

By: Representative Mayo

To: Ways and Means

HOUSE BILL NO. 421

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN
3 THREE-FOURTHS OF ONE PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR
4 THE GROSS INCOME OF BUSINESSES IN THE MUNICIPALITY DERIVED FROM
5 ACTIVITIES TAXED AT THE RATE OF SEVEN PERCENT OR MORE UNDER THE
6 MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT THE SPECIAL SALES TAX
7 SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF
8 THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE,
9 WHICH ELECTION SHALL BE HELD AT A REGULARLY SCHEDULED NOVEMBER
10 GENERAL ELECTION; TO AUTHORIZE A MUNICIPALITY TO INCUR
11 INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH
12 DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE
13 SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL SALES TAX REVENUE
14 COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE
15 MUNICIPALITY ONLY TO FUND CERTAIN TRANSPORTATION INFRASTRUCTURE
16 PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE FOR THE
17 DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF THE
18 FUNDING OF THE PROJECTS FOR WHICH THE TAX WAS LEVIED; TO AUTHORIZE
19 THE BOARD OF SUPERVISORS OF ANY COUNTY TO IMPOSE A SPECIAL SALES
20 TAX OF NOT MORE THAN THREE-FOURTHS OF ONE PERCENT ON THE GROSS
21 PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES IN THE
22 COUNTY OUTSIDE THE CORPORATE BOUNDARIES OF ANY MUNICIPALITY WITHIN
23 SUCH COUNTY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF SEVEN
24 PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE
25 THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED
26 BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN ELECTION CALLED
27 AND HELD FOR SUCH PURPOSE, WHICH ELECTION SHALL BE HELD AT A
28 REGULARLY SCHEDULED NOVEMBER GENERAL ELECTION; TO AUTHORIZE A
29 COUNTY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN
30 AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE
31 PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL
32 SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED
33 AND EXPENDED BY THE COUNTY ONLY TO FUND CERTAIN TRANSPORTATION
34 INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE
35 FOR THE DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF
36 THE FUNDING OF THE PROJECTS FOR WHICH THE TAX WAS LEVIED; TO
37 AUTHORIZE THE BOARD OF SUPERVISORS OF ANY COUNTY TO IMPOSE A
38 SPECIAL SALES TAX OF NOT MORE THAN ONE-FOURTH OF ONE PERCENT ON
39 THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES
40 IN THE COUNTY INCLUDING THE CORPORATE BOUNDARIES OF ANY
41 MUNICIPALITY WITHIN SUCH COUNTY DERIVED FROM ACTIVITIES TAXED AT
42 THE RATE OF SEVEN PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX
43 LAW; TO PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED
44 UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN
45 ELECTION CALLED AND HELD FOR SUCH PURPOSE, WHICH ELECTION SHALL BE
46 HELD AT A REGULARLY SCHEDULED NOVEMBER GENERAL ELECTION; TO
47 AUTHORIZE A COUNTY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER
48 THAN AN AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED
49 BY THE PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE
50 SPECIAL SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL
51 BE USED AND EXPENDED BY THE COUNTY ONLY TO FUND CERTAIN
52 TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL

53 PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES
54 TAX UPON COMPLETION OF THE FUNDING OF THE PROJECTS FOR WHICH THE
55 TAX WAS LEVIED; TO AMEND SECTIONS 21-33-303, 19-9-5 AND 27-65-75,
56 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
57 PURPOSES.

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

59 **SECTION 1.** (1) Subject to the provisions of this section,
60 the governing authorities of any municipality may impose upon all
61 persons as a privilege for engaging or continuing in business or
62 doing business within such municipality, a special sales tax at
63 the rate of not more than three-fourths of one percent (0.75%) of
64 the gross proceeds of sales or gross income of the business, as
65 the case may be, derived from any of the activities taxed at the
66 rate of seven percent (7%) or more under the Mississippi Sales Tax
67 Law, Section 27-65-1 et seq., as provided hereinafter. The tax
68 levied under this section shall apply to every person making
69 sales, delivery or installations of tangible personal property or
70 services within any municipality which has adopted the levy
71 authorized in this section but shall not apply to sales exempted
72 by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107,
73 27-65-109 and 27-65-111 of the Mississippi Sales Tax Law.

74 (2) (a) The governing authorities of the municipality shall
75 specify in the resolution ordering the election required by
76 paragraph (b) of this subsection (2), the specific transportation
77 infrastructure projects or other capital projects (which also may
78 include capital projects for which the municipality already has
79 outstanding indebtedness), or both, for which the revenue
80 collected pursuant to the tax levy may be used and expended.

81 (b) The tax levy authorized in this section shall not
82 be made unless authorized by at least three-fifths (3/5) of the
83 votes cast at an election to be called and held for that purpose,
84 which election shall be held at a regularly scheduled November
85 general election. Notice of such election shall be given, the
86 election shall be held and the result thereof determined, as far
87 as is practicable, in the same manner as other elections are held

88 in the municipality. At such election, all qualified electors of
89 the municipality may vote. The ballots used at such election
90 shall have printed thereon a brief description of the sales tax,
91 the amount of the sales tax levy, a description of the specific
92 transportation infrastructure projects or other capital projects,
93 or both, for which the tax revenue may be used and expended and
94 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES
95 TAX" and the voter shall vote by placing a cross (X) or check mark
96 (✓) opposite his choice on the proposition. When the results of
97 the election have been canvassed by the election commissioners of
98 the municipality and certified by them to the governing
99 authorities, it shall be the duty of such governing authorities to
100 determine and adjudicate whether at least three-fifths (3/5) of
101 the qualified electors who voted in such election voted in favor
102 of the tax. If the election results in favor of the levy, the
103 governing authorities shall adopt a resolution declaring the levy
104 and collection of the tax provided in subsections (1) through (3)
105 of this section and shall set the first day of the second month
106 following the date of such adoption as the effective date of the
107 tax levy. A certified copy of this resolution together with the
108 result of the election shall be furnished to the State Tax
109 Commission not less than thirty (30) days before the effective
110 date of the levy.

111 (3) (a) The special sales tax authorized by subsections (1)
112 through (3) of this section shall be collected by the State Tax
113 Commission, shall be accounted for separately from the amount of
114 sales tax collected for the state in the municipality and shall be
115 paid to the municipality in which collected. The State Tax
116 Commission may retain three percent (3%) of the proceeds of such
117 tax for the purpose of defraying the costs incurred by the
118 commission in the collection of the tax. Payments to the
119 municipalities shall be made by the State Tax Commission on or

120 before the fifteenth day of the month following the month in which
121 the tax was collected.

