

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1992

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
2 MUNICIPALITY TO IMPOSE A SALES TAX ON THE GROSS PROCEEDS OF ALL
3 SALES OR THE GROSS INCOME OF BUSINESSES IN THE MUNICIPALITY
4 DERIVED FROM ACTIVITIES TAXED AT THE RATE OF SEVEN AND TWO-TENTHS
5 PERCENT UNDER THE MISSISSIPPI SALES TAX LAW BEFORE JULY 1, 2034;
6 TO LIMIT THE RATE OF THE TAX THAT MAY BE IMPOSED BY A
7 MUNICIPALITY; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972,
8 TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR HUMAN
9 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
10 EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND
11 SECTION 27-65-19, MISSISSIPPI CODE OF 1972, TO TEMPORARILY
12 INCREASE THE SALES TAX RATE ON SALES OF UTILITIES AND
13 TELECOMMUNICATIONS SERVICES; TO LEVY A TAX ON THE GROSS INCOME
14 FROM RETAIL SALES OF CERTAIN MOTOR FUELS; TO AMEND SECTION
15 27-65-22, MISSISSIPPI CODE OF 1972, TO TEMPORARILY INCREASE THE
16 SALES TAX RATE ON AMUSEMENT AND ENTERTAINMENT ADMISSIONS; TO AMEND
17 SECTION 27-65-23, MISSISSIPPI CODE OF 1972, TO TEMPORARILY
18 INCREASE THE SALES TAX RATE ON VARIOUS SERVICES; TO AMEND SECTION
19 27-65-25, MISSISSIPPI CODE OF 1972, TO TEMPORARILY INCREASE THE
20 SALES TAX RATE ON RETAIL SALES OF ALCOHOLIC BEVERAGES; TO AMEND
21 SECTION 27-65-26, MISSISSIPPI CODE OF 1972, TO TEMPORARILY
22 INCREASE THE SALES TAX RATE ON THE SALE, RENTING OR LEASING OF
23 SPECIFIED DIGITAL PRODUCTS; TO AMEND SECTION 27-65-75, MISSISSIPPI
24 CODE OF 1972, TO REVISE THE AMOUNT OF STATE SALES TAX REVENUE THAT
25 IS DISTRIBUTED TO MUNICIPALITIES; TO REVISE THE DISTRIBUTION OF
26 STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR
27 HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD
28 BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO PROVIDE
29 THAT SALES TAX REVENUE DERIVED FROM RETAIL SALES OF CERTAIN MOTOR
30 FUELS, SHALL BE DEPOSITED INTO THE 2022 MAINTENANCE PROJECT FUND
31 AND THE 2022 CAPACITY PROJECT FUND; TO PROVIDE THAT THE STATE
32 SALES REVENUE COLLECTED FROM TEMPORARY INCREASES TO SALES TAX
33 RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO A
34 SPECIAL FUND CREATED IN THE STATE TREASURY AS THE "PUBLIC



35 EMPLOYEES' RETIREMENT SYSTEM SUSTAINABILITY FUND"; TO AMEND
36 SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO REVISE THE SALES
37 TAX EXEMPTION ON SALES OF CERTAIN MOTOR FUEL; TO AMEND SECTION
38 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STATE USE
39 TAX REVENUE COLLECTED AS A RESULT OF THE TEMPORARY INCREASES TO
40 SALES TAX RATES UNDER THIS ACT SHALL BE DEPOSITED, WITHOUT
41 DIVERSION, INTO THE "PUBLIC EMPLOYEES' RETIREMENT SYSTEM
42 SUSTAINABILITY FUND"; TO CREATE THE "PUBLIC EMPLOYEES' RETIREMENT
43 SYSTEM SUSTAINABILITY FUND" AS A SPECIAL FUND IN THE STATE
44 TREASURY; TO PROVIDE THAT MONIES IN THE FUND SHALL BE APPROPRIATED
45 BY THE LEGISLATURE FOR THE PURPOSES OF IMPROVING AND MAINTAINING
46 THE SUSTAINABILITY OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO
47 AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO PHASE OUT THE
48 STATE INCOME TAX ON THE TAXABLE INCOME OF INDIVIDUALS; AND FOR
49 RELATED PURPOSES.

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

51 **SECTION 1.** (1) (a) (i) Subject to the provisions of this
52 section, from and after July 1, 2024, the governing authorities of
53 a municipality may impose upon all persons as a privilege for
54 engaging or continuing in business or doing business within such
55 municipality, a sales tax at the rate of not more than one and
56 one-half percent (1-1/2%) of the gross proceeds of sales or gross
57 income of the business, as the case may be, derived from any of
58 the activities taxed at the rate of seven and two-tenths percent
59 (7.2%) through June 30, 2034, and at the rate of seven percent
60 (7%) from and after July 1, 2034, under the provisions of this
61 chapter and from activities taxed under Section 27-65-17(1) (m).

62 However, for the first municipal fiscal year that a
63 municipality imposes a tax under this section, the rate of the tax
64 that may be imposed by a municipality under this section during
65 the fiscal year may not exceed a rate that will produce revenue
66 during such fiscal year in an amount that is greater than one
67 hundred ten percent (110%) of the amount of state sales tax



68 revenue that was distributed to the municipality under Section
69 27-65-75(1)(a) during the state fiscal year ending June 30, 2024,
70 from collections on business activities within the municipality
71 taxed at a rate of seven percent (7%) under the provisions of this
72 chapter. In addition, beginning with the second municipal fiscal
73 year that a municipality imposes a tax under this section and for
74 each fiscal year thereafter, the revenue derived from the tax
75 during the applicable year may not exceed one hundred five percent
76 (105%) of the amount of the revenue derived from the tax during
77 the immediately preceding fiscal year. However, revenue collected
78 during the first year in an area in which the municipality
79 expanded its corporate boundaries shall be excluded when
80 calculating revenues for that preceding year for the purposes of
81 such limit.

82 If the revenue collected from the tax during the municipal
83 fiscal year exceeds any such limit, then the clerk of the
84 municipality must deposit such excess receipts into a special
85 account and hold the funds and invest the funds as authorized by
86 law and report the total to the municipal governing authorities.
87 The funds derived from the excess revenue shall not be expended
88 during the fiscal year in which the excess revenue is collected.
89 Funds derived from such excess revenue shall be calculated in the
90 budget for the municipality for the succeeding fiscal year.

91 (ii) For the municipal fiscal year beginning
92 October 1, 2024 and ending September 30, 2025, and each fiscal



93 year thereafter through the municipal fiscal year beginning
94 October 1, 2026, and ending September 30, 2027, if a municipality
95 imposing a tax under this section derives revenue from the tax
96 during a fiscal year that is less than the amount of state sales
97 tax revenue that was distributed to the municipality under Section
98 27-65-75(1)(a) during the state fiscal year ending June 30, 2024,
99 from collections on business activities within the municipality
100 taxed at a rate of seven percent (7%) under the provisions of this
101 chapter, the Department of Revenue shall disburse funds to the
102 municipality for the amount of such revenue shortfall. Such
103 payments by the Department of Revenue shall be from current tax
104 collections.

105 (b) The tax imposed under this section shall apply to
106 every person making sales, delivery or installations of tangible
107 personal property or services within any municipality that has
108 adopted the levy authorized in this section but shall not apply to
109 sales exempted by Sections 27-65-19, 27-65-101, 27-65-103,
110 27-65-105, 27-65-107, 27-65-109 and 27-65-111.

111 (2) (a) In order to impose a tax under this section, the
112 governing authorities of the municipality must adopt a resolution
113 declaring its intention to impose the tax, setting forth the
114 amount of the tax to be imposed and the date upon which the tax
115 shall become effective. A certified copy of this resolution shall
116 be furnished to the Department of Revenue not less than thirty
117 (30) days before the effective date of the tax.



118 (b) A municipality imposing a tax under this section
119 may revise the rate of the tax one (1) time during the
120 municipality's fiscal year at the time the municipality adopts its
121 budget for the next fiscal year. In order to revise the rate of
122 the tax imposed under this section, the governing authorities of
123 the municipality must adopt a resolution declaring its intention
124 to revise the rate of the tax, setting forth the revised rate of
125 the tax to be imposed and the date upon which the revised tax rate
126 shall become effective during the next succeeding fiscal year. A
127 certified copy of this resolution shall be furnished to the
128 Department of Revenue not less than thirty (30) days before the
129 effective date of the revised rate of the tax.

130 (c) If a municipality imposing a tax under this section
131 expands its corporate boundaries, in order to impose the tax in
132 the expanded area, the governing authorities of the municipality
133 must adopt a resolution declaring its intention to impose the tax
134 in the expanded area, setting forth the rate of the tax to be
135 imposed and the date upon which the tax shall become effective. A
136 certified copy of this resolution shall be furnished to the
137 Department of Revenue not less than thirty (30) days before the
138 effective date of the tax in the expanded area.

139 (3) A municipality may use revenue derived from the tax
140 imposed under this section for any purpose for which the
141 municipality may use monies distributed to it under the provisions
142 of Section 27-65-75(1)(a).



143 (4) The sales tax authorized by this section shall be
144 collected by the Department of Revenue, shall be accounted for
145 separately from the amount of sales tax collected for the state in
146 the municipality and shall be paid to the municipality in which
147 collected. Payments to the municipality shall be made by the
148 Department of Revenue on or before the fifteenth day of the month
149 following the month in which the tax was collected.

150 **SECTION 2.** Section 27-65-17, Mississippi Code of 1972, is
151 amended as follows:

152 27-65-17. (1) (a) Except as otherwise provided in this
153 section, upon every person engaging or continuing within this
154 state in the business of selling any tangible personal property
155 whatsoever there is hereby levied, assessed and shall be collected
156 a tax equal to * * * seven and two-tenths percent (7.2%) through
157 June 30, 2034, and equal to seven percent (7%) from and after July
158 1, 2034, of the gross proceeds of the retail sales of the
159 business.

160 (b) Retail sales of farm tractors and parts and labor
161 used to maintain and/or repair such tractors shall be taxed at the
162 rate of one and one-half percent (1-1/2%) when made to farmers for
163 agricultural purposes.

164 (c) (i) Retail sales of farm implements sold to
165 farmers and used directly in the production of poultry, ratite,
166 domesticated fish as defined in Section 69-7-501, livestock,
167 livestock products, agricultural crops or ornamental plant crops



168 or used for other agricultural purposes, and parts and labor used
169 to maintain and/or repair such implements, shall be taxed at the
170 rate of one and one-half percent (1-1/2%) when used on the farm.

171 (ii) The one and one-half percent (1-1/2%) rate
172 shall also apply to all equipment used in logging, pulpwood
173 operations or tree farming, and parts and labor used to maintain
174 and/or repair such equipment, which is either:

- 175 1. Self-propelled, or
- 176 2. Mounted so that it is permanently attached
177 to other equipment which is self-propelled or attached to other
178 equipment drawn by a vehicle which is self-propelled.

179 In order to be eligible for the rate of tax provided for in
180 this subparagraph (ii), such sales must be made to a professional
181 logger. For the purposes of this subparagraph (ii), a
182 "professional logger" is a person, corporation, limited liability
183 company or other entity, or an agent thereof, who possesses a
184 professional logger's permit issued by the Department of Revenue
185 and who presents the permit to the seller at the time of purchase.
186 The department shall establish an application process for a
187 professional logger's permit to be issued, which shall include a
188 requirement that the applicant submit a copy of documentation
189 verifying that the applicant is certified according to Sustainable
190 Forestry Initiative guidelines. Upon a determination that an
191 applicant is a professional logger, the department shall issue the
192 applicant a numbered professional logger's permit.



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

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

203 (f) Sales of machinery and machine parts when made to a
204 technology intensive enterprise for plant use only when the
205 machinery and machine parts will be used exclusively and directly
206 within this state for industrial purposes, including, but not
207 limited to, manufacturing or research and development activities,
208 shall be taxed at the rate of one and one-half percent (1-1/2%).
209 In order to be considered a technology intensive enterprise for
210 purposes of this paragraph:

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

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

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



218 (iv) The enterprise shall manufacture plastics,
219 chemicals, automobiles, aircraft, computers or electronics; or
220 shall be a research and development facility, a computer design or
221 related facility, or a software publishing facility or other
222 technology intensive facility or enterprise as determined by the
223 Mississippi Development Authority;

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

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

229 A medical cannabis establishment, as defined in the
230 Mississippi Medical Cannabis Act, shall not be considered to be a
231 technology intensive enterprise for the purposes of this paragraph
232 (f).

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

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

241 (i) Wholesale sales of food and drink for human
242 consumption to full-service vending machine operators to be sold



243 through vending machines located apart from and not connected with
244 other taxable businesses shall be taxed at the rate of eight
245 percent (8%).

246 (j) Sales of equipment used or designed for the purpose
247 of assisting disabled persons, such as wheelchair equipment and
248 lifts, that is mounted or attached to or installed on a private
249 carrier of passengers or light carrier of property, as defined in
250 Section 27-51-101, at the time when the private carrier of
251 passengers or light carrier of property is sold shall be taxed at
252 the same rate as the sale of such vehicles under this section.

253 (k) Sales of the factory-built components of modular
254 homes, panelized homes and precut homes, and panel constructed
255 homes consisting of structural insulated panels, shall be taxed at
256 the rate of three percent (3%).

257 (l) Sales of materials used in the repair, renovation,
258 addition to, expansion and/or improvement of buildings and related
259 facilities used by a dairy producer shall be taxed at the rate of
260 three and one-half percent (3-1/2%). For the purposes of this
261 paragraph (l), "dairy producer" means any person engaged in the
262 production of milk for commercial use.

263 (m) Retail sales of food for human consumption not
264 purchased with food stamps issued by the United States Department
265 of Agriculture, or other federal agency, but which would be exempt
266 under Section 27-65-111(o) from the taxes imposed by this chapter



267 if the food items were purchased with food stamps, shall be taxed
268 at the rate of three and one-half percent (3-1/2%).

269 (2) From and after January 1, 1995, retail sales of private
270 carriers of passengers and light carriers of property, as defined
271 in Section 27-51-101, shall be taxed an additional two percent
272 (2%).

273 (3) A manufacturer selling at retail in this state shall be
274 required to make returns of the gross proceeds of such sales and
275 pay the tax imposed in this section.

