

By: Representatives Watson, Reynolds,
Perkins

To: Ways and Means

HOUSE BILL NO. 1140

1 AN ACT TO AMEND SECTION 27-69-75, MISSISSIPPI CODE OF 1972,
2 AS AMENDED BY SENATE BILL NO. 2310, 2006 REGULAR SESSION, TO
3 INCREASE THE AMOUNT OF REVENUE FROM THE TOBACCO EXCISE TAX THAT IS
4 DEPOSITED INTO THE MUNICIPAL TOBACCO TAX DIVERSION FUND; TO REVISE
5 THE DATE WHEN THE DEPOSIT OF SUCH REVENUE INTO THE MUNICIPAL
6 TOBACCO TAX DIVERSION FUND WILL BEGIN; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 27-69-75, Mississippi Code of 1972, as
9 amended by Senate Bill No. 2310, 2006 Regular Session, is amended
10 as follows:

11 27-69-75. (1) All taxes levied by this chapter shall be
12 payable to the commissioner in cash, or by personal check,
13 cashier's check, bank exchange, post office money order or express
14 money order, and shall be deposited by the commissioner in the
15 State Treasury on the same day collected. No remittance other
16 than cash shall be a final discharge of liability for the tax
17 assessed and levied under this chapter, unless and until it has
18 been paid in cash to the commissioner.

19 (2) Of the revenue collected monthly as a result of the tax
20 assessed and levied under this chapter:

21 (a) (i) Through June 30, 2007, One Million Eight
22 Hundred Thousand Dollars (\$1,800,000.00) shall be deposited by the
23 commissioner into the Municipal Tobacco Tax Diversion Fund created
24 under Section 5 of Senate Bill No. 2310, 2006 Regular Session.

25 (ii) From and after July 1, 2007, through June 30,
26 2008, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
27 shall be deposited by the commissioner into the Municipal Tobacco
28 Tax Diversion Fund created under Section 5 of Senate Bill No.
29 2310, 2006 Regular Session.

30 (iii) From and after July 1, 2008, through June
31 30, 2009, Two Million Eight Hundred Fifty Thousand Dollars
32 (\$2,850,000.00) shall be deposited by the commissioner into the
33 Municipal Tobacco Tax Diversion Fund created under Section 5 of
34 Senate Bill No. 2310, 2006 Regular Session.

35 (iv) From and after July 1, 2009, through June 30,
36 2010, Three Million Two Hundred Thousand Dollars (\$3,200,000.00)
37 shall be deposited by the commissioner into the Municipal Tobacco
38 Tax Diversion Fund created under Section 5 of Senate Bill No.
39 2310, 2006 Regular Session.

40 (v) From and after July 1, 2010, through June 30,
41 2011, Three Million Five Hundred Seventy-five Thousand Dollars
42 (\$3,575,000.00) shall be deposited by the commissioner into the
43 Municipal Tobacco Tax Diversion Fund created under Section 5 of
44 Senate Bill No. 2310, 2006 Regular Session.

45 (vi) From and after July 1, 2011, through June 30,
46 2012, Three Million Nine Hundred Thousand Dollars (\$3,900,000.00)
47 shall be deposited by the commissioner into the Municipal Tobacco
48 Tax Diversion Fund created under Section 5 of Senate Bill No.
49 2310, 2006 Regular Session.

50 (vii) From and after July 1, 2012, through June
51 30, 2013, Four Million Two Hundred Ninety Thousand Dollars
52 (\$4,290,000.00) shall be deposited by the commissioner into the
53 Municipal Tobacco Tax Diversion Fund created under Section 5 of
54 Senate Bill No. 2310, 2006 Regular Session.

55 (viii) From and after July 1, 2013, through June
56 30, 2014, Four Million Six Hundred Forty Thousand Dollars
57 (\$4,640,000.00) shall be deposited by the commissioner into the
58 Municipal Tobacco Tax Diversion Fund created under Section 5 of
59 Senate Bill No. 2310, 2006 Regular Session.

60 (ix) From and after July 1, 2014, Five Million
61 Five Hundred Thousand Dollars (\$5,500,000.00) shall be deposited
62 by the commissioner into the Municipal Tobacco Tax Diversion Fund

63 created under Section 5 of Senate Bill No. 2310, 2006 Regular
64 Session.

65 (b) (i) Through June 30, 2007, One Million Eighty
66 Thousand Dollars (\$1,080,000.00) shall be deposited by the
67 commissioner into the Education Enhancement Fund created under
68 Section 37-61-33.

69 (ii) From and after July 1, 2007, through June 30,
70 2008, One Million Five Hundred Twelve Thousand Dollars
71 (\$1,512,000.00) shall be deposited by the commissioner into the
72 Education Enhancement Fund created under Section 37-61-33.

73 (iii) From and after July 1, 2008, through June
74 30, 2009, One Million Seven Hundred Twenty-eight Thousand Dollars
75 (\$1,728,000.00) shall be deposited by the commissioner into the
76 Education Enhancement Fund created under Section 37-61-33.

77 (iv) From and after July 1, 2009, through June 30,
78 2010, One Million Nine Hundred Forty-four Thousand Dollars
79 (\$1,944,000.00) shall be deposited by the commissioner into the
80 Education Enhancement Fund created under Section 37-61-33.

81 (v) From and after July 1, 2010, through June 30,
82 2011, Two Million One Hundred Sixty Thousand Dollars
83 (\$2,160,000.00) shall be deposited by the commissioner into the
84 Education Enhancement Fund created under Section 37-61-33.

