

By: Representatives Brown, Clarke, Mayo

To: Ways and Means

HOUSE BILL NO. 1636

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE EXCISE TAX ON CIGARETTES, TO PROVIDE THAT THERE
3 SHALL BE NO DISCOUNT ON THE ADDITIONAL FACE VALUE OF STAMPS
4 PURCHASED TO COMPLY WITH SUCH INCREASE; TO AMEND SECTION 27-69-75,
5 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A PORTION OF THE MONTHLY
6 TOBACCO TAX REVENUE SHALL BE DEPOSITED IN THE EDUCATION
7 ENHANCEMENT FUND AND THE SCHOOL AD VALOREM TAX REDUCTION FUND; TO
8 AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972, IN CONFORMITY
9 THERETO; TO CREATE A NEW SECTION 27-65-26, MISSISSIPPI CODE OF
10 1972, TO IMPOSE A SEPARATE SALES TAX LEVY ON RETAIL SALES OF FOOD
11 FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH
12 WOULD BE EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH
13 FOOD STAMPS AND TO REDUCE THE SALES TAX RATE ON SALES OF SUCH
14 FOOD; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, IN
15 CONFORMITY THERETO; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF
16 1972, TO INCREASE THE PERCENTAGE OF SALES TAX COLLECTED ON RETAIL
17 SALES OF SUCH FOOD WITHIN MUNICIPALITIES THAT IS DISTRIBUTED TO
18 MUNICIPALITIES; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** Section 27-69-13, Mississippi Code of 1972, is
21 amended as follows:

22 27-69-13. (1) There is hereby imposed, levied and assessed,
23 to be collected and paid as hereinafter provided in this chapter,
24 an excise tax on each person or dealer in cigarettes, cigars,
25 stogies, snuff, chewing tobacco, and smoking tobacco, or
26 substitutes therefor, upon the sale, use, consumption, handling or
27 distribution in the State of Mississippi, as follows:

28 (a) On cigarettes, the rate of tax shall be Five Cents
29 (5¢) on each cigarette sold with a maximum length of one hundred
30 twenty (120) millimeters; any cigarette in excess of this length
31 shall be taxed as if it were two (2) or more cigarettes.

32 Provided, however, if the federal tax rate on cigarettes in effect
33 June 1, 1985, is reduced, then the rate as provided herein shall
34 be increased by the amount of the federal tax reduction. Such tax

35 increase shall take effect on the first day of the month following
36 the effective date of such reduction in the federal tax rate.

37 (b) On cigars, cheroots, stogies, snuff, chewing and
38 smoking tobacco and all other tobacco products except cigarettes,
39 the rate of tax shall be fifteen percent (15%) of the
40 manufacturer's list price.

41 (2) No stamp evidencing the tax herein levied on cigarettes
42 shall be of a denomination of less than One Cent (1¢), and
43 whenever the tax computed at the rates herein prescribed on
44 cigarettes shall be a specified amount, plus a fractional part of
45 One Cent (1¢), the package shall be stamped for the next full
46 cent. However, the additional face value of stamps purchased to
47 comply with taxes imposed by this section after June 1, 1985, and
48 prior to July 1, 2007, shall be subject to a four percent (4%)
49 discount or compensation to dealers for their services rather than
50 the eight percent (8%) discount or compensation allowed by Section
51 27-69-31, and there shall be no discount on the additional face
52 value of stamps purchased to comply with taxes imposed by this
53 section on or after July 1, 2007.

54 (3) Every wholesaler shall purchase stamps as provided in
55 this chapter, and affix the same to all packages of cigarettes
56 handled by him as herein provided.

57 (4) The above tax is levied upon the sale, use, gift,
58 possession or consumption of tobacco within the State of
59 Mississippi, and the impact of the tax levied by this chapter is
60 hereby declared to be on the vendee, user, consumer or possessor
61 of tobacco in this state; and when said tax is paid by any other
62 person, such payment shall be considered as an advance payment and
63 shall thereafter be added to the price of the tobacco and
64 recovered from the ultimate consumer or user.

65 **SECTION 2.** Section 27-69-75, Mississippi Code of 1972, is
66 amended as follows:

67 27-69-75. (1) All taxes levied by this chapter shall be
68 payable to the commissioner in cash, or by personal check,
69 cashier's check, bank exchange, post office money order or express
70 money order, and shall be deposited by the commissioner in the
71 State Treasury on the same day collected. No remittance other
72 than cash shall be a final discharge of liability for the
73 tax * * * assessed and levied under this chapter, unless and until
74 it has been paid in cash to the commissioner.

