

By: Representatives Lamar, White, Steverson, Bounds, Deweese, Newman, Calvert, Smith, Keen, Massengill To: Ways and Means

HOUSE BILL NO. 1

1 AN ACT TO CREATE THE "BUILD UP MISSISSIPPI ACT"; TO AUTHORIZE
2 THE GOVERNING AUTHORITIES OF A MUNICIPALITY TO IMPOSE A SALES TAX
3 ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF
4 BUSINESSES IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT
5 THE RATE OF SEVEN PERCENT UNDER THE MISSISSIPPI SALES TAX LAW AND
6 ON RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH
7 FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED
8 WITH FOOD STAMPS; TO PROVIDE THAT THE GOVERNING AUTHORITIES OF A
9 MUNICIPALITY, BY A VOTE ENTERED UPON THEIR MINUTES BEFORE JULY 1,
10 2026, MAY OPT OUT OF IMPOSING THE TAX PROVIDED FOR IN THIS ACT; TO
11 AUTHORIZE THE BOARD OF SUPERVISORS OF A COUNTY TO IMPOSE A SALES
12 TAX ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF
13 BUSINESSES IN THE COUNTY OUTSIDE OF THE MUNICIPALITIES IN THE
14 COUNTY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF SEVEN PERCENT
15 UNDER THE MISSISSIPPI SALES TAX LAW AND ON RETAIL SALES OF FOOD
16 FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH
17 WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO
18 PROVIDE THAT THE BOARD OF SUPERVISORS OF A COUNTY, BY A VOTE
19 ENTERED UPON ITS MINUTES BEFORE JULY 1, 2026, MAY OPT OUT OF
20 IMPOSING THE TAX PROVIDED FOR IN THIS ACT; TO AMEND SECTION
21 27-65-17, MISSISSIPPI CODE OF 1972, TO REDUCE THE SALES TAX RATE
22 ON RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH
23 FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED
24 WITH FOOD STAMPS; TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF
25 1972, TO LEVY A TAX ON THE GROSS INCOME FROM RETAIL SALES OF
26 CERTAIN MOTOR FUELS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE
27 OF 1972, TO REVISE THE AMOUNT OF STATE SALES TAX REVENUE THAT IS
28 DISTRIBUTED TO MUNICIPALITIES; TO REVISE THE DISTRIBUTION OF STATE
29 SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN
30 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
31 EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO PROVIDE
32 THAT SALES TAX REVENUE DERIVED FROM RETAIL SALES OF CERTAIN MOTOR
33 FUELS SHALL BE DEPOSITED INTO THE MAINTENANCE AND CAPACITY
34 PROJECTS FUND CREATED IN THIS ACT; TO PROVIDE FOR THE TEMPORARY



35 DISTRIBUTION OF CERTAIN STATE SALES REVENUE INTO THE BUDGET  
36 STABILIZATION FUND CREATED IN THIS ACT; TO AMEND SECTION  
37 27-65-111, MISSISSIPPI CODE OF 1972, TO REVISE THE SALES TAX  
38 EXEMPTION ON SALES OF CERTAIN MOTOR FUEL; TO CREATE THE "BUDGET  
39 STABILIZATION FUND" AS A SPECIAL FUND IN THE STATE TREASURY; TO  
40 PROVIDE THAT MONIES IN THE FUND SHALL BE APPROPRIATED BY THE  
41 LEGISLATURE TO FURTHER THE PURPOSES OF THIS ACT; TO AMEND SECTION  
42 27-7-5, MISSISSIPPI CODE OF 1972, TO PHASE OUT THE STATE INCOME  
43 TAX ON THE TAXABLE INCOME OF INDIVIDUALS; TO AMEND SECTION  
44 65-9-17, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IF A COUNTY  
45 OPTS OUT OF IMPOSING THE TAX PROVIDED FOR IN THIS ACT, THE COUNTY  
46 MAY NOT RECEIVE ANY ASSISTANCE FROM THE STATE AID ROAD FUND WHICH  
47 IS DERIVED FROM MONIES DEPOSITED INTO THE FUND FROM REVENUE  
48 DERIVED FROM THE TAX IMPOSED BY COUNTIES UNDER THIS ACT; TO AMEND  
49 SECTION 27-115-85, MISSISSIPPI CODE OF 1972, TO REVISE THE  
50 DISTRIBUTION OF NET PROCEEDS GENERATED BY THE ALYCE G. CLARKE  
51 MISSISSIPPI LOTTERY LAW TO PROVIDE THAT \$100,000,000.00 OF THE NET  
52 PROCEEDS SHALL BE PAID INTO THE EMPLOYER'S ACCUMULATION ACCOUNT OF  
53 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNTIL THE FUNDED RATIO FOR  
54 THE SYSTEM IS 80% AT THE END OF A FISCAL YEAR AND THEREAFTER, FOR  
55 EACH MONTH AFTER THAT FISCAL YEAR SUCH NET PROCEEDS SHALL BE PAID  
56 INTO THE STATE GENERAL FUND AND THAT ALL SUCH MONIES DEPOSITED  
57 INTO THE LOTTERY PROCEEDS FUND OVER \$100,000,000.00 SHALL BE  
58 TRANSFERRED INTO THE EDUCATION ENHANCEMENT FUND FOR THE PURPOSES  
59 OF FUNDING THE EARLY CHILDHOOD LEARNING COLLABORATIVE, THE  
60 CLASSROOM SUPPLY FUND AND/OR OTHER EDUCATIONAL PURPOSES AND INTO  
61 THE MULTI-MODEL TRANSPORTATION IMPROVEMENT FUND; TO CREATE THE  
62 "MAINTENANCE AND CAPACITY PROJECTS FUND" AS A SPECIAL FUND IN THE  
63 STATE TREASURY; TO PROVIDE THAT MONEY IN THE FUND SHALL BE  
64 UTILIZED BY THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION, WITH THE  
65 ADVICE OF THE MAINTENANCE AND CAPACITY PROJECTS FUND ADVISORY  
66 BOARD, TO PROVIDE FUNDING FOR MAINTENANCE AND CAPACITY PROJECTS;  
67 TO CREATE THE MAINTENANCE AND CAPACITY PROJECTS FUND ADVISORY  
68 BOARD AND PROVIDE FOR ITS MEMBERSHIP; TO PROVIDE THAT THE  
69 MAINTENANCE AND CAPACITY PROJECTS FUND ADVISORY BOARD SHALL  
70 PROVIDE NONBINDING ADVICE TO THE DEPARTMENT OF TRANSPORTATION  
71 REGARDING THE EXPENDITURE OF MONEY IN THE MAINTENANCE AND CAPACITY  
72 PROJECTS FUND; TO BRING FORWARD SECTION 27-115-51, MISSISSIPPI  
73 CODE OF 1972, WHICH PROVIDES FOR THE DEPOSIT OF MONIES RECEIVED  
74 FROM LOTTERY TICKET SALES INTO A CORPORATE OPERATING ACCOUNT AND  
75 THE TRANSFER OF NET PROCEEDS FROM THE CORPORATE OPERATING ACCOUNT  
76 TO THE LOTTERY PROCEEDS FUND FOR THE PURPOSES OF POSSIBLE  
77 AMENDMENT; AND FOR RELATED PURPOSES.