122 (b) The proceeds of the special sales tax shall be
123 placed into a separate fund apart from the municipal general fund
124 and any other funds of the municipality, and shall be expended by
125 the municipality solely for the purpose of paying any indebtedness
126 or other obligation incurred or that may be incurred by the
127 municipality for the transportation infrastructure projects or
128 other capital projects, or both, specified in the resolution
129 ordering the election.

130 (c) All provisions of the Mississippi Sales Tax Law
131 applicable to filing of returns, discounts to the taxpayer,
132 remittances to the State Tax Commission, enforced collection,
133 rights of taxpayers, recovery of improper taxes, refunds of
134 overpaid taxes or other provisions of law providing for imposition
135 and collection of the state sales tax shall apply to the special
136 sales tax authorized by subsections (1) through (3) of this
137 section, except where there is a conflict, in which case the
138 provisions of subsections (1) through (3) of this section shall
139 control. Any damages, penalties or interest collected for the
140 nonpayment of taxes imposed under subsections (1) through (3) of
141 this section, or for noncompliance with the provisions of
142 subsections (1) through (3) of this section, shall be paid to the
143 municipality in which such damages, penalties or interest were
144 collected on the same basis and in the same manner as the tax
145 proceeds. Any overpayment of tax for any reason that has been
146 disbursed to any municipality or any payment of the tax to any
147 municipality in error may be adjusted by the State Tax Commission
148 on any subsequent payment to the municipality involved pursuant to
149 the provisions of the Mississippi Sales Tax Law. The State Tax
150 Commission may, from time to time, make such rules and regulations
151 not inconsistent with subsections (1) through (3) of this section
152 as may be deemed necessary to carry out the provisions of

153 subsections (1) through (3) of this section, and such rules and
154 regulations shall have the full force and effect of law.

155 (d) The special sales tax shall be discontinued by the
156 governing authorities of the municipality on the first day of the
157 month immediately succeeding the date any indebtedness, including
158 interest, incurred by the municipality for the transportation
159 infrastructure projects or other capital projects, or both, is
160 retired, or in the event the municipality incurs no indebtedness,
161 the first day of the month after all obligations for the
162 transportation infrastructure projects or other capital projects,
163 or both, have been paid. Any amount remaining in the separate
164 fund containing the proceeds of the special sales tax not
165 necessary to retire the debt or pay any other obligations, shall
166 be transferred to the municipal general fund.

167 (e) The governing authorities of a municipality may not
168 impose a special sales tax under this section on sales that are
169 subject to any tax levied and collected (before the date a
170 resolution is adopted under subsection (2)(b) of this section)
171 under the authority of a local and private law of the State of
172 Mississippi, and which tax is collected and paid to the State Tax
173 Commission in the same or similar manner that state sales taxes
174 are collected and paid.

175 (f) If a municipality imposing a special sales tax
176 under this section expands its corporate boundaries, the governing
177 authorities of the municipality may not impose the special sales
178 tax in the annexed area unless the tax is approved at an election
179 conducted, as far as is practicable, in the manner provided in
180 subsection (2) of this section, except that only qualified
181 electors in the annexed area may vote in such election. However,
182 if a municipality imposing a special sales tax under this section
183 expands its corporate boundaries into a county that is imposing a
184 special sales tax under Section 2 of this act, the governing
185 authorities of the municipality may not impose the special sales

186 tax in the annexed area for as long as such county is imposing a
187 special sales tax under Section 2 of this act.

188 (g) If a municipality imposing a special sales tax
189 under this section contracts its corporate boundaries, the special
190 sales tax shall continue to be imposed in the area that was in the
191 corporate boundaries of the municipality before the contraction of
192 such boundaries.

193 (4) The governing authorities of any municipality that
194 levies a special sales tax pursuant to subsections (1) through (3)
195 of this section may incur indebtedness of the municipality in an
196 aggregate principal amount that is not in excess of an amount for
197 which debt service is capable of being funded by the proceeds of
198 the special sales tax levied pursuant to subsections (1) through
199 (3) of this section. The indebtedness authorized by this
200 subsection (4) shall not be considered when computing any
201 limitation of indebtedness of the municipality established by law.

202 **SECTION 2.** (1) Subject to the provisions of this section,
203 the board of supervisors of any county may impose upon all persons
204 as a privilege for engaging or continuing in business or doing
205 business within such county but outside the corporate boundaries
206 of any municipality within such county, a special sales tax at the
207 rate of not more than three-fourths of one percent (0.75%) of the
208 gross proceeds of sales or gross income of the business, as the
209 case may be, derived from any of the activities taxed at the rate
210 of seven percent (7%) or more under the Mississippi Sales Tax Law,
211 Section 27-65-1 et seq., as provided hereinafter. The tax levied
212 under this section shall apply to every person making sales,
213 delivery or installations of tangible personal property or
214 services within any county which has adopted the levy authorized
215 in this section but shall not apply to sales exempted by Sections
216 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109
217 and 27-65-111 of the Mississippi Sales Tax Law.

218 (2) (a) The board of supervisors of the county shall
219 specify in the resolution ordering the election required by
220 paragraph (b) of this subsection (2), the specific transportation
221 infrastructure projects or other capital projects (which also may
222 include capital projects for which the county already has
223 outstanding indebtedness), or both, for which the revenue
224 collected pursuant to the tax levy may be used and expended.

225 (b) The tax levy authorized in this section shall not
226 be made unless authorized by at least three-fifths (3/5) of the
227 votes cast at an election to be called and held for that purpose,
228 which election shall be held at a regularly scheduled November
229 general election. Notice of such election shall be given, the
230 election shall be held and the result thereof determined, as far
231 as is practicable, in the same manner as other elections are held
232 in the county. At such election, all qualified electors of the
233 county who reside outside the corporate boundaries of any
234 municipality within such county may vote. The ballots used at
235 such election shall have printed thereon a brief description of
236 the sales tax, the amount of the sales tax levy, a description of
237 the specific transportation infrastructure projects or other
238 capital projects, or both, for which the tax revenue may be used
239 and expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST
240 THE LOCAL SALES TAX" and the voter shall vote by placing a cross
241 (X) or check mark (✓) opposite his choice on the proposition.
242 When the results of the election have been canvassed by the
243 election commissioners of the county and certified by them to the
244 board of supervisors, it shall be the duty of such board of
245 supervisors to determine and adjudicate whether at least
246 three-fifths (3/5) of the qualified electors who voted in such
247 election voted in favor of the tax. If the election results in
248 favor of the levy, the board of supervisors shall adopt a
249 resolution declaring the levy and collection of the tax provided
250 in subsections (1) through (3) of this section and shall set the

251 first day of the second month following the date of such adoption
252 as the effective date of the tax levy. A certified copy of this
253 resolution together with the result of the election shall be
254 furnished to the State Tax Commission not less than thirty (30)
255 days before the effective date of the levy.