276 **SECTION 3.** Section 27-65-19, Mississippi Code of 1972, is
277 amended as follows:

278 27-65-19. (1) (a) (i) Except as otherwise provided in
279 this subsection, upon every person selling to consumers,
280 electricity, current, power, potable water, steam, coal, natural
281 gas, liquefied petroleum gas or other fuel, there is hereby
282 levied, assessed and shall be collected a tax equal to * * * seven
283 and two-tenths percent (7.2%) through June 30, 2034, and equal to
284 seven percent (7%) from and after July 1, 2034, of the gross
285 income of the business. Provided, gross income from sales to
286 consumers of electricity, current, power, natural gas, liquefied
287 petroleum gas or other fuel for residential heating, lighting or
288 other residential noncommercial or nonagricultural use, and sales
289 of potable water for residential, noncommercial or nonagricultural
290 use shall be excluded from taxable gross income of the business.
291 Provided further, upon every such seller using electricity,



292 current, power, potable water, steam, coal, natural gas, liquefied
293 petroleum gas or other fuel for nonindustrial purposes, there is
294 hereby levied, assessed and shall be collected a tax equal
295 to * * * seven and two-tenths (7.2%) percent through June 30,
296 2034, and equal to seven percent (7%) from and after July 1, 2034,
297 of the cost or value of the product or service used.

298 (ii) Gross income from retail sales of motor fuels
299 that are not exempt under Section 27-65-111(n) shall be taxed at
300 the rate of four percent (4%).

301 (* * * iii) Gross income from sales to a church
302 that is exempt from federal income taxation under 26 USCS Section
303 501(c) (3) of electricity, current, power, natural gas, liquefied
304 petroleum gas or other fuel for heating, lighting or other use,
305 and sales of potable water to such a church shall be excluded from
306 taxable gross income of the business if the electricity, current,
307 power, natural gas, liquefied petroleum gas or potable water is
308 utilized on property that is primarily used for religious or
309 educational purposes.

310 (b) (i) There is hereby levied, assessed and shall be
311 collected a tax equal to one and one-half percent (1-1/2%) of the
312 gross income of the business from the sale of naturally occurring
313 carbon dioxide and anthropogenic carbon dioxide lawfully injected
314 into the earth for:



315 1. Use in an enhanced oil recovery project,
316 including, but not limited to, use for cycling, repressuring or
317 lifting of oil; or

318 2. Permanent sequestration in a geological
319 formation.

320 (ii) The one and one-half percent (1-1/2%) rate
321 provided for in this subsection shall apply to electricity,
322 current, power, steam, coal, natural gas, liquefied petroleum gas
323 or other fuel that is sold to a producer of oil and gas for use
324 directly in enhanced oil recovery using carbon dioxide and/or the
325 permanent sequestration of carbon dioxide in a geological
326 formation.

327 (c) The one and one-half percent (1-1/2%) rate provided
328 for in this subsection shall not apply to sales of fuel for
329 automobiles, trucks, truck-tractors, buses, farm tractors or
330 airplanes.

331 (d) (i) Upon every person providing services in this
332 state, there is hereby levied, assessed and shall be collected:

333 1. A tax equal to * * * seven and two-tenths
334 percent (7.2%) through June 30, 2034, and equal to seven percent
335 (7%) from and after July 1, 2034, of the gross income received
336 from all charges for intrastate telecommunications services.

337 2. A tax equal to * * * seven and two-tenths
338 percent (7.2%) through June 30, 2034, and equal to seven percent



339 (7%) from and after July 1, 2034, of the gross income received
340 from all charges for interstate telecommunications services.

341 3. A tax equal to * * * seven and two-tenths
342 percent (7.2%) through June 30, 2034, and equal to seven percent
343 (7%) from and after July 1, 2034, of the gross income received
344 from all charges for international telecommunications services.

345 4. A tax equal to * * * seven and two-tenths
346 percent (7.2%) through June 30, 2034, and equal to seven percent
347 (7%) from and after July 1, 2034, of the gross income received
348 from all charges for ancillary services.

349 Sales of computer software, computer software services,
350 specified digital products, or other products delivered
351 electronically, including, but not limited to, music, games,
352 reading materials or ring tones, shall be taxed as provided in
353 other sections of this chapter.

354 (ii) A person, upon proof that he has paid a tax
355 in another state on an event described in subparagraph (i) of this
356 paragraph (d), shall be allowed a credit against the tax imposed
357 in this paragraph (d) on interstate telecommunications service
358 charges to the extent that the amount of such tax is properly due
359 and actually paid in such other state and to the extent that the
360 rate of sales tax imposed by and paid in such other state does not
361 exceed the rate of sales tax imposed by this paragraph (d).

362 (iii) Charges by one (1) telecommunications
363 provider to another telecommunications provider holding a permit



364 issued under Section 27-65-27 for services that are resold by such
365 other telecommunications provider, including, but not limited to,
366 access charges, shall not be subject to the tax levied pursuant to
367 this paragraph (d).

368 (iv) For purposes of this paragraph (d):

369 1. "Telecommunications service" means the
370 electronic transmission, conveyance or routing of voice, data,
371 audio, video or any other information or signals to a point, or
372 between points. The term "telecommunications service" includes
373 such transmission, conveyance or routing in which computer
374 processing applications are used to act on the form, code or
375 protocol of the content for purposes of transmission, conveyance
376 or routing without regard to whether such service is referred to
377 as Voice over Internet Protocol services or is classified by the
378 Federal Communications Commission as enhanced or value added. The
379 term "telecommunications service" shall not include:

380 a. Data processing and information
381 services that allow data to be generated, acquired, stored,
382 processed or retrieved and delivered by an electronic transmission
383 to a purchaser where such purchaser's primary purpose for the
384 underlying transaction is the processed data or information;

385 b. Installation or maintenance of wiring
386 or equipment on a customer's premises;

387 c. Tangible personal property;



388 d. Advertising, including, but not
389 limited to, directory advertising;
390 e. Billing and collection services
391 provided to third parties;
392 f. Internet access service;
393 g. Radio and television audio and video
394 programming services regardless of the medium, including the
395 furnishing of transmission, conveyance and routing of such
396 services by the programming service provider. Radio and
397 television audio and video programming services shall include, but
398 not be limited to, cable service as defined in 47 USCS 522(6) and
399 audio and video programming services delivered by commercial
400 mobile radio service providers, as defined in 47 CFR 20.3;
401 h. Ancillary services; or
402 i. Digital products delivered
403 electronically, including, but not limited to, computer software,
404 computer software services, electronically stored or maintained
405 data, music, video, reading materials, specified digital products,
406 or ring tones.

407 2. "Ancillary services" means services that
408 are associated with or incidental to the provision of
409 telecommunications services, including, but not limited to,
410 detailed telecommunications billing, directory assistance,
411 vertical service and voice mail service.



412 a. "Conference bridging" means an
413 ancillary service that links two (2) or more participants of an
414 audio or video conference call and may include the provision of a
415 telephone number. Conference bridging does not include the
416 telecommunications services used to reach the conference bridge.

417 b. "Detailed telecommunications billing
418 service" means an ancillary service of separately stating
419 information pertaining to individual calls on a customer's billing
420 statement.

421 c. "Directory assistance" means an
422 ancillary service of providing telephone number information and/or
423 address information.

424 d. "Vertical service" means an ancillary
425 service that is offered in connection with one or more
426 telecommunications services, which offers advanced calling
427 features that allow customers to identify callers and to manage
428 multiple calls and call connections, including conference bridging
429 services.

430 e. "Voice mail service" means an
431 ancillary service that enables the customer to store, send or
432 receive recorded messages. Voice mail service does not include
433 any vertical services that the customer may be required to have in
434 order to utilize the voice mail service.

435 3. "Intrastate" means telecommunications
436 service that originates in one (1) United States state or United



437 States territory or possession, and terminates in the same United
438 States state or United States territory or possession.

439 4. "Interstate" means a telecommunications
440 service that originates in one (1) United States state or United
441 States territory or possession, and terminates in a different
442 United States state or United States territory or possession.

443 5. "International" means a telecommunications
444 service that originates or terminates in the United States and
445 terminates or originates outside the United States, respectively.

446 (v) For purposes of paragraph (d), the following
447 sourcing rules shall apply:

448 1. Except for the defined telecommunications
449 services in item 3 of this subparagraph, the sales of
450 telecommunications services sold on a call-by-call basis shall be
451 sourced to:

452 a. Each level of taxing jurisdiction
453 where the call originates and terminates in that jurisdiction, or

454 b. Each level of taxing jurisdiction
455 where the call either originates or terminates and in which the
456 service address is also located.

457 2. Except for the defined telecommunications
458 services in item 3 of this subparagraph, a sale of
459 telecommunications services sold on a basis other than a
460 call-by-call basis, is sourced to the customer's place of primary
461 use.



462 3. The sale of the following
463 telecommunications services shall be sourced to each level of
464 taxing jurisdiction as follows:

465 a. A sale of mobile telecommunications
466 services other than air-to-ground radiotelephone service and
467 prepaid calling service is sourced to the customer's place of
468 primary use as required by the Mobile Telecommunication Sourcing
469 Act.

470 A. A home service provider shall be
471 responsible for obtaining and maintaining the customer's place of
472 primary use. The home service provider shall be entitled to rely
473 on the applicable residential or business street address supplied
474 by such customer, if the home service provider's reliance is in
475 good faith; and the home service provider shall be held harmless
476 from liability for any additional taxes based on a different
477 determination of the place of primary use for taxes that are
478 customarily passed on to the customer as a separate itemized
479 charge. A home service provider shall be allowed to treat the
480 address used for purposes of the tax levied by this chapter for
481 any customer under a service contract in effect on August 1, 2002,
482 as that customer's place of primary use for the remaining term of
483 such service contract or agreement, excluding any extension or
484 renewal of such service contract or agreement. Month-to-month
485 services provided after the expiration of a contract shall be
486 treated as an extension or renewal of such contract or agreement.



487 B. If the commissioner determines
488 that the address used by a home service provider as a customer's
489 place of primary use does not meet the definition of the term
490 "place of primary use" as defined in subitem a.A. of this item 3,
491 the commissioner shall give binding notice to the home service
492 provider to change the place of primary use on a prospective basis
493 from the date of notice of determination; however, the customer
494 shall have the opportunity, prior to such notice of determination,
495 to demonstrate that such address satisfies the definition.

496 C. The department has the right to
497 collect any taxes due directly from the home service provider's
498 customer that has failed to provide an address that meets the
499 definition of the term "place of primary use" which resulted in a
500 failure of tax otherwise due being remitted.

501 b. A sale of postpaid calling service is
502 sourced to the origination point of the telecommunications signal
503 as first identified by either:

504 A. The seller's telecommunications
505 system; or

506 B. Information received by the
507 seller from its service provider, where the system used to
508 transport such signals is not that of the seller.

509 c. A sale of a prepaid calling service
510 or prepaid wireless calling service shall be subject to the tax
511 imposed by this paragraph if the sale takes place in this state.



512 If the customer physically purchases a prepaid calling service or
513 prepaid wireless calling service at the vendor's place of
514 business, the sale is deemed to take place at the vendor's place
515 of business. If the customer does not physically purchase the
516 service at the vendor's place of business, the sale of a prepaid
517 calling card or prepaid wireless calling card is deemed to take
518 place at the first of the following locations that applies to the
519 sale:

520 A. The customer's shipping address,
521 if the sale involves a shipment;

522 B. The customer's billing address;

523 C. Any other address of the
524 customer that is known by the vendor; or

525 D. The address of the vendor, or
526 alternatively, in the case of a prepaid wireless calling service,
527 the location associated with the mobile telephone number.

528 4. A sale of a private communication service
529 is sourced as follows:

530 a. Service for a separate charge related
531 to a customer channel termination point is sourced to each level
532 of jurisdiction in which such customer channel termination point
533 is located.

534 b. Service where all customer
535 termination points are located entirely within one (1)
536 jurisdiction or levels of jurisdiction is sourced in such



537 jurisdiction in which the customer channel termination points are
538 located.

539 c. Service for segments of a channel
540 between two (2) customer channel termination points located in
541 different jurisdictions and which segments of a channel are
542 separately charged is sourced fifty percent (50%) in each level of
543 jurisdiction in which the customer channel termination points are
544 located.

545 d. Service for segments of a channel
546 located in more than one (1) jurisdiction or levels of
547 jurisdiction and which segments are not separately billed is
548 sourced in each jurisdiction based on the percentage determined by
549 dividing the number of customer channel termination points in such
550 jurisdiction by the total number of customer channel termination
551 points.

552 5. A sale of ancillary services is sourced to
553 the customer's place of primary use.

554 (vi) For purposes of subparagraph (v) of this
555 paragraph (d):

556 1. "Air-to-ground radiotelephone service"
557 means a radio service, as that term is defined in 47 CFR 22.99, in
558 which common carriers are authorized to offer and provide radio
559 telecommunications service for hire to subscribers in aircraft.



560 2. "Call-by-call basis" means any method of
561 charging for telecommunications services where the price is
562 measured by individual calls.

563 3. "Communications channel" means a physical
564 or virtual path of communications over which signals are
565 transmitted between or among customer channel termination points.

566 4. "Customer" means the person or entity that
567 contracts with the seller of telecommunications services. If the
568 end user of telecommunications services is not the contracting
569 party, the end user of the telecommunications service is the
570 customer of the telecommunications service. Customer does not
571 include a reseller of telecommunications service or for mobile
572 telecommunications service of a serving carrier under an agreement
573 to serve the customer outside the home service provider's licensed
574 service area.

575 5. "Customer channel termination point" means
576 the location where the customer either inputs or receives the
577 communications.

578 6. "End user" means the person who utilizes
579 the telecommunications service. In the case of an entity, "end
580 user" means the individual who utilizes the service on behalf of
581 the entity.

582 7. "Home service provider" has the meaning
583 ascribed to such term in Section 124(5) of Public Law 106-252
584 (Mobile Telecommunications Sourcing Act).



585 8. "Mobile telecommunications service" has
586 the meaning ascribed to such term in Section 124(7) of Public Law
587 106-252 (Mobile Telecommunications Sourcing Act).

588 9. "Place of primary use" means the street
589 address representative of where the customer's use of the
590 telecommunications service primarily occurs, which must be the
591 residential street address or the primary business street address
592 of the customer. In the case of mobile telecommunications
593 services, the place of primary use must be within the licensed
594 service area of the home service provider.

