

By: Representative Warren

To: Ways and Means

## HOUSE BILL NO. 1144

1 AN ACT TO AMEND SECTIONS 75-76-129 AND 75-76-177, MISSISSIPPI  
2 CODE OF 1972, TO IMPOSE AN ADDITIONAL LICENSE FEE ON THE GROSS  
3 REVENUE OF GAMING LICENSEES; TO PROVIDE THAT THE REVENUE COLLECTED  
4 FROM THE ADDITIONAL FEE SHALL BE DEPOSITED INTO THE STATE  
5 SUPPLEMENTAL DRUG ENFORCEMENT FUND, THE SUPPLEMENTAL STATE  
6 VETERANS AFFAIRS BOARD AND THE STATE SUPPLEMENTAL EDUCATION FUND;  
7 TO AMEND SECTIONS 27-7-901 AND 27-7-903, MISSISSIPPI CODE OF 1972,  
8 TO INCREASE THE AMOUNT OF THE TAX LEVIED ON AMOUNTS THAT ARE PAID  
9 TO PATRONS BY GAMING ESTABLISHMENTS; TO PROVIDE THAT THE REVENUE  
10 COLLECTED FROM THE TAX WILL BE DEPOSITED INTO THE STATE  
11 SUPPLEMENTAL EDUCATION FUND; TO CREATE THE STATE SUPPLEMENTAL DRUG  
12 ENFORCEMENT FUND; TO PROVIDE THAT MONIES IN SUCH FUND SHALL BE  
13 USED TO PROVIDE ADDITIONAL FUNDS TO THE MISSISSIPPI BUREAU OF  
14 NARCOTICS FOR USE IN THE ENFORCEMENT OF THE UNIFORM CONTROLLED  
15 SUBSTANCES LAW WITH RESPECT TO ILLICIT DRUG TRAFFIC IN THE STATE;  
16 TO CREATE THE SUPPLEMENTAL STATE VETERANS AFFAIRS BOARD FUND; TO  
17 PROVIDE THAT MONIES IN THE FUND SHALL BE USED TO PROVIDE  
18 ADDITIONAL FUNDS TO THE STATE VETERANS AFFAIRS BOARD FOR USE IN  
19 THE OPERATION, MANAGEMENT AND MAINTENANCE OF THE STATE VETERANS  
20 HOMES; TO CREATE THE STATE SUPPLEMENTAL EDUCATION FUND; TO PROVIDE  
21 THAT MONIES IN SUCH FUND SHALL BE USED TO SUPPORT PUBLIC EDUCATION  
22 IN KINDERGARTEN THROUGH GRADE 12, INSTITUTIONS OF HIGHER LEARNING,  
23 AND COMMUNITY AND JUNIOR COLLEGES; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** Section 75-76-129, Mississippi Code of 1972, is  
26 amended as follows:

27 **[Through July 1, 2022, this section shall read as follows:]**

28 75-76-129. On or before the last day of each month all  
29 taxes, fees, interest, penalties, damages, fines or other monies  
30 collected by the State Tax Commission during that month under the  
31 provisions of this chapter, with the exception of (a) the local  
32 government fees imposed under Section 75-76-195, \* \* \* (b) an  
33 amount equal to Three Million Dollars (\$3,000,000.00) of the  
34 revenue collected pursuant to the fee imposed under Section  
35 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)  
36 of the revenue collected pursuant to the fee imposed under Section  
37 75-76-177(1)(c), whichever is the greater amount, and (c) the

38 revenue collected pursuant to the fee imposed under Section  
39 75-76-177(2) shall be paid by the State Tax Commission to the  
40 State Treasurer to be deposited in the State General Fund. The  
41 local government fees shall be distributed by the State Tax  
42 Commission pursuant to Section 75-76-197. Except for the period  
43 beginning on July 1, 2004, and through June 30, 2005, an amount  
44 equal to Three Million Dollars (\$3,000,000.00) of the revenue  
45 collected during that month pursuant to the fee imposed under  
46 Section 75-76-177(1)(c) shall be deposited by the State Tax  
47 Commission into the bond sinking fund created in Section 65-39-3.  
48 Except for the period beginning on July 1, 2004, and through June  
49 30, 2005, the revenue collected during that month pursuant to the  
50 fee imposed under Section 75-76-177(1)(c) that is in excess of  
51 Three Million Dollars (\$3,000,000.00), but is less than  
52 twenty-five percent (25%) of the amount of revenue collected  
53 during that month, shall be deposited into the State Highway Fund  
54 to be used exclusively for the reconstruction and maintenance of  
55 highways of the State of Mississippi. The revenue collected  
56 during that month pursuant to the fee imposed under Section  
57 75-76-177(2) shall be distributed as follows: (a) an amount equal  
58 to One Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars  
59 and Sixty-six cents (\$166,666.66) of the revenue collected during  
60 that month pursuant to the fee imposed under Section 75-76-177(2)  
61 shall be deposited by the State Tax Commission into the State  
62 Supplemental Drug Enforcement Fund created in Section 5 of House  
63 Bill No. \_\_\_\_\_, 2005 Regular Session, (b) an amount equal to Four  
64 Hundred Sixteen Thousand Six Hundred Sixty-six Dollars and  
65 Sixty-six cents (\$416,666.66) of the revenue collected during that  
66 month pursuant to the fee imposed under Section 75-76-177(2) shall  
67 be deposited by the State Tax Commission into the Supplemental  
68 State Veterans Affairs Board Fund created in Section 6 of House  
69 Bill No. 1123, 2005 Regular Session, and (c) the remainder of the  
70 revenue collected during that month pursuant to the fee imposed