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

77 (a) One Million Three Hundred Four Thousand Dollars
78 (\$1,304,000.00) shall be deposited by the commissioner into the
79 Education Enhancement Fund created under Section 37-61-33.

80 (b) Three Hundred Twenty-six Thousand Dollars
81 (\$326,000.00) shall be deposited by the commissioner into the
82 School Ad Valorem Tax Reduction Fund created under Section
83 37-61-35.

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

88 (4) Wholesalers who are entitled to purchase stamps at a
89 discount, as provided by Section 27-69-31, may have consigned to
90 them, without advance payment, those stamps, if and when the
91 wholesaler gives to the commissioner a good and sufficient bond
92 executed by some surety company authorized to do business in this
93 state, conditioned to secure the payment for the stamps so
94 consigned. The commissioner shall require payment for those
95 stamps not later than thirty (30) days from the date the stamps
96 were consigned.

97 **SECTION 3.** Section 27-69-31, Mississippi Code of 1972, is
98 amended as follows:

99 27-69-31. Dealers subject to the provisions of this chapter
100 shall be allowed, as compensation for their services in affixing
101 the stamps * * * required by this chapter, a sum equal to eight
102 percent (8%) of the face value of the stamps purchased by them,
103 except as otherwise provided in Section 27-69-13(2); however, the
104 commission shall allow no discount on the purchase of stamps by
105 wholesalers of an aggregate amount of less than One Hundred
106 Dollars (\$100.00), and by retailers of an aggregate amount of less
107 than Fifty Dollars (\$50.00) in any one (1) order.

108 * * * The commissioner may, in his discretion, either
109 reduce the compensation allowed, or disallow any compensation for
110 the affixing of stamps, for failure of the dealer to comply with
111 any provisions of the law or rules and regulations promulgated by
112 the commissioner.

113 **SECTION 4.** The following provision shall be codified as
114 Section 27-65-26, Mississippi Code of 1972:

115 27-65-26. From and after July 1, 2007, retail sales of food
116 for human consumption not purchased with food stamps issued by the
117 United States Department of Agriculture, or other federal agency,
118 but which would be exempt under Section 27-65-111(o) from the
119 taxes imposed by this chapter if the food items were purchased
120 with food stamps, shall be taxed at the rate of three and one-half
121 percent (3-1/2%).

122 **SECTION 5.** Section 27-65-17, Mississippi Code of 1972, is
123 amended as follows:

124 27-65-17. (1) (a) Except as otherwise provided in this
125 section, upon every person engaging or continuing within this
126 state in the business of selling any tangible personal property
127 whatsoever there is hereby levied, assessed and shall be collected
128 a tax equal to seven percent (7%) of the gross proceeds of the
129 retail sales of the business.

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

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

141 (i) Self-propelled, or

142 (ii) Mounted so that it is permanently attached to
143 other equipment which is self-propelled or permanently attached to
144 other equipment drawn by a vehicle which is self-propelled.

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

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

155 (f) Sales of machinery and machine parts when made to a
156 technology intensive enterprise for plant use only when the
157 machinery and machine parts will be used exclusively and directly
158 within this state for industrial purposes, including, but not
159 limited to, manufacturing or research and development activities,
160 shall be taxed at the rate of one and one-half percent (1-1/2%).
161 In order to be considered a technology intensive enterprise for
162 purposes of this paragraph:

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

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

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

170 (iv) The enterprise shall manufacture plastics,
171 chemicals, automobiles, aircraft, computers or electronics; or
172 shall be a research and development facility, a computer design or
173 related facility, or a software publishing facility or other
174 technology intensive facility or enterprise as determined by the
175 Mississippi Development Authority;

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

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

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

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

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

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

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

207 (l) Sales of the factory-built components of modular
208 homes, panelized homes and precut homes, and panel constructed
209 homes consisting of structural insulated panels, shall be taxed at
210 the rate of three percent (3%).

211 (m) From and after July 1, 2007, retail sales of food
212 for human consumption not purchased with food stamps issued by the
213 United States Department of Agriculture, or other federal agency,
214 but which would be exempt under Section 27-65-111(o) from the
215 taxes imposed by this chapter if the food items were purchased
216 with food stamps, shall be taxed as provided for in Section
217 27-65-26.

218 (2) From and after January 1, 1995, retail sales of private
219 carriers of passengers and light carriers of property, as defined
220 in Section 27-51-101, shall be taxed an additional two percent
221 (2%).