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

79 **SECTION 1.** This act shall be known and may be cited as the

80 "Build Up Mississippi Act".



81           SECTION 2. (1) (a) Subject to the provisions of this  
82 subsection, from and after July 1, 2026, the governing authorities  
83 of a municipality shall impose upon all persons as a privilege for  
84 engaging or continuing in business or doing business within such  
85 municipality, a sales tax at the rate of one and one-half percent  
86 (1-1/2%) of the gross proceeds of sales or gross income of the  
87 business, as the case may be, derived from any of the activities  
88 within the municipality which are taxed at the rate of seven  
89 percent (7%) under the provisions of this chapter and from  
90 activities within the municipality which are taxed under Section  
91 27-65-17(1)(n). The governing authorities of a municipality, by a  
92 vote entered upon their minutes before July 1, 2026, may opt out  
93 of imposing the tax provided for in this subsection. The  
94 governing authorities of the municipality shall provide a notice  
95 in accordance with the Open Meetings Act (Section 25-41-1 et seq.)  
96 of its intent of holding a vote regarding opting out of imposing  
97 the tax.

98           (b) The tax imposed under this subsection shall apply  
99 to every person making sales, delivery or installations of  
100 tangible personal property or services within any municipality  
101 levying the tax provided for in this subsection but shall not  
102 apply to sales exempted by Sections 27-65-19, 27-65-101,  
103 27-65-103, 27-65-105, 27-65-107, 27-65-109 and 27-65-111.

104           (c) A municipality may use revenue derived from the tax  
105 imposed under this subsection for any purpose for which the



106 municipality may use monies distributed to it under the provisions  
107 of Section 27-65-75(1) (a) .

108 (d) The sales tax authorized by this subsection shall  
109 be collected by the Department of Revenue, shall be accounted for  
110 separately from the amount of sales tax collected for the state in  
111 the municipality and shall be paid to the municipality in which  
112 collected. Payments to the municipality shall be made by the  
113 Department of Revenue on or before the fifteenth day of the month  
114 following the month in which the tax was collected.

115 (2) (a) Subject to the provisions of this subsection, from  
116 and after July 1, 2026, the board of supervisors of a county shall  
117 impose upon all persons as a privilege for engaging or continuing  
118 in business or doing business within such county outside of the  
119 municipalities in the county, a sales tax at the rate of one and  
120 one-half percent (1-1/2%) of the gross proceeds of sales or gross  
121 income of the business, as the case may be, derived from any of  
122 the activities within the county that occur outside of the  
123 municipalities in the county which are taxed at the rate of seven  
124 percent (7%) under the provisions of this chapter and from  
125 activities within the county that occur outside of the  
126 municipalities in the county which are taxed under Section  
127 27-65-17(1) (n) . The board of supervisors of a county, by a vote  
128 entered upon its minutes before July 1, 2026, may opt out of  
129 imposing the tax provided for in this subsection. The board of  
130 supervisors of a county shall provide a notice in accordance with



131 the Open Meetings Act (Section 25-41-1 et seq.) of its intent of  
132 holding a vote regarding opting out of imposing the tax. If a  
133 county opts out of imposing the tax provided for in this  
134 subsection, the county may not receive any assistance from the  
135 State Aid Road Fund created in Section 65-9-17 which is derived  
136 from monies deposited into the fund from revenue derived from the  
137 tax imposed by counties under this subsection.

138 (b) The tax imposed under this subsection shall apply  
139 to every person making sales, delivery or installations of  
140 tangible personal property or services within any county imposing  
141 the tax provided for in this subsection but shall not apply to  
142 sales exempted by Sections 27-65-19, 27-65-101, 27-65-103,  
143 27-65-105, 27-65-107, 27-65-109 and 27-65-111.

144 (c) The revenue derived from the tax imposed under this  
145 subsection shall be deposited into the State Aid Road Fund created  
146 in Section 65-9-17.

147 (d) The sales tax authorized by this subsection shall  
148 be collected by the Department of Revenue, shall be accounted for  
149 separately from the amount of sales tax collected for the state in  
150 the county and shall be paid as provided in paragraph (c) of this  
151 subsection. Payments shall be made by the Department of Revenue  
152 on or before the fifteenth day of the month following the month in  
153 which the tax was collected.

154 (3) If a municipality imposing a tax under subsection (1) of  
155 this section expands its corporate boundaries into a county that



156 is imposing a tax under subsection (2) of this section, the  
157 municipality shall impose the tax under subsection (1) of this  
158 section in the expanded corporate boundaries and the county shall  
159 cease to impose the tax under subsection (2) of this section in  
160 the expanded municipal corporate boundaries. The municipality  
161 shall begin to impose and the county shall cease to impose the  
162 respective taxes on the first day of the month following the month  
163 in which the municipal expansion becomes official.

164       **SECTION 3.** Section 27-65-17, Mississippi Code of 1972, is  
165 amended as follows:

166       27-65-17. (1) (a) Except as otherwise provided in this  
167 section, upon every person engaging or continuing within this  
168 state in the business of selling any tangible personal property  
169 whatsoever there is hereby levied, assessed and shall be collected  
170 a tax equal to seven percent (7%) of the gross proceeds of the  
171 retail sales of the business.

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

176       (c) (i) Retail sales of farm implements sold to  
177 farmers and used directly in the production of poultry, ratite,  
178 domesticated fish as defined in Section 69-7-501, livestock,  
179 livestock products, agricultural crops or ornamental plant crops  
180 or used for other agricultural purposes, and parts and labor used



181 to maintain and/or repair such implements, shall be taxed at the  
182 rate of one and one-half percent (1-1/2%) when used on the farm.

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

- 187 1. Self-propelled, or
- 188 2. Mounted so that it is permanently attached  
189 to other equipment which is self-propelled or attached to other  
190 equipment drawn by a vehicle which is self-propelled.

