

By: Representative Snowden

To: Ways and Means

HOUSE BILL NO. 1559

1 AN ACT TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
 2 TO REDUCE THE RATE OF TAX ON RETAIL SALES OF FOOD FOR HUMAN
 3 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
 4 EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH FOOD
 5 STAMPS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
 6 INCREASE THE PERCENTAGE OF SALES TAX COLLECTED ON RETAIL SALES OF
 7 SUCH FOOD WITHIN MUNICIPALITIES THAT IS DISTRIBUTED TO
 8 MUNICIPALITIES; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-65-17, Mississippi Code of 1972, is
 11 amended as follows:

12 27-65-17. (1) (a) Except as otherwise provided in this
 13 section, upon every person engaging or continuing within this
 14 state in the business of selling any tangible personal property
 15 whatsoever there is hereby levied, assessed and shall be collected
 16 a tax equal to seven percent (7%) of the gross proceeds of the
 17 retail sales of the business.

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

21 (c) Retail sales of farm implements sold to farmers and
 22 used directly in the production of poultry, ratite, domesticated
 23 fish as defined in Section 69-7-501, livestock, livestock
 24 products, agricultural crops or ornamental plant crops or used for
 25 other agricultural purposes shall be taxed at the rate of three
 26 percent (3%) when used on the farm. The three percent (3%) rate
 27 shall also apply to all equipment used in logging, pulpwood
 28 operations or tree farming which is either:

29 (i) Self-propelled, or

30 (ii) Mounted so that it is permanently attached to
31 other equipment which is self-propelled or permanently attached to
32 other equipment drawn by a vehicle which is self-propelled.

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

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

43 (f) Sales of machinery and machine parts when made to a
44 technology intensive enterprise for plant use only when the
45 machinery and machine parts will be used exclusively and directly
46 within this state for industrial purposes, including, but not
47 limited to, manufacturing or research and development activities,
48 shall be taxed at the rate of one and one-half percent (1-1/2%).
49 In order to be considered a technology intensive enterprise for
50 purposes of this paragraph:

51 (i) The enterprise shall meet minimum criteria
52 established by the Mississippi Development Authority;

53 (ii) The enterprise shall employ at least ten (10)
54 persons in full-time jobs;

55 (iii) At least ten percent (10%) of the workforce
56 in the facility operated by the enterprise shall be scientists,
57 engineers or computer specialists;

58 (iv) The enterprise shall manufacture plastics,
59 chemicals, automobiles, aircraft, computers or electronics; or
60 shall be a research and development facility, a computer design or
61 related facility, or a software publishing facility or other

62 technology intensive facility or enterprise as determined by the
63 Mississippi Development Authority;

64 (v) The average wage of all workers employed by
65 the enterprise at the facility shall be at least one hundred fifty
66 percent (150%) of the state average annual wage; and

67 (vi) The enterprise must provide a basic health
68 care plan to all employees at the facility.

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

73 (h) Sales of tangible personal property to electric
74 power associations for use in the ordinary and necessary operation
75 of their generating or distribution systems shall be taxed at the
76 rate of one percent (1%).

77 (i) Wholesale sales of beer shall be taxed at the rate
78 of seven percent (7%), and the retailer shall file a return and
79 compute the retail tax on retail sales but may take credit for the
80 amount of the tax paid to the wholesaler on said return covering
81 the subsequent sales of same property, provided adequate invoices
82 and records are maintained to substantiate the credit.

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

88 (k) Sales of equipment used or designed for the purpose
89 of assisting disabled persons, such as wheelchair equipment and
90 lifts, that is mounted or attached to or installed on a private
91 carrier of passengers or light carrier of property, as defined in
92 Section 27-51-101, at the time when the private carrier of
93 passengers or light carrier of property is sold shall be taxed at
94 the same rate as the sale of such vehicles under this section.

95 (1) Sales of the factory-built components of modular
96 homes, panelized homes and precut homes, and panel constructed
97 homes consisting of structural insulated panels, shall be taxed at
98 the rate of three percent (3%).

99 (m) From and after July 1, 2007, retail sales of food
100 for human consumption not purchased with food stamps issued by the
101 United States Department of Agriculture, or other federal agency,
102 but which would be exempt under Section 27-65-111(o) from the
103 taxes imposed by this chapter if the food items were purchased
104 with food stamps, shall be taxed at the rate of three and one-half
105 percent (3-1/2%).