222 (3) In lieu of the tax levied in subsection (1) of this
223 section, there is levied on retail sales of truck-tractors and
224 semitrailers used in interstate commerce and registered under the
225 International Registration Plan (IRP) or any similar reciprocity
226 agreement or compact relating to the proportional registration of
227 commercial vehicles entered into as provided for in Section

228 27-19-143, a tax at the rate of three percent (3%) of the portion
229 of the sale that is attributable to the usage of such
230 truck-tractor or semitrailer in Mississippi. The portion of the
231 retail sale that is attributable to the usage of such
232 truck-tractor or semitrailer in Mississippi is the retail sales
233 price of the truck-tractor or semitrailer multiplied by the
234 percentage of the total miles traveled by the vehicle that are
235 traveled in Mississippi. The tax levied pursuant to this
236 subsection (3) shall be collected by the State Tax Commission from
237 the purchaser of such truck-tractor or semitrailer at the time of
238 registration of such truck-tractor or semitrailer.

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

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

246 **SECTION 6.** Section 27-65-75, Mississippi Code of 1972, is
247 amended as follows:

248 27-65-75. On or before the fifteenth day of each month, the
249 revenue collected under the provisions of this chapter during the
250 preceding month shall be paid and distributed as follows:

251 (1) (a) On or before August 15, 1992, and each succeeding
252 month thereafter through July 15, 1993, eighteen percent (18%) of
253 the total sales tax revenue collected during the preceding month
254 under the provisions of this chapter, except that collected under
255 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
256 business activities within a municipal corporation shall be
257 allocated for distribution to the municipality and paid to the
258 municipal corporation. On or before August 15, 1993, and each
259 succeeding month thereafter through July 15, 2007, eighteen and
260 one-half percent (18-1/2%) of the total sales tax revenue

261 collected during the preceding month under the provisions of this
262 chapter, except that collected under the provisions of Sections
263 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
264 a municipal corporation shall be allocated for distribution to the
265 municipality and paid to the municipal corporation. On or before
266 August 15, 2007, and each succeeding month thereafter, eighteen
267 and one-half percent (18-1/2%) of the total sales tax revenue
268 collected during the preceding month under the provisions of this
269 chapter, except that collected under the provisions of Sections
270 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business
271 activities within a municipal corporation and thirty-seven percent
272 (37%) of the total sales tax revenue collected during the
273 preceding month under the provisions of Section 27-65-26 on
274 business activities within a municipal corporation shall be
275 allocated for distribution to the municipality and paid to the
276 municipal corporation.

277 A municipal corporation, for the purpose of distributing the
278 tax under this subsection, shall mean and include all incorporated
279 cities, towns and villages.

280 Monies allocated for distribution and credited to a municipal
281 corporation under this subsection may be pledged as security for a
282 loan if the distribution received by the municipal corporation is
283 otherwise authorized or required by law to be pledged as security
284 for such a loan.

285 In any county having a county seat that is not an
286 incorporated municipality, the distribution provided under this
287 subsection shall be made as though the county seat was an
288 incorporated municipality; however, the distribution to the
289 municipality shall be paid to the county treasury in which the
290 municipality is located, and those funds shall be used for road,
291 bridge and street construction or maintenance in the county.

292 (b) On or before August 15, 2006, and each succeeding
293 month thereafter, eighteen and one-half percent (18-1/2%) of the

294 total sales tax revenue collected during the preceding month under
295 the provisions of this chapter, except that collected under the
296 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
297 business activities on the campus of a state institution of higher
298 learning or community or junior college whose campus is not
299 located within the corporate limits of a municipality, shall be
300 allocated for distribution to the state institution of higher
301 learning or community or junior college and paid to the state
302 institution of higher learning or community or junior college.