71 under Section 75-76-177(2) shall be deposited by the State Tax  
72 Commission into the State Supplemental Education Fund created in  
73 Section 7 of House Bill No. 1123, 2005 Regular Session.

74 For the period beginning on July 1, 2004, and through June  
75 30, 2005, twenty-five percent (25%) of the amount of revenue  
76 collected during each month pursuant to the fee imposed under  
77 Section 75-76-177(1)(c) shall be deposited into the Budget  
78 Contingency Fund created in Section 27-103-301.

79 **[From and after July 1, 2022, this section shall read as**  
80 **follows:]**

81 75-76-129. On or before the last day of each month, all  
82 taxes, fees, interest, penalties, damages, fines or other monies  
83 collected by the State Tax Commission during that month under the  
84 provisions of this chapter, with the exception of the local  
85 government fees imposed under Section 75-76-195, shall be paid by  
86 the State Tax Commission to the State Treasurer to be deposited in  
87 the State General Fund. The local government fees shall be  
88 distributed by the State Tax Commission pursuant to Section  
89 75-76-197.

90 **SECTION 2.** Section 75-76-177, Mississippi Code of 1972, is  
91 amended as follows:

92 75-76-177. (1) From and after August 1, 1990, there is  
93 hereby imposed and levied on each gaming licensee a license fee  
94 based upon all the gross revenue of the licensee as follows:

95 (a) Four percent (4%) of all the gross revenue of the  
96 licensee which does not exceed Fifty Thousand Dollars (\$50,000.00)  
97 per calendar month;

98 (b) Six percent (6%) of all the gross revenue of the  
99 licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per  
100 calendar month and does not exceed One Hundred Thirty-four  
101 Thousand Dollars (\$134,000.00) per calendar month; and

102           (c) Eight percent (8%) of all the gross revenue of the  
103 licensee which exceeds One Hundred Thirty-four Thousand Dollars  
104 (\$134,000.00) per calendar month.

105           (2) From and after July 1, 2005, there is imposed and levied  
106 on each gaming licensee an additional license fee of two percent  
107 (2%) of all the gross revenue of the licensee per calendar month.  
108 Such license fee shall be in addition to the license fee imposed  
109 and levied under subsection (1) of this section.

110           (3) All revenue received from any game or gaming device  
111 which is leased for operation on the premises of the  
112 licensee-owner to a person other than the owner thereof or which  
113 is located in an area or space on such premises which is leased by  
114 the licensee-owner to any such person, must be attributed to the  
115 owner for the purposes of this section and be counted as part of  
116 the gross revenue of the owner. The lessee is liable to the owner  
117 for his proportionate share of such license fees.

118           (4) If the amount of license fees required to be reported  
119 and paid pursuant to this section is later determined to be  
120 greater or less than the amount actually reported and paid by the  
121 licensee, the Chairman of the State Tax Commission shall:

122           (a) Assess and collect the additional license fees  
123 determined to be due, with interest thereon until paid; or

124           (b) Refund any overpayment, with interest thereon, to  
125 the licensee.

126           Interest must be computed, until paid, at the rate of one  
127 percent (1%) per month from the first day of the first month  
128 following either the due date of the additional license fees or  
129 the date of overpayment.

130           (5) Failure to pay the fees provided for in this section  
131 when they are due for continuation of a license shall be deemed a  
132 surrender of the license.

133           **SECTION 3.** Section 27-7-901, Mississippi Code of 1972, is  
134 amended as follows:

135           27-7-901. (1) (a) There is hereby levied, assessed and  
136 shall be collected a tax of three percent (3%) upon amounts that  
137 are paid or credited by gaming establishments licensed under the  
138 provisions of the Mississippi Gaming Control Act to their patrons.

139           (b) In addition to the tax levied in paragraph (a) of  
140 this subsection, there is hereby levied, assessed and shall be  
141 collected an additional tax of three percent (3%) upon amounts  
142 that are paid or credited by gaming establishments licensed under  
143 the provisions of the Mississippi Gaming Control Act to their  
144 patrons. Revenue collected pursuant to the provisions of this  
145 paragraph (b) shall be deposited into the State Supplemental  
146 Education Fund created in Section 7 of House Bill No. 1123, 2005  
147 Regular Session.