595 10. "Post-paid calling service" means the
596 telecommunications service obtained by making a payment on a
597 call-by-call basis either through the use of a credit card or
598 payment mechanism such as a bank card, travel card, credit card or
599 debit card, or by charge made to a telephone number which is not
600 associated with the origination or termination of the
601 telecommunications service. A post-paid calling service includes
602 a telecommunications service, except a prepaid wireless calling
603 service that would be a prepaid calling service except it is not
604 exclusively a telecommunications service.

605 11. "Prepaid calling service" means the right
606 to access exclusively telecommunications services, which must be
607 paid for in advance and which enables the origination of calls
608 using an access number or authorization code, whether manually or



609 electronically dialed, and that is sold in predetermined units or
610 dollars of which the number declines with use in a known amount.

611 12. "Prepaid wireless calling service" means
612 a telecommunications service that provides the right to utilize
613 mobile wireless service as well as other nontelecommunications
614 services, including the download of digital products delivered
615 electronically, content and ancillary service, which must be paid
616 for in advance that is sold in predetermined units or dollars of
617 which the number declines with use in a known amount.

618 13. "Private communication service" means a
619 telecommunications service that entitles the customer to exclusive
620 or priority use of a communications channel or group of channels
621 between or among termination points, regardless of the manner in
622 which such channel or channels are connected, and includes
623 switching capacity, extension lines, stations and any other
624 associated services that are provided in connection with the use
625 of such channel or channels.

626 14. "Service address" means:

627 a. The location of the
628 telecommunications equipment to which a customer's call is charged
629 and from which the call originates or terminates, regardless of
630 where the call is billed or paid.

631 b. If the location in subitem a of this
632 item 14 is not known, the origination point of the signal of the
633 telecommunications services first identified by either the



634 seller's telecommunications system or in information received by
635 the seller from its service provider, where the system used to
636 transport such signals is not that of the seller.

637 c. If the location in subitems a and b
638 of this item 14 are not known, the location of the customer's
639 place of primary use.

640 (vii) 1. For purposes of this subparagraph (vii),
641 "bundled transaction" means a transaction that consists of
642 distinct and identifiable properties or services which are sold
643 for a single nonitemized price but which are treated differently
644 for tax purposes.

645 2. In the case of a bundled transaction that
646 includes telecommunications services, ancillary services, internet
647 access, or audio or video programming services taxed under this
648 chapter in which the price of the bundled transaction is
649 attributable to properties or services that are taxable and
650 nontaxable, the portion of the price that is attributable to any
651 nontaxable property or service shall be subject to the tax unless
652 the provider can reasonably identify that portion from its books
653 and records kept in the regular course of business.

654 3. In the case of a bundled transaction that
655 includes telecommunications services, ancillary services, internet
656 access, audio or video programming services subject to tax under
657 this chapter in which the price is attributable to properties or
658 services that are subject to the tax but the tax revenue from the



659 different properties or services are dedicated to different funds
660 or purposes, the provider shall allocate the price among the
661 properties or services:

662 a. By reasonably identifying the portion
663 of the price attributable to each of the properties and services
664 from its books and records kept in the regular course of business;
665 or

666 b. Based on a reasonable allocation
667 methodology approved by the department.

668 4. This subparagraph (vii) shall not create a
669 right of action for a customer to require that the provider or the
670 department, for purposes of determining the amount of tax
671 applicable to a bundled transaction, allocate the price to the
672 different portions of the transaction in order to minimize the
673 amount of tax charged to the customer. A customer shall not be
674 entitled to rely on the fact that a portion of the price is
675 attributable to properties or services not subject to tax unless
676 the provider elects, after receiving a written request from the
677 customer in the form required by the provider, to provide
678 verifiable data based upon the provider's books and records that
679 are kept in the regular course of business that reasonably
680 identifies the portion of the price attributable to the properties
681 or services not subject to the tax.

682 (2) Persons making sales to consumers of electricity,
683 current, power, natural gas, liquefied petroleum gas or other fuel



684 for residential heating, lighting or other residential
685 noncommercial or nonagricultural use or sales of potable water for
686 residential, noncommercial or nonagricultural use shall indicate
687 on each statement rendered to customers that such charges are
688 exempt from sales taxes.

689 (3) There is hereby levied, assessed and shall be paid on
690 transportation charges on shipments moving between points within
691 this state when paid directly by the consumer, a tax equal to the
692 rate applicable to the sale of the property being transported.
693 Such tax shall be reported and paid directly to the Department of
694 Revenue by the consumer.

695 **SECTION 4.** Section 27-65-22, Mississippi Code of 1972, is
696 amended as follows:

697 27-65-22. (1) Upon every person engaging or continuing in
698 any amusement business or activity, which shall include all manner
699 and forms of entertainment and amusement, all forms of diversion,
700 sport, recreation or pastime, shows, exhibitions, contests,
701 displays, games or any other and all methods of obtaining
702 admission charges, donations, contributions or monetary charges of
703 any character, from the general public or a limited or selected
704 number thereof, directly or indirectly in return for other than
705 tangible property or specific personal or professional services,
706 whether such amusement is held or conducted in a public or private
707 building, hotel, tent, pavilion, lot or resort, enclosed or in the
708 open, there is hereby levied, assessed and shall be collected a



709 tax equal to * * * seven and two-tenths percent (7.2%) through
710 June 30, 2034, and equal to seven percent (7%) from and after July
711 1, 2034, of the gross income received as admission, except as
712 otherwise provided herein. In lieu of the rate set forth above,
713 there is hereby imposed, levied and assessed, to be collected as
714 hereinafter provided, a tax of three percent (3%) of gross revenue
715 derived from sales of admission to publicly owned enclosed
716 coliseums and auditoriums (except admissions to athletic contests
717 between colleges and universities). There is hereby imposed,
718 levied and assessed a tax of * * * seven and two-tenths percent
719 (7.2%) through June 30, 2034, and equal to seven percent (7%) from
720 and after July 1, 2034, of gross revenue derived from sales of
721 admission to events conducted on property managed by the
722 Mississippi Veterans Memorial Stadium, which tax shall be
723 administered in the manner prescribed in this chapter, subject,
724 however, to the provisions of Sections 55-23-3 through 55-23-11.

725 (2) The operator of any place of amusement in this state
726 shall collect the tax imposed by this section, in addition to the
727 price charged for admission to any place of amusement, and under
728 all circumstances the person conducting the amusement shall be
729 liable for, and pay the tax imposed based upon the actual charge
730 for such admission. Where permits are obtained for conducting
731 temporary amusements by persons who are not the owners, lessees or
732 custodians of the buildings, lots or places where the amusements
733 are to be conducted, or where such temporary amusement is



734 permitted by the owner, lessee or custodian of any place to be
735 conducted without the procurement of a permit as required by this
736 chapter, the tax imposed by this chapter shall be paid by the
737 owner, lessee or custodian of such place where such temporary
738 amusement is held or conducted, unless paid by the person
739 conducting the amusement, and the applicant for such temporary
740 permit shall furnish with the application therefor, the name and
741 address of the owner, lessee or custodian of the premises upon
742 which such amusement is to be conducted, and such owner, lessee or
743 custodian shall be notified by the commission of the issuance of
744 such permit, and of the joint liability for such tax.

745 (3) The tax imposed by this section shall not be levied or
746 collected upon:

747 (a) Any admissions charged at any place of amusement
748 operated by a religious, charitable or educational organization,
749 or by a nonprofit civic club or fraternal organization (i) when
750 the net proceeds of such admissions do not inure to any one or
751 more individuals within such organization and are to be used
752 solely for religious, charitable, educational or civic purposes;
753 or (ii) when the entire net proceeds are used to defray the normal
754 operating expenses of such organization, such as loan payments,
755 maintenance costs, repairs and other operating expenses;

756 (b) Any admissions charged to hear gospel singing when
757 promoted by a duly constituted local, bona fide nonprofit
758 charitable or religious organization, irrespective of the fact



759 that the performers and promoters are paid out of the proceeds of
760 admissions collected, provided the program is composed entirely of
761 gospel singing and not generally mixed with hillbilly or popular
762 singing;

763 (c) Any admissions charged at any athletic games or
764 contests between high schools or between grammar schools;

765 (d) Any admissions or tickets to or for baseball games
766 between teams operated under a professional league franchise;

767 (e) Any admissions to county, state or community fairs,
768 or any admissions to entertainments presented in community homes
769 or houses which are publicly owned and controlled, and the
770 proceeds of which do not inure to any individual or individuals;

771 (f) Any admissions or tickets to organized garden
772 pilgrimages and to antebellum and historic houses when sponsored
773 by an organized civic or garden club;

774 (g) Any admissions to any golf tournament held under
775 the auspices of the Professional Golf Association or United States
776 Golf Association wherein touring professionals compete, if such
777 tournament is sponsored by a nonprofit association incorporated
778 under the laws of the State of Mississippi where no dividends are
779 declared and the proceeds do not inure to any individual or group;

780 (h) Any admissions to university or community college
781 conference, state, regional or national playoffs or championships;

782 (i) Any admissions or fees charged by any county or
783 municipally owned and operated swimming pools, golf courses and



784 tennis courts other than sales or rental of tangible personal
785 property;

786 (j) Any admissions charged for the performance of
787 symphony orchestras, operas, vocal or instrumental artists in
788 which professional or amateur performers are compensated out of
789 the proceeds of such admissions, when sponsored by local music or
790 charity associations, or amateur dramatic performances or
791 professional dramatic productions when sponsored by a children's
792 dramatic association, where no dividends are declared, profits
793 received, nor any salary or compensation paid to any of the
794 members of such associations, or to any person for procuring or
795 producing such performance;

796 (k) Any admissions or tickets to or for hockey games
797 between teams operated under a professional league franchise;

798 (l) Any admissions or tickets to or for events
799 sanctioned by the Mississippi Athletic Commission that are held
800 within publicly owned enclosed coliseums and auditoriums;

801 (m) Guided tours on any navigable waters of this state,
802 which include providing accommodations, guide services and/or
803 related equipment operated by or under the direction of the person
804 providing the tour, for the purposes of outdoor tourism;

805 (n) Any admissions to events held solely for religious
806 or charitable purposes at livestock facilities, agriculture
807 facilities or other facilities constructed, renovated or expanded



808 with funds from the grant program authorized under Section 18 of
809 Chapter 530, Laws of 1995; and

810 (o) (i) Any admissions charged at events, activities
811 or entertainments:

812 1. Which are open to the public and held in
813 or on parks, lands or buildings which are publicly owned, leased,
814 used and/or controlled by a municipality, or any agency thereof;

815 2. Which are created and sponsored by the
816 municipality, or an agency thereof; and

817 3. The proceeds of which do not inure to the
818 benefit of any individual or individuals; however,

819 (ii) The governing authorities of a municipality
820 may require the tax imposed by this section to be levied and
821 collected at events, activities or entertainments described in
822 subparagraph (i) of this paragraph by:

823 1. Adopting an ordinance requiring the levy
824 and collection of the tax;

825 2. Providing the Department of Revenue with a
826 certified copy of the ordinance requiring the tax to be levied and
827 assessed at least thirty (30) days prior to the effective date of
828 the ordinance;

829 (iii) If the ordinance described in subparagraph
830 (ii) of this paragraph is repealed, the municipality shall provide
831 the Department of Revenue with a certified copy of the repeal of



832 the ordinance at least thirty (30) days prior to the effective
833 date of the repeal.

834 **SECTION 5.** Section 27-65-23, Mississippi Code of 1972, is
835 amended as follows:

836 27-65-23. Upon every person engaging or continuing in any of
837 the following businesses or activities there is hereby levied,
838 assessed and shall be collected a tax equal to * * * seven and
839 two-tenths percent (7.2%) through June 30, 2034, and equal to
840 seven percent (7%) from and after July 1, 2034, of the gross
841 income of the business, except as otherwise provided:

842 Air-conditioning installation or repairs;

843 Automobile, motorcycle, boat or any other vehicle
844 repairing or servicing;

845 Billiards, pool or domino parlors;

846 Bowling or tenpin alleys;

847 Burglar and fire alarm systems or services;

848 Car washing – automatic, self-service, or manual;

849 Computer software services actually performed within
850 this state;

851 Cotton compresses or cotton warehouses;

852 Custom creosoting or treating, custom planing, custom
853 sawing;

854 Custom meat processing;

855 Electricians, electrical work, wiring, all repairs or
856 installation of electrical equipment;



857 Elevator or escalator installing, repairing or
858 servicing;
859 Film developing or photo finishing;
860 Foundries, machine or general repairing;
861 Furniture repairing or upholstering;
862 Grading, excavating, ditching, dredging or landscaping;
863 Hotels (as defined in Section 41-49-3), motels, tourist
864 courts or camps, trailer parks;
865 Insulating services or repairs;
866 Jewelry or watch repairing;
867 Laundering, cleaning, pressing or dyeing;
868 Marina services;
869 Mattress renovating;
870 Office and business machine repairing;
871 Parking garages and lots;
872 Plumbing or pipe fitting;
873 Public storage warehouses (There shall be no tax levied
874 on gross income of a public storage warehouse derived from the
875 temporary storage of tangible personal property in this state
876 pending shipping or mailing of the property to another state.);
877 Refrigerating equipment repairs;
878 Radio or television installing, repairing, or servicing;
879 Renting or leasing personal property used within this
880 state;



881 Services performed in connection with geophysical
882 surveying, exploring, developing, drilling, producing,
883 distributing, or testing of oil, gas, water and other mineral
884 resources;

885 Shoe repairing;

886 Storage lockers;

887 Telephone answering or paging services;

888 Termite or pest control services;

889 Tin and sheet metal shops;

890 TV cable systems, subscription TV services, and other
891 similar activities;

892 Vulcanizing, repairing or recapping of tires or tubes;

893 Welding; and

894 Woodworking or wood-turning shops.

895 Income from services taxed herein performed for electric
896 power associations in the ordinary and necessary operation of
897 their generating or distribution systems shall be taxed at the
898 rate of one percent (1%).

899 Income from services taxed herein performed on materials for
900 use in track or track structures to a railroad whose rates are
901 fixed by the Interstate Commerce Commission or the Mississippi
902 Public Service Commission shall be taxed at the rate of three
903 percent (3%).



904 Income from renting or leasing tangible personal property
905 used within this state shall be taxed at the same rates as sales
906 of the same property.