106 (2) From and after January 1, 1995, retail sales of private
107 carriers of passengers and light carriers of property, as defined
108 in Section 27-51-101, shall be taxed an additional two percent
109 (2%).

110 (3) In lieu of the tax levied in subsection (1) of this
111 section, there is levied on retail sales of truck-tractors and
112 semitrailers used in interstate commerce and registered under the
113 International Registration Plan (IRP) or any similar reciprocity
114 agreement or compact relating to the proportional registration of
115 commercial vehicles entered into as provided for in Section
116 27-19-143, a tax at the rate of three percent (3%) of the portion
117 of the sale that is attributable to the usage of such
118 truck-tractor or semitrailer in Mississippi. The portion of the
119 retail sale that is attributable to the usage of such
120 truck-tractor or semitrailer in Mississippi is the retail sales
121 price of the truck-tractor or semitrailer multiplied by the
122 percentage of the total miles traveled by the vehicle that are
123 traveled in Mississippi. The tax levied pursuant to this
124 subsection (3) shall be collected by the State Tax Commission from
125 the purchaser of such truck-tractor or semitrailer at the time of
126 registration of such truck-tractor or semitrailer.

127 (4) A manufacturer selling at retail in this state shall be
128 required to make returns of the gross proceeds of such sales and
129 pay the tax imposed in this section.

130 (5) Any person exercising any privilege taxable under
131 Section 27-65-15 and selling his natural resource products at
132 wholesale or to exempt persons shall pay the tax levied by said
133 section in lieu of the tax levied by this section.

134 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
135 amended as follows:

136 27-65-75. On or before the fifteenth day of each month, the
137 revenue collected under the provisions of this chapter during the
138 preceding month shall be paid and distributed as follows:

139 (1) (a) On or before August 15, 1992, and each succeeding
140 month thereafter through July 15, 1993, eighteen percent (18%) of
141 the total sales tax revenue collected during the preceding month
142 under the provisions of this chapter, except that collected under
143 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
144 business activities within a municipal corporation shall be
145 allocated for distribution to the municipality and paid to the
146 municipal corporation. On or before August 15, 1993, and each
147 succeeding month thereafter through July 15, 2007, eighteen and
148 one-half percent (18-1/2%) of the total sales tax revenue
149 collected during the preceding month under the provisions of this
150 chapter, except that collected under the provisions of Sections
151 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
152 a municipal corporation shall be allocated for distribution to the
153 municipality and paid to the municipal corporation. On or before
154 August 15, 2007, and each succeeding month thereafter, eighteen
155 and one-half percent (18-1/2%) of the total sales tax revenue
156 collected during the preceding month under the provisions of this
157 chapter, except that collected under the provisions of Sections
158 27-65-15, 27-65-19(3), 27-65-21 and 27-65-17(1)(m), on business
159 activities within a municipal corporation and thirty-seven percent

160 (37%) of the total sales tax revenue collected during the
161 preceding month under the provisions of Section 27-65-17(1)(m) on
162 business activities within a municipal corporation shall be
163 allocated for distribution to the municipality and paid to the
164 municipal corporation.

165 A municipal corporation, for the purpose of distributing the
166 tax under this subsection, shall mean and include all incorporated
167 cities, towns and villages.

168 Monies allocated for distribution and credited to a municipal
169 corporation under this subsection may be pledged as security for a
170 loan if the distribution received by the municipal corporation is
171 otherwise authorized or required by law to be pledged as security
172 for such a loan.

173 In any county having a county seat that is not an
174 incorporated municipality, the distribution provided under this
175 subsection shall be made as though the county seat was an
176 incorporated municipality; however, the distribution to the
177 municipality shall be paid to the county treasury in which the
178 municipality is located, and those funds shall be used for road,
179 bridge and street construction or maintenance in the county.

180 (b) On or before August 15, 2006, and each succeeding
181 month thereafter, eighteen and one-half percent (18-1/2%) of the
182 total sales tax revenue collected during the preceding month under
183 the provisions of this chapter, except that collected under the
184 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
185 business activities on the campus of a state institution of higher
186 learning or community or junior college whose campus is not
187 located within the corporate limits of a municipality, shall be
188 allocated for distribution to the state institution of higher
189 learning or community or junior college and paid to the state
190 institution of higher learning or community or junior college.