191 In order to be eligible for the rate of tax provided for in  
192 this subparagraph (ii), such sales must be made to a professional  
193 logger. For the purposes of this subparagraph (ii), a  
194 "professional logger" is a person, corporation, limited liability  
195 company or other entity, or an agent thereof, who possesses a  
196 professional logger's permit issued by the Department of Revenue  
197 and who presents the permit to the seller at the time of purchase.  
198 The department shall establish an application process for a  
199 professional logger's permit to be issued, which shall include a  
200 requirement that the applicant submit a copy of documentation  
201 verifying that the applicant is certified according to Sustainable  
202 Forestry Initiative guidelines. Upon a determination that an  
203 applicant is a professional logger, the department shall issue the  
204 applicant a numbered professional logger's permit.



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

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

215           (f) Sales of machinery and machine parts when made to a  
216 technology intensive enterprise for plant use only when the  
217 machinery and machine parts will be used exclusively and directly  
218 within this state for industrial purposes, including, but not  
219 limited to, manufacturing or research and development activities,  
220 shall be taxed at the rate of one and one-half percent (1-1/2%).  
221 In order to be considered a technology intensive enterprise for  
222 purposes of this paragraph:

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

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

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





230 (iv) The enterprise shall manufacture plastics,  
231 chemicals, automobiles, aircraft, computers or electronics; or  
232 shall be a research and development facility, a computer design or  
233 related facility, or a software publishing facility or other  
234 technology intensive facility or enterprise as determined by the  
235 Mississippi Development Authority;

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

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

241 A medical cannabis establishment, as defined in the  
242 Mississippi Medical Cannabis Act, shall not be considered to be a  
243 technology intensive enterprise for the purposes of this paragraph  
244 (f).

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

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

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



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

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

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

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

275 (m) Sales of equipment and materials used in connection  
276 with geophysical surveying, exploring, developing, drilling,  
277 redrilling, completing, working over, producing, distributing, or  
278 testing of oil, gas and other mineral resources shall be taxed at  
279 the rate of four and one-half percent (4-1/2%). Operators that



280 rebill sales of equipment and materials to nonoperating working  
281 interest owners on behalf of a joint account through the joint  
282 interest billing (JIB), where the sales tax has been paid or  
283 accrued by the operator shall not be charged a sales tax on the  
284 JIB as services income.

285 (n) From and after July 1, 2026, retail sales of food  
286 for human consumption not purchased with food stamps issued by the  
287 United States Department of Agriculture, or other federal agency,  
288 but which would be exempt under Section 27-65-111(o) from the  
289 taxes imposed by this chapter if the food items were purchased  
290 with food stamps, shall be taxed as follows:

291 (i) From and after July 1, 2026, through June 30,  
292 2027, such sales shall be taxed at the rate of four and one-half  
293 percent (4.5%);

294 (ii) From and after July 1, 2027, through June 30,  
295 2028, such sales shall be taxed at the rate of four and  
296 three-tenths percent (4.3%);

297 (iii) From and after July 1, 2028, through June  
298 30, 2029, such sales shall be taxed at the rate of four and  
299 one-tenths percent (4.1%);

300 (iv) From and after July 1, 2029, through June 30,  
301 2030, such sales shall be taxed at the rate of three and  
302 nine-tenths percent (3.9%);



303 (v) From and after July 1, 2030, through June 30,  
304 2031, such sales shall be taxed at the rate of three and  
305 seven-tenths percent (3.7%);

306 (vi) From and after July 1, 2031, through June 30,  
307 2032, such sales shall be taxed at the rate of three and one-half  
308 percent (3.5%);

309 (vii) From and after July 1, 2032, through June  
310 30, 2033, such sales shall be taxed at the rate of three and  
311 three-tenths percent (3.3%);

312 (viii) From and after July 1, 2033, through June  
313 30, 2034, such sales shall be taxed at the rate of three and  
314 one-tenths percent (3.1%);

315 (ix) From and after July 1, 2034, through June 30,  
316 2035, such sales shall be taxed at the rate of two and nine-tenths  
317 percent (2.9%);

318 (x) From and after July 1, 2035, through June 30,  
319 2036, such sales shall be taxed at the rate of two and  
320 seven-tenths percent (2.7%); and

321 (xi) From and after July 1, 2036, such sales shall  
322 be taxed at the rate of two and one-half percent (2.5%).

323 (2) From and after January 1, 1995, retail sales of private  
324 carriers of passengers and light carriers of property, as defined  
325 in Section 27-51-101, shall be taxed an additional two percent  
326 (2%).



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

330 **SECTION 4.** Section 27-65-19, Mississippi Code of 1972, is  
331 amended as follows:

332 27-65-19. (1) (a) (i) Except as otherwise provided in  
333 this subsection, upon every person selling to consumers,  
334 electricity, current, power, potable water, steam, coal, natural  
335 gas, liquefied petroleum gas or other fuel, there is hereby  
336 levied, assessed and shall be collected a tax equal to seven  
337 percent (7%) of the gross income of the business. Provided, gross  
338 income from sales to consumers of electricity, current, power,  
339 natural gas, liquefied petroleum gas or other fuel for residential  
340 heating, lighting or other residential noncommercial or  
341 nonagricultural use, and sales of potable water for residential,  
342 noncommercial or nonagricultural use shall be excluded from  
343 taxable gross income of the business. Provided further, upon  
344 every such seller using electricity, current, power, potable  
345 water, steam, coal, natural gas, liquefied petroleum gas or other  
346 fuel for nonindustrial purposes, there is hereby levied, assessed  
347 and shall be collected a tax equal to seven percent (7%) of the  
348 cost or value of the product or service used.

349 (ii) Gross income from retail sales of motor fuels  
350 that are not exempt under Section 27-65-111(n) shall be taxed at  
351 the rate of five percent (5%).



352 ( \* \* \* iii) Gross income from sales to a church  
353 that is exempt from federal income taxation under 26 USCS Section  
354 501(c)(3) of electricity, current, power, natural gas, liquefied  
355 petroleum gas or other fuel for heating, lighting or other use,  
356 and sales of potable water to such a church shall be excluded from  
357 taxable gross income of the business if the electricity, current,  
358 power, natural gas, liquefied petroleum gas or potable water is  
359 utilized on property that is primarily used for religious or  
360 educational purposes.

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

366 1. Use in an enhanced oil recovery project,  
367 including, but not limited to, use for cycling, repressuring or  
368 lifting of oil; or

369 2. Permanent sequestration in a geological  
370 formation.

371 (ii) The one and one-half percent (1-1/2%) rate  
372 provided for in this subsection shall apply to electricity,  
373 current, power, steam, coal, natural gas, liquefied petroleum gas  
374 or other fuel that is sold to a producer of oil and gas for use  
375 directly in enhanced oil recovery using carbon dioxide and/or the



376 permanent sequestration of carbon dioxide in a geological  
377 formation.