303 (2) On or before September 15, 1987, and each succeeding
304 month thereafter, from the revenue collected under this chapter
305 during the preceding month, One Million One Hundred Twenty-five
306 Thousand Dollars (\$1,125,000.00) shall be allocated for
307 distribution to municipal corporations as defined under subsection
308 (1) of this section in the proportion that the number of gallons
309 of gasoline and diesel fuel sold by distributors to consumers and
310 retailers in each such municipality during the preceding fiscal
311 year bears to the total gallons of gasoline and diesel fuel sold
312 by distributors to consumers and retailers in municipalities
313 statewide during the preceding fiscal year. The State Tax
314 Commission shall require all distributors of gasoline and diesel
315 fuel to report to the commission monthly the total number of
316 gallons of gasoline and diesel fuel sold by them to consumers and
317 retailers in each municipality during the preceding month. The
318 State Tax Commission shall have the authority to promulgate such
319 rules and regulations as is necessary to determine the number of
320 gallons of gasoline and diesel fuel sold by distributors to
321 consumers and retailers in each municipality. In determining the
322 percentage allocation of funds under this subsection for the
323 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
324 State Tax Commission may consider gallons of gasoline and diesel
325 fuel sold for a period of less than one (1) fiscal year. For the

326 purposes of this subsection, the term "fiscal year" means the
327 fiscal year beginning July 1 of a year.

328 (3) On or before September 15, 1987, and on or before the
329 fifteenth day of each succeeding month, until the date specified
330 in Section 65-39-35, the proceeds derived from contractors' taxes
331 levied under Section 27-65-21 on contracts for the construction or
332 reconstruction of highways designated under the highway program
333 created under Section 65-3-97 shall, except as otherwise provided
334 in Section 31-17-127, be deposited into the State Treasury to the
335 credit of the State Highway Fund to be used to fund that highway
336 program. The Mississippi Department of Transportation shall
337 provide to the State Tax Commission such information as is
338 necessary to determine the amount of proceeds to be distributed
339 under this subsection.

340 (4) On or before August 15, 1994, and on or before the
341 fifteenth day of each succeeding month through July 15, 1999, from
342 the proceeds of gasoline, diesel fuel or kerosene taxes as
343 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
344 (\$4,000,000.00) shall be deposited in the State Treasury to the
345 credit of a special fund designated as the "State Aid Road Fund,"
346 created by Section 65-9-17. On or before August 15, 1999, and on
347 or before the fifteenth day of each succeeding month, from the
348 total amount of the proceeds of gasoline, diesel fuel or kerosene
349 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
350 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
351 one-fourth percent (23-1/4%) of those funds, whichever is the
352 greater amount, shall be deposited in the State Treasury to the
353 credit of the "State Aid Road Fund," created by Section 65-9-17.
354 Those funds shall be pledged to pay the principal of and interest
355 on state aid road bonds heretofore issued under Sections 19-9-51
356 through 19-9-77, in lieu of and in substitution for the funds
357 previously allocated to counties under this section. Those funds
358 may not be pledged for the payment of any state aid road bonds

359 issued after April 1, 1981; however, this prohibition against the
360 pledging of any such funds for the payment of bonds shall not
361 apply to any bonds for which intent to issue those bonds has been
362 published, for the first time, as provided by law before March 29,
363 1981. From the amount of taxes paid into the special fund under
364 this subsection and subsection (9) of this section, there shall be
365 first deducted and paid the amount necessary to pay the expenses
366 of the Office of State Aid Road Construction, as authorized by the
367 Legislature for all other general and special fund agencies. The
368 remainder of the fund shall be allocated monthly to the several
369 counties in accordance with the following formula:

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

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

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

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

383 The amount of funds allocated to any county under this
384 subsection for any fiscal year after fiscal year 1994 shall not be
385 less than the amount allocated to the county for fiscal year 1994.

386 Any reference in the general laws of this state or the
387 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
388 construed to refer and apply to subsection (4) of Section
389 27-65-75.

390 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
391 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into

392 the special fund known as the "State Public School Building Fund"
393 created and existing under the provisions of Sections 37-47-1
394 through 37-47-67. Those payments into that fund are to be made on
395 the last day of each succeeding month hereafter.

396 (6) An amount each month beginning August 15, 1983, through
397 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
398 of 1983, shall be paid into the special fund known as the
399 Correctional Facilities Construction Fund created in Section 6 of
400 Chapter 542, Laws of 1983.

401 (7) On or before August 15, 1992, and each succeeding month
402 thereafter through July 15, 2000, two and two hundred sixty-six
403 one-thousandths percent (2.266%) of the total sales tax revenue
404 collected during the preceding month under the provisions of this
405 chapter, except that collected under the provisions of Section
406 27-65-17(2) shall be deposited by the commission into the School
407 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
408 or before August 15, 2000, and each succeeding month thereafter,
409 two and two hundred sixty-six one-thousandths percent (2.266%) of
410 the total sales tax revenue collected during the preceding month
411 under the provisions of this chapter, except that collected under
412 the provisions of Section 27-65-17(2), shall be deposited into the
413 School Ad Valorem Tax Reduction Fund created under Section
414 37-61-35 until such time that the total amount deposited into the
415 fund during a fiscal year equals Forty-two Million Dollars
416 (\$42,000,000.00). Thereafter, the amounts diverted under this
417 subsection (7) during the fiscal year in excess of Forty-two
418 Million Dollars (\$42,000,000.00) shall be deposited into the
419 Education Enhancement Fund created under Section 37-61-33 for
420 appropriation by the Legislature as other education needs and
421 shall not be subject to the percentage appropriation requirements
422 set forth in Section 37-61-33.