85 (vi) From and after July 1, 2011, through June 30,
86 2012, Two Million Three Hundred Seventy-six Thousand Dollars
87 (\$2,376,000.00) shall be deposited by the commissioner into the
88 Education Enhancement Fund created under Section 37-61-33.

89 (vii) From and after July 1, 2012, through June
90 30, 2013, Two Million Five Hundred Ninety-two Thousand Dollars
91 (\$2,592,000.00) shall be deposited by the commissioner into the
92 Education Enhancement Fund created under Section 37-61-33.

93 (viii) From and after July 1, 2013, through June
94 30, 2014, Two Million Eight Hundred Eight Thousand Dollars

95 (\$2,808,000.00) shall be deposited by the commissioner into the
96 Education Enhancement Fund created under Section 37-61-33.

97 (ix) From and after July 1, 2014, Three Million
98 Twenty-four Thousand Dollars (\$3,024,000.00) shall be deposited by
99 the commissioner into the Education Enhancement Fund created under
100 Section 37-61-33.

101 (c) (i) Through June 30, 2007, Two Hundred Seventy
102 Thousand Dollars (\$270,000.00) shall be deposited by the
103 commissioner into the School Ad Valorem Tax Reduction Fund created
104 under Section 37-61-35.

105 (ii) From and after July 1, 2007, through June 30,
106 2008, Three Hundred Seventy-eight Thousand Dollars (\$378,000.00)
107 shall be deposited by the commissioner into the School Ad Valorem
108 Tax Reduction Fund created under Section 37-61-35.

109 (iii) From and after July 1, 2008, through June
110 30, 2009, Four Hundred Thirty-two Thousand Dollars (\$432,000.00)
111 shall be deposited by the commissioner into the School Ad Valorem
112 Tax Reduction Fund created under Section 37-61-35.

113 (iv) From and after July 1, 2009, through June 30,
114 2010, Four Hundred Eighty-six Thousand Dollars (\$486,000.00) shall
115 be deposited by the commissioner into the School Ad Valorem Tax
116 Reduction Fund created under Section 37-61-35.

117 (v) From and after July 1, 2010, through June 30,
118 2011, Five Hundred Forty Thousand Dollars (\$540,000.00) shall be
119 deposited by the commissioner into the School Ad Valorem Tax
120 Reduction Fund created under Section 37-61-35.

121 (vi) From and after July 1, 2011, through June 30,
122 2012, Five Hundred Ninety-four Thousand Dollars (\$594,000.00)
123 shall be deposited by the commissioner into the School Ad Valorem
124 Tax Reduction Fund created under Section 37-61-35.

125 (vii) From and after July 1, 2012, through June
126 30, 2013, Six Hundred Forty-eight Thousand Dollars (\$648,000.00)

127 shall be deposited by the commissioner into the School Ad Valorem
128 Tax Reduction Fund created under Section 37-61-35.

129 (viii) From and after July 1, 2013, through June
130 30, 2014, Seven Hundred Two Thousand Dollars (\$702,000.00) shall
131 be deposited by the commissioner into the School Ad Valorem Tax
132 Reduction Fund created under Section 37-61-35.

133 (ix) From and after July 1, 2014, Seven Hundred
134 Fifty-six Thousand Dollars (\$756,000.00) shall be deposited by the
135 commissioner into the School Ad Valorem Tax Reduction Fund created
136 under Section 37-61-35.

137 (3) Except as otherwise provided in subsection (2) of this
138 section, all tobacco taxes collected, including tobacco license
139 taxes, shall be deposited into the State Treasury to the credit of
140 the General Fund.

141 (4) Wholesalers who are entitled to purchase stamps at a
142 discount, as provided by Section 27-69-31, may have consigned to
143 them, without advance payment, those stamps, if and when the
144 wholesaler gives to the commissioner a good and sufficient bond
145 executed by some surety company authorized to do business in this
146 state, conditioned to secure the payment for the stamps so
147 consigned. The commissioner shall require payment for those
148 stamps not later than thirty (30) days from the date the stamps
149 were consigned.

150 **SECTION 2.** Section 5 of Senate Bill No. 2310, 2006 Regular
151 Session, is amended as follows:

152 Section 5. (1) There is created in the State Treasury a
153 special fund known as the Municipal Tobacco Tax Diversion Fund
154 which shall be comprised of the money required to be deposited
155 into the fund under Section 27-69-75. Money in the fund shall be
156 expended by the State Tax Commission to make payments to
157 municipalities as required by this section. Unexpended amounts
158 remaining in the special fund at the end of a fiscal year shall
159 not lapse into the State General Fund, and any interest earned or

160 investment earnings on amounts in the special fund shall be
161 deposited to the credit of the special fund.

162 (2) On or before September 15, 2006, and each succeeding
163 month thereafter, the State Tax Commission shall distribute from
164 the special fund the amount required to be deposited in the
165 special fund during the preceding month under Section 27-69-75 to
166 each municipality in the state, in an amount equal to the
167 proportion that the sales tax collections from retail sales of
168 food taxed under Section 27-65-26 for the preceding month in each
169 municipality bear to the total sales tax collections from retail
170 sales of food taxed under Section 27-65-26 for the preceding month
171 in all the municipalities of the state; however, from and after
172 July 1, 2014, the State Tax Commission shall distribute from the
173 special fund the amount required to be deposited in the special
174 fund during the preceding month under Section 27-69-75 to each
175 municipality in the state, in an amount equal to the proportion
176 that the sales tax collections for the preceding month in each
177 municipality bear to the total sales tax collections for the
178 preceding month in all the municipalities of the state.

179 **SECTION 3.** This act shall take effect and be in force from
180 and after July 1, 2006.