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

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

384 1. A tax equal to seven percent (7%) of the  
385 gross income received from all charges for intrastate  
386 telecommunications services.

387 2. A tax equal to seven percent (7%) of the  
388 gross income received from all charges for interstate  
389 telecommunications services.

390 3. A tax equal to seven percent (7%) of the  
391 gross income received from all charges for international  
392 telecommunications services.

393 4. A tax equal to seven percent (7%) of the  
394 gross income received from all charges for ancillary services.

395 Sales of computer software, computer software services,  
396 specified digital products, or other products delivered  
397 electronically, including, but not limited to, music, games,  
398 reading materials or ring tones, shall be taxed as provided in  
399 other sections of this chapter.



400                   (ii) A person, upon proof that he has paid a tax  
401 in another state on an event described in subparagraph (i) of this  
402 paragraph (d), shall be allowed a credit against the tax imposed  
403 in this paragraph (d) on interstate telecommunications service  
404 charges to the extent that the amount of such tax is properly due  
405 and actually paid in such other state and to the extent that the  
406 rate of sales tax imposed by and paid in such other state does not  
407 exceed the rate of sales tax imposed by this paragraph (d).

408                   (iii) Charges by one (1) telecommunications  
409 provider to another telecommunications provider holding a permit  
410 issued under Section 27-65-27 for services that are resold by such  
411 other telecommunications provider, including, but not limited to,  
412 access charges, shall not be subject to the tax levied pursuant to  
413 this paragraph (d).

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

415                               1. "Telecommunications service" means the  
416 electronic transmission, conveyance or routing of voice, data,  
417 audio, video or any other information or signals to a point, or  
418 between points. The term "telecommunications service" includes  
419 such transmission, conveyance or routing in which computer  
420 processing applications are used to act on the form, code or  
421 protocol of the content for purposes of transmission, conveyance  
422 or routing without regard to whether such service is referred to  
423 as Voice over Internet Protocol services or is classified by the





424 Federal Communications Commission as enhanced or value added. The  
425 term "telecommunications service" shall not include:

426 a. Data processing and information  
427 services that allow data to be generated, acquired, stored,  
428 processed or retrieved and delivered by an electronic transmission  
429 to a purchaser where such purchaser's primary purpose for the  
430 underlying transaction is the processed data or information;

431 b. Installation or maintenance of wiring  
432 or equipment on a customer's premises;

433 c. Tangible personal property;

434 d. Advertising, including, but not  
435 limited to, directory advertising;

436 e. Billing and collection services  
437 provided to third parties;

438 f. Internet access service;

439 g. Radio and television audio and video  
440 programming services regardless of the medium, including the  
441 furnishing of transmission, conveyance and routing of such  
442 services by the programming service provider. Radio and  
443 television audio and video programming services shall include, but  
444 not be limited to, cable service as defined in 47 USCS 522(6) and  
445 audio and video programming services delivered by commercial  
446 mobile radio service providers, as defined in 47 CFR 20.3;

447 h. Ancillary services; or



448 i. Digital products delivered  
449 electronically, including, but not limited to, computer software,  
450 computer software services, electronically stored or maintained  
451 data, music, video, reading materials, specified digital products,  
452 or ring tones.

453 2. "Ancillary services" means services that  
454 are associated with or incidental to the provision of  
455 telecommunications services, including, but not limited to,  
456 detailed telecommunications billing, directory assistance,  
457 vertical service and voice mail service.

458 a. "Conference bridging" means an  
459 ancillary service that links two (2) or more participants of an  
460 audio or video conference call and may include the provision of a  
461 telephone number. Conference bridging does not include the  
462 telecommunications services used to reach the conference bridge.

463 b. "Detailed telecommunications billing  
464 service" means an ancillary service of separately stating  
465 information pertaining to individual calls on a customer's billing  
466 statement.

467 c. "Directory assistance" means an  
468 ancillary service of providing telephone number information and/or  
469 address information.

470 d. "Vertical service" means an ancillary  
471 service that is offered in connection with one or more  
472 telecommunications services, which offers advanced calling



473 features that allow customers to identify callers and to manage  
474 multiple calls and call connections, including conference bridging  
475 services.

476 e. "Voice mail service" means an  
477 ancillary service that enables the customer to store, send or  
478 receive recorded messages. Voice mail service does not include  
479 any vertical services that the customer may be required to have in  
480 order to utilize the voice mail service.

481 3. "Intrastate" means telecommunications  
482 service that originates in one (1) United States state or United  
483 States territory or possession, and terminates in the same United  
484 States state or United States territory or possession.

485 4. "Interstate" means a telecommunications  
486 service that originates in one (1) United States state or United  
487 States territory or possession, and terminates in a different  
488 United States state or United States territory or possession.

489 5. "International" means a telecommunications  
490 service that originates or terminates in the United States and  
491 terminates or originates outside the United States, respectively.

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

494 1. Except for the defined telecommunications  
495 services in item 3 of this subparagraph, the sales of  
496 telecommunications services sold on a call-by-call basis shall be  
497 sourced to:



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

500                   b. Each level of taxing jurisdiction  
501 where the call either originates or terminates and in which the  
502 service address is also located.

503                   2. Except for the defined telecommunications  
504 services in item 3 of this subparagraph, a sale of  
505 telecommunications services sold on a basis other than a  
506 call-by-call basis, is sourced to the customer's place of primary  
507 use.

508                   3. The sale of the following  
509 telecommunications services shall be sourced to each level of  
510 taxing jurisdiction as follows:

511                   a. A sale of mobile telecommunications  
512 services other than air-to-ground radiotelephone service and  
513 prepaid calling service is sourced to the customer's place of  
514 primary use as required by the Mobile Telecommunication Sourcing  
515 Act.

516                   A. A home service provider shall be  
517 responsible for obtaining and maintaining the customer's place of  
518 primary use. The home service provider shall be entitled to rely  
519 on the applicable residential or business street address supplied  
520 by such customer, if the home service provider's reliance is in  
521 good faith; and the home service provider shall be held harmless  
522 from liability for any additional taxes based on a different



523 determination of the place of primary use for taxes that are  
524 customarily passed on to the customer as a separate itemized  
525 charge. A home service provider shall be allowed to treat the  
526 address used for purposes of the tax levied by this chapter for  
527 any customer under a service contract in effect on August 1, 2002,  
528 as that customer's place of primary use for the remaining term of  
529 such service contract or agreement, excluding any extension or  
530 renewal of such service contract or agreement. Month-to-month  
531 services provided after the expiration of a contract shall be  
532 treated as an extension or renewal of such contract or agreement.