191 (2) On or before September 15, 1987, and each succeeding
192 month thereafter, from the revenue collected under this chapter

193 during the preceding month, One Million One Hundred Twenty-five
194 Thousand Dollars (\$1,125,000.00) shall be allocated for
195 distribution to municipal corporations as defined under subsection
196 (1) of this section in the proportion that the number of gallons
197 of gasoline and diesel fuel sold by distributors to consumers and
198 retailers in each such municipality during the preceding fiscal
199 year bears to the total gallons of gasoline and diesel fuel sold
200 by distributors to consumers and retailers in municipalities
201 statewide during the preceding fiscal year. The State Tax
202 Commission shall require all distributors of gasoline and diesel
203 fuel to report to the commission monthly the total number of
204 gallons of gasoline and diesel fuel sold by them to consumers and
205 retailers in each municipality during the preceding month. The
206 State Tax Commission shall have the authority to promulgate such
207 rules and regulations as is necessary to determine the number of
208 gallons of gasoline and diesel fuel sold by distributors to
209 consumers and retailers in each municipality. In determining the
210 percentage allocation of funds under this subsection for the
211 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
212 State Tax Commission may consider gallons of gasoline and diesel
213 fuel sold for a period of less than one (1) fiscal year. For the
214 purposes of this subsection, the term "fiscal year" means the
215 fiscal year beginning July 1 of a year.

216 (3) On or before September 15, 1987, and on or before the
217 fifteenth day of each succeeding month, until the date specified
218 in Section 65-39-35, the proceeds derived from contractors' taxes
219 levied under Section 27-65-21 on contracts for the construction or
220 reconstruction of highways designated under the highway program
221 created under Section 65-3-97 shall, except as otherwise provided
222 in Section 31-17-127, be deposited into the State Treasury to the
223 credit of the State Highway Fund to be used to fund that highway
224 program. The Mississippi Department of Transportation shall
225 provide to the State Tax Commission such information as is

226 necessary to determine the amount of proceeds to be distributed
227 under this subsection.

228 (4) On or before August 15, 1994, and on or before the
229 fifteenth day of each succeeding month through July 15, 1999, from
230 the proceeds of gasoline, diesel fuel or kerosene taxes as
231 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
232 (\$4,000,000.00) shall be deposited in the State Treasury to the
233 credit of a special fund designated as the "State Aid Road Fund,"
234 created by Section 65-9-17. On or before August 15, 1999, and on
235 or before the fifteenth day of each succeeding month, from the
236 total amount of the proceeds of gasoline, diesel fuel or kerosene
237 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
238 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
239 one-fourth percent (23-1/4%) of those funds, whichever is the
240 greater amount, shall be deposited in the State Treasury to the
241 credit of the "State Aid Road Fund," created by Section 65-9-17.
242 Those funds shall be pledged to pay the principal of and interest
243 on state aid road bonds heretofore issued under Sections 19-9-51
244 through 19-9-77, in lieu of and in substitution for the funds
245 previously allocated to counties under this section. Those funds
246 may not be pledged for the payment of any state aid road bonds
247 issued after April 1, 1981; however, this prohibition against the
248 pledging of any such funds for the payment of bonds shall not
249 apply to any bonds for which intent to issue those bonds has been
250 published, for the first time, as provided by law before March 29,
251 1981. From the amount of taxes paid into the special fund under
252 this subsection and subsection (9) of this section, there shall be
253 first deducted and paid the amount necessary to pay the expenses
254 of the Office of State Aid Road Construction, as authorized by the
255 Legislature for all other general and special fund agencies. The
256 remainder of the fund shall be allocated monthly to the several
257 counties in accordance with the following formula:

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

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

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

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

271 The amount of funds allocated to any county under this
272 subsection for any fiscal year after fiscal year 1994 shall not be
273 less than the amount allocated to the county for fiscal year 1994.

274 Any reference in the general laws of this state or the
275 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
276 construed to refer and apply to subsection (4) of Section
277 27-65-75.

