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To: Ways and Means

HOUSE BILL NO. 303

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
2 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF UNPREPARED FOOD
3 FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH
4 WOULD BE EXEMPT FROM SALES TAX IF THE FOOD WAS PURCHASED WITH FOOD
5 STAMPS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
6 PROVIDE THAT FROM AND AFTER JULY 1, 2002, ALL OF THE SALES TAX
7 COLLECTED ON RETAIL SALES OF SUCH UNPREPARED FOOD WITHIN A
8 MUNICIPALITY SHALL BE ALLOCATED FOR DISTRIBUTION AND PAID TO SUCH
9 MUNICIPALITY; AND FOR RELATED PURPOSES.

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

12 SECTION 1. Section 27-65-17, Mississippi Code of 1972, is
13 amended as follows:[LH1]

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

20 Retail sales of farm tractors shall be taxed at the rate of
21 one percent (1%) when made to farmers for agricultural purposes.

22 Retail sales of farm implements sold to farmers and used
23 directly in the production of poultry, ratite, domesticated fish
24 as defined in Section 69-7-501, livestock, livestock products,
25 agricultural crops or ornamental plant crops or used for other

26 agricultural purposes shall be taxed at the rate of three percent
27 (3%) when used on the farm. The three percent (3%) rate shall
28 also apply to all equipment used in logging, pulpwood operations
29 or tree farming which is either (a) self-propelled or which is (b)
30 mounted so that it is (i) permanently attached to other equipment
31 which is self-propelled or (ii) permanently attached to other
32 equipment drawn by a vehicle which is self-propelled.

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

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

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

47 Sales of tangible personal property to electric power
48 associations for use in the ordinary and necessary operation of
49 their generating or distribution systems shall be taxed at the
50 rate of one percent (1%).

51 Wholesale sales of beer shall be taxed at the rate of seven
52 percent (7%), and the retailer shall file a return and compute the
53 retail tax on retail sales but may take credit for the amount of

54 the tax paid to the wholesaler on said return covering the
55 subsequent sales of same property, provided adequate invoices and
56 records are maintained to substantiate the credit.

57 Wholesale sales of food and drink for human consumption to
58 full service vending machine operators to be sold through vending
59 machines located apart from and not connected with other taxable
60 businesses shall be taxed at the rate of eight percent (8%).

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

64 Any person exercising any privilege taxable under Section
65 27-65-15 and selling his natural resource products at wholesale or
66 to exempt persons shall pay the tax levied by said section in lieu
67 of the tax levied by this section.

68 (2) From and after January 1, 1995, retail sales of private
69 carriers of passengers and light carriers of property, as defined
70 in Section 27-51-101, shall be taxed an additional two percent
71 (2%).

72 (3) In lieu of the tax levied in subsection (1) of this
73 section, there is levied on retail sales of truck-tractors and
74 semitrailers used in interstate commerce and registered under the
75 International Registration Plan (IRP) or any similar reciprocity
76 agreement or compact relating to the proportional registration of
77 commercial vehicles entered into as provided for in Section
78 27-19-143, a tax at the rate of three percent (3%) of the portion
79 of the sale that is attributable to the usage of such
80 truck-tractor or semitrailer in Mississippi. The portion of the
81 retail sale that is attributable to the usage of such

82 truck-tractor or semitrailer in Mississippi is the retail sales
83 price of the truck-tractor or semitrailer multiplied by the
84 percentage of the total miles traveled by the vehicle that are
85 traveled in Mississippi. The tax levied pursuant to this
86 subsection (3) shall be collected by the State Tax Commission from
87 the purchaser of such truck-tractor or semitrailer at the time of
88 registration of such truck-tractor or semitrailer.