533 B. If the commissioner determines  
534 that the address used by a home service provider as a customer's  
535 place of primary use does not meet the definition of the term  
536 "place of primary use" as defined in subitem a.A. of this item 3,  
537 the commissioner shall give binding notice to the home service  
538 provider to change the place of primary use on a prospective basis  
539 from the date of notice of determination; however, the customer  
540 shall have the opportunity, prior to such notice of determination,  
541 to demonstrate that such address satisfies the definition.

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



547                           b. A sale of postpaid calling service is  
548 sourced to the origination point of the telecommunications signal  
549 as first identified by either:

550                           A. The seller's telecommunications  
551 system; or

552                           B. Information received by the  
553 seller from its service provider, where the system used to  
554 transport such signals is not that of the seller.

555                           c. A sale of a prepaid calling service  
556 or prepaid wireless calling service shall be subject to the tax  
557 imposed by this paragraph if the sale takes place in this state.  
558 If the customer physically purchases a prepaid calling service or  
559 prepaid wireless calling service at the vendor's place of  
560 business, the sale is deemed to take place at the vendor's place  
561 of business. If the customer does not physically purchase the  
562 service at the vendor's place of business, the sale of a prepaid  
563 calling card or prepaid wireless calling card is deemed to take  
564 place at the first of the following locations that applies to the  
565 sale:

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

568                           B. The customer's billing address;

569                           C. Any other address of the  
570 customer that is known by the vendor; or



571 D. The address of the vendor, or  
572 alternatively, in the case of a prepaid wireless calling service,  
573 the location associated with the mobile telephone number.

574 4. A sale of a private communication service  
575 is sourced as follows:

576 a. Service for a separate charge related  
577 to a customer channel termination point is sourced to each level  
578 of jurisdiction in which such customer channel termination point  
579 is located.

580 b. Service where all customer  
581 termination points are located entirely within one (1)  
582 jurisdiction or levels of jurisdiction is sourced in such  
583 jurisdiction in which the customer channel termination points are  
584 located.

585 c. Service for segments of a channel  
586 between two (2) customer channel termination points located in  
587 different jurisdictions and which segments of a channel are  
588 separately charged is sourced fifty percent (50%) in each level of  
589 jurisdiction in which the customer channel termination points are  
590 located.

591 d. Service for segments of a channel  
592 located in more than one (1) jurisdiction or levels of  
593 jurisdiction and which segments are not separately billed is  
594 sourced in each jurisdiction based on the percentage determined by  
595 dividing the number of customer channel termination points in such



596 jurisdiction by the total number of customer channel termination  
597 points.

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

600                   (vi) For purposes of subparagraph (v) of this  
601 paragraph (d):

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

606                   2. "Call-by-call basis" means any method of  
607 charging for telecommunications services where the price is  
608 measured by individual calls.

609                   3. "Communications channel" means a physical  
610 or virtual path of communications over which signals are  
611 transmitted between or among customer channel termination points.

612                   4. "Customer" means the person or entity that  
613 contracts with the seller of telecommunications services. If the  
614 end user of telecommunications services is not the contracting  
615 party, the end user of the telecommunications service is the  
616 customer of the telecommunications service. Customer does not  
617 include a reseller of telecommunications service or for mobile  
618 telecommunications service of a serving carrier under an agreement  
619 to serve the customer outside the home service provider's licensed  
620 service area.





621                   5. "Customer channel termination point" means  
622 the location where the customer either inputs or receives the  
623 communications.

624                   6. "End user" means the person who utilizes  
625 the telecommunications service. In the case of an entity, "end  
626 user" means the individual who utilizes the service on behalf of  
627 the entity.

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

631                   8. "Mobile telecommunications service" has  
632 the meaning ascribed to such term in Section 124(7) of Public Law  
633 106-252 (Mobile Telecommunications Sourcing Act).

634                   9. "Place of primary use" means the street  
635 address representative of where the customer's use of the  
636 telecommunications service primarily occurs, which must be the  
637 residential street address or the primary business street address  
638 of the customer. In the case of mobile telecommunications  
639 services, the place of primary use must be within the licensed  
640 service area of the home service provider.

641                   10. "Post-paid calling service" means the  
642 telecommunications service obtained by making a payment on a  
643 call-by-call basis either through the use of a credit card or  
644 payment mechanism such as a bank card, travel card, credit card or  
645 debit card, or by charge made to a telephone number which is not



646 associated with the origination or termination of the  
647 telecommunications service. A post-paid calling service includes  
648 a telecommunications service, except a prepaid wireless calling  
649 service that would be a prepaid calling service except it is not  
650 exclusively a telecommunications service.

651           11. "Prepaid calling service" means the right  
652 to access exclusively telecommunications services, which must be  
653 paid for in advance and which enables the origination of calls  
654 using an access number or authorization code, whether manually or  
655 electronically dialed, and that is sold in predetermined units or  
656 dollars of which the number declines with use in a known amount.

657           12. "Prepaid wireless calling service" means  
658 a telecommunications service that provides the right to utilize  
659 mobile wireless service as well as other nontelecommunications  
660 services, including the download of digital products delivered  
661 electronically, content and ancillary service, which must be paid  
662 for in advance that is sold in predetermined units or dollars of  
663 which the number declines with use in a known amount.

664           13. "Private communication service" means a  
665 telecommunications service that entitles the customer to exclusive  
666 or priority use of a communications channel or group of channels  
667 between or among termination points, regardless of the manner in  
668 which such channel or channels are connected, and includes  
669 switching capacity, extension lines, stations and any other



670 associated services that are provided in connection with the use  
671 of such channel or channels.

672 14. "Service address" means:

673 a. The location of the  
674 telecommunications equipment to which a customer's call is charged  
675 and from which the call originates or terminates, regardless of  
676 where the call is billed or paid.

677 b. If the location in subitem a of this  
678 item 14 is not known, the origination point of the signal of the  
679 telecommunications services first identified by either the  
680 seller's telecommunications system or in information received by  
681 the seller from its service provider, where the system used to  
682 transport such signals is not that of the seller.

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

686 (vii) 1. For purposes of this subparagraph (vii),  
687 "bundled transaction" means a transaction that consists of  
688 distinct and identifiable properties or services which are sold  
689 for a single nonitemized price but which are treated differently  
690 for tax purposes.

691 2. In the case of a bundled transaction that  
692 includes telecommunications services, ancillary services, Internet  
693 access, or audio or video programming services taxed under this  
694 chapter in which the price of the bundled transaction is



695 attributable to properties or services that are taxable and  
696 nontaxable, the portion of the price that is attributable to any  
697 nontaxable property or service shall be subject to the tax unless  
698 the provider can reasonably identify that portion from its books  
699 and records kept in the regular course of business.