907 Persons doing business in this state who rent transportation
908 equipment with a situs within or without the state to common,
909 contract or private commercial carriers are taxed on that part of
910 the income derived from use within this state. If specific
911 accounting is impracticable, a formula may be used with approval
912 of the commissioner.

913 A lessor may deduct from the tax computed on the rental
914 income from tangible personal property a credit for sales or use
915 tax paid to this state at the time of purchase of the specific
916 personal property being leased or rented until such credit has
917 been exhausted.

918 Charges for custom processing and repairing services may be
919 excluded from gross taxable income when the property on which the
920 service was performed is delivered to the customer in another
921 state either by common carrier or in the seller's equipment.

922 When a taxpayer performs services covered by this section,
923 which are performed both in intrastate and interstate commerce,
924 the taxpayer may utilize any reasonable formulae of apportionment
925 which will apportion to this state, for taxation, that portion of
926 the services which are performed within the State of Mississippi.

927 **SECTION 6.** Section 27-65-25, Mississippi Code of 1972, is
928 amended as follows:



929 27-65-25. Upon every person engaging or continuing within
930 this state in the business of selling alcoholic beverages at
931 retail, the sales of which are legal under the provisions of
932 Chapter 1 of Title 67, Mississippi Code of 1972, there is hereby
933 levied, assessed and shall be collected a tax equal to * * * seven
934 and two-tenths percent (7.2%) through June 30, 2034, and equal to
935 seven percent (7%) from and after July 1, 2034, of the gross
936 proceeds of the retail sales of the business.

937 **SECTION 7.** Section 27-65-26, Mississippi Code of 1972, is
938 amended as follows:

939 27-65-26. (1) Upon every person engaging or continuing
940 within this state in the business of selling, renting or leasing
941 specified digital products, there shall be levied, assessed and
942 shall be collected a tax equal to * * * seven and two-tenths
943 percent (7.2%) through June 30, 2034, and equal to seven percent
944 (7%) from and after July 1, 2034, of the gross income of the
945 business. The sale of a digital code that allows the purchaser to
946 obtain a specified digital product shall be taxed in the same
947 manner as the sale of a specified digital product. The tax is
948 imposed when:

- 949 (a) The sale is to an end user;
- 950 (b) The seller grants the right of permanent or less
951 than permanent use of the products transferred electronically; or
- 952 (c) The sale is conditioned or not conditioned upon
953 continued payment.



954 (2) Charges by one (1) specified digital products provider
955 to another specified digital products provider holding a permit
956 issued under Section 27-65-27 for services that are resold by such
957 other specified digital products provider shall not be subject to
958 the tax levied pursuant to this section.

959 (3) For purposes of this section:

960 (a) "Specified digital products" means electronically
961 transferred digital audio-visual works, digital audio works and
962 digital books.

963 (b) "Digital audio-visual works" means a series of
964 related images which, when shown in succession, impart an
965 impression of motion, together with accompanying sounds, if any.

966 (c) "Digital audio works" means works that result from
967 the fixation of a series of musical, spoken or other sounds,
968 including ringtones. "Ringtones" means digitized sound files that
969 are downloaded onto a device and that may be used to alert the
970 customer with respect to a communication.

971 (d) "Digital books" means works that are generally
972 recognized in the ordinary and usual sense as "books."

973 (e) "Electronically transferred" means obtained by the
974 purchaser by means other than tangible storage media.

975 (f) "End user" means any person other than a person who
976 receives by contract a product transferred electronically for
977 further commercial broadcast, rebroadcast, transmission,
978 retransmission, licensing, relicensing, distribution,



979 redistribution or exhibition of the product, in whole or in part,
980 to another person or persons.

981 (g) "Permanent use" means for purposes of this section
982 for perpetual or for an indefinite or unspecified length of time.

983 (h) "Digital code" means a code that permits a
984 purchaser to obtain a specified digital product at a later date.

985 **SECTION 8.** Section 27-65-75, Mississippi Code of 1972, is
986 amended as follows:

987 27-65-75. On or before the fifteenth day of each month, the
988 revenue collected under the provisions of this chapter during the
989 preceding month shall be paid and distributed as follows:

990 (1) (a) On or before August 15, 1992, and each succeeding
991 month thereafter through July 15, 1993, eighteen percent (18%) of
992 the total sales tax revenue collected during the preceding month
993 under the provisions of this chapter, except that collected under
994 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
995 business activities within a municipal corporation shall be
996 allocated for distribution to the municipality and paid to the
997 municipal corporation. Except as otherwise provided in this
998 paragraph (a), on or before August 15, 1993, and each succeeding
999 month thereafter through August 15, 2024, eighteen and one-half
1000 percent (18-1/2%) of the total sales tax revenue collected during
1001 the preceding month under the provisions of this chapter, except
1002 that collected under the provisions of Sections 27-65-15,
1003 27-65-19(3), 27-65-21 and 27-65-24, on business activities within



1004 a municipal corporation shall be allocated for distribution to the
1005 municipality and paid to the municipal corporation. Except as
1006 otherwise provided in this paragraph (a), on or before September
1007 15, 2024, and each succeeding month thereafter through August 15,
1008 2034, eighteen and one-half percent (18-1/2%) of the total sales
1009 tax revenue collected during the preceding month under the
1010 provisions of this chapter, except (i) that collected under the
1011 provisions of Sections 27-65-15, 27-65-17(1)(m),
1012 27-65-19(1)(a)(ii) and (3), 27-65-21 and 27-65-24, on business
1013 activities within a municipal corporation and (ii) that collected
1014 on business activities within a municipal corporation which are
1015 taxed at a rate of seven and two-tenths percent (7.2%) under the
1016 provisions of this chapter, shall be allocated for distribution to
1017 the municipality and paid to the municipal corporation. Except as
1018 otherwise provided in this paragraph (a), on or before September
1019 15, 2034, and each succeeding month thereafter, eighteen and
1020 one-half percent (18-1/2%) of the total sales tax revenue
1021 collected during the preceding month under the provisions of this
1022 chapter, except (i) that collected under the provisions of
1023 Sections 27-65-15, 27-65-17(1)(m), 27-65-19(1)(a)(ii) and (3),
1024 27-65-21 and 27-65-24, on business activities within a municipal
1025 corporation and (ii) that collected on business activities within
1026 a municipal corporation which are taxed at a rate of seven percent
1027 (7%) under the provisions of this chapter, shall be allocated for
1028 distribution to the municipality and paid to the municipal



1029 corporation. However, in the event the State Auditor issues a
1030 certificate of noncompliance pursuant to Section 21-35-31, the
1031 Department of Revenue shall withhold ten percent (10%) of the
1032 allocations and payments to the municipality that would otherwise
1033 be payable to the municipality under this paragraph (a) until such
1034 time that the department receives written notice of the
1035 cancellation of a certificate of noncompliance from the State
1036 Auditor.

1037 A municipal corporation, for the purpose of distributing the
1038 tax under this subsection, shall mean and include all incorporated
1039 cities, towns and villages.

1040 Monies allocated for distribution and credited to a municipal
1041 corporation under this paragraph may be pledged as security for a
1042 loan if the distribution received by the municipal corporation is
1043 otherwise authorized or required by law to be pledged as security
1044 for such a loan.

1045 In any county having a county seat that is not an
1046 incorporated municipality, the distribution provided under this
1047 subsection shall be made as though the county seat was an
1048 incorporated municipality; however, the distribution to the
1049 municipality shall be paid to the county treasury in which the
1050 municipality is located, and those funds shall be used for road,
1051 bridge and street construction or maintenance in the county.

1052 (b) On or before August 15, 2006, and each succeeding
1053 month thereafter through August 15, 2024, eighteen and one-half



1054 percent (18-1/2%) of the total sales tax revenue collected during
1055 the preceding month under the provisions of this chapter, except
1056 that collected under the provisions of Sections 27-65-15,
1057 27-65-19(3) and 27-65-21, on business activities on the campus of
1058 a state institution of higher learning or community or junior
1059 college whose campus is not located within the corporate limits of
1060 a municipality, shall be allocated for distribution to the state
1061 institution of higher learning or community or junior college and
1062 paid to the state institution of higher learning or community or
1063 junior college. On or before September 15, 2024, and each
1064 succeeding month thereafter, eighteen and one-half percent
1065 (18-1/2%) of the total sales tax revenue collected during the
1066 preceding month under the provisions of this chapter, except that
1067 collected under the provisions of Sections 27-65-15,
1068 27-65-17(1) (m), 27-65-19(1) (a) (ii) and (3) and 27-65-21, on
1069 business activities on the campus of a state institution of higher
1070 learning or community or junior college whose campus is not
1071 located within the corporate limits of a municipality, shall be
1072 allocated for distribution to the state institution of higher
1073 learning or community or junior college and paid to the state
1074 institution of higher learning or community or junior college. On
1075 or before September 15, 2024, and each succeeding month
1076 thereafter, thirty-seven percent (37%) of the total sales tax
1077 revenue collected during the preceding month under the provisions
1078 of Section 27-65-17(1) (m) on business activities on the campus of



1079 a state institution of higher learning or community or junior
1080 college whose campus is not located within the corporate limits of
1081 a municipality, shall be allocated for distribution to the state
1082 institution of higher learning or community or junior college and
1083 paid to the state institution of higher learning or community or
1084 junior college.

1085 (c) On or before August 15, 2018, and each succeeding
1086 month thereafter until August 14, 2019, two percent (2%) of the
1087 total sales tax revenue collected during the preceding month under
1088 the provisions of this chapter, except that collected under the
1089 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1090 27-65-24, on business activities within the corporate limits of
1091 the City of Jackson, Mississippi, shall be deposited into the
1092 Capitol Complex Improvement District Project Fund created in
1093 Section 29-5-215. On or before August 15, 2019, and each
1094 succeeding month thereafter until August 14, 2020, four percent
1095 (4%) of the total sales tax revenue collected during the preceding
1096 month under the provisions of this chapter, except that collected
1097 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1098 and 27-65-24, on business activities within the corporate limits
1099 of the City of Jackson, Mississippi, shall be deposited into the
1100 Capitol Complex Improvement District Project Fund created in
1101 Section 29-5-215. On or before August 15, 2020, and each
1102 succeeding month thereafter through July 15, 2023, six percent
1103 (6%) of the total sales tax revenue collected during the preceding



1104 month under the provisions of this chapter, except that collected
1105 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1106 and 27-65-24, on business activities within the corporate limits
1107 of the City of Jackson, Mississippi, shall be deposited into the
1108 Capitol Complex Improvement District Project Fund created in
1109 Section 29-5-215. On or before August 15, 2023, and each
1110 succeeding month thereafter through August 15, 2024, nine percent
1111 (9%) of the total sales tax revenue collected during the preceding
1112 month under the provisions of this chapter, except that collected
1113 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1114 and 27-65-24, on business activities within the corporate limits
1115 of the City of Jackson, Mississippi, shall be deposited into the
1116 Capitol Complex Improvement District Project Fund created in
1117 Section 29-5-215. On or before September 15, 2024, and each
1118 succeeding month thereafter, nine percent (9%) of the total sales
1119 tax revenue collected during the preceding month under the
1120 provisions of this chapter, except that collected under the
1121 provisions of Sections 27-65-15, 27-65-17(1)(m),
1122 27-65-19(1)(a)(ii) and (3), 27-65-21 and 27-65-24, on business
1123 activities within the corporate limits of the City of Jackson,
1124 Mississippi, shall be deposited into the Capitol Complex
1125 Improvement District Project Fund created in Section 29-5-215. On
1126 or before September 15, 2024, and each succeeding month
1127 thereafter, eighteen percent (18%) of the total sales tax revenue
1128 collected during the preceding month under the provisions of



1129 Section 27-65-17(1)(m) on business activities within the corporate
1130 limits of the City of Jackson, Mississippi, shall be deposited
1131 into the Capitol Complex Improvement District Project Fund created
1132 in Section 29-5-215.

1133 (d) (i) On or before the fifteenth day of the month
1134 that the diversion authorized by this section begins, and each
1135 succeeding month thereafter, eighteen and one-half percent
1136 (18-1/2%) of the total sales tax revenue collected during the
1137 preceding month under the provisions of this chapter, except that
1138 collected under the provisions of Sections 27-65-15, 27-65-19(3)
1139 and 27-65-21, on business activities within a redevelopment
1140 project area developed under a redevelopment plan adopted under
1141 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
1142 allocated for distribution to the county in which the project area
1143 is located if:

1144 1. The county:

1145 a. Borders on the Mississippi Sound and
1146 the State of Alabama, or

1147 b. Is Harrison County, Mississippi, and
1148 the project area is within a radius of two (2) miles from the
1149 intersection of Interstate 10 and Menge Avenue;

1150 2. The county has issued bonds under Section
1151 21-45-9 to finance all or a portion of a redevelopment project in
1152 the redevelopment project area;



1153 3. Any debt service for the indebtedness
1154 incurred is outstanding; and

1155 4. A development with a value of Ten Million
1156 Dollars (\$10,000,000.00) or more is, or will be, located in the
1157 redevelopment area.

1158 (ii) Before any sales tax revenue may be allocated
1159 for distribution to a county under this paragraph, the county
1160 shall certify to the Department of Revenue that the requirements
1161 of this paragraph have been met, the amount of bonded indebtedness
1162 that has been incurred by the county for the redevelopment project
1163 and the expected date the indebtedness incurred by the county will
1164 be satisfied.

1165 (iii) The diversion of sales tax revenue
1166 authorized by this paragraph shall begin the month following the
1167 month in which the Department of Revenue determines that the
1168 requirements of this paragraph have been met. The diversion shall
1169 end the month the indebtedness incurred by the county is
1170 satisfied. All revenue received by the county under this
1171 paragraph shall be deposited in the fund required to be created in
1172 the tax increment financing plan under Section 21-45-11 and be
1173 utilized solely to satisfy the indebtedness incurred by the
1174 county.