423 (8) On or before August 15, 1992, and each succeeding month
424 thereafter, nine and seventy-three one-thousandths percent

425 (9.073%) of the total sales tax revenue collected during the
426 preceding month under the provisions of this chapter, except that
427 collected under the provisions of Section 27-65-17(2), shall be
428 deposited into the Education Enhancement Fund created under
429 Section 37-61-33.

430 (9) On or before August 15, 1994, and each succeeding month
431 thereafter, from the revenue collected under this chapter during
432 the preceding month, Two Hundred Fifty Thousand Dollars
433 (\$250,000.00) shall be paid into the State Aid Road Fund.

434 (10) On or before August 15, 1994, and each succeeding month
435 thereafter through August 15, 1995, from the revenue collected
436 under this chapter during the preceding month, Two Million Dollars
437 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
438 Valorem Tax Reduction Fund established in Section 27-51-105.

439 (11) Notwithstanding any other provision of this section to
440 the contrary, on or before February 15, 1995, and each succeeding
441 month thereafter, the sales tax revenue collected during the
442 preceding month under the provisions of Section 27-65-17(2) and
443 the corresponding levy in Section 27-65-23 on the rental or lease
444 of private carriers of passengers and light carriers of property
445 as defined in Section 27-51-101 shall be deposited, without
446 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
447 established in Section 27-51-105.

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

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

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

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

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

486 (17) Notwithstanding any other provision of this section to
487 the contrary, on or before April 15, 2002, and each succeeding
488 month thereafter, the sales tax revenue collected during the
489 preceding month under Section 27-65-23 on sales of parking

490 services of parking garages and lots at airports shall be
491 deposited, without diversion, into the special fund created under
492 Section 27-5-101(d).

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

499 (19) (a) On or before August 15, 2005, and each succeeding
500 month thereafter, the sales tax revenue collected during the
501 preceding month under the provisions of this chapter on the gross
502 proceeds of sales of a business enterprise located within a
503 redevelopment project area under the provisions of Sections
504 57-91-1 through 57-91-11, and the revenue collected on the gross
505 proceeds of sales from sales made to a business enterprise located
506 in a redevelopment project area under the provisions of Sections
507 57-91-1 through 57-91-11 (provided that such sales made to a
508 business enterprise are made on the premises of the business
509 enterprise), shall, except as otherwise provided in this
510 subsection (19), be deposited, after all diversions, into the
511 Redevelopment Project Incentive Fund as created in Section
512 57-91-9.

513 (b) For a municipality participating in the Economic
514 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
515 the diversion provided for in subsection (1) of this section
516 attributable to the gross proceeds of sales of a business
517 enterprise located within a redevelopment project area under the
518 provisions of Sections 57-91-1 through 57-91-11, and attributable
519 to the gross proceeds of sales from sales made to a business
520 enterprise located in a redevelopment project area under the
521 provisions of Sections 57-91-1 through 57-91-11 (provided that
522 such sales made to a business enterprise are made on the premises

523 of the business enterprise), shall be deposited into the
524 Redevelopment Project Incentive Fund as created in Section
525 57-91-9, as follows:

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

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

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

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

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

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

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

556 (22) It shall be the duty of the municipal officials of any
557 municipality that expands its limits, or of any community that
558 incorporates as a municipality, to notify the commissioner of that
559 action thirty (30) days before the effective date. Failure to so
560 notify the commissioner shall cause the municipality to forfeit
561 the revenue that it would have been entitled to receive during
562 this period of time when the commissioner had no knowledge of the
563 action. If any funds have been erroneously disbursed to any
564 municipality or any overpayment of tax is recovered by the
565 taxpayer, the commissioner may make correction and adjust the
566 error or overpayment with the municipality by withholding the
567 necessary funds from any later payment to be made to the
568 municipality.

569 **SECTION 7.** This act shall take effect and be in force from
570 and after July 1, 2007.