700                   3. In the case of a bundled transaction that  
701 includes telecommunications services, ancillary services, internet  
702 access, audio or video programming services subject to tax under  
703 this chapter in which the price is attributable to properties or  
704 services that are subject to the tax but the tax revenue from the  
705 different properties or services are dedicated to different funds  
706 or purposes, the provider shall allocate the price among the  
707 properties or services:

708                   a. By reasonably identifying the portion  
709 of the price attributable to each of the properties and services  
710 from its books and records kept in the regular course of business;  
711 or

712                   b. Based on a reasonable allocation  
713 methodology approved by the department.

714                   4. This subparagraph (vii) shall not create a  
715 right of action for a customer to require that the provider or the  
716 department, for purposes of determining the amount of tax  
717 applicable to a bundled transaction, allocate the price to the  
718 different portions of the transaction in order to minimize the  
719 amount of tax charged to the customer. A customer shall not be



720 entitled to rely on the fact that a portion of the price is  
721 attributable to properties or services not subject to tax unless  
722 the provider elects, after receiving a written request from the  
723 customer in the form required by the provider, to provide  
724 verifiable data based upon the provider's books and records that  
725 are kept in the regular course of business that reasonably  
726 identifies the portion of the price attributable to the properties  
727 or services not subject to the tax.

728 (2) Persons making sales to consumers of electricity,  
729 current, power, natural gas, liquefied petroleum gas or other fuel  
730 for residential heating, lighting or other residential  
731 noncommercial or nonagricultural use or sales of potable water for  
732 residential, noncommercial or nonagricultural use shall indicate  
733 on each statement rendered to customers that such charges are  
734 exempt from sales taxes.

735 (3) There is hereby levied, assessed and shall be paid on  
736 transportation charges on shipments moving between points within  
737 this state when paid directly by the consumer, a tax equal to the  
738 rate applicable to the sale of the property being transported.  
739 Such tax shall be reported and paid directly to the Department of  
740 Revenue by the consumer.

741 **SECTION 5.** Section 27-65-75, Mississippi Code of 1972, is  
742 amended as follows:



743 27-65-75. On or before the fifteenth day of each month, the  
744 revenue collected under the provisions of this chapter during the  
745 preceding month shall be paid and distributed as follows:

746 (1) (a) On or before August 15, 1992, and each succeeding  
747 month thereafter through July 15, 1993, eighteen percent (18%) of  
748 the total sales tax revenue collected during the preceding month  
749 under the provisions of this chapter, except that collected under  
750 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
751 business activities within a municipal corporation shall be  
752 allocated for distribution to the municipality and paid to the  
753 municipal corporation. Except as otherwise provided in this  
754 paragraph (a), on or before August 15, 1993, and each succeeding  
755 month thereafter through August 15, 2026, eighteen and one-half  
756 percent (18-1/2%) of the total sales tax revenue collected during  
757 the preceding month under the provisions of this chapter, except  
758 that collected under the provisions of Sections 27-65-15,  
759 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
760 a municipal corporation shall be allocated for distribution to the  
761 municipality and paid to the municipal corporation. Except as  
762 otherwise provided in this paragraph (a), on or before September  
763 15, 2026, and each succeeding month thereafter, eighteen and  
764 one-half percent (18-1/2%) of the total sales tax revenue  
765 collected during the preceding month under the provisions of this  
766 chapter, except (i) that collected under the provisions of  
767 Sections 27-65-15, 27-65-17(1)(n), 27-65-19(1)(a)(ii) and (3),



768 27-65-21 and 27-65-24, on business activities within a municipal  
769 corporation and (ii) that collected on business activities within  
770 a municipal corporation which are taxed at a rate of seven percent  
771 (7%) under the provisions of this chapter, shall be allocated for  
772 distribution to the municipality and paid to the municipal  
773 corporation. However, in the event the State Auditor issues a  
774 certificate of noncompliance pursuant to Section 21-35-31, the  
775 Department of Revenue shall withhold ten percent (10%) of the  
776 allocations and payments to the municipality that would otherwise  
777 be payable to the municipality under this paragraph (a) until such  
778 time that the department receives written notice of the  
779 cancellation of a certificate of noncompliance from the State  
780 Auditor.

781 A municipal corporation, for the purpose of distributing the  
782 tax under this subsection, shall mean and include all incorporated  
783 cities, towns and villages.

784 Monies allocated for distribution and credited to a municipal  
785 corporation under this paragraph may be pledged as security for a  
786 loan if the distribution received by the municipal corporation is  
787 otherwise authorized or required by law to be pledged as security  
788 for such a loan.

789 In any county having a county seat that is not an  
790 incorporated municipality, the distribution provided under this  
791 subsection shall be made as though the county seat was an  
792 incorporated municipality; however, the distribution to the



793 municipality shall be paid to the county treasury in which the  
794 municipality is located, and those funds shall be used for road,  
795 bridge and street construction or maintenance in the county.

796 (b) On or before August 15, 2006, and each succeeding  
797 month thereafter through August 15, 2026, eighteen and one-half  
798 percent (18-1/2%) of the total sales tax revenue collected during  
799 the preceding month under the provisions of this chapter, except  
800 that collected under the provisions of Sections 27-65-15,  
801 27-65-19(3) and 27-65-21, on business activities on the campus of  
802 a state institution of higher learning or community or junior  
803 college whose campus is not located within the corporate limits of  
804 a municipality, shall be allocated for distribution to the state  
805 institution of higher learning or community or junior college and  
806 paid to the state institution of higher learning or community or  
807 junior college. On or before September 15, 2026, and each  
808 succeeding month thereafter, eighteen and one-half percent  
809 (18-1/2%) of the total sales tax revenue collected during the  
810 preceding month under the provisions of this chapter, except that  
811 collected under the provisions of Sections 27-65-15,  
812 27-65-17(1) (n), 27-65-19(1) (a) (ii) and (3) and 27-65-21, on  
813 business activities on the campus of a state institution of higher  
814 learning or community or junior college whose campus is not  
815 located within the corporate limits of a municipality, shall be  
816 allocated for distribution to the state institution of higher  
817 learning or community or junior college and paid to the state