89 (4) From and after July 1, 2001, in lieu of the tax levied
90 in subsection (1) of this section, retail sales of food for human
91 consumption not purchased with food stamps issued by the United
92 States Department of Agriculture or other federal agency, but
93 which would be exempt under Section 27-65-111(o) from the taxes
94 imposed by this chapter if the food items were purchased with food
95 stamps, shall be taxed as follows:

96 (a) From and after July 1, 2001, through June 30, 2002,
97 such sales shall be taxed at the rate of four percent (4%);

98 (b) From and after July 1, 2002, such sales shall be
99 taxed at the rate of two percent (2%).

100 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is
101 amended as follows:[LH2]

102 **[Until July 1, 2002, this section reads as follows:]**

103 27-65-75. On or before the fifteenth day of each month, the
104 revenue collected under the provisions of this chapter during the
105 preceding month shall be paid and distributed as follows:

106 (1) On or before August 15, 1992, and each succeeding month
107 thereafter through July 15, 1993, eighteen percent (18%) of the
108 total sales tax revenue collected during the preceding month under
109 the provisions of this chapter, except that collected under the

110 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
111 business activities within a municipal corporation shall be
112 allocated for distribution to such municipality and paid to such
113 municipal corporation. On or before August 15, 1993, and each
114 succeeding month thereafter, eighteen and one-half percent
115 (18-1/2%) of the total sales tax revenue collected during the
116 preceding month under the provisions of this chapter, except that
117 collected under the provisions of Sections 27-65-15, 27-65-19(3)
118 and 27-65-21, on business activities within a municipal
119 corporation shall be allocated for distribution to such
120 municipality and paid to such municipal corporation.

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

124 Monies allocated for distribution and credited to a municipal
125 corporation under this subsection may be pledged as security for
126 any loan received by the municipal corporation for the purpose of
127 capital improvements as authorized under Section 57-1-303, or
128 loans as authorized under Section 57-44-7, or water systems
129 improvements as authorized under Section 41-3-16.

130 In any county having a county seat which is not an
131 incorporated municipality, the distribution provided hereunder
132 shall be made as though the county seat was an incorporated
133 municipality; however, the distribution to such municipality shall
134 be paid to the county treasury wherein the municipality is located
135 and such funds shall be used for road, bridge and street
136 construction or maintenance therein.

137 (2) On or before September 15, 1987, and each succeeding

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

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

166 reconstruction of highways designated under the Four-Lane Highway
167 Program created under Section 65-3-97 shall, except as otherwise
168 provided in Section 31-17-127, be deposited into the State
169 Treasury to the credit of the State Highway Fund to be used to
170 fund such Four-Lane Highway Program. The Mississippi Department
171 of Transportation shall provide to the State Tax Commission such
172 information as is necessary to determine the amount of proceeds to
173 be distributed under this subsection.

174 (4) On or before August 15, 1994, and on or before the
175 fifteenth day of each succeeding month through July 15, 1999, from
176 the proceeds of gasoline, diesel fuel or kerosene taxes as
177 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
178 (\$4,000,000.00) shall be deposited in the State Treasury to the
179 credit of a special fund designated as the "State Aid Road Fund,"
180 created by Section 65-9-17. On or before August 15, 1999, and on
181 or before the fifteenth day of each succeeding month, from the
182 total amount of the proceeds of gasoline, diesel fuel or kerosene
183 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
184 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
185 percent (23.25%) of such funds, whichever is the greater amount,
186 shall be deposited in the State Treasury to the credit of the
187 "State Aid Road Fund," created by Section 65-9-17. Such funds
188 shall be pledged to pay the principal of and interest on state aid
189 road bonds heretofore issued under Sections 19-9-51 through
190 19-9-77, in lieu of and in substitution for the funds heretofore
191 allocated to counties under this section. Such funds may not be
192 pledged for the payment of any state aid road bonds issued after
193 April 1, 1981; however, this prohibition against the pledging of

194 any such funds for the payment of bonds shall not apply to any
195 bonds for which intent to issue such bonds has been published, for
196 the first time, as provided by law prior to March 29, 1981. From
197 the amount of taxes paid into the special fund pursuant to this
198 subsection and subsection (9) of this section, there shall be
199 first deducted and paid the amount necessary to pay the expenses
200 of the Office of State Aid Road Construction, as authorized by the
201 Legislature for all other general and special fund agencies. The
202 remainder of the fund shall be allocated monthly to the several
203 counties in accordance with the following formula:

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

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

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

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

217 The amount of funds allocated to any county under this
218 subsection for any fiscal year after fiscal year 1994 shall not be
219 less than the amount allocated to such county for fiscal year
220 1994. Monies allocated to a county from the State Aid Road Fund
221 for fiscal year 1995 or any fiscal year thereafter that exceed the

222 amount of funds allocated to that county from the State Aid Road
223 Fund for fiscal year 1994, first must be expended by the county
224 for replacement or rehabilitation of bridges on the state aid road
225 system that have a sufficiency rating of less than twenty-five
226 (25), according to National Bridge Inspection standards before
227 such monies may be approved for expenditure by the State Aid Road
228 Engineer on other projects that qualify for the use of state aid
229 road funds.

230 Any reference in the general laws of this state or the
231 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
232 construed to refer and apply to subsection (4) of Section
233 27-65-75.

234 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
235 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
236 the special fund known as the "State Public School Building Fund"
237 created and existing under the provisions of Sections 37-47-1
238 through 37-47-67. Such payments into said fund are to be made on
239 the last day of each succeeding month hereafter.

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

245 (7) On or before August 15, 1992, and each succeeding month
246 thereafter, two and two hundred sixty-six one-thousandths percent
247 (2.266%) of the total sales tax revenue collected during the
248 preceding month under the provisions of this chapter, except that
249 collected under the provisions of Section 27-65-17(2) shall be

250 deposited by the commission into the School Ad Valorem Tax
251 Reduction Fund created pursuant to Section 37-61-35.

252 (8) On or before August 15, 1992, and each succeeding month
253 thereafter, nine and seventy-three one-thousandths percent
254 (9.073%) of the total sales tax revenue collected during the
255 preceding month under the provisions of this chapter, except that
256 collected under the provisions of Section 27-65-17(2) shall be
257 deposited into the Education Enhancement Fund created pursuant to
258 Section 37-61-33.

259 (9) On or before August 15, 1994, and each succeeding month
260 thereafter, from the revenue collected under this chapter during
261 the preceding month, Two Hundred Fifty Thousand Dollars
262 (\$250,000.00) shall be paid into the State Aid Road Fund.

263 (10) On or before August 15, 1994, and each succeeding month
264 thereafter through August 15, 1995, from the revenue collected
265 under this chapter during the preceding month, Two Million Dollars
266 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
267 Valorem Tax Reduction Fund established in Section 27-51-105.

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

277 (12) Notwithstanding any other provision of this section to

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

286 (13) On or before July 15, 1994, and on or before the
287 fifteenth day of each succeeding month thereafter, that portion of
288 the avails of the tax imposed in Section 27-65-22, which is
289 derived from activities held on the Mississippi state fairgrounds
290 complex, shall be paid into a special fund hereby created in the
291 State Treasury and shall be expended pursuant to legislative
292 appropriations solely to defray the costs of repairs and
293 renovation at such Trade Mart and Coliseum.

294 (14) On or before August 15, 1998, and each succeeding month
295 thereafter through July 15, 2005, that portion of the avails of
296 the tax imposed in Section 27-65-23 which is derived from sales by
297 cotton compresses or cotton warehouses and which would otherwise
298 be paid into the General Fund, shall be deposited in an amount not
299 to exceed Two Million Dollars (\$2,000,000.00) into the special
300 fund created pursuant to Section 69-37-39.

301 (15) The remainder of the amounts collected under the
302 provisions of this chapter shall be paid into the State Treasury
303 to the credit of the General Fund.