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

284 (6) An amount each month beginning August 15, 1983, through
285 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
286 of 1983, shall be paid into the special fund known as the
287 Correctional Facilities Construction Fund created in Section 6 of
288 Chapter 542, Laws of 1983.

289 (7) On or before August 15, 1992, and each succeeding month
290 thereafter through July 15, 2000, two and two hundred sixty-six

291 one-thousandths percent (2.266%) of the total sales tax revenue
292 collected during the preceding month under the provisions of this
293 chapter, except that collected under the provisions of Section
294 27-65-17(2) shall be deposited by the commission into the School
295 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
296 or before August 15, 2000, and each succeeding month thereafter,
297 two and two hundred sixty-six one-thousandths percent (2.266%) of
298 the total sales tax revenue collected during the preceding month
299 under the provisions of this chapter, except that collected under
300 the provisions of Section 27-65-17(2), shall be deposited into the
301 School Ad Valorem Tax Reduction Fund created under Section
302 37-61-35 until such time that the total amount deposited into the
303 fund during a fiscal year equals Forty-two Million Dollars
304 (\$42,000,000.00). Thereafter, the amounts diverted under this
305 subsection (7) during the fiscal year in excess of Forty-two
306 Million Dollars (\$42,000,000.00) shall be deposited into the
307 Education Enhancement Fund created under Section 37-61-33 for
308 appropriation by the Legislature as other education needs and
309 shall not be subject to the percentage appropriation requirements
310 set forth in Section 37-61-33.

311 (8) On or before August 15, 1992, and each succeeding month
312 thereafter, nine and seventy-three one-thousandths percent
313 (9.073%) of the total sales tax revenue collected during the
314 preceding month under the provisions of this chapter, except that
315 collected under the provisions of Section 27-65-17(2), shall be
316 deposited into the Education Enhancement Fund created under
317 Section 37-61-33.

318 (9) On or before August 15, 1994, and each succeeding month
319 thereafter, from the revenue collected under this chapter during
320 the preceding month, Two Hundred Fifty Thousand Dollars
321 (\$250,000.00) shall be paid into the State Aid Road Fund.

322 (10) On or before August 15, 1994, and each succeeding month
323 thereafter through August 15, 1995, from the revenue collected

324 under this chapter during the preceding month, Two Million Dollars
325 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
326 Valorem Tax Reduction Fund established in Section 27-51-105.

327 (11) Notwithstanding any other provision of this section to
328 the contrary, on or before February 15, 1995, and each succeeding
329 month thereafter, the sales tax revenue collected during the
330 preceding month under the provisions of Section 27-65-17(2) and
331 the corresponding levy in Section 27-65-23 on the rental or lease
332 of private carriers of passengers and light carriers of property
333 as defined in Section 27-51-101 shall be deposited, without
334 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
335 established in Section 27-51-105.

336 (12) Notwithstanding any other provision of this section to
337 the contrary, on or before August 15, 1995, and each succeeding
338 month thereafter, the sales tax revenue collected during the
339 preceding month under the provisions of Section 27-65-17(1) on
340 retail sales of private carriers of passengers and light carriers
341 of property, as defined in Section 27-51-101 and the corresponding
342 levy in Section 27-65-23 on the rental or lease of these vehicles,
343 shall be deposited, after diversion, into the Motor Vehicle Ad
344 Valorem Tax Reduction Fund established in Section 27-51-105.

345 (13) On or before July 15, 1994, and on or before the
346 fifteenth day of each succeeding month thereafter, that portion of
347 the avails of the tax imposed in Section 27-65-22 that is derived
348 from activities held on the Mississippi State Fairgrounds Complex,
349 shall be paid into a special fund that is created in the State
350 Treasury and shall be expended upon legislative appropriation
351 solely to defray the costs of repairs and renovation at the Trade
352 Mart and Coliseum.

353 (14) On or before August 15, 1998, and each succeeding month
354 thereafter through July 15, 2005, that portion of the avails of
355 the tax imposed in Section 27-65-23 that is derived from sales by
356 cotton compresses or cotton warehouses and that would otherwise be

357 paid into the General Fund, shall be deposited in an amount not to
358 exceed Two Million Dollars (\$2,000,000.00) into the special fund
359 created under Section 69-37-39.