256 (3) (a) The special sales tax authorized by subsections (1)
257 through (3) of this section shall be collected by the State Tax
258 Commission, shall be accounted for separately from the amount of
259 sales tax collected for the state in the county and shall be paid
260 to the county in which collected. The State Tax Commission may
261 retain three percent (3%) of the proceeds of such tax for the
262 purpose of defraying the costs incurred by the commission in the
263 collection of the tax. Payments to the counties shall be made by
264 the State Tax Commission on or before the fifteenth day of the
265 month following the month in which the tax was collected.

266 (b) The proceeds of the special sales tax shall be
267 placed into a separate fund apart from the county general fund and
268 any other funds of the county, and shall be expended by the county
269 solely for the purpose of paying any indebtedness or other
270 obligation incurred or that may be incurred by the county for the
271 transportation infrastructure projects or other capital projects,
272 or both, specified in the resolution ordering the election.

273 (c) All provisions of the Mississippi Sales Tax Law
274 applicable to filing of returns, discounts to the taxpayer,
275 remittances to the State Tax Commission, enforced collection,
276 rights of taxpayers, recovery of improper taxes, refunds of
277 overpaid taxes or other provisions of law providing for imposition
278 and collection of the state sales tax shall apply to the special
279 sales tax authorized by subsections (1) through (3) of this
280 section, except where there is a conflict, in which case the
281 provisions of subsections (1) through (3) of this section shall
282 control. Any damages, penalties or interest collected for the
283 nonpayment of taxes imposed under subsections (1) through (3) of

284 this section, or for noncompliance with the provisions of
285 subsections (1) through (3) of this section, shall be paid to the
286 county in which such damages, penalties or interest were collected
287 on the same basis and in the same manner as the tax proceeds. Any
288 overpayment of tax for any reason that has been disbursed to any
289 county or any payment of the tax to any county in error may be
290 adjusted by the State Tax Commission on any subsequent payment to
291 the county involved pursuant to the provisions of the Mississippi
292 Sales Tax Law. The State Tax Commission may, from time to time,
293 make such rules and regulations not inconsistent with subsections
294 (1) through (3) of this section as may be deemed necessary to
295 carry out the provisions of subsections (1) through (3) of this
296 section, and such rules and regulations shall have the full force
297 and effect of law.

298 (d) The special sales tax shall be discontinued by the
299 board of supervisors of the county on the first day of the month
300 immediately succeeding the date any indebtedness, including
301 interest, incurred by the county for the transportation
302 infrastructure projects or other capital projects, or both, is
303 retired, or in the event the county incurs no indebtedness, the
304 first day of the month after all obligations for the
305 transportation infrastructure projects or other capital projects,
306 or both, have been paid. Any amount remaining in the separate
307 fund containing the proceeds of the special sales tax not
308 necessary to retire the debt or pay any other obligations, shall
309 be transferred to the county general fund.

310 (e) The board of supervisors of a county may not impose
311 a special sales tax under this section on sales that are subject
312 to any tax levied and collected (before the date a resolution is
313 adopted under subsection (2)(b) of this section) under the
314 authority of a local and private law of the State of Mississippi,
315 and which tax is collected and paid to the State Tax Commission in

316 the same or similar manner that state sales taxes are collected
317 and paid.

318 (f) If the board of supervisors of a county imposes a
319 special sales tax under this section and a municipality annexes a
320 part of the county, the special sales tax shall continue to be
321 imposed in the annexed area until the board of supervisors
322 discontinues the tax as provided in paragraph (d) of this
323 subsection (3).

324 (g) If the board of supervisors of a county imposes a
325 special sales tax under this section, and a municipality within
326 the county that is not imposing a special sales tax under Section
327 1 of this act contracts its municipal corporate boundaries, the
328 board of supervisors of the county may not impose a special sales
329 tax in the de-annexed area unless the tax is approved at an
330 election conducted, as far as is practicable, in the manner
331 provided in subsection (2) of this section, except that only
332 qualified electors in the de-annexed area may vote in such
333 election.

334 (4) The board of supervisors of any county that levies a
335 special sales tax pursuant to subsections (1) through (3) of this
336 section may incur indebtedness of the county in an aggregate
337 principal amount that is not in excess of an amount for which debt
338 service is capable of being funded by the proceeds of the special
339 sales tax levied pursuant to subsections (1) through (3) of this
340 section. The indebtedness authorized by this subsection (4) shall
341 not be considered when computing any limitation of indebtedness of
342 the county established by law.

343 **SECTION 3.** (1) Subject to the provisions of this section,
344 the board of supervisors of any county that does not contain
345 within such county a municipality with corporate boundaries also
346 located in one or more other counties may impose upon all persons
347 as a privilege for engaging or continuing in business or doing
348 business within such county (including the corporate boundaries of

349 any municipality within the county), a special sales tax at the
350 rate of not more than one-fourth of one percent (0.25%) of the
351 gross proceeds of sales or gross income of the business, as the
352 case may be, derived from any of the activities taxed at the rate
353 of seven percent (7%) or more under the Mississippi Sales Tax Law,
354 Section 27-65-1 et seq., as provided hereinafter. The tax levied
355 under this section shall apply to every person making sales,
356 delivery or installations of tangible personal property or
357 services within any county which has adopted the levy herein
358 authorized but shall not apply to sales exempted by Sections
359 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109
360 and 27-65-111 of the Mississippi Sales Tax Law.

361 (2) (a) The board of supervisors of the county shall
362 specify in the resolution ordering the election required by
363 paragraph (b) of this subsection (2), the specific transportation
364 infrastructure projects or other capital projects (which also may
365 include capital projects for which the county already has
366 outstanding indebtedness), or both, for which the revenue
367 collected pursuant to the tax levy may be used and expended.

368 (b) The tax levy authorized in this section shall not
369 be made unless authorized by at least three-fifths (3/5) of the
370 votes cast at an election to be called and held for that purpose,
371 which election shall be held at a regularly scheduled November
372 general election. However, if the specific transportation
373 infrastructure projects or other capital projects, or both, for
374 which the tax levy is proposed may have a direct impact on the
375 municipal government physical or fiscal functions, budget or
376 infrastructure of one or more municipalities within the county, as
377 determined by an impact study which the board of supervisors shall
378 have prepared, then the board of supervisors may call an election
379 only after entering into a joint agreement with the governing
380 authorities of the affected municipalities consenting to the
381 calling of a county wide election on the question of the special

382 sales tax levy. Notice of such election shall be given, the
383 election shall be held and the result thereof determined, as far
384 as is practicable, in the same manner as other elections are held
385 in the county. At such election, all qualified electors of the
386 county may vote. The ballots used at such election shall have
387 printed thereon a brief description of the sales tax, the amount
388 of the sales tax levy, a description of the specific
389 transportation infrastructure projects or other capital projects,
390 or both, for which the tax revenue may be used and expended and
391 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES
392 TAX" and the voter shall vote by placing a cross (X) or check mark
393 (✓) opposite his choice on the proposition. When the results of
394 the election have been canvassed by the election commissioners of
395 the county and certified by them to the board of supervisors, it
396 shall be the duty of such board of supervisors to determine and
397 adjudicate whether at least three-fifths (3/5) of the qualified
398 electors who voted in such election voted in favor of the tax. If
399 the election results in favor of the levy, the board of
400 supervisors shall adopt a resolution declaring the levy and
401 collection of the tax provided in subsections (1) through (3) of
402 this section and shall set the first day of the second month
403 following the date of such adoption as the effective date of the
404 tax levy. A certified copy of this resolution together with the
405 result of the election shall be furnished to the State Tax
406 Commission not less than thirty (30) days before the effective
407 date of the levy.