304 (16) It shall be the duty of the municipal officials of any
305 municipality which expands its limits, or of any community which

306 incorporates as a municipality, to notify the commissioner of such
307 action thirty (30) days before the effective date. Failure to so
308 notify the commissioner shall cause such municipality to forfeit
309 the revenue which it would have been entitled to receive during
310 this period of time when the commissioner had no knowledge of the
311 action. If any funds have been erroneously disbursed to any
312 municipality or any overpayment of tax is recovered by the
313 taxpayer, the commissioner may make correction and adjust the
314 error or overpayment with such municipality by withholding the
315 necessary funds from any subsequent payment to be made to the
316 municipality.

317 **[From and after July 1, 2002, this section reads as follows:]**

318 27-65-75. On or before the fifteenth day of each month, the
319 revenue collected under the provisions of this chapter during the
320 preceding month shall be paid and distributed as follows:

321 (1) On or before August 15, 1992, and each succeeding month
322 thereafter through July 15, 1993, eighteen percent (18%) of the
323 total sales tax revenue collected during the preceding month under
324 the provisions of this chapter, except that collected under the
325 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
326 business activities within a municipal corporation shall be
327 allocated for distribution to such municipality and paid to such
328 municipal corporation. On or before August 15, 1993, and each
329 succeeding month thereafter through July 15, 2002, eighteen and
330 one-half percent (18-1/2%) of the total sales tax revenue
331 collected during the preceding month under the provisions of this
332 chapter, except that collected under the provisions of Sections
333 27-65-15, 27-65-19(3) and 27-65-21, on business activities within

334 a municipal corporation shall be allocated for distribution to
335 such municipality and paid to such municipal corporation. On or
336 before August 15, 2002, and each succeeding month thereafter,
337 eighteen and one-half percent (18-1/2%) of the total sales tax
338 revenue collected during the preceding month under the provisions
339 of this chapter, except that collected under the provisions of
340 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(4), on
341 business activities within a municipal corporation, and all of the
342 sales tax revenue collected during the preceding month under the
343 provisions of Section 27-65-17(4) on business activities within a
344 municipal corporation shall be allocated for distribution to such
345 municipality and paid to such municipal corporation.

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

349 Monies allocated for distribution and credited to a municipal
350 corporation under this subsection may be pledged as security for
351 any loan received by the municipal corporation for the purpose of
352 capital improvements as authorized under Section 57-1-303, or
353 loans as authorized under Section 57-44-7, or water systems
354 improvements as authorized under Section 41-3-16.

355 In any county having a county seat which is not an
356 incorporated municipality, the distribution provided hereunder
357 shall be made as though the county seat was an incorporated
358 municipality; however, the distribution to such municipality shall
359 be paid to the county treasury wherein the municipality is located
360 and such funds shall be used for road, bridge and street
361 construction or maintenance therein.

362 (2) On or before September 15, 1987, and each succeeding
363 month thereafter, from the revenue collected under this chapter
364 during the preceding month One Million One Hundred Twenty-five
365 Thousand Dollars (\$1,125,000.00) shall be allocated for
366 distribution to municipal corporations as defined under subsection
367 (1) of this section in the proportion that the number of gallons
368 of gasoline and diesel fuel sold by distributors to consumers and
369 retailers in each such municipality during the preceding fiscal
370 year bears to the total gallons of gasoline and diesel fuel sold
371 by distributors to consumers and retailers in municipalities
372 statewide during the preceding fiscal year. The State Tax
373 Commission shall require all distributors of gasoline and diesel
374 fuel to report to the commission monthly the total number of
375 gallons of gasoline and diesel fuel sold by them to consumers and
376 retailers in each municipality during the preceding month. The
377 State Tax Commission shall have the authority to promulgate such
378 rules and regulations as is necessary to determine the number of
379 gallons of gasoline and diesel fuel sold by distributors to
380 consumers and retailers in each municipality. In determining the
381 percentage allocation of funds under this subsection for the
382 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
383 State Tax Commission may consider gallons of gasoline and diesel
384 fuel sold for a period of less than one (1) fiscal year. For the
385 purposes of this subsection, the term "fiscal year" means the
386 fiscal year beginning July 1 of a year.