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

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

374 (17) Notwithstanding any other provision of this section to
375 the contrary, on or before April 15, 2002, and each succeeding
376 month thereafter, the sales tax revenue collected during the
377 preceding month under Section 27-65-23 on sales of parking
378 services of parking garages and lots at airports shall be
379 deposited, without diversion, into the special fund created under
380 Section 27-5-101(d).

381 (18) On or before August 15, 2007, and each succeeding month
382 thereafter through July 15, 2008, from the sales tax revenue
383 collected during the preceding month under the provisions of this
384 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
385 shall be deposited into the Special Funds Transfer Fund created in
386 Section 4 of Chapter 556, Laws of 2003.

387 (19) (a) On or before August 15, 2005, and each succeeding
388 month thereafter, the sales tax revenue collected during the
389 preceding month under the provisions of this chapter on the gross

390 proceeds of sales of a business enterprise located within a
391 redevelopment project area under the provisions of Sections
392 57-91-1 through 57-91-11, and the revenue collected on the gross
393 proceeds of sales from sales made to a business enterprise located
394 in a redevelopment project area under the provisions of Sections
395 57-91-1 through 57-91-11 (provided that such sales made to a
396 business enterprise are made on the premises of the business
397 enterprise), shall, except as otherwise provided in this
398 subsection (19), be deposited, after all diversions, into the
399 Redevelopment Project Incentive Fund as created in Section
400 57-91-9.

401 (b) For a municipality participating in the Economic
402 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
403 the diversion provided for in subsection (1) of this section
404 attributable to the gross proceeds of sales of a business
405 enterprise located within a redevelopment project area under the
406 provisions of Sections 57-91-1 through 57-91-11, and attributable
407 to the gross proceeds of sales from sales made to a business
408 enterprise located in a redevelopment project area under the
409 provisions of Sections 57-91-1 through 57-91-11 (provided that
410 such sales made to a business enterprise are made on the premises
411 of the business enterprise), shall be deposited into the
412 Redevelopment Project Incentive Fund as created in Section
413 57-91-9, as follows:

414 (i) For the first six (6) years in which payments
415 are made to a developer from the Redevelopment Project Incentive
416 Fund, one hundred percent (100%) of the diversion shall be
417 deposited into the fund;

418 (ii) For the seventh year in which such payments
419 are made to a developer from the Redevelopment Project Incentive
420 Fund, eighty percent (80%) of the diversion shall be deposited
421 into the fund;

422 (iii) For the eighth year in which such payments
423 are made to a developer from the Redevelopment Project Incentive
424 Fund, seventy percent (70%) of the diversion shall be deposited
425 into the fund;

426 (iv) For the ninth year in which such payments are
427 made to a developer from the Redevelopment Project Incentive Fund,
428 sixty percent (60%) of the diversion shall be deposited into the
429 fund; and

430 (v) For the tenth year in which such payments are
431 made to a developer from the Redevelopment Project Incentive Fund,
432 fifty percent (50%) of the funds shall be deposited into the fund.

433 (20) On or before January 15, 2007, and each succeeding
434 month thereafter, eighty percent (80%) of the sales tax revenue
435 collected during the preceding month under the provisions of this
436 chapter from the operation of a tourism project under the
437 provisions of Sections 57-28-1 through 57-28-5, shall be
438 deposited, after the diversions required in subsections (7) and
439 (8) of this section, into the Tourism Sales Tax Incentive Fund
440 created in Section 57-28-3.

441 (21) The remainder of the amounts collected under the
442 provisions of this chapter shall be paid into the State Treasury
443 to the credit of the General Fund.

444 (22) It shall be the duty of the municipal officials of any
445 municipality that expands its limits, or of any community that
446 incorporates as a municipality, to notify the commissioner of that
447 action thirty (30) days before the effective date. Failure to so
448 notify the commissioner shall cause the municipality to forfeit
449 the revenue that it would have been entitled to receive during
450 this period of time when the commissioner had no knowledge of the
451 action. If any funds have been erroneously disbursed to any
452 municipality or any overpayment of tax is recovered by the
453 taxpayer, the commissioner may make correction and adjust the
454 error or overpayment with the municipality by withholding the

455 necessary funds from any later payment to be made to the
456 municipality.

457 **SECTION 3.** This act shall take effect and be in force from
458 and after July 1, 2007.