408 (3) (a) The special sales tax authorized by subsections (1)
409 through (3) of this section shall be collected by the State Tax
410 Commission, shall be accounted for separately from the amount of
411 sales tax collected for the state in the county and shall be paid
412 to the county in which collected. The State Tax Commission may
413 retain three percent (3%) of the proceeds of such tax for the
414 purpose of defraying the costs incurred by the commission in the

415 collection of the tax. Payments to the counties shall be made by
416 the State Tax Commission on or before the fifteenth day of the
417 month following the month in which the tax was collected.

418 (b) The proceeds of the special sales tax shall be
419 placed into a separate fund apart from the county general fund and
420 any other funds of the county, and shall be expended by the county
421 solely for the purpose of paying any indebtedness or other
422 obligation incurred or that may be incurred by the county for the
423 transportation infrastructure projects or other capital projects,
424 or both, specified in the resolution ordering the election.

425 (c) All provisions of the Mississippi Sales Tax Law
426 applicable to filing of returns, discounts to the taxpayer,
427 remittances to the State Tax Commission, enforced collection,
428 rights of taxpayers, recovery of improper taxes, refunds of
429 overpaid taxes or other provisions of law providing for imposition
430 and collection of the state sales tax shall apply to the special
431 sales tax authorized by subsections (1) through (3) of this
432 section, except where there is a conflict, in which case the
433 provisions of subsections (1) through (3) of this section shall
434 control. Any damages, penalties or interest collected for the
435 nonpayment of taxes imposed under subsections (1) through (3) of
436 this section, or for noncompliance with the provisions of
437 subsections (1) through (3) of this section, shall be paid to the
438 county in which such damages, penalties or interest were collected
439 on the same basis and in the same manner as the tax proceeds. Any
440 overpayment of tax for any reason that has been disbursed to any
441 county or any payment of the tax to any county in error may be
442 adjusted by the State Tax Commission on any subsequent payment to
443 the county involved pursuant to the provisions of the Mississippi
444 Sales Tax Law. The State Tax Commission may, from time to time,
445 make such rules and regulations not inconsistent with subsections
446 (1) through (3) of this section as may be deemed necessary to
447 carry out the provisions of subsections (1) through (3) of this

448 section, and such rules and regulations shall have the full force
449 and effect of law.

450 (d) The special sales tax shall be discontinued by the
451 board of supervisors of the county on the first day of the month
452 immediately succeeding the date any indebtedness, including
453 interest, incurred by the county for the transportation
454 infrastructure projects or other capital projects, or both, is
455 retired, or in the event the county incurs no indebtedness, the
456 first day of the month after all obligations for the
457 transportation infrastructure projects or other capital projects,
458 or both, have been paid. Any amount remaining in the separate
459 fund containing the proceeds of the special sales tax not
460 necessary to retire the debt or pay any other obligations, shall
461 be transferred to the county general fund.

462 (e) The board of supervisors of a county may not impose
463 a special sales tax under this section on sales that are subject
464 to any tax levied and collected (before the date a resolution is
465 adopted under subsection (2)(b) of this section) under the
466 authority of a local and private law of the State of Mississippi,
467 and which tax is collected and paid to the State Tax Commission in
468 the same or similar manner that state sales taxes are collected
469 and paid.

470 (4) The board of supervisors of any county that levies a
471 special sales tax pursuant to subsections (1) through (3) of this
472 section may incur indebtedness of the county in an aggregate
473 principal amount that is not in excess of an amount for which debt
474 service is capable of being funded by the proceeds of the special
475 sales tax levied pursuant to subsections (1) through (3) of this
476 section. The indebtedness authorized by this subsection (4) shall
477 not be considered when computing any limitation of indebtedness of
478 the county established by law.

479 **SECTION 4.** (1) Subject to the provisions of this section,
480 the board of supervisors of any county that contains within such

481 county any municipality with corporate boundaries also located
482 within one or more other counties may impose upon all persons as a
483 privilege for engaging or continuing in business or doing business
484 within such county (including the corporate boundaries of any
485 municipality located within the county and such other county or
486 counties and including the corporate boundaries of any
487 municipality located completely within the county), a special
488 sales tax at the rate of not more than one-fourth of one percent
489 (0.25%) of the gross proceeds of sales or gross income of the
490 business, as the case may be, derived from any of the activities
491 taxed at the rate of seven percent (7%) or more under the
492 Mississippi Sales Tax Law, Section 27-65-1 et seq., as provided
493 hereinafter. The tax levied under this section shall apply to
494 every person making sales, delivery or installations of tangible
495 personal property or services but shall not apply to sales
496 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,
497 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax
498 Law.

499 (2) (a) The board of supervisors of the county shall
500 specify in the resolution ordering the election required by
501 paragraph (b) of this subsection (2), the specific transportation
502 infrastructure projects or other capital projects (which also may
503 include capital projects for which the county already has
504 outstanding indebtedness), or both, for which the revenue
505 collected pursuant to the tax levy may be used and expended.