818 institution of higher learning or community or junior college. On  
819 or before September 15, 2026, and each succeeding month thereafter  
820 through August 15, 2027, twenty-eight and seventy-eight  
821 one-hundredths percent (28.78%) of the total sales tax revenue  
822 collected during the preceding month under the provisions of  
823 Section 27-65-17(1) (n) on business activities on the campus of a  
824 state institution of higher learning or community or junior  
825 college whose campus is not located within the corporate limits of  
826 a municipality, shall be allocated for distribution to the state  
827 institution of higher learning or community or junior college and  
828 paid to the state institution of higher learning or community or  
829 junior college. On or before September 15, 2027, and each  
830 succeeding month thereafter through August 15, 2028, thirty and  
831 twelve one-hundredths percent (30.12%) of the total sales tax  
832 revenue collected during the preceding month under the provisions  
833 of Section 27-65-17(1) (n) on business activities on the campus of  
834 a state institution of higher learning or community or junior  
835 college whose campus is not located within the corporate limits of  
836 a municipality, shall be allocated for distribution to the state  
837 institution of higher learning or community or junior college and  
838 paid to the state institution of higher learning or community or  
839 junior college. On or before September 15, 2028, and each  
840 succeeding month thereafter through August 15, 2029, thirty-one  
841 and fifty-nine one-hundredths percent (31.59%) of the total sales  
842 tax revenue collected during the preceding month under the



843 provisions of Section 27-65-17(1)(n) on business activities on the  
844 campus of a state institution of higher learning or community or  
845 junior college whose campus is not located within the corporate  
846 limits of a municipality, shall be allocated for distribution to  
847 the state institution of higher learning or community or junior  
848 college and paid to the state institution of higher learning or  
849 community or junior college. On or before September 15, 2029, and  
850 each succeeding month thereafter through August 15, 2030,  
851 thirty-three and twenty-one one-hundredths percent (33.21%) of the  
852 total sales tax revenue collected during the preceding month under  
853 the provisions of Section 27-65-17(1)(n) on business activities on  
854 the campus of a state institution of higher learning or community  
855 or junior college whose campus is not located within the corporate  
856 limits of a municipality, shall be allocated for distribution to  
857 the state institution of higher learning or community or junior  
858 college and paid to the state institution of higher learning or  
859 community or junior college. On or before September 15, 2030, and  
860 each succeeding month thereafter through August 15, 2031,  
861 thirty-five percent (35%) of the total sales tax revenue collected  
862 during the preceding month under the provisions of Section  
863 27-65-17(1)(n) on business activities on the campus of a state  
864 institution of higher learning or community or junior college  
865 whose campus is not located within the corporate limits of a  
866 municipality, shall be allocated for distribution to the state  
867 institution of higher learning or community or junior college and



868 paid to the state institution of higher learning or community or  
869 junior college. On or before September 15, 2031, and each  
870 succeeding month thereafter through August 15, 2032, thirty-seven  
871 percent (37%) of the total sales tax revenue collected during the  
872 preceding month under the provisions of Section 27-65-17(1) (n) on  
873 business activities on the campus of a state institution of higher  
874 learning or community or junior college whose campus is not  
875 located within the corporate limits of a municipality, shall be  
876 allocated for distribution to the state institution of higher  
877 learning or community or junior college and paid to the state  
878 institution of higher learning or community or junior college. On  
879 or before September 15, 2032, and each succeeding month thereafter  
880 through August 15, 2033, thirty-nine and twenty-four  
881 one-hundredths percent (39.24%) of the total sales tax revenue  
882 collected during the preceding month under the provisions of  
883 Section 27-65-17(1) (n) on business activities on the campus of a  
884 state institution of higher learning or community or junior  
885 college whose campus is not located within the corporate limits of  
886 a municipality, shall be allocated for distribution to the state  
887 institution of higher learning or community or junior college and  
888 paid to the state institution of higher learning or community or  
889 junior college. On or before September 15, 2033, and each  
890 succeeding month thereafter through August 15, 2034, forty-one and  
891 seventy-seven one-hundredths percent (41.77%) of the total sales  
892 tax revenue collected during the preceding month under the



893 provisions of Section 27-65-17(1)(n) on business activities on the  
894 campus of a state institution of higher learning or community or  
895 junior college whose campus is not located within the corporate  
896 limits of a municipality, shall be allocated for distribution to  
897 the state institution of higher learning or community or junior  
898 college and paid to the state institution of higher learning or  
899 community or junior college. On or before September 15, 2034, and  
900 each succeeding month thereafter through August 15, 2035,  
901 forty-four and sixty-six one-hundredths percent (44.66%) of the  
902 total sales tax revenue collected during the preceding month under  
903 the provisions of Section 27-65-17(1)(n) on business activities on  
904 the campus of a state institution of higher learning or community  
905 or junior college whose campus is not located within the corporate  
906 limits of a municipality, shall be allocated for distribution to  
907 the state institution of higher learning or community or junior  
908 college and paid to the state institution of higher learning or  
909 community or junior college. On or before September 15, 2035, and  
910 each succeeding month thereafter through August 15, 2036,  
911 forty-seven and ninety-six one-hundredths percent (47.96%) of the  
912 total sales tax revenue collected during the preceding month under  
913 the provisions of Section 27-65-17(1)(n) on business activities on  
914 the campus of a state institution of higher learning or community  
915 or junior college whose campus is not located within the corporate  
916 limits of a municipality, shall be allocated for distribution to  
917 the state institution of higher learning or community or junior



918 college and paid to the state institution of higher learning or  
919 community or junior college. On or before September 15, 2036, and  
920 each succeeding month thereafter, fifty-one and eighty  
921 one-hundredths percent (51.80%) of the total sales tax revenue  
922 collected during the preceding month under the provisions of  
923 Section 27-65-17(1) (n) on business activities on the campus of a  
924 state institution of higher learning or community or junior  
925 college whose campus is not located within the corporate limits of  
926 a municipality, shall be allocated for distribution to the state  
927 institution of higher learning or community or junior college and  
928 paid to the state institution of higher learning or community or  
929 junior college.

930 (c) On or before August 15, 2018, and each succeeding  
931 month thereafter until August 14, 2019, two percent (2%) of the  
932 total sales tax revenue collected during the preceding month under  
933 the provisions of this chapter, except that collected under the  
934 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
935 27-65-24, on business activities within the corporate limits of  
936 the City of Jackson, Mississippi, shall be deposited into the  
937 Capitol Complex Improvement District Project Fund created in  
938 Section 29-5-215. On or before August 15, 2019, and each  
939 succeeding month thereafter until August 14, 2020, four percent  
940 (4%) of the total sales tax revenue collected during the preceding  
941 month under the provisions of this chapter, except that collected  
942 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21



