided by law prior 318 to March 29, 1981. From the amount of taxes paid into the special 319 320 fund pursuant to this subsection and subsection (9) of this 321 section, there shall be first deducted and paid the amount 322 necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other 323

327 (a) One-third (1/3) shall be allocated to all counties 328 in equal shares;

general and special fund agencies. The remainder of the fund

shall be allocated monthly to the several counties in accordance

- 329 (b) One-third (1/3) shall be allocated to counties 330 based on the proportion that the total number of rural road miles 331 in a county bears to the total number of rural road miles in all 332 counties of the state; and
- 333 (c) One-third (1/3) shall be allocated to counties 334 based on the proportion that the rural population of the county 335 bears to the total rural population in all counties of the state, 336 according to the latest federal decennial census.
- For the purposes of this subsection, the term "gasoline, diesel fuel or kerosene taxes" means such taxes as defined in paragraph (f) of Section 27-5-101.

with the following formula:

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340 The amount of funds allocated to any county under this subsection for any fiscal year after Fiscal Year 1994 shall not be 341 342 less than the amount allocated to such county for Fiscal Year 343 1994. Monies allocated to a county from the State Aid Road Fund 344 for Fiscal Year 1995 or any fiscal year thereafter that exceed the 345 amount of funds allocated to that county from the State Aid Road 346 Fund for Fiscal Year 1994, first must be expended by the county 347 for replacement or rehabilitation of bridges on the state aid road 348 system that have a sufficiency rating of less than twenty-five 349 (25), according to National Bridge Inspection standards before such monies may be approved for expenditure by the State Aid Road 350

Any reference in the general laws of this state or the

Mississippi Code of 1972 to Section 27-5-105 shall mean and be

construed to refer and apply to subsection (4) of Section

27-65-75.

Engineer on other projects that qualify for the use of state aid

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road funds.

- 357 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
 358 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
 359 the special fund known as the "State Public School Building Fund"
 360 created and existing under the provisions of Sections 37-47-1
 361 through 37-47-67. Such payments into said fund are to be made on
 362 the last day of each succeeding month hereafter.
- 363 (6) An amount each month beginning August 15, 1983, through
 364 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
 365 of 1983, shall be paid into the special fund known as the
 366 Correctional Facilities Construction Fund created in Section 6 of
 367 Chapter 542, Laws of 1983.
- (7) On or before August 15, 1992, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), not to
- 373 exceed the Fiscal Year 1997 appropriated level shall be deposited H. B. No. 1027 99\HR03\R1226 PAGE 11

- 374 by the commission into the School Ad Valorem Tax Reduction Fund
- 375 created pursuant to Section 37-61-35, with the balance to be
- 376 transferred to the Education Enhancement Fund created under
- 377 Section 37-61-33 for appropriation by the Legislature as other
- 378 education needs and not subject to the percentage set asides set
- 379 forth in Section 37-61-33.
- 380 (8) On or before August 15, 1992, and each succeeding month
- 381 thereafter, nine and seventy-three one-thousandths percent
- 382 (9.073%) of the total sales tax revenue collected during the
- 383 preceding month under the provisions of this chapter, except that
- 384 collected under the provisions of Section 27-65-17(2) shall be
- 385 deposited into the Education Enhancement Fund created pursuant to
- 386 Section 37-61-33.
- 387 (9) On or before August 15, 1994, and each succeeding month
- 388 thereafter, from the revenue collected under this chapter during
- 389 the preceding month, Two Hundred Fifty Thousand Dollars
- 390 (\$250,000.00) shall be paid into the State Aid Road Fund.
- 391 (10) On or before August 15, 1994, and each succeeding month
- 392 thereafter through August 15, 1995, from the revenue collected
- 393 under this chapter during the preceding month, Two Million Dollars
- 394 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
- 395 Valorem Tax Reduction Fund established in Section 27-51-105.
- 396 (11) Notwithstanding any other provision of this section to
- 397 the contrary, on or before February 15, 1995, and each succeeding
- 398 month thereafter, the sales tax revenue collected during the
- 399 preceding month under the provisions of Section 27-65-17(2) shall
- 400 be deposited, without diversion, into the Motor Vehicle Ad Valorem
- 401 Tax Reduction Fund established in Section 27-51-105.
- 402 (12) Notwithstanding any other provision of this section to
- 403 the contrary, on or before August 15, 1995, and each succeeding
- 404 month thereafter, the sales tax revenue collected during the
- 405 preceding month under the provisions of Section 27-65-17(1) on
- 406 retail sales of private carriers of passengers and light carriers
- 407 of property, as defined in Section 27-51-101, shall be deposited,