506 (b) Subject to the provisions of this paragraph (b),
507 the tax levy authorized in this section shall not be made unless
508 authorized at an election to be called and held for that purpose,
509 which election shall be held at a regularly scheduled November
510 general election. Before an election may be called on the
511 question of the special sales tax levy, a joint agreement must be
512 entered into by the board of supervisors of the county proposing
513 to levy the special sales tax ("initiating county"), the governing

514 authorities of each municipality with corporate boundaries located
515 within the initiating county and also located within one or more
516 other counties and in which municipality the board of supervisors
517 of the initiating county proposes to levy the tax, and the board
518 of supervisors of all other counties in which the corporate
519 boundaries of any such municipality located within the initiating
520 county also are located, consenting to the calling of an election
521 in each of the counties in which the municipal corporate
522 boundaries of any such municipality are located. However, the
523 board of supervisors of the initiating county may propose to
524 exclude one or more municipalities with corporate boundaries
525 located within the county and also located within one or more
526 other counties from the special sales tax levy and, in such case,
527 it shall not be necessary for the other county or counties in
528 which the corporate boundaries of an excluded municipality are
529 located to enter into the joint agreement before an election may
530 be called. The special sales tax may not be levied within the
531 corporate boundaries of such an excluded municipality regardless
532 of the results of an election. In addition, if the specific
533 transportation infrastructure projects or other capital projects,
534 or both, for which the tax levy is proposed may have a direct
535 impact on the municipal government physical or fiscal functions,
536 budget or infrastructure of one or more municipalities within the
537 county, as determined by an impact study which the board of
538 supervisors shall have prepared, then the board of supervisors may
539 call an election only after entering into a joint agreement with
540 the governing authorities of the affected municipalities
541 consenting to the calling of a county wide election on the
542 question of the special sales tax levy. Notice of such election
543 shall be given, the election shall be held and the result thereof
544 determined, as far as is practicable, in the same manner as other
545 elections are held in the counties. At such election, all
546 qualified electors of each of the counties may vote. The ballots

547 used at such election shall have printed thereon a brief
548 description of the sales tax, the amount of the sales tax levy, a
549 description of the specific transportation infrastructure projects
550 or other capital projects, or both, for which the tax revenue may
551 be used and expended and the words "FOR THE LOCAL SALES TAX" and
552 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
553 a cross (X) or check mark (✓) opposite his choice on the
554 proposition. When the results of the election have been canvassed
555 by the election commissioners of the respective counties and
556 certified by them to the respective boards of supervisors, it
557 shall be the duty of each of such boards of supervisors to
558 determine and adjudicate whether at least three-fifths (3/5) of
559 the qualified electors of each of the respective counties who
560 voted in such election voted in favor of the tax. If the election
561 results in favor of the levy, the board of supervisors of the
562 initiating county shall adopt a resolution declaring the levy and
563 collection of the tax provided in subsections (1) through (3) of
564 this section and shall set the first day of the second month
565 following the date of such adoption as the effective date of the
566 tax levy. A certified copy of each of these resolutions together
567 with the result of the election shall be furnished to the State
568 Tax Commission not less than thirty (30) days before the effective
569 date of the levy.

570 (3) (a) The special sales tax authorized by subsections (1)
571 through (3) of this section shall be collected by the State Tax
572 Commission, shall be accounted for separately from the amount of
573 sales tax collected for the state in the county and shall be paid
574 to the county in which collected. The State Tax Commission may
575 retain three percent (3%) of the proceeds of such tax for the
576 purpose of defraying the costs incurred by the commission in the
577 collection of the tax. Payments to the counties shall be made by
578 the State Tax Commission on or before the fifteenth day of the
579 month following the month in which the tax was collected.

580 (b) The proceeds of the special sales tax shall be
581 placed into a separate fund apart from the county general fund and
582 any other funds of the county, and shall be expended by the county
583 solely for the purpose of paying any indebtedness or other
584 obligation incurred or that may be incurred by the county for the
585 transportation infrastructure projects or other capital projects,
586 or both, specified in the resolution ordering the election.

587 (c) All provisions of the Mississippi Sales Tax Law
588 applicable to filing of returns, discounts to the taxpayer,
589 remittances to the State Tax Commission, enforced collection,
590 rights of taxpayers, recovery of improper taxes, refunds of
591 overpaid taxes or other provisions of law providing for imposition
592 and collection of the state sales tax shall apply to the special
593 sales tax authorized by subsections (1) through (3) of this
594 section, except where there is a conflict, in which case the
595 provisions of subsections (1) through (3) of this section shall
596 control. Any damages, penalties or interest collected for the
597 nonpayment of taxes imposed under subsections (1) through (3) of
598 this section, or for noncompliance with the provisions of
599 subsections (1) through (3) of this section, shall be paid to the
600 county in which such damages, penalties or interest were collected
601 on the same basis and in the same manner as the tax proceeds. Any
602 overpayment of tax for any reason that has been disbursed to any
603 county or any payment of the tax to any county in error may be
604 adjusted by the State Tax Commission on any subsequent payment to
605 the county involved pursuant to the provisions of the Mississippi
606 Sales Tax Law. The State Tax Commission may, from time to time,
607 make such rules and regulations not inconsistent with subsections
608 (1) through (3) of this section as may be deemed necessary to
609 carry out the provisions of subsections (1) through (3) of this
610 section, and such rules and regulations shall have the full force
611 and effect of law.

612 (d) The special sales tax shall be discontinued by the
613 board of supervisors of the county on the first day of the month
614 immediately succeeding the date any indebtedness, including
615 interest, incurred by the county for the transportation
616 infrastructure projects or other capital projects, or both, is
617 retired, or in the event the county incurs no indebtedness, the
618 first day of the month after all obligations for the
619 transportation infrastructure projects or other capital projects,
620 or both, have been paid. Any amount remaining in the separate
621 fund containing the proceeds of the special sales tax not
622 necessary to retire the debt or pay any other obligations, shall
623 be transferred to the county general fund.

624 (e) The board of supervisors of a county may not impose
625 a special sales tax under this section on sales that are subject
626 to any tax levied and collected (before the date a resolution is
627 adopted under subsection (2)(b) of this section) under the
628 authority of a local and private law of the State of Mississippi,
629 and collected and paid to the State Tax Commission in the same or
630 similar manner that state sales taxes are collected and paid.

631 (4) The board of supervisors of any county that levies a
632 special sales tax pursuant to subsections (1) through (3) of this
633 section may incur indebtedness of the county in an aggregate
634 principal amount that is not in excess of an amount for which debt
635 service is capable of being funded by the proceeds of the special
636 sales tax levied pursuant to subsections (1) through (3) of this
637 section. The indebtedness authorized by this subsection (4) shall
638 not be considered when computing any limitation of indebtedness of
639 the county established by law.