1175 (2) On or before September 15, 1987, and each succeeding
1176 month thereafter, from the revenue collected under this chapter
1177 during the preceding month, One Million One Hundred Twenty-five



1178 Thousand Dollars (\$1,125,000.00) shall be allocated for
1179 distribution to municipal corporations as defined under subsection
1180 (1) of this section in the proportion that the number of gallons
1181 of gasoline and diesel fuel sold by distributors to consumers and
1182 retailers in each such municipality during the preceding fiscal
1183 year bears to the total gallons of gasoline and diesel fuel sold
1184 by distributors to consumers and retailers in municipalities
1185 statewide during the preceding fiscal year. The Department of
1186 Revenue shall require all distributors of gasoline and diesel fuel
1187 to report to the department monthly the total number of gallons of
1188 gasoline and diesel fuel sold by them to consumers and retailers
1189 in each municipality during the preceding month. The Department
1190 of Revenue shall have the authority to promulgate such rules and
1191 regulations as is necessary to determine the number of gallons of
1192 gasoline and diesel fuel sold by distributors to consumers and
1193 retailers in each municipality. In determining the percentage
1194 allocation of funds under this subsection for the fiscal year
1195 beginning July 1, 1987, and ending June 30, 1988, the Department
1196 of Revenue may consider gallons of gasoline and diesel fuel sold
1197 for a period of less than one (1) fiscal year. For the purposes
1198 of this subsection, the term "fiscal year" means the fiscal year
1199 beginning July 1 of a year.

1200 (3) On or before September 15, 1987, and on or before the
1201 fifteenth day of each succeeding month, until the date specified
1202 in Section 65-39-35, the proceeds derived from contractors' taxes



1203 levied under Section 27-65-21 on contracts for the construction or
1204 reconstruction of highways designated under the highway program
1205 created under Section 65-3-97 shall, except as otherwise provided
1206 in Section 31-17-127, be deposited into the State Treasury to the
1207 credit of the State Highway Fund to be used to fund that highway
1208 program. The Mississippi Department of Transportation shall
1209 provide to the Department of Revenue such information as is
1210 necessary to determine the amount of proceeds to be distributed
1211 under this subsection.

1212 (4) On or before August 15, 1994, and on or before the
1213 fifteenth day of each succeeding month through July 15, 1999, from
1214 the proceeds of gasoline, diesel fuel or kerosene taxes as
1215 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1216 (\$4,000,000.00) shall be deposited in the State Treasury to the
1217 credit of a special fund designated as the "State Aid Road Fund,"
1218 created by Section 65-9-17. On or before August 15, 1999, and on
1219 or before the fifteenth day of each succeeding month, from the
1220 total amount of the proceeds of gasoline, diesel fuel or kerosene
1221 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
1222 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1223 one-fourth percent (23-1/4%) of those funds, whichever is the
1224 greater amount, shall be deposited in the State Treasury to the
1225 credit of the "State Aid Road Fund," created by Section 65-9-17.
1226 Those funds shall be pledged to pay the principal of and interest
1227 on state aid road bonds heretofore issued under Sections 19-9-51



1228 through 19-9-77, in lieu of and in substitution for the funds
1229 previously allocated to counties under this section. Those funds
1230 may not be pledged for the payment of any state aid road bonds
1231 issued after April 1, 1981; however, this prohibition against the
1232 pledging of any such funds for the payment of bonds shall not
1233 apply to any bonds for which intent to issue those bonds has been
1234 published for the first time, as provided by law before March 29,
1235 1981. From the amount of taxes paid into the special fund under
1236 this subsection and subsection (9) of this section, there shall be
1237 first deducted and paid the amount necessary to pay the expenses
1238 of the Office of State Aid Road Construction, as authorized by the
1239 Legislature for all other general and special fund agencies. The
1240 remainder of the fund shall be allocated monthly to the several
1241 counties in accordance with the following formula:

1242 (a) One-third (1/3) shall be allocated to all counties
1243 in equal shares;

1244 (b) One-third (1/3) shall be allocated to counties
1245 based on the proportion that the total number of rural road miles
1246 in a county bears to the total number of rural road miles in all
1247 counties of the state; and

1248 (c) One-third (1/3) shall be allocated to counties
1249 based on the proportion that the rural population of the county
1250 bears to the total rural population in all counties of the state,
1251 according to the latest federal decennial census.



1252 For the purposes of this subsection, the term "gasoline,
1253 diesel fuel or kerosene taxes" means such taxes as defined in
1254 paragraph (f) of Section 27-5-101.

1255 The amount of funds allocated to any county under this
1256 subsection for any fiscal year after fiscal year 1994 shall not be
1257 less than the amount allocated to the county for fiscal year 1994.

1258 Any reference in the general laws of this state or the
1259 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1260 construed to refer and apply to subsection (4) of Section
1261 27-65-75.

1262 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1263 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1264 the special fund known as the "Educational Facilities Revolving
1265 Loan Fund" created and existing under the provisions of Section
1266 37-47-24. Those payments into that fund are to be made on the
1267 last day of each succeeding month hereafter. This subsection (5)
1268 shall stand repealed on July 1, 2026.

1269 (6) An amount each month beginning August 15, 1983, through
1270 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1271 1983, shall be paid into the special fund known as the
1272 Correctional Facilities Construction Fund created in Section 6,
1273 Chapter 542, Laws of 1983.

1274 (7) On or before August 15, 1992, and each succeeding month
1275 thereafter through July 15, 2000, two and two hundred sixty-six
1276 one-thousandths percent (2.266%) of the total sales tax revenue



1277 collected during the preceding month under the provisions of this
1278 chapter, except that collected under the provisions of Section
1279 27-65-17(2), shall be deposited by the department into the School
1280 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1281 or before August 15, 2000, and each succeeding month thereafter
1282 through August 15, 2024, two and two hundred sixty-six
1283 one-thousandths percent (2.266%) of the total sales tax revenue
1284 collected during the preceding month under the provisions of this
1285 chapter, except that collected under the provisions of Section
1286 27-65-17(2), shall be deposited into the School Ad Valorem Tax
1287 Reduction Fund created under Section 37-61-35 until such time that
1288 the total amount deposited into the fund during a fiscal year
1289 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
1290 the amounts diverted under this subsection (7) during the fiscal
1291 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
1292 be deposited into the Education Enhancement Fund created under
1293 Section 37-61-33 for appropriation by the Legislature as other
1294 education needs and shall not be subject to the percentage
1295 appropriation requirements set forth in Section 37-61-33. On or
1296 before September 15, 2024, and each succeeding month thereafter,
1297 two and two hundred sixty-six one-thousandths percent (2.266%) of
1298 the total sales tax revenue collected during the preceding month
1299 under the provisions of this chapter, except that collected under
1300 the provisions of Sections 27-65-17(1)(m) and (2) and
1301 27-65-19(1)(a)(ii), and four and five hundred thirty-two



1302 one-thousandths percent (4.532%) of the total sales tax revenue
1303 collected during the preceding month under the provisions of
1304 Section 27-65-17(1) (m) shall be deposited into the School Ad
1305 Valorem Tax Reduction Fund created under Section 37-61-35 until
1306 such time that the total amount deposited into the fund during a
1307 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1308 Thereafter, the amounts diverted under this subsection (7) during
1309 the fiscal year in excess of Forty-two Million Dollars
1310 (\$42,000,000.00) shall be deposited into the Education Enhancement
1311 Fund created under Section 37-61-33 for appropriation by the
1312 Legislature as other education needs and shall not be subject to
1313 the percentage appropriation requirements set forth in Section
1314 37-61-33.

1315 (8) On or before August 15, 1992, and each succeeding month
1316 thereafter through August 15, 2024, nine and seventy-three
1317 one-thousandths percent (9.073%) of the total sales tax revenue
1318 collected during the preceding month under the provisions of this
1319 chapter, except that collected under the provisions of Section
1320 27-65-17(2), shall be deposited into the Education Enhancement
1321 Fund created under Section 37-61-33. On or before September 15,
1322 2024, and each succeeding month thereafter, nine and seventy-three
1323 one-thousandths percent (9.073%) of the total sales tax revenue
1324 collected during the preceding month under the provisions of this
1325 chapter, except that collected under the provisions of Sections
1326 27-65-17(1) (m) and (2) and 27-65-19(1) (a) (ii), shall be deposited



1327 into the Education Enhancement Fund created under Section
1328 37-61-33. On or before September 15, 2024, and each succeeding
1329 month thereafter, eighteen and one hundred forty-six
1330 one-thousandths percent (18.146%) of the total sales tax revenue
1331 collected during the preceding month under the provisions of
1332 Section 27-65-17(1) (m) shall be deposited into the Education
1333 Enhancement Fund created under Section 37-61-33.

1334 (9) On or before August 15, 1994, and each succeeding month
1335 thereafter, from the revenue collected under this chapter during
1336 the preceding month, Two Hundred Fifty Thousand Dollars
1337 (\$250,000.00) shall be paid into the State Aid Road Fund.

1338 (10) On or before August 15, 1994, and each succeeding month
1339 thereafter through August 15, 1995, from the revenue collected
1340 under this chapter during the preceding month, Two Million Dollars
1341 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1342 Valorem Tax Reduction Fund established in Section 27-51-105.

1343 (11) Notwithstanding any other provision of this section to
1344 the contrary, on or before February 15, 1995, and each succeeding
1345 month thereafter, the sales tax revenue collected during the
1346 preceding month under the provisions of Section 27-65-17(2) and
1347 the corresponding levy in Section 27-65-23 on the rental or lease
1348 of private carriers of passengers and light carriers of property
1349 as defined in Section 27-51-101 shall be deposited, without
1350 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1351 established in Section 27-51-105.



1352 (12) Notwithstanding any other provision of this section to
1353 the contrary, on or before August 15, 1995, and each succeeding
1354 month thereafter, the sales tax revenue collected during the
1355 preceding month under the provisions of Section 27-65-17(1) on
1356 retail sales of private carriers of passengers and light carriers
1357 of property, as defined in Section 27-51-101 and the corresponding
1358 levy in Section 27-65-23 on the rental or lease of these vehicles,
1359 shall be deposited, after diversion, into the Motor Vehicle Ad
1360 Valorem Tax Reduction Fund established in Section 27-51-105.

1361 (13) On or before July 15, 1994, and on or before the
1362 fifteenth day of each succeeding month thereafter, that portion of
1363 the avails of the tax imposed in Section 27-65-22 that is derived
1364 from activities held on the Mississippi State Fairgrounds Complex
1365 shall be paid into a special fund that is created in the State
1366 Treasury and shall be expended upon legislative appropriation
1367 solely to defray the costs of repairs and renovation at the Trade
1368 Mart and Coliseum.

1369 (14) On or before August 15, 1998, and each succeeding month
1370 thereafter through July 15, 2005, that portion of the avails of
1371 the tax imposed in Section 27-65-23 that is derived from sales by
1372 cotton compresses or cotton warehouses and that would otherwise be
1373 paid into the General Fund shall be deposited in an amount not to
1374 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1375 created under Section 69-37-39. On or before August 15, 2007, and
1376 each succeeding month thereafter through July 15, 2010, that



1377 portion of the avails of the tax imposed in Section 27-65-23 that
1378 is derived from sales by cotton compresses or cotton warehouses
1379 and that would otherwise be paid into the General Fund shall be
1380 deposited in an amount not to exceed Two Million Dollars
1381 (\$2,000,000.00) into the special fund created under Section
1382 69-37-39 until all debts or other obligations incurred by the
1383 Certified Cotton Growers Organization under the Mississippi Boll
1384 Weevil Management Act before January 1, 2007, are satisfied in
1385 full. On or before August 15, 2010, and each succeeding month
1386 thereafter through July 15, 2011, fifty percent (50%) of that
1387 portion of the avails of the tax imposed in Section 27-65-23 that
1388 is derived from sales by cotton compresses or cotton warehouses
1389 and that would otherwise be paid into the General Fund shall be
1390 deposited into the special fund created under Section 69-37-39
1391 until such time that the total amount deposited into the fund
1392 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1393 On or before August 15, 2011, and each succeeding month
1394 thereafter, that portion of the avails of the tax imposed in
1395 Section 27-65-23 that is derived from sales by cotton compresses
1396 or cotton warehouses and that would otherwise be paid into the
1397 General Fund shall be deposited into the special fund created
1398 under Section 69-37-39 until such time that the total amount
1399 deposited into the fund during a fiscal year equals One Million
1400 Dollars (\$1,000,000.00).



1401 (15) Notwithstanding any other provision of this section to
1402 the contrary, on or before September 15, 2000, and each succeeding
1403 month thereafter, the sales tax revenue collected during the
1404 preceding month under the provisions of Section
1405 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,
1406 without diversion, into the Telecommunications Ad Valorem Tax
1407 Reduction Fund established in Section 27-38-7.

1408 (16) (a) On or before August 15, 2000, and each succeeding
1409 month thereafter, the sales tax revenue collected during the
1410 preceding month under the provisions of this chapter on the gross
1411 proceeds of sales of a project as defined in Section 57-30-1 shall
1412 be deposited, after all diversions except the diversion provided
1413 for in subsection (1) of this section, into the Sales Tax
1414 Incentive Fund created in Section 57-30-3.

1415 (b) On or before August 15, 2007, and each succeeding
1416 month thereafter, eighty percent (80%) of the sales tax revenue
1417 collected during the preceding month under the provisions of this
1418 chapter from the operation of a tourism project under the
1419 provisions of Sections 57-26-1 through 57-26-5, shall be
1420 deposited, after the diversions required in subsections (7) and
1421 (8) of this section, into the Tourism Project Sales Tax Incentive
1422 Fund created in Section 57-26-3.

1423 (17) Notwithstanding any other provision of this section to
1424 the contrary, on or before April 15, 2002, and each succeeding
1425 month thereafter, the sales tax revenue collected during the



1426 preceding month under Section 27-65-23 on sales of parking
1427 services of parking garages and lots at airports shall be
1428 deposited, without diversion, into the special fund created under
1429 Section 27-5-101(d).

1430 (18) [Repealed]

1431 (19) (a) On or before August 15, 2005, and each succeeding
1432 month thereafter, the sales tax revenue collected during the
1433 preceding month under the provisions of this chapter on the gross
1434 proceeds of sales of a business enterprise located within a
1435 redevelopment project area under the provisions of Sections
1436 57-91-1 through 57-91-11, and the revenue collected on the gross
1437 proceeds of sales from sales made to a business enterprise located
1438 in a redevelopment project area under the provisions of Sections
1439 57-91-1 through 57-91-11 (provided that such sales made to a
1440 business enterprise are made on the premises of the business
1441 enterprise), shall, except as otherwise provided in this
1442 subsection (19), be deposited, after all diversions, into the
1443 Redevelopment Project Incentive Fund as created in Section
1444 57-91-9.