- 408 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
- 409 Fund established in Section 27-51-105.
- 410 (13) On or before July 15, 1994, and on or before the
- 411 fifteenth day of each succeeding month thereafter, that portion of
- 412 the avails of the tax imposed in Section 27-65-22, which is
- 413 derived from activities held on the Mississippi state fairgrounds
- 414 complex, shall be paid into a special fund hereby created in the
- 415 State Treasury and shall be expended pursuant to legislative
- 416 appropriations solely to defray the costs of repairs and
- 417 renovation at such Trade Mart and Coliseum.
- 418 (14) On or before August 15, 1998, and each succeeding month
- 419 thereafter through July 15, 2005, that portion of the avails of
- 420 the tax imposed in Section 27-65-23 which is derived from sales by
- 421 cotton compresses or cotton warehouses and which would otherwise
- 422 be paid into the General Fund, shall be deposited in an amount not
- 423 to exceed Two Million Dollars (\$2,000,000.00) into the special
- 424 fund created pursuant to Section 69-37-39.
- 425 (15) On or before August 15, 1999, and each succeeding month
- 426 thereafter, two percent (2%) of the total sales tax revenue
- 427 <u>collected during the preceding month under the provisions of this</u>
- 428 chapter, except that collected under the provisions of Sections
- 429 <u>27-65-15</u>, <u>27-65-17(2)</u>, <u>27-65-19(3)</u> and <u>27-65-21</u>, on business
- 430 <u>activities within a county, including all of the municipal</u>
- 431 corporations located within a county, shall be allocated for
- 432 <u>distribution to such county and paid to the county.</u>
- 433 (16) The remainder of the amounts collected under the
- 434 provisions of this chapter shall be paid into the State Treasury
- 435 to the credit of the General Fund.
- 436 (17) It shall be the duty of the municipal officials of any
- 437 municipality which expands its limits, or of any community which
- 438 incorporates as a municipality, to notify the commissioner of such
- 439 action thirty (30) days before the effective date. Failure to so
- 440 notify the commissioner shall cause such municipality to forfeit
- 441 the revenue which it would have been entitled to receive during

- 442 this period of time when the commissioner had no knowledge of the
- 443 action. If any funds have been erroneously disbursed to any
- 444 municipality or county or any overpayment of tax is recovered by
- 445 the taxpayer, the commissioner may make correction and adjust the
- 446 error or overpayment with such municipality or county by
- 447 withholding the necessary funds from any subsequent payment to be
- 448 made to the municipality or county.
- SECTION 2. Section 27-65-53, Mississippi Code of 1972, is
- 450 amended as follows:
- 451 27-65-53. If the commissioner finds that the taxpayer has
- 452 overpaid his tax for any reason and the taxpayer has discontinued
- 453 business and there is no subsequent liability upon which the
- 454 excess may be credited, or if the amount of the excess so paid
- 455 shall exceed the estimated liability for the next twelve (12)
- 456 months, the excess shall be refunded to the taxpayer. Such amount
- 457 shall be certified to the State Auditor of Public Accounts by the
- 458 commission. The * * * auditor \underline{may} make such investigation and
- 459 audit of the claim as he finds necessary. If he finds that the
- 460 commissioner is correct in his determination, the auditor may
- 461 issue his warrant to the State Treasurer in favor of the taxpayer
- 462 for the amount of tax erroneously paid into the State Treasury,
- 463 such refunds to be made from current sales tax collections. If
- 464 part of the overpayment has been disbursed to any municipality or
- 465 county, under authority of Section 27-65-75, the municipality or
- 466 <u>county</u>, as the case may be, having erroneously received the money,
- 467 shall adjust the amount with the commissioner, or the overpayment
- 468 may be withheld by the state from any funds due by the state to
- 469 the municipality or county.
- * * * Where the taxpayer has overpaid his tax, the
- 471 commissioner may give credit for same and allow the taxpayer to
- 472 take credit on a subsequent return or, if necessary, in his
- 473 discretion, have the taxpayer file for a refund as provided
- 474 herein.
- If any overpayment of tax as reflected in an application or H. B. No. 1027 $$9\$ R1226

- 476 amended return, or both, filed by the taxpayer, and verified by
- 477 the commissioner or otherwise determined to be due by the
- 478 commissioner or commission, is not refunded or credited to a
- 479 taxpayer's account within ninety (90) days after the application
- 480 or amended return is filed or the date the commission or
- 481 commissioner determines a refund is due, whichever is later,
- interest at the rate of one percent (1%) per month shall be
- 483 allowed on such overpayment computed for the period after
- 484 expiration of the ninety-day period provided herein to the date of
- 485 payment.
- 486 SECTION 3. This act shall take effect and be in force from
- 487 and after July 1, 1999.