387 (3) On or before September 15, 1987, and on or before the
388 fifteenth day of each succeeding month, until the date specified
389 in Section 65-39-35, the proceeds derived from contractors' taxes

390 levied under Section 27-65-21 on contracts for the construction or
391 reconstruction of highways designated under the Four-Lane Highway
392 Program created under Section 65-3-97 shall, except as otherwise
393 provided in Section 31-17-127, be deposited into the State
394 Treasury to the credit of the State Highway Fund to be used to
395 fund such Four-Lane Highway Program. The Mississippi Department
396 of Transportation shall provide to the State Tax Commission such
397 information as is necessary to determine the amount of proceeds to
398 be distributed under this subsection.

399 (4) On or before August 15, 1994, and on or before the
400 fifteenth day of each succeeding month through July 15, 1999, from
401 the proceeds of gasoline, diesel fuel or kerosene taxes as
402 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
403 (\$4,000,000.00) shall be deposited in the State Treasury to the
404 credit of a special fund designated as the "State Aid Road Fund,"
405 created by Section 65-9-17. On or before August 15, 1999, and on
406 or before the fifteenth day of each succeeding month, from the
407 total amount of the proceeds of gasoline, diesel fuel or kerosene
408 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
409 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
410 percent (23.25%) of such funds, whichever is the greater amount,
411 shall be deposited in the State Treasury to the credit of the
412 "State Aid Road Fund," created by Section 65-9-17. Such funds
413 shall be pledged to pay the principal of and interest on state aid
414 road bonds heretofore issued under Sections 19-9-51 through
415 19-9-77, in lieu of and in substitution for the funds heretofore
416 allocated to counties under this section. Such funds may not be
417 pledged for the payment of any state aid road bonds issued after

418 April 1, 1981; however, this prohibition against the pledging of
419 any such funds for the payment of bonds shall not apply to any
420 bonds for which intent to issue such bonds has been published, for
421 the first time, as provided by law prior to March 29, 1981. From
422 the amount of taxes paid into the special fund pursuant to this
423 subsection and subsection (9) of this section, there shall be
424 first deducted and paid the amount necessary to pay the expenses
425 of the Office of State Aid Road Construction, as authorized by the
426 Legislature for all other general and special fund agencies. The
427 remainder of the fund shall be allocated monthly to the several
428 counties in accordance with the following formula:

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

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

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

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

442 The amount of funds allocated to any county under this
443 subsection for any fiscal year after fiscal year 1994 shall not be
444 less than the amount allocated to such county for fiscal year
445 1994. Monies allocated to a county from the State Aid Road Fund

446 for fiscal year 1995 or any fiscal year thereafter that exceed the
447 amount of funds allocated to that county from the State Aid Road
448 Fund for fiscal year 1994, first must be expended by the county
449 for replacement or rehabilitation of bridges on the state aid road
450 system that have a sufficiency rating of less than twenty-five
451 (25), according to National Bridge Inspection standards before
452 such monies may be approved for expenditure by the State Aid Road
453 Engineer on other projects that qualify for the use of state aid
454 road funds.

455 Any reference in the general laws of this state or the
456 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
457 construed to refer and apply to subsection (4) of Section
458 27-65-75.

459 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
460 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
461 the special fund known as the "State Public School Building Fund"
462 created and existing under the provisions of Sections 37-47-1
463 through 37-47-67. Such payments into said fund are to be made on
464 the last day of each succeeding month hereafter.

465 (6) An amount each month beginning August 15, 1983, through
466 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
467 of 1983, shall be paid into the special fund known as the
468 Correctional Facilities Construction Fund created in Section 6 of
469 Chapter 542, Laws of 1983.