1445 (b) For a municipality participating in the Economic
1446 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1447 the diversion provided for in subsection (1) of this section
1448 attributable to the gross proceeds of sales of a business
1449 enterprise located within a redevelopment project area under the
1450 provisions of Sections 57-91-1 through 57-91-11, and attributable



1451 to the gross proceeds of sales from sales made to a business
1452 enterprise located in a redevelopment project area under the
1453 provisions of Sections 57-91-1 through 57-91-11 (provided that
1454 such sales made to a business enterprise are made on the premises
1455 of the business enterprise), shall be deposited into the
1456 Redevelopment Project Incentive Fund as created in Section
1457 57-91-9, as follows:

1458 (i) For the first six (6) years in which payments
1459 are made to a developer from the Redevelopment Project Incentive
1460 Fund, one hundred percent (100%) of the diversion shall be
1461 deposited into the fund;

1462 (ii) For the seventh year in which such payments
1463 are made to a developer from the Redevelopment Project Incentive
1464 Fund, eighty percent (80%) of the diversion shall be deposited
1465 into the fund;

1466 (iii) For the eighth year in which such payments
1467 are made to a developer from the Redevelopment Project Incentive
1468 Fund, seventy percent (70%) of the diversion shall be deposited
1469 into the fund;

1470 (iv) For the ninth year in which such payments are
1471 made to a developer from the Redevelopment Project Incentive Fund,
1472 sixty percent (60%) of the diversion shall be deposited into the
1473 fund; and



1474 (v) For the tenth year in which such payments are
1475 made to a developer from the Redevelopment Project Incentive Fund,
1476 fifty percent (50%) of the funds shall be deposited into the fund.

1477 (20) On or before January 15, 2007, and each succeeding
1478 month thereafter, eighty percent (80%) of the sales tax revenue
1479 collected during the preceding month under the provisions of this
1480 chapter from the operation of a tourism project under the
1481 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1482 after the diversions required in subsections (7) and (8) of this
1483 section, into the Tourism Sales Tax Incentive Fund created in
1484 Section 57-28-3.

1485 (21) (a) On or before April 15, 2007, and each succeeding
1486 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1487 Dollars (\$150,000.00) of the sales tax revenue collected during
1488 the preceding month under the provisions of this chapter shall be
1489 deposited into the MMEIA Tax Incentive Fund created in Section
1490 57-101-3.

1491 (b) On or before July 15, 2013, and each succeeding
1492 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1493 of the sales tax revenue collected during the preceding month
1494 under the provisions of this chapter shall be deposited into the
1495 Mississippi Development Authority Job Training Grant Fund created
1496 in Section 57-1-451.

1497 (22) On or before June 1, 2024, and each succeeding month
1498 thereafter until December 31, 2057, an amount determined annually



1499 by the Mississippi Development Authority of the sales tax revenue
1500 collected during the preceding month under the provisions of this
1501 chapter shall be deposited into the MMEIA Tax Incentive Fund
1502 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
1503 Extraordinary Session. This amount shall be based on estimated
1504 payments due within the upcoming year to construction contractors
1505 pursuant to construction contracts subject to the tax imposed by
1506 Section 27-65-21 for construction to be performed on the project
1507 site of a project defined under Section 57-75-5(f) (xxxiii) for the
1508 coming year.

1509 (23) Notwithstanding any other provision of this section to
1510 the contrary, on or before August 15, 2009, and each succeeding
1511 month thereafter, the sales tax revenue collected during the
1512 preceding month under the provisions of Section 27-65-201 shall be
1513 deposited, without diversion, into the Motor Vehicle Ad Valorem
1514 Tax Reduction Fund established in Section 27-51-105.

1515 (24) (a) On or before August 15, 2019, and each month
1516 thereafter through July 15, 2020, one percent (1%) of the total
1517 sales tax revenue collected during the preceding month from
1518 restaurants and hotels shall be allocated for distribution to the
1519 Mississippi Development Authority Tourism Advertising Fund
1520 established under Section 57-1-64, to be used exclusively for the
1521 purpose stated therein. On or before August 15, 2020, and each
1522 month thereafter through July 15, 2021, two percent (2%) of the
1523 total sales tax revenue collected during the preceding month from



1524 restaurants and hotels shall be allocated for distribution to the
1525 Mississippi Development Authority Tourism Advertising Fund
1526 established under Section 57-1-64, to be used exclusively for the
1527 purpose stated therein. On or before August 15, 2021, and each
1528 month thereafter, three percent (3%) of the total sales tax
1529 revenue collected during the preceding month from restaurants and
1530 hotels shall be allocated for distribution to the Mississippi
1531 Development Authority Tourism Advertising Fund established under
1532 Section 57-1-64, to be used exclusively for the purpose stated
1533 therein. The revenue diverted pursuant to this subsection shall
1534 not be available for expenditure until February 1, 2020.

1535 (b) The Joint Legislative Committee on Performance
1536 Evaluation and Expenditure Review (PEER) must provide an annual
1537 report to the Legislature indicating the amount of funds deposited
1538 into the Mississippi Development Authority Tourism Advertising
1539 Fund established under Section 57-1-64, and a detailed record of
1540 how the funds are spent.

1541 (25) On or before September 15, 2024, and each month
1542 thereafter, the total amount of revenue collected under the
1543 provisions of Section 27-65-19(1)(a)(ii) shall be allocated and
1544 deposited, without diversion, as follows:

1545 (a) Fifty percent (50%) shall be deposited into the
1546 2022 Maintenance Project Fund created in Section 65-1-141.1; and

1547 (b) Fifty percent (50%) shall be deposited into the
1548 2022 Capacity Project Fund created in Section 65-1-141.2.



1549 (26) (a) Notwithstanding any other provision of this
1550 section to the contrary, on or before September 15, 2024, and each
1551 succeeding month thereafter through August 15, 2034, the total
1552 sales tax revenue collected during the preceding month under the
1553 provisions of Sections 27-65-17(1)(a), 27-65-19(1)(a)(i) and (d),
1554 27-65-22, 27-65-23, 27-65-25 and 27-65-26, from the amount of the
1555 increases to tax rates under such sections as provided in House
1556 Bill No. , 2024 Regular Session, shall be deposited, without
1557 diversion, into the Public Employees' Retirement System
1558 Sustainability Fund created in Section 12 of this act.

1559 (b) The provisions of this subsection (26) shall
1560 supersede and control over any other provisions of this section
1561 providing for the distribution of revenue under this section.

1562 (* * *27) The remainder of the amounts collected under the
1563 provisions of this chapter shall be paid into the State Treasury
1564 to the credit of the General Fund.

1565 (* * *28) (a) It shall be the duty of the municipal
1566 officials of any municipality that expands its limits, or of any
1567 community that incorporates as a municipality, to notify the
1568 commissioner of that action thirty (30) days before the effective
1569 date. Failure to so notify the commissioner shall cause the
1570 municipality to forfeit the revenue that it would have been
1571 entitled to receive during this period of time when the
1572 commissioner had no knowledge of the action.



1573 (b) (i) Except as otherwise provided in subparagraph
1574 (ii) of this paragraph, if any funds have been erroneously
1575 disbursed to any municipality or any overpayment of tax is
1576 recovered by the taxpayer, the commissioner may make correction
1577 and adjust the error or overpayment with the municipality by
1578 withholding the necessary funds from any later payment to be made
1579 to the municipality.

1580 (ii) Subject to the provisions of Sections
1581 27-65-51 and 27-65-53, if any funds have been erroneously
1582 disbursed to a municipality under subsection (1) of this section
1583 for a period of three (3) years or more, the maximum amount that
1584 may be recovered or withheld from the municipality is the total
1585 amount of funds erroneously disbursed for a period of three (3)
1586 years beginning with the date of the first erroneous disbursement.
1587 However, if during such period, a municipality provides written
1588 notice to the Department of Revenue indicating the erroneous
1589 disbursement of funds, then the maximum amount that may be
1590 recovered or withheld from the municipality is the total amount of
1591 funds erroneously disbursed for a period of one (1) year beginning
1592 with the date of the first erroneous disbursement.

1593 **SECTION 9.** Section 27-65-111, Mississippi Code of 1972, is
1594 amended as follows:

1595 27-65-111. The exemptions from the provisions of this
1596 chapter which are not industrial, agricultural or governmental, or
1597 which do not relate to utilities or taxes, or which are not



1598 properly classified as one (1) of the exemption classifications of
1599 this chapter, shall be confined to persons or property exempted by
1600 this section or by the Constitution of the United States or the
1601 State of Mississippi. No exemptions as now provided by any other
1602 section, except the classified exemption sections of this chapter
1603 set forth herein, shall be valid as against the tax herein levied.
1604 Any subsequent exemption from the tax levied hereunder, except as
1605 indicated above, shall be provided by amendments to this section.

1606 No exemption provided in this section shall apply to taxes
1607 levied by Section 27-65-15 or 27-65-21.

1608 The tax levied by this chapter shall not apply to the
1609 following:

1610 (a) Sales of tangible personal property and services to
1611 hospitals or infirmaries owned and operated by a corporation or
1612 association in which no part of the net earnings inures to the
1613 benefit of any private shareholder, group or individual, and which
1614 are subject to and governed by Sections 41-7-123 through 41-7-127.

1615 Only sales of tangible personal property or services which
1616 are ordinary and necessary to the operation of such hospitals and
1617 infirmaries are exempted from tax.

1618 (b) Sales of daily or weekly newspapers, and
1619 periodicals or publications of scientific, literary or educational
1620 organizations exempt from federal income taxation under Section
1621 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
1622 March 31, 1975, and subscription sales of all magazines.



1623 (c) Sales of coffins, caskets and other materials used
1624 in the preparation of human bodies for burial.

1625 (d) Sales of tangible personal property for immediate
1626 export to a foreign country.

1627 (e) Sales of tangible personal property to an
1628 orphanage, old men's or ladies' home, supported wholly or in part
1629 by a religious denomination, fraternal nonprofit organization or
1630 other nonprofit organization.

1631 (f) Sales of tangible personal property, labor or
1632 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
1633 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
1634 corporation or association in which no part of the net earnings
1635 inures to the benefit of any private shareholder, group or
1636 individual.

1637 (g) Sales to elementary and secondary grade schools,
1638 junior and senior colleges owned and operated by a corporation or
1639 association in which no part of the net earnings inures to the
1640 benefit of any private shareholder, group or individual, and which
1641 are exempt from state income taxation, provided that this
1642 exemption does not apply to sales of property or services which
1643 are not to be used in the ordinary operation of the school, or
1644 which are to be resold to the students or the public.

1645 (h) The gross proceeds of retail sales and the use or
1646 consumption in this state of drugs and medicines:



1647 (i) Prescribed for the treatment of a human being
1648 by a person authorized to prescribe the medicines, and dispensed
1649 or prescription filled by a registered pharmacist in accordance
1650 with law; or

1651 (ii) Furnished by a licensed physician, surgeon,
1652 dentist or podiatrist to his own patient for treatment of the
1653 patient; or

1654 (iii) Furnished by a hospital for treatment of any
1655 person pursuant to the order of a licensed physician, surgeon,
1656 dentist or podiatrist; or

1657 (iv) Sold to a licensed physician, surgeon,
1658 podiatrist, dentist or hospital for the treatment of a human
1659 being; or

1660 (v) Sold to this state or any political
1661 subdivision or municipal corporation thereof, for use in the
1662 treatment of a human being or furnished for the treatment of a
1663 human being by a medical facility or clinic maintained by this
1664 state or any political subdivision or municipal corporation
1665 thereof.

1666 "Medicines," as used in this paragraph (h), shall mean and
1667 include any substance or preparation intended for use by external
1668 or internal application to the human body in the diagnosis, cure,
1669 mitigation, treatment or prevention of disease and which is
1670 commonly recognized as a substance or preparation intended for
1671 such use; provided that "medicines" do not include any auditory,



1672 prosthetic, ophthalmic or ocular device or appliance, any dentures
1673 or parts thereof or any artificial limbs or their replacement
1674 parts, articles which are in the nature of splints, bandages,
1675 pads, compresses, supports, dressings, instruments, apparatus,
1676 contrivances, appliances, devices or other mechanical, electronic,
1677 optical or physical equipment or article or the component parts
1678 and accessories thereof, or any alcoholic beverage or any other
1679 drug or medicine not commonly referred to as a prescription drug.

1680 Notwithstanding the preceding sentence of this paragraph (h),
1681 "medicines" as used in this paragraph (h), shall mean and include
1682 sutures, whether or not permanently implanted, bone screws, bone
1683 pins, pacemakers and other articles permanently implanted in the
1684 human body to assist the functioning of any natural organ, artery,
1685 vein or limb and which remain or dissolve in the body.

1686 The exemption provided in this paragraph (h) shall not apply
1687 to medical cannabis sold in accordance with the provisions of the
1688 Mississippi Medical Cannabis Act and in compliance with rules and
1689 regulations adopted thereunder.

1690 "Hospital," as used in this paragraph (h), shall have the
1691 meaning ascribed to it in Section 41-9-3, Mississippi Code of
1692 1972.

1693 Insulin furnished by a registered pharmacist to a person for
1694 treatment of diabetes as directed by a physician shall be deemed
1695 to be dispensed on prescription within the meaning of this
1696 paragraph (h).



1697 (i) Retail sales of automobiles, trucks and
1698 truck-tractors if exported from this state within forty-eight (48)
1699 hours and registered and first used in another state.

1700 (j) Sales of tangible personal property or services to
1701 the Salvation Army and the Muscular Dystrophy Association, Inc.

1702 (k) From July 1, 1985, through December 31, 1992,
1703 retail sales of "alcohol-blended fuel" as such term is defined in
1704 Section 75-55-5. The gasoline-alcohol blend or the straight
1705 alcohol eligible for this exemption shall not contain alcohol
1706 distilled outside the State of Mississippi.

1707 (l) Sales of tangible personal property or services to
1708 the Institute for Technology Development.

1709 (m) The gross proceeds of retail sales of food and
1710 drink for human consumption made through vending machines serviced
1711 by full-line vendors from and not connected with other taxable
1712 businesses.

1713 (n) The gross proceeds of sales of motor fuels used for
1714 agricultural, maritime, industrial or manufacturing, and no part
1715 of which is used for operating motor vehicles or motor-propelled
1716 machines of any description along the public roads, streets,
1717 alleys or highways of this state.