640 **SECTION 5.** Section 21-33-303, Mississippi Code of 1972, is
641 amended as follows:

642 21-33-303. No municipality shall hereafter issue bonds
643 secured by a pledge of its full faith and credit for the purposes
644 authorized by law in an amount which, when added to the then

645 outstanding bonded indebtedness of such municipality, shall exceed
646 either (a) fifteen percent (15%) of the assessed value of the
647 taxable property within such municipality, according to the last
648 completed assessment for taxation, or (b) ten percent (10%) of the
649 assessment upon which taxes were levied for its fiscal year ending
650 September 30, 1984, whichever is greater. In computing such
651 indebtedness, there may be deducted all bonds or other evidences
652 of indebtedness, heretofore or hereafter issued, for school,
653 water, sewerage systems, gas, and light and power purposes and for
654 the construction of special improvements primarily chargeable to
655 the property benefited, or for the purpose of paying the
656 municipality's proportion of any betterment program, a portion of
657 which is primarily chargeable to the property benefited. However,
658 in no case shall any municipality contract any indebtedness which,
659 when added to all of the outstanding general obligation
660 indebtedness, both bonded and floating, shall exceed either (a)
661 twenty percent (20%) of the assessed value of all taxable property
662 within such municipality according to the last completed
663 assessment for taxation or (b) fifteen percent (15%) of the
664 assessment upon which taxes were levied for its fiscal year ending
665 September 30, 1984, whichever is greater. Nothing herein
666 contained shall be construed to apply to contract obligations in
667 any form heretofore or hereafter incurred by any municipality
668 which are subject to annual appropriations therefor, or to bonds
669 heretofore issued by any municipality for school purposes, or to
670 contract obligations in any form heretofore or hereafter incurred
671 by any municipality which are payable exclusively from the
672 revenues of any municipally-owned utility, or to bonds issued by
673 any municipality under the provisions of Sections 57-1-1 through
674 57-1-51, or to any special assessment improvement bonds issued by
675 any municipality under the provisions of Sections 21-41-1 through
676 21-41-53, or to any indebtedness incurred under Section 55-23-8,
677 or to any indebtedness incurred under Section 1 of House Bill

678 No. 421, 2005 Regular Session.

679 All bonds issued prior to July 1, 1990, pursuant to this
680 chapter by any municipality for the purpose of the constructing,
681 replacing, renovating or improving wastewater collection and
682 treatment facilities in order to comply with an administrative
683 order of the Mississippi Department of Natural Resources issued
684 pursuant to the Federal Water Pollution Control Act and amendments
685 thereto, are hereby exempt from the limitation imposed by this
686 section if the governing body of the municipality adopts an order,
687 resolution or ordinance to the effect that the rates paid by the
688 users of such facilities shall be increased to the extent
689 necessary to provide sufficient funds for the payment of the
690 principal of and interest on such bonds as each respectively
691 becomes due and payable as well as the necessary expenses in
692 connection with the operation and maintenance of such facilities.

693 **SECTION 6.** Section 19-9-5, Mississippi Code of 1972, is
694 amended as follows:

695 19-9-5. No county shall hereafter issue bonds secured by a
696 pledge of its full faith and credit for the purposes authorized by
697 law in an amount which, when added to the then outstanding bonds
698 of such county, shall exceed either (a) fifteen percent (15%) of
699 the assessed value of the taxable property within such county
700 according to the last completed assessment for taxation, or (b)
701 fifteen percent (15%) of the assessment upon which taxes were
702 levied for its fiscal year ending September 30, 1984, whichever is
703 greater.

704 However, any county in the state which shall have experienced
705 washed-out or collapsed bridges on the public roads of the county
706 for any cause or reason may hereafter issue bonds for bridge
707 purposes as now authorized by law in an amount which, when added
708 to the then outstanding general obligation bonds of such county,
709 shall not exceed either (a) twenty percent (20%) of the assessed
710 value of the taxable property within such county according to the

711 last completed assessment for taxation or (b) fifteen percent
712 (15%) of the assessment upon which taxes were levied for its
713 fiscal year ending September 30, 1984, whichever is greater.

714 Provided further, in computing such indebtedness, there may
715 be deducted all bonds or other evidences of indebtedness
716 heretofore or hereafter issued, for the construction of hospitals,
717 ports or other capital improvements which are payable primarily
718 from the net revenue to be generated from such hospital, port or
719 other capital improvement, which revenue shall be pledged to the
720 retirement of such bonds or other evidences of indebtedness,
721 together with the full faith and credit of the county. However,
722 in no case shall any county contract any indebtedness payable in
723 whole or in part from proceeds of ad valorem taxes which, when
724 added to all of the outstanding general obligation indebtedness,
725 both bonded and floating, shall exceed either (a) twenty percent
726 (20%) of the assessed value of all taxable property within such
727 county according to the last completed assessment for taxation, or
728 (b) fifteen percent (15%) of the assessment upon which taxes were
729 levied for its fiscal year ending September 30, 1984, whichever is
730 greater. Nothing herein contained shall be construed to apply to
731 contract obligations in any form heretofore or hereafter incurred
732 by any county which are subject to annual appropriations therefor,
733 or to bonds heretofore or hereafter issued by any county for
734 school purposes, or to bonds issued by any county under the
735 provisions of Sections 57-1-1 through 57-1-51, or to any
736 indebtedness incurred under Section 55-23-8, or to any
737 indebtedness incurred under Section 2 of House Bill No. 421, 2005
738 Regular Session, or to any indebtedness incurred under Section 3
739 of House Bill No. 421, 2005 Regular Session, or to any
740 indebtedness incurred under Section 4 of House Bill No. 421, 2005
741 Regular Session.

742 **SECTION 7.** Section 27-65-75, Mississippi Code of 1972, is
743 amended as follows:

744 27-65-75. On or before the fifteenth day of each month, the
745 revenue collected under the provisions of this chapter during the
746 preceding month shall be paid and distributed as follows:

747 (1) On or before August 15, 1992, and each succeeding month
748 thereafter through July 15, 1993, eighteen percent (18%) of the
749 total sales tax revenue collected during the preceding month under
750 the provisions of this chapter, except that collected under the
751 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
752 business activities within a municipal corporation shall be
753 allocated for distribution to the municipality and paid to the
754 municipal corporation. On or before August 15, 1993, and each
755 succeeding month thereafter, eighteen and one-half percent
756 (18-1/2%) of the total sales tax revenue collected during the
757 preceding month under the provisions of this chapter, except that
758 collected under the provisions of Sections 27-65-15, 27-65-19(3)
759 and 27-65-21, on business activities within a municipal
760 corporation shall be allocated for distribution to the
761 municipality and paid to the municipal corporation.

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

765 Monies allocated for distribution and credited to a municipal
766 corporation under this subsection may be pledged as security for
767 any loan received by the municipal corporation for the purpose of
768 capital improvements as authorized under Section 57-1-303, or
769 loans as authorized under Section 57-44-7, or water systems
770 improvements as authorized under Section 41-3-16.

771 In any county having a county seat that is not an
772 incorporated municipality, the distribution provided under this
773 subsection shall be made as though the county seat was an
774 incorporated municipality; however, the distribution to the
775 municipality shall be paid to the county treasury in which the

776 municipality is located, and those funds shall be used for road,
777 bridge and street construction or maintenance in the county.