470 (7) On or before August 15, 1992, and each succeeding month
471 thereafter, two and two hundred sixty-six one-thousandths percent
472 (2.266%) of the total sales tax revenue collected during the
473 preceding month under the provisions of this chapter, except that

474 collected under the provisions of Section 27-65-17(2), not to
475 exceed the fiscal year 1997 appropriated level shall be deposited
476 by the commission into the School Ad Valorem Tax Reduction Fund
477 created pursuant to Section 37-61-35, with the balance to be
478 transferred to the Education Enhancement Fund created under
479 Section 37-61-33 for appropriation by the Legislature as other
480 education needs and not subject to the percentage set asides set
481 forth in Section 37-61-33.

482 (8) On or before August 15, 1992, and each succeeding month
483 thereafter, nine and seventy-three one-thousandths percent
484 (9.073%) of the total sales tax revenue collected during the
485 preceding month under the provisions of this chapter, except that
486 collected under the provisions of Section 27-65-17(2) shall be
487 deposited into the Education Enhancement Fund created pursuant to
488 Section 37-61-33.

489 (9) On or before August 15, 1994, and each succeeding month
490 thereafter, from the revenue collected under this chapter during
491 the preceding month, Two Hundred Fifty Thousand Dollars
492 (\$250,000.00) shall be paid into the State Aid Road Fund.

493 (10) On or before August 15, 1994, and each succeeding month
494 thereafter through August 15, 1995, from the revenue collected
495 under this chapter during the preceding month, Two Million Dollars
496 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
497 Valorem Tax Reduction Fund established in Section 27-51-105.

498 (11) Notwithstanding any other provision of this section to
499 the contrary, on or before February 15, 1995, and each succeeding
500 month thereafter, the sales tax revenue collected during the
501 preceding month under the provisions of Section 27-65-17(2) shall

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

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

512 (13) On or before July 15, 1994, and on or before the
513 fifteenth day of each succeeding month thereafter, that portion of
514 the avails of the tax imposed in Section 27-65-22, which is
515 derived from activities held on the Mississippi state fairgrounds
516 complex, shall be paid into a special fund hereby created in the
517 State Treasury and shall be expended pursuant to legislative
518 appropriations solely to defray the costs of repairs and
519 renovation at such Trade Mart and Coliseum.

520 (14) On or before August 15, 1998, and each succeeding month
521 thereafter through July 15, 2005, that portion of the avails of
522 the tax imposed in Section 27-65-23 which is derived from sales by
523 cotton compresses or cotton warehouses and which would otherwise
524 be paid into the General Fund, shall be deposited in an amount not
525 to exceed Two Million Dollars (\$2,000,000.00) into the special
526 fund created pursuant to Section 69-37-39.

527 (15) The remainder of the amounts collected under the
528 provisions of this chapter shall be paid into the State Treasury
529 to the credit of the General Fund.

530 (16) It shall be the duty of the municipal officials of any
531 municipality which expands its limits, or of any community which
532 incorporates as a municipality, to notify the commissioner of such
533 action thirty (30) days before the effective date. Failure to so
534 notify the commissioner shall cause such municipality to forfeit
535 the revenue which it would have been entitled to receive during
536 this period of time when the commissioner had no knowledge of the
537 action. If any funds have been erroneously disbursed to any
538 municipality or any overpayment of tax is recovered by the
539 taxpayer, the commissioner may make correction and adjust the
540 error or overpayment with such municipality by withholding the
541 necessary funds from any subsequent payment to be made to the
542 municipality.

543 SECTION 3. Nothing in this act shall affect or defeat any
544 claim, assessment, appeal, suit, right or cause of action for
545 taxes due or accrued under the sales tax laws before the date on
546 which this act becomes effective, whether such claims,
547 assessments, appeals, suits or actions have been begun before the
548 date on which this act becomes effective or are begun thereafter;
549 and the provisions of the sales tax laws are expressly continued
550 in full force, effect and operation for the purpose of the
551 assessment, collection and enrollment of liens for any taxes due
552 or accrued and the execution of any warrant under such laws before
553 the date on which this act becomes effective, and for the
554 imposition of any penalties, forfeitures or claims for failure to
555 comply with such laws.

556 SECTION 4. This act shall take effect and be in force from
557 and after July 1, 2000.