1718 (o) Retail sales of food for human consumption
1719 purchased with food stamps issued by the United States Department
1720 of Agriculture, or other federal agency, from and after October 1,
1721 1987, or from and after the expiration of any waiver granted



1722 pursuant to federal law, the effect of which waiver is to permit
1723 the collection by the state of tax on such retail sales of food
1724 for human consumption purchased with food stamps.

1725 (p) Sales of cookies for human consumption by the Girl
1726 Scouts of America no part of the net earnings from which sales
1727 inures to the benefit of any private group or individual.

1728 (q) Gifts or sales of tangible personal property or
1729 services to public or private nonprofit museums of art.

1730 (r) Sales of tangible personal property or services to
1731 alumni associations of state-supported colleges or universities.

1732 (s) Sales of tangible personal property or services to
1733 National Association of Junior Auxiliaries, Inc., and chapters of
1734 the National Association of Junior Auxiliaries, Inc.

1735 (t) Sales of tangible personal property or services to
1736 domestic violence shelters which qualify for state funding under
1737 Sections 93-21-101 through 93-21-113.

1738 (u) Sales of tangible personal property or services to
1739 the National Multiple Sclerosis Society, Mississippi Chapter.

1740 (v) Retail sales of food for human consumption
1741 purchased with food instruments issued the Mississippi Band of
1742 Choctaw Indians under the Women, Infants and Children Program
1743 (WIC) funded by the United States Department of Agriculture.

1744 (w) Sales of tangible personal property or services to
1745 a private company, as defined in Section 57-61-5, which is making



1746 such purchases with proceeds of bonds issued under Section 57-61-1
1747 et seq., the Mississippi Business Investment Act.

1748 (x) The gross collections from the operation of
1749 self-service, coin-operated car washing equipment and sales of the
1750 service of washing motor vehicles with portable high-pressure
1751 washing equipment on the premises of the customer.

1752 (y) Sales of tangible personal property or services to
1753 the Mississippi Technology Alliance.

1754 (z) Sales of tangible personal property to nonprofit
1755 organizations that provide foster care, adoption services and
1756 temporary housing for unwed mothers and their children if the
1757 organization is exempt from federal income taxation under Section
1758 501(c)(3) of the Internal Revenue Code.

1759 (aa) Sales of tangible personal property to nonprofit
1760 organizations that provide residential rehabilitation for persons
1761 with alcohol and drug dependencies if the organization is exempt
1762 from federal income taxation under Section 501(c)(3) of the
1763 Internal Revenue Code.

1764 (bb) (i) Retail sales of an article of clothing or
1765 footwear designed to be worn on or about the human body and retail
1766 sales of school supplies if the sales price of the article of
1767 clothing or footwear or school supply is less than One Hundred
1768 Dollars (\$100.00) and the sale takes place during a period
1769 beginning at 12:01 a.m. on the last Friday in July and ending at



1770 12:00 midnight the following Saturday. This paragraph (bb) shall
1771 not apply to:

1772 1. Accessories including jewelry, handbags,
1773 luggage, umbrellas, wallets, watches, briefcases, garment bags and
1774 similar items carried on or about the human body, without regard
1775 to whether worn on the body in a manner characteristic of
1776 clothing;

1777 2. The rental of clothing or footwear; and

1778 3. Skis, swim fins, roller blades, skates and
1779 similar items worn on the foot.

1780 (ii) For purposes of this paragraph (bb), "school
1781 supplies" means items that are commonly used by a student in a
1782 course of study. The following is an all-inclusive list:

1783 1. Backpacks;

1784 2. Binder pockets;

1785 3. Binders;

1786 4. Blackboard chalk;

1787 5. Book bags;

1788 6. Calculators;

1789 7. Cellophane tape;

1790 8. Clays and glazes;

1791 9. Compasses;

1792 10. Composition books;

1793 11. Crayons;

1794 12. Dictionaries and thesauruses;



- 1795 13. Dividers;
- 1796 14. Erasers;
- 1797 15. Folders: expandable, pocket, plastic and
1798 manila;
- 1799 16. Glue, paste and paste sticks;
- 1800 17. Highlighters;
- 1801 18. Index card boxes;
- 1802 19. Index cards;
- 1803 20. Legal pads;
- 1804 21. Lunch boxes;
- 1805 22. Markers;
- 1806 23. Notebooks;
- 1807 24. Paintbrushes for artwork;
- 1808 25. Paints: acrylic, tempera and oil;
- 1809 26. Paper: loose-leaf ruled notebook paper,
1810 copy paper, graph paper, tracing paper, manila paper, colored
1811 paper, poster board and construction paper;
- 1812 27. Pencil boxes and other school supply
1813 boxes;
- 1814 28. Pencil sharpeners;
- 1815 29. Pencils;
- 1816 30. Pens;
- 1817 31. Protractors;
- 1818 32. Reference books;
- 1819 33. Reference maps and globes;



- 1820 34. Rulers;
1821 35. Scissors;
1822 36. Sheet music;
1823 37. Sketch and drawing pads;
1824 38. Textbooks;
1825 39. Watercolors;
1826 40. Workbooks; and
1827 41. Writing tablets.

1828 (iii) From and after January 1, 2010, the
1829 governing authorities of a municipality, for retail sales
1830 occurring within the corporate limits of the municipality, may
1831 suspend the application of the exemption provided for in this
1832 paragraph (bb) by adoption of a resolution to that effect stating
1833 the date upon which the suspension shall take effect. A certified
1834 copy of the resolution shall be furnished to the Department of
1835 Revenue at least ninety (90) days prior to the date upon which the
1836 municipality desires such suspension to take effect.

1837 (cc) The gross proceeds of sales of tangible personal
1838 property made for the sole purpose of raising funds for a school
1839 or an organization affiliated with a school.

1840 As used in this paragraph (cc), "school" means any public or
1841 private school that teaches courses of instruction to students in
1842 any grade from kindergarten through Grade 12.

1843 (dd) Sales of durable medical equipment and home
1844 medical supplies when ordered or prescribed by a licensed



1845 physician for medical purposes of a patient. As used in this
1846 paragraph (dd), "durable medical equipment" and "home medical
1847 supplies" mean equipment, including repair and replacement parts
1848 for the equipment or supplies listed under Title XVIII of the
1849 Social Security Act or under the state plan for medical assistance
1850 under Title XIX of the Social Security Act, prosthetics,
1851 orthotics, hearing aids, hearing devices, prescription eyeglasses,
1852 oxygen and oxygen equipment. Payment does not have to be made, in
1853 whole or in part, by any particular person to be eligible for this
1854 exemption. Purchases of home medical equipment and supplies by a
1855 provider of home health services or a provider of hospice services
1856 are eligible for this exemption if the purchases otherwise meet
1857 the requirements of this paragraph.

1858 (ee) Sales of tangible personal property or services to
1859 Mississippi Blood Services.

1860 (ff) (i) Subject to the provisions of this paragraph
1861 (ff), retail sales of firearms, ammunition and hunting supplies if
1862 sold during the annual Mississippi Second Amendment Weekend
1863 holiday beginning at 12:01 a.m. on the last Friday in August and
1864 ending at 12:00 midnight the following Sunday. For the purposes
1865 of this paragraph (ff), "hunting supplies" means tangible personal
1866 property used for hunting, including, and limited to, archery
1867 equipment, firearm and archery cases, firearm and archery
1868 accessories, hearing protection, holsters, belts and slings.
1869 Hunting supplies does not include animals used for hunting.



1870 (ii) This paragraph (ff) shall apply only if one
1871 or more of the following occur:

1872 1. Title to and/or possession of an eligible
1873 item is transferred from a seller to a purchaser; and/or

1874 2. A purchaser orders and pays for an
1875 eligible item and the seller accepts the order for immediate
1876 shipment, even if delivery is made after the time period provided
1877 in subparagraph (i) of this paragraph (ff), provided that the
1878 purchaser has not requested or caused the delay in shipment.

1879 (gg) Sales of nonperishable food items to charitable
1880 organizations that are exempt from federal income taxation under
1881 Section 501(c)(3) of the Internal Revenue Code and operate a food
1882 bank or food pantry or food lines.

1883 (hh) Sales of tangible personal property or services to
1884 the United Way of the Pine Belt Region, Inc.

1885 (ii) Sales of tangible personal property or services to
1886 the Mississippi Children's Museum or any subsidiary or affiliate
1887 thereof operating a satellite or branch museum within this state.

1888 (jj) Sales of tangible personal property or services to
1889 the Jackson Zoological Park.

1890 (kk) Sales of tangible personal property or services to
1891 the Hattiesburg Zoo.

1892 (ll) Gross proceeds from sales of food, merchandise or
1893 other concessions at an event held solely for religious or
1894 charitable purposes at livestock facilities, agriculture



1895 facilities or other facilities constructed, renovated or expanded
1896 with funds for the grant program authorized under Section 18,
1897 Chapter 530, Laws of 1995.

1898 (mm) Sales of tangible personal property and services
1899 to the Diabetes Foundation of Mississippi and the Mississippi
1900 Chapter of the Juvenile Diabetes Research Foundation.

1901 (nn) Sales of potting soil, mulch, or other soil
1902 amendments used in growing ornamental plants which bear no fruit
1903 of commercial value when sold to commercial plant nurseries that
1904 operate exclusively at wholesale and where no retail sales can be
1905 made.

1906 (oo) Sales of tangible personal property or services to
1907 the University of Mississippi Medical Center Research Development
1908 Foundation.

1909 (pp) Sales of tangible personal property or services to
1910 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
1911 Mississippi Beautiful, Inc.

1912 (qq) Sales of tangible personal property or services to
1913 the Friends of Children's Hospital.

1914 (rr) Sales of tangible personal property or services to
1915 the Pinecrest Weekend Backpacks for Kids located in Corinth,
1916 Mississippi.

1917 (ss) Sales of hearing aids when ordered or prescribed
1918 by a licensed physician, audiologist or hearing aid specialist for
1919 the medical purposes of a patient.



1920 (tt) Sales exempt under the Facilitating Business Rapid
1921 Response to State Declared Disasters Act of 2015 (Sections
1922 27-113-1 through 27-113-9).

1923 (uu) Sales of tangible personal property or services to
1924 the Junior League of Jackson.

1925 (vv) Sales of tangible personal property or services to
1926 the Mississippi's Toughest Kids Foundation for use in the
1927 construction, furnishing and equipping of buildings and related
1928 facilities and infrastructure at Camp Kamassa in Copiah County,
1929 Mississippi. This paragraph (vv) shall stand repealed on July 1,
1930 2025.

1931 (ww) Sales of tangible personal property or services to
1932 MS Gulf Coast Buddy Sports, Inc.

1933 (xx) Sales of tangible personal property or services to
1934 Biloxi Lions, Inc.

1935 (yy) Sales of tangible personal property or services to
1936 Lions Sight Foundation of Mississippi, Inc.

1937 (zz) Sales of tangible personal property and services
1938 to the Goldring/Woldenberg Institute of Southern Jewish Life
1939 (ISJL).

1940 (aaa) Sales of coins, currency, and bullion. For the
1941 purposes of this paragraph (aaa), the following words and phrases
1942 shall have the meanings ascribed in this paragraph (aaa) unless
1943 the context clearly indicates otherwise:

1944 (i) "Bullion" means a bar, ingot, or coin:



- 1945 1. Manufactured, in whole or in part, of
1946 gold, silver, platinum, or palladium;
1947 2. That was or is used solely as a medium of
1948 exchange, security, or commodity by any state, the United States
1949 Government, or a foreign nation; and
1950 3. Sold based on the intrinsic value of the
1951 bar, ingot, or coin as a precious metal or collectible item rather
1952 than its form or representative value as a medium of exchange.

1953 (ii) "Coin or currency" means a coin or currency:

- 1954 1. Manufactured, in whole or in part, of
1955 gold, silver, other metal, or paper;
1956 2. That was or is used solely as a medium of
1957 exchange, security, or commodity by any state, the United States
1958 Government, or a foreign nation; and
1959 3. Sold based on the intrinsic value of the
1960 coin or currency as a precious metal or collectible item rather
1961 than its form or representative value as a medium of exchange.
1962 "Coin or currency" does not include a coin or currency that has
1963 been incorporated into jewelry.

1964 **SECTION 10.** Section 27-67-31, Mississippi Code of 1972, is
1965 amended as follows:

1966 27-67-31. All administrative provisions of the sales tax
1967 law, and amendments thereto, including those which fix damages,
1968 penalties and interest for failure to comply with the provisions
1969 of said sales tax law, and all other requirements and duties



1970 imposed upon taxpayer, shall apply to all persons liable for use
1971 taxes under the provisions of this article. The commissioner
1972 shall exercise all power and authority and perform all duties with
1973 respect to taxpayers under this article as are provided in said
1974 sales tax law, except where there is conflict, then the provisions
1975 of this article shall control.

1976 The commissioner may require transportation companies to
1977 permit the examination of waybills, freight bills, or other
1978 documents covering shipments of tangible personal property into
1979 this state.

1980 On or before the fifteenth day of each month, the amount
1981 received from taxes, damages and interest under the provisions of
1982 this article during the preceding month shall be paid and
1983 distributed as follows:

1984 (a) On or before July 15, 1994, through July 15, 2000,
1985 and each succeeding month thereafter, two and two hundred
1986 sixty-six one-thousandths percent (2.266%) of the total use tax
1987 revenue collected during the preceding month under the provisions
1988 of this article shall be deposited in the School Ad Valorem Tax
1989 Reduction Fund created pursuant to Section 37-61-35. On or before
1990 August 15, 2000, and each succeeding month thereafter, two and two
1991 hundred sixty-six one-thousandths percent (2.266%) of the total
1992 use tax revenue collected during the preceding month under the
1993 provisions of this chapter shall be deposited into the School Ad
1994 Valorem Tax Reduction Fund created under Section 37-61-35 until



1995 such time that the total amount deposited into the fund during a
1996 fiscal year equals Four Million Dollars (\$4,000,000.00).
1997 Thereafter, the amounts diverted under this paragraph (a) during
1998 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
1999 shall be deposited into the Education Enhancement Fund created
2000 under Section 37-61-33 for appropriation by the Legislature as
2001 other education needs and shall not be subject to the percentage
2002 appropriation requirements set forth in Section 37-61-33.

2003 (b) On or before July 15, 1994, and each succeeding
2004 month thereafter, nine and seventy-three one-thousandths percent
2005 (9.073%) of the total use tax revenue collected during the
2006 preceding month under the provisions of this article shall be
2007 deposited into the Education Enhancement Fund created pursuant to
2008 Section 37-61-33.