148           (c) The tax shall be collected by licensed gaming  
149 establishments and remitted to the State Tax Commission in the  
150 manner provided for by regulations promulgated by the Chairman of  
151 the State Tax Commission.

152           (2) As used in this section, "amounts that are paid or  
153 credited" means amounts or credits that are subject to the  
154 withholding or reporting requirements of the Internal Revenue  
155 Code.

156           (3) No credit shall be allowed under the Income Tax Law of  
157 1952 for the tax collected by licensed gaming establishments  
158 pursuant to this section.

159           **SECTION 4.** Section 27-7-903, Mississippi Code of 1972, is  
160 amended as follows:

161           27-7-903. (1) (a) There is hereby levied and assessed upon  
162 patrons of gaming establishments located in this state that are  
163 not licensed under the provisions of the Mississippi Gaming  
164 Control Act, a tax of three percent (3%) of the amounts that are  
165 paid or credited to such patrons by the gaming establishment,  
166 which tax is the same in kind and rate as has heretofore been  
167 imposed pursuant to Section 27-7-901 upon the patrons of gaming

168 establishments which are licensed under the Mississippi Gaming  
169 Control Act.

170 (b) In addition to the tax levied in paragraph (a) of  
171 this subsection, there is hereby levied and assessed upon patrons  
172 of gaming establishments located in this state that are not  
173 licensed under the provisions of the Mississippi Gaming Control  
174 Act, an additional tax of three percent (3%) upon amounts that are  
175 paid or credited to such patrons by the gaming establishments.  
176 Revenue collected pursuant to the provisions of this paragraph (b)  
177 shall be deposited into the State Supplemental Education Fund  
178 created in Section 7 of House Bill No. 1123, 2005 Regular Session.

179 (c) The legal incidence and duty to pay such taxes  
180 shall fall upon the patron. The assessment of such tax is subject  
181 to any exemptions as may exist under federal or state law. The  
182 State Tax Commission may enter into tax collection agreements  
183 regarding this tax.

184 (2) As used in this section, "amounts that are paid or  
185 credited" means amounts or credits that are subject to the  
186 withholding or reporting requirements of the Internal Revenue  
187 Code.

188 (3) No credit shall be allowed under the Income Tax Law of  
189 1952 for the tax collected by gaming establishments pursuant to  
190 this section.

191 **SECTION 5.** There is created in the State Treasury a special  
192 fund to be designated as the "State Supplemental Drug Enforcement  
193 Fund." The fund shall consist of such monies deposited therein as  
194 provided under Section 75-76-129. Monies in the fund shall be  
195 subject to appropriation by the Legislature for the purpose of  
196 providing additional funds to the Mississippi Bureau of Narcotics  
197 for use in the enforcement of the Uniform Controlled Substances  
198 Law (Sections 41-29-101 through 41-29-187) with respect to illicit  
199 drug traffic in the state. Monies in the fund used for the  
200 purposes described in this section shall be in addition to other

201 funds available from any other source for such purposes.  
202 Unexpended amounts remaining in the fund at the end of a fiscal  
203 year shall not lapse into the State General Fund, and any interest  
204 earned or investment earnings on amounts in the fund shall be  
205 deposited to the credit of the fund.

206       **SECTION 6.** There is created in the State Treasury a special  
207 fund to be designated as the "Supplemental State Veterans Affairs  
208 Board Fund." The fund shall consist of such monies deposited  
209 therein as provided under Section 75-76-129. Monies in the fund  
210 shall be subject to appropriation by the Legislature for the  
211 purpose of providing additional funds to the State Veterans  
212 Affairs Board for use in the operation, management and maintenance  
213 of the state veterans homes. Monies in the fund used for the  
214 purposes described in this section shall be in addition to other  
215 funds available from any other source for such purposes.  
216 Unexpended amounts remaining in the fund at the end of a fiscal  
217 year shall not lapse into the State General Fund, and any interest  
218 earned or investment earnings on amounts in the fund shall be  
219 deposited to the credit of the fund.

220       **SECTION 7.** There is created in the State Treasury a special  
221 fund to be designated as the "State Supplemental Education Fund."  
222 The fund shall consist of such monies deposited therein as  
223 provided under Section 75-76-129. Monies in the fund shall be  
224 subject to appropriation by the Legislature to support public  
225 education in kindergarten through Grade 12, the institutions of  
226 higher learning, and the community and junior colleges,  
227 proportionately based on the ratio that the amount of general  
228 funds appropriated by the Legislature to each of these entities  
229 for the preceding fiscal year bears to the total amount of general  
230 funds appropriated for the preceding state fiscal year. Monies in  
231 the fund used for the purposes described in this section shall be  
232 in addition to other funds available from any other source for  
233 such purposes. Unexpended amounts remaining in the fund at the

234 end of a fiscal year shall not lapse into the State General Fund,  
235 and any interest earned or investment earnings on amounts in the  
236 fund shall be deposited to the credit of the fund.

237         **SECTION 8.** This act shall take effect and be in force from  
238 and after July 1, 2005.