778 (2) On or before September 15, 1987, and each succeeding
779 month thereafter, from the revenue collected under this chapter
780 during the preceding month One Million One Hundred Twenty-five
781 Thousand Dollars (\$1,125,000.00) shall be allocated for
782 distribution to municipal corporations as defined under subsection
783 (1) of this section in the proportion that the number of gallons
784 of gasoline and diesel fuel sold by distributors to consumers and
785 retailers in each such municipality during the preceding fiscal
786 year bears to the total gallons of gasoline and diesel fuel sold
787 by distributors to consumers and retailers in municipalities
788 statewide during the preceding fiscal year. The State Tax
789 Commission shall require all distributors of gasoline and diesel
790 fuel to report to the commission monthly the total number of
791 gallons of gasoline and diesel fuel sold by them to consumers and
792 retailers in each municipality during the preceding month. The
793 State Tax Commission shall have the authority to promulgate such
794 rules and regulations as is necessary to determine the number of
795 gallons of gasoline and diesel fuel sold by distributors to
796 consumers and retailers in each municipality. In determining the
797 percentage allocation of funds under this subsection for the
798 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
799 State Tax Commission may consider gallons of gasoline and diesel
800 fuel sold for a period of less than one (1) fiscal year. For the
801 purposes of this subsection, the term "fiscal year" means the
802 fiscal year beginning July 1 of a year.

803 (3) On or before September 15, 1987, and on or before the
804 fifteenth day of each succeeding month, until the date specified
805 in Section 65-39-35, the proceeds derived from contractors' taxes
806 levied under Section 27-65-21 on contracts for the construction or
807 reconstruction of highways designated under the highway program
808 created under Section 65-3-97 shall, except as otherwise provided

809 in Section 31-17-127, be deposited into the State Treasury to the
810 credit of the State Highway Fund to be used to fund that highway
811 program. The Mississippi Department of Transportation shall
812 provide to the State Tax Commission such information as is
813 necessary to determine the amount of proceeds to be distributed
814 under this subsection.

815 (4) On or before August 15, 1994, and on or before the
816 fifteenth day of each succeeding month through July 15, 1999, from
817 the proceeds of gasoline, diesel fuel or kerosene taxes as
818 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
819 (\$4,000,000.00) shall be deposited in the State Treasury to the
820 credit of a special fund designated as the "State Aid Road Fund,"
821 created by Section 65-9-17. On or before August 15, 1999, and on
822 or before the fifteenth day of each succeeding month, from the
823 total amount of the proceeds of gasoline, diesel fuel or kerosene
824 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
825 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
826 one-fourth percent (23.25%) of those funds, whichever is the
827 greater amount, shall be deposited in the State Treasury to the
828 credit of the "State Aid Road Fund," created by Section 65-9-17.
829 Those funds shall be pledged to pay the principal of and interest
830 on state aid road bonds heretofore issued under Sections 19-9-51
831 through 19-9-77, in lieu of and in substitution for the funds
832 previously allocated to counties under this section. Those funds
833 may not be pledged for the payment of any state aid road bonds
834 issued after April 1, 1981; however, this prohibition against the
835 pledging of any such funds for the payment of bonds shall not
836 apply to any bonds for which intent to issue those bonds has been
837 published, for the first time, as provided by law before March 29,
838 1981. From the amount of taxes paid into the special fund under
839 this subsection and subsection (9) of this section, there shall be
840 first deducted and paid the amount necessary to pay the expenses
841 of the Office of State Aid Road Construction, as authorized by the

842 Legislature for all other general and special fund agencies. The
843 remainder of the fund shall be allocated monthly to the several
844 counties in accordance with the following formula:

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

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

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

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

858 The amount of funds allocated to any county under this
859 subsection for any fiscal year after fiscal year 1994 shall not be
860 less than the amount allocated to the county for fiscal year 1994.
861 Monies allocated to a county from the State Aid Road Fund for
862 fiscal year 1995 or any fiscal year thereafter that exceed the
863 amount of funds allocated to that county from the State Aid Road
864 Fund for fiscal year 1994, first must be expended by the county
865 for replacement or rehabilitation of bridges on the state aid road
866 system that have a sufficiency rating of less than twenty-five
867 (25), according to National Bridge Inspection standards before
868 the monies may be approved for expenditure by the State Aid Road
869 Engineer on other projects that qualify for the use of state aid
870 road funds.

871 Any reference in the general laws of this state or the
872 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
873 construed to refer and apply to subsection (4) of Section
874 27-65-75.

875 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
876 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
877 the special fund known as the "State Public School Building Fund"
878 created and existing under the provisions of Sections 37-47-1
879 through 37-47-67. Those payments into that fund are to be made on
880 the last day of each succeeding month hereafter.

881 (6) An amount each month beginning August 15, 1983, through
882 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
883 of 1983, shall be paid into the special fund known as the
884 Correctional Facilities Construction Fund created in Section 6 of
885 Chapter 542, Laws of 1983.

886 (7) On or before August 15, 1992, and each succeeding month
887 thereafter through July 15, 2000, two and two hundred sixty-six
888 one-thousandths percent (2.266%) of the total sales tax revenue
889 collected during the preceding month under the provisions of this
890 chapter, except that collected under the provisions of Section
891 27-65-17(2) shall be deposited by the commission into the School
892 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
893 or before August 15, 2000, and each succeeding month thereafter,
894 two and two hundred sixty-six one-thousandths percent (2.266%) of
895 the total sales tax revenue collected during the preceding month
896 under the provisions of this chapter, except that collected under
897 the provisions of Section 27-65-17(2), shall be deposited into the
898 School Ad Valorem Tax Reduction Fund created under Section
899 37-61-35 until such time that the total amount deposited into the
900 fund during a fiscal year equals Forty-two Million Dollars
901 (\$42,000,000.00). Thereafter, the amounts diverted under this
902 subsection (7) during the fiscal year in excess of Forty-two
903 Million Dollars (\$42,000,000.00) shall be deposited into the
904 Education Enhancement Fund created under Section 37-61-33 for
905 appropriation by the Legislature as other education needs and
906 shall not be subject to the percentage appropriation requirements
907 set forth in Section 37-61-33.

908 (8) On or before August 15, 1992, and each succeeding month
909 thereafter, nine and seventy-three one-thousandths percent
910 (9.073%) of the total sales tax revenue collected during the
911 preceding month under the provisions of this chapter, except that
912 collected under the provisions of Section 27-65-17(2), shall be
913 deposited into the Education Enhancement Fund created under
914 Section 37-61-33.

915 (9) On or before August 15, 1994, and each succeeding month
916 thereafter, from the revenue collected under this chapter during
917 the preceding month, Two Hundred Fifty Thousand Dollars
918 (\$250,000.00) shall be paid into the State Aid Road Fund.

919 (10) On or before August 15, 1994, and each succeeding month
920 thereafter through August 15, 1995, from the revenue collected
921 under this chapter during the preceding month, Two Million Dollars
922 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
923 Valorem Tax Reduction Fund established in Section 27-51-105.