2009 (c) On or before July 15, 1997, and on or before the
2010 fifteenth day of each succeeding month thereafter, the revenue
2011 collected under the provisions of this article imposed and levied
2012 as a result of Section 27-65-17(2) and the corresponding levy in
2013 Section 27-65-23 on the rental or lease of private carriers of
2014 passengers and light carriers of property as defined in Section
2015 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2016 Reduction Fund created pursuant to Section 27-51-105.

2017 (d) On or before July 15, 1997, and on or before the
2018 fifteenth day of each succeeding month thereafter and after the
2019 deposits required by paragraphs (a) and (b) of this section are



2020 made, the remaining revenue collected under the provisions of this
2021 article imposed and levied as a result of Section 27-65-17(1) and
2022 the corresponding levy in Section 27-65-23 on the rental or lease
2023 of private carriers of passengers and light carriers of property
2024 as defined in Section 27-51-101 shall be deposited into the Motor
2025 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2026 27-51-105.

2027 (e) On or before August 15, 2019, and each succeeding
2028 month thereafter through July 15, 2020, three and three-fourths
2029 percent (3-3/4%) of the total use tax revenue collected during the
2030 preceding month under the provisions of this article shall be
2031 deposited into the special fund created in Section 27-67-35(1).
2032 On or before August 15, 2020, and each succeeding month thereafter
2033 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2034 total use tax revenue collected during the preceding month under
2035 the provisions of this article shall be deposited into the special
2036 fund created in Section 27-67-35(1). On or before August 15,
2037 2021, and each succeeding month thereafter through July 15, 2022,
2038 eleven and one-fourth percent (11-1/4%) of the total use tax
2039 revenue collected during the preceding month under the provisions
2040 of this article shall be deposited into the special fund created
2041 in Section 27-67-35(1). On or before August 15, 2022, and each
2042 succeeding month thereafter, fifteen percent (15%) of the total
2043 use tax revenue collected during the preceding month under the



2044 provisions of this article shall be deposited into the special
2045 fund created in Section 27-67-35(1).

2046 (f) On or before August 15, 2019, and each succeeding
2047 month thereafter through July 15, 2020, three and three-fourths
2048 percent (3-3/4%) of the total use tax revenue collected during the
2049 preceding month under the provisions of this article shall be
2050 deposited into the special fund created in Section 27-67-35(2).

2051 On or before August 15, 2020, and each succeeding month thereafter
2052 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2053 total use tax revenue collected during the preceding month under
2054 the provisions of this article shall be deposited into the special
2055 fund created in Section 27-67-35(2). On or before August 15,
2056 2021, and each succeeding month thereafter through July 15, 2022,
2057 eleven and one-fourth percent (11-1/4%) of the total use tax
2058 revenue collected during the preceding month under the provisions
2059 of this article shall be deposited into the special fund created
2060 in Section 27-67-35(2). On or before August 15, 2022, and each
2061 succeeding month thereafter, fifteen percent (15%) of the total
2062 use tax revenue collected during the preceding month under the
2063 provisions of this article shall be deposited into the special
2064 fund created in Section 27-67-35(2).

2065 (g) On or before August 15, 2019, and each succeeding
2066 month thereafter through July 15, 2020, Four Hundred Sixteen
2067 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2068 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total



2069 use tax revenue collected during the preceding month under the
2070 provisions of this article, whichever is the greater amount, shall
2071 be deposited into the Local System Bridge Replacement and
2072 Rehabilitation Fund created in Section 65-37-13. On or before
2073 August 15, 2020, and each succeeding month thereafter through July
2074 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2075 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2076 and one-half percent (2-1/2%) of the total use tax revenue
2077 collected during the preceding month under the provisions of this
2078 article, whichever is the greater amount, shall be deposited into
2079 the Local System Bridge Replacement and Rehabilitation Fund
2080 created in Section 65-37-13. On or before August 15, 2021, and
2081 each succeeding month thereafter through July 15, 2022, One
2082 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2083 three and three-fourths percent (3-3/4%) of the total use tax
2084 revenue collected during the preceding month under the provisions
2085 of this article, whichever is the greater amount, shall be
2086 deposited into the Local System Bridge Replacement and
2087 Rehabilitation Fund created in Section 65-37-13. On or before
2088 August 15, 2022, and each succeeding month thereafter through July
2089 15, 2023, One Million Six Hundred Sixty-six Thousand Six Hundred
2090 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or five
2091 percent (5%) of the total use tax revenue collected during the
2092 preceding month under the provisions of this article, whichever is
2093 the greater amount, shall be deposited into the Local System



2094 Bridge Replacement and Rehabilitation Fund created in Section
2095 65-37-13. On or before August 15, 2023, and each succeeding month
2096 thereafter, (i) One Million Six Hundred Sixty-six Thousand Six
2097 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or
2098 two and one-half percent (2-1/2%) of the total use tax revenue
2099 collected during the preceding month under the provisions of this
2100 article, whichever is the greater amount, shall be deposited into
2101 the Local System Bridge Replacement and Rehabilitation Fund
2102 created in Section 65-37-13, and (ii) One Million Six Hundred
2103 Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven
2104 Cents (\$1,666,666.67) or two and one-half percent (2-1/2%) of the
2105 total use tax revenue collected during the preceding month under
2106 the provisions of this article, whichever is the greater amount,
2107 shall be deposited into the State Aid Road Fund created in Section
2108 65-9-17.

2109 (h) On or before August 15, 2020, and each succeeding
2110 month thereafter through July 15, 2022, One Million Dollars
2111 (\$1,000,000.00) of the total use tax revenue collected during the
2112 preceding month under the provisions of this article shall be
2113 deposited into the Local System Bridge Replacement and
2114 Rehabilitation Fund created in Section 65-37-13. Amounts
2115 deposited into the Local System Bridge Replacement and
2116 Rehabilitation Fund under this paragraph (h) shall be in addition
2117 to amounts deposited into the fund under paragraph (g) of this
2118 section.



2119 (i) Notwithstanding any other provision of this section
2120 to the contrary, on or before September 15, 2024, and each
2121 succeeding month thereafter through August 15, 2034, the total use
2122 tax revenue collected during the preceding month under the
2123 provisions of this article as a result of the increases to tax
2124 rates under Sections 27-65-17(1)(a), 27-65-19(1)(a)(i) and (d),
2125 27-65-22, 27-65-23, 27-65-25 and 27-65-26, as provided in House
2126 Bill No. , 2024 Regular Session, shall be deposited, without
2127 diversion, into the Public Employees' Retirement System
2128 Sustainability Fund created in Section 12 of this act.

2129 (* * *j) The remainder of the amount received from
2130 taxes, damages and interest under the provisions of this article
2131 shall be paid into the General Fund of the State Treasury by the
2132 commissioner.

2133 **SECTION 11.** Section 27-7-5, Mississippi Code of 1972, is
2134 amended as follows:

2135 27-7-5. (1) (a) Except as otherwise provided in this
2136 section, there is hereby assessed and levied, to be collected and
2137 paid as hereinafter provided, for the calendar year 1983 and
2138 fiscal years ending during the calendar year 1983 and all taxable
2139 years thereafter, upon the entire net income of every resident
2140 individual, corporation, association, trust or estate, in excess
2141 of the credits provided, a tax at the following rates:



2142 (i) 1. Through calendar year 2017, on the first
2143 Five Thousand Dollars (\$5,000.00) of taxable income, or any part
2144 thereof, the rate shall be three percent (3%);

2145 2. For calendar year 2018, on the first One
2146 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2147 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2148 taxable income, or any part thereof, the rate shall be three
2149 percent (3%);

2150 3. For calendar year 2019, on the first Two
2151 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2152 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2153 taxable income, or any part thereof, the rate shall be three
2154 percent (3%);

2155 4. For calendar year 2020, on the first Three
2156 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2157 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2158 taxable income, or any part thereof, the rate shall be three
2159 percent (3%);

2160 5. For calendar year 2021, on the first Four
2161 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2162 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2163 taxable income, or any part thereof, the rate shall be three
2164 percent (3%);



2165 6. For calendar year 2022 and all taxable
2166 years thereafter, there shall be no tax levied on the first Five
2167 Thousand Dollars (\$5,000.00) of taxable income;

2168 (ii) On taxable income in excess of Five Thousand
2169 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2170 (\$10,000.00), or any part thereof, the rate shall be four percent
2171 (4%); and

2172 (iii) On all taxable income in excess of Ten
2173 Thousand Dollars (\$10,000.00), the rate shall be five percent
2174 (5%).

2175 (b) (i) For calendar year 2023 and all calendar years
2176 thereafter, there shall be no tax levied under subparagraph (ii)
2177 of paragraph (a) of this subsection on the taxable income of
2178 individuals in excess of Five Thousand Dollars (\$5,000.00) up to
2179 and including Ten Thousand Dollars (\$10,000.00), or any part
2180 thereof; and

2181 (ii) For calendar year 2024 and all calendar years
2182 thereafter, the tax imposed under subparagraph (iii) of paragraph
2183 (a) of this subsection upon all taxable income of individuals in
2184 excess of Ten Thousand Dollars (\$10,000.00), shall be at the
2185 following rates:

2186 1. For calendar year 2024, on such taxable
2187 income, the rate shall be four and seven-tenths percent (4.7%);



2188 2. For calendar year 2025, on such taxable
2189 income, the rate shall be * * * three and nine-tenths percent
2190 (3.9%); * * *

2191 3. For calendar year 2026 * * *, on such
2192 taxable income, the rate shall be three and six-tenths percent
2193 (3.6%);

2194 4. For calendar year 2027, on such taxable
2195 income, the rate shall be three and three-tenths percent (3.3%);

2196 5. For calendar year 2028, on such taxable
2197 income, the rate shall be three percent (3%);

2198 6. For calendar year 2029, on such taxable
2199 income, the rate shall be two and seven-tenths percent (2.7%);

2200 7. For calendar year 2030, on such taxable
2201 income, the rate shall be two and four-tenths percent (2.4%);

2202 8. For calendar year 2031, on such taxable
2203 income, the rate shall be two and one-tenths percent (2.1%);

2204 9. For calendar year 2032, on such taxable
2205 income, the rate shall be one and eight-tenths percent (1.8%);

2206 10. For calendar year 2033, on such taxable
2207 income, the rate shall be one and five-tenths percent (1.5%);

2208 11. For calendar year 2034, on such taxable
2209 income, the rate shall be one and two-tenths percent (1.2%);

2210 12. For calendar year 2035, on such taxable
2211 income, the rate shall be nine-tenths of one percent (.9%);



2212 13. For calendar year 2036, on such taxable
2213 income, the rate shall be six-tenths of one percent (.6%);

2214 14. For calendar year 2037, on such taxable
2215 income, the rate shall be three-tenths of one percent (.3%); and

2216 15. For calendar year 2038 and all calendar
2217 years thereafter, there shall be no tax levied under subparagraph
2218 (iii) of paragraph (a) of this subsection upon taxable income of
2219 individuals in excess of Ten Thousand Dollars (\$10,000.00).

2220 * * *

2221 However, for calendar year 2024 and each calendar year
2222 thereafter, the tax imposed under subparagraph (iii) of paragraph
2223 (a) of this subsection upon all taxable income of individuals in
2224 excess of Ten Thousand Dollars (\$10,000.00) that is derived from
2225 illegal activity shall be at the rate of five percent (5%) and for
2226 income derived from producing, distributing, directing,
2227 manufacturing, issuing, publishing or advertising any depiction of
2228 sexually explicit conduct, the tax shall be at the rate of five
2229 percent (5%). For the purposes of the preceding sentence,
2230 "sexually explicit conduct" has the meaning ascribed to such term
2231 in Section 97-5-31, however, without regard to whether depicting
2232 any adult or child.

2233 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2234 shall not be subject to the income tax imposed under this section.

2235 (3) A like tax is hereby imposed to be assessed, collected
2236 and paid annually, except as hereinafter provided, at the rate



2237 specified in this section and as hereinafter provided, upon and
2238 with respect to the entire net income, from all property owned or
2239 sold, and from every business, trade or occupation carried on in
2240 this state by individuals, corporations, partnerships, trusts or
2241 estates, not residents of the State of Mississippi.

2242 (4) In the case of taxpayers having a fiscal year beginning
2243 in a calendar year with a rate in effect that is different than
2244 the rate in effect for the next calendar year and ending in the
2245 next calendar year, the tax due for that taxable year shall be
2246 determined by:

2247 (a) Computing for the full fiscal year the amount of
2248 tax that would be due under the rates in effect for the calendar
2249 year in which the fiscal year begins; and

2250 (b) Computing for the full fiscal year the amount of
2251 tax that would be due under the rates in effect for the calendar
2252 year in which the fiscal year ends; and

2253 (c) Applying to the tax computed under paragraph (a)
2254 the ratio which the number of months falling within the earlier
2255 calendar year bears to the total number of months in the fiscal
2256 year; and

2257 (d) Applying to the tax computed under paragraph (b)
2258 the ratio which the number of months falling within the later
2259 calendar year bears to the total number of months within the
2260 fiscal year; and



2261 (e) Adding to the tax determined under paragraph (c)
2262 the tax determined under paragraph (d) the sum of which shall be
2263 the amount of tax due for the fiscal year.

2264 **SECTION 12.** (1) There is hereby created in the State
2265 Treasury a special fund to be designated as the "Public Employees'
2266 Retirement System Sustainability Fund," which shall consist of
2267 funds deposited therein under Section 27-65-75(26), Mississippi
2268 Code of 1972, and funds from any other source designated for
2269 deposit into such fund. Unexpended amounts remaining in the fund
2270 at the end of a fiscal year shall not lapse into the State General
2271 Fund, and any investment earnings or interest earned on amounts in
2272 the fund shall be deposited to the credit of the fund. Monies in
2273 the fund shall be appropriated by the Legislature for the purposes
2274 of improving and maintaining the sustainability of the Public
2275 Employees' Retirement System.

2276 **SECTION 13.** Section 1 of this act shall be codified as a new
2277 section in Chapter 65, Title 27, Mississippi Code of 1972.

2278 **SECTION 14.** Section 11 of this act shall take effect and be
2279 in force from and after January 1, 2024. Section 1 of this act
2280 shall take effect and be in force from and after its passage. The
2281 remainder of this act shall take effect and be in force from and
2282 after July 1, 2024.