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

933 (12) Notwithstanding any other provision of this section to
934 the contrary, on or before August 15, 1995, and each succeeding
935 month thereafter, the sales tax revenue collected during the
936 preceding month under the provisions of Section 27-65-17(1) on
937 retail sales of private carriers of passengers and light carriers
938 of property, as defined in Section 27-51-101 and the corresponding
939 levy in Section 27-65-23 on the rental or lease of these vehicles,

940 shall be deposited, after diversion, into the Motor Vehicle Ad
941 Valorem Tax Reduction Fund established in Section 27-51-105.

942 (13) On or before July 15, 1994, and on or before the
943 fifteenth day of each succeeding month thereafter, that portion of
944 the avails of the tax imposed in Section 27-65-22 that is derived
945 from activities held on the Mississippi state fairgrounds complex,
946 shall be paid into a special fund that is created in the State
947 Treasury and shall be expended upon legislative appropriation
948 solely to defray the costs of repairs and renovation at the Trade
949 Mart and Coliseum.

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

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

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

971 (17) Notwithstanding any other provision of this section to
972 the contrary, on or before April 15, 2002, and each succeeding

973 month thereafter, the sales tax revenue collected during the
974 preceding month under Section 27-65-23 on sales of parking
975 services of parking garages and lots at airports shall be
976 deposited, without diversion, into the special fund created under
977 Section 27-5-101(d).

978 (18) On or before August 15, 2005, and each succeeding month
979 thereafter through July 15, 2006, from the sales tax revenue
980 collected during the preceding month under the provisions of this
981 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
982 shall be deposited into the Special Funds Transfer Fund created in
983 Section 4 of Chapter 556, Laws of 2003.

984 (19) Notwithstanding any other provision of this section to
985 the contrary, the revenue collected from the special sales tax
986 authorized under Section 1 of House Bill No. 421, 2005 Regular
987 Session, shall be allocated for distribution and distributed as
988 provided in Section 1 of House Bill No. 421, 2005 Regular Session.

989 (20) Notwithstanding any other provision of this section to
990 the contrary, the revenue collected from the special sales tax
991 authorized under Section 2 of House Bill No. 421, 2005 Regular
992 Session, shall be allocated for distribution and distributed as
993 provided in Section 2 of House Bill No. 421, 2005 Regular Session.

994 (21) Notwithstanding any other provision of this section to
995 the contrary, the revenue collected from the special sales tax
996 authorized under Section 3 of House Bill No. 421, 2005 Regular
997 Session, shall be allocated for distribution and distributed as
998 provided in Section 3 of House Bill No. 421, 2005 Regular Session.

999 (22) Notwithstanding any other provision of this section to
1000 the contrary, the revenue collected from the special sales tax
1001 authorized under Section 4 of House Bill No. 421, 2005 Regular
1002 Session, shall be allocated for distribution and distributed as
1003 provided in Section 4 of House Bill No. 421, 2005 Regular Session.

1004 (23) The remainder of the amounts collected under the
1005 provisions of this chapter shall be paid into the State Treasury
1006 to the credit of the General Fund.

1007 (24) It shall be the duty of the municipal officials of any
1008 municipality that expands its limits, or of any community that
1009 incorporates as a municipality, to notify the commissioner of
1010 that action thirty (30) days before the effective date. Failure
1011 to so notify the commissioner shall cause the municipality to
1012 forfeit the revenue that it would have been entitled to receive
1013 during this period of time when the commissioner had no knowledge
1014 of the action. If any funds have been erroneously disbursed to
1015 any municipality or county or any overpayment of tax is recovered
1016 by the taxpayer, the commissioner may make correction and adjust
1017 the error or overpayment with the municipality by withholding the
1018 necessary funds from any later payment to be made to the
1019 municipality or county.

1020 **SECTION 8.** Section 27-65-53, Mississippi Code of 1972, is
1021 amended as follows:

1022 27-65-53. If the commissioner finds that the taxpayer has
1023 overpaid his tax for any reason and the taxpayer has discontinued
1024 business and there is no subsequent liability upon which the
1025 excess may be credited, or if the amount of the excess so paid
1026 shall exceed the estimated liability for the next twelve (12)
1027 months, the excess shall be refunded to the taxpayer. Such amount
1028 shall be certified to the State Auditor of Public Accounts by the
1029 commission. The said auditor is hereby authorized to make such
1030 investigation and audit of the claim as he finds necessary. If he
1031 finds that the commissioner is correct in his determination, the
1032 auditor may issue his warrant to the State Treasurer in favor of
1033 the taxpayer for the amount of tax erroneously paid into the State
1034 Treasury, such refunds to be made from current sales tax
1035 collections. If part of the overpayment has been disbursed to any
1036 municipality or county, under authority of Section 27-65-75, the

1037 municipality or county, having erroneously received the money,
1038 shall adjust the amount with the commissioner, or the overpayment
1039 may be withheld by the state from any funds due by the state to
1040 the municipality or county.

1041 Provided, that where the taxpayer has overpaid his tax, the
1042 commissioner may give credit for same and allow the taxpayer to
1043 take credit on a subsequent return or, if necessary, in his
1044 discretion, have the taxpayer file for a refund as provided
1045 herein.

1046 If any overpayment of tax as reflected in an application or
1047 amended return, or both, filed by the taxpayer, and verified by
1048 the commissioner or otherwise determined to be due by the
1049 commissioner or commission, is not refunded or credited to a
1050 taxpayer's account within ninety (90) days after the application
1051 or amended return is filed or the date the commission or
1052 commissioner determines a refund is due, whichever is later,
1053 interest at the rate of one percent (1%) per month shall be
1054 allowed on such overpayment computed for the period after
1055 expiration of the ninety-day period provided herein to the date of
1056 payment.

1057 **SECTION 9.** It is the intent of the Legislature that the
1058 amount of State General Funds appropriated to the State Tax
1059 Commission shall not be reduced because of funds collected by the
1060 commission under Section 1(3)(a), Section 2(3)(a), Section 3(3)(a)
1061 and/or Section 4(3)(a) of this act.

1062 **SECTION 10.** Sections 1 through 4 of this act shall be known
1063 and may be cited as the "Mississippi Optional Sales Tax Act."

1064 **SECTION 11.** The Attorney General of the State of Mississippi
1065 shall submit this act, immediately upon approval by the Governor,
1066 or upon approval by the Legislature subsequent to a veto, to the
1067 Attorney General of the United States or to the United States
1068 District Court for the District of Columbia in accordance with the

1069 provisions of the Voting Rights Act of 1965, as amended and
1070 extended.

1071 **SECTION 12.** This act shall take effect and be in force from
1072 and after the date it is effectuated under Section 5 of the Voting
1073 Rights Act of 1965, as amended and extended.