943 and 27-65-24, on business activities within the corporate limits  
944 of the City of Jackson, Mississippi, shall be deposited into the  
945 Capitol Complex Improvement District Project Fund created in  
946 Section 29-5-215. On or before August 15, 2020, and each  
947 succeeding month thereafter through July 15, 2023, six percent  
948 (6%) of the total sales tax revenue collected during the preceding  
949 month under the provisions of this chapter, except that collected  
950 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
951 and 27-65-24, on business activities within the corporate limits  
952 of the City of Jackson, Mississippi, shall be deposited into the  
953 Capitol Complex Improvement District Project Fund created in  
954 Section 29-5-215. On or before August 15, 2023, and each  
955 succeeding month thereafter through August 15, 2026, nine percent  
956 (9%) of the total sales tax revenue collected during the preceding  
957 month under the provisions of this chapter, except that collected  
958 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
959 and 27-65-24, on business activities within the corporate limits  
960 of the City of Jackson, Mississippi, shall be deposited into the  
961 Capitol Complex Improvement District Project Fund created in  
962 Section 29-5-215. On or before September 15, 2026, and each  
963 succeeding month thereafter, nine percent (9%) of the total sales  
964 tax revenue collected during the preceding month under the  
965 provisions of this chapter, except that collected under the  
966 provisions of Sections 27-65-15, 27-65-17(1)(n),  
967 27-65-19(1)(a)(ii) and (3), 27-65-21 and 27-65-24, on business



968 activities within the corporate limits of the City of Jackson,  
969 Mississippi, shall be deposited into the Capitol Complex  
970 Improvement District Project Fund created in Section 29-5-215. On  
971 or before September 15, 2026, and each succeeding month thereafter  
972 through August 15, 2027, fourteen percent (14%) of the total sales  
973 tax revenue collected during the preceding month under the  
974 provisions of Section 27-65-17(1)(n) on business activities within  
975 the corporate limits of the City of Jackson, Mississippi, shall be  
976 deposited into the Capitol Complex Improvement District Project  
977 Fund created in Section 29-5-215. On or before September 15,  
978 2027, and each succeeding month thereafter through August 15,  
979 2028, fourteen and sixty-five one-hundredths percent (14.65%) of  
980 the total sales tax revenue collected during the preceding month  
981 under the provisions of Section 27-65-17(1)(n) on business  
982 activities within the corporate limits of the City of Jackson,  
983 Mississippi, shall be deposited into the Capitol Complex  
984 Improvement District Project Fund created in Section 29-5-215. On  
985 or before September 15, 2028, and each succeeding month thereafter  
986 through August 15, 2029, fifteen and thirty-seven one-hundredths  
987 percent (15.37%) of the total sales tax revenue collected during  
988 the preceding month under the provisions of Section 27-65-17(1)(n)  
989 on business activities within the corporate limits of the City of  
990 Jackson, Mississippi, shall be deposited into the Capitol Complex  
991 Improvement District Project Fund created in Section 29-5-215. On  
992 or before September 15, 2029, and each succeeding month thereafter



993 through August 15, 2030, sixteen and fifteen one-hundredths  
994 percent (16.15%) of the total sales tax revenue collected during  
995 the preceding month under the provisions of Section 27-65-17(1)(n)  
996 on business activities within the corporate limits of the City of  
997 Jackson, Mississippi, shall be deposited into the Capitol Complex  
998 Improvement District Project Fund created in Section 29-5-215. On  
999 or before September 15, 2030, and each succeeding month thereafter  
1000 through August 15, 2031, seventeen and three one-hundredths  
1001 percent (17.03%) of the total sales tax revenue collected during  
1002 the preceding month under the provisions of Section 27-65-17(1)(n)  
1003 on business activities within the corporate limits of the City of  
1004 Jackson, Mississippi, shall be deposited into the Capitol Complex  
1005 Improvement District Project Fund created in Section 29-5-215. On  
1006 or before September 15, 2031, and each succeeding month thereafter  
1007 through August 15, 2032, eighteen percent (18%) of the total sales  
1008 tax revenue collected during the preceding month under the  
1009 provisions of Section 27-65-17(1)(n) on business activities within  
1010 the corporate limits of the City of Jackson, Mississippi, shall be  
1011 deposited into the Capitol Complex Improvement District Project  
1012 Fund created in Section 29-5-215. On or before September 15,  
1013 2032, and each succeeding month thereafter through August 15,  
1014 2033, nineteen and nine one-hundredths percent (19.09%) of the  
1015 total sales tax revenue collected during the preceding month under  
1016 the provisions of Section 27-65-17(1)(n) on business activities  
1017 within the corporate limits of the City of Jackson, Mississippi,





1018 shall be deposited into the Capitol Complex Improvement District  
1019 Project Fund created in Section 29-5-215. On or before September  
1020 15, 2033, and each succeeding month thereafter through August 15,  
1021 2034, twenty and thirty-two one-hundredths percent (20.32%) of the  
1022 total sales tax revenue collected during the preceding month under  
1023 the provisions of Section 27-65-17(1) (n) on business activities  
1024 within the corporate limits of the City of Jackson, Mississippi,  
1025 shall be deposited into the Capitol Complex Improvement District  
1026 Project Fund created in Section 29-5-215. On or before September  
1027 15, 2034, and each succeeding month thereafter through August 15,  
1028 2035, twenty-one and seventy-two one-hundredths percent (21.72%)  
1029 of the total sales tax revenue collected during the preceding  
1030 month under the provisions of Section 27-65-17(1) (n) on business  
1031 activities within the corporate limits of the City of Jackson,  
1032 Mississippi, shall be deposited into the Capitol Complex  
1033 Improvement District Project Fund created in Section 29-5-215. On  
1034 or before September 15, 2035, and each succeeding month thereafter  
1035 through August 15, 2036, twenty-three and thirty-three  
1036 one-hundredths percent (23.33%) of the total sales tax revenue  
1037 collected during the preceding month under the provisions of  
1038 Section 27-65-17(1) (n) on business activities within the corporate  
1039 limits of the City of Jackson, Mississippi, shall be deposited  
1040 into the Capitol Complex Improvement District Project Fund created  
1041 in Section 29-5-215. On or before September 15, 2036, and each  
1042 succeeding month thereafter, twenty-five and twenty one-hundredths



1043 percent (25.20%) of the total sales tax revenue collected during  
1044 the preceding month under the provisions of Section 27-65-17(1)(n)  
1045 on business activities within the corporate limits of the City of  
1046 Jackson, Mississippi, shall be deposited into the Capitol Complex  
1047 Improvement District Project Fund created in Section 29-5-215.

1048           (d) (i) Except as otherwise provided in this paragraph  
1049 (d), on or before the fifteenth day of the month that the  
1050 diversion authorized by this section begins, and each succeeding  
1051 month thereafter, eighteen and one-half percent (18-1/2%) of the  
1052 total sales tax revenue collected during the preceding month under  
1053 the provisions of this chapter, except that collected under the  
1054 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1055 business activities within a redevelopment project area developed  
1056 under a redevelopment plan adopted under the Tax Increment  
1057 Financing Act (Section 21-45-1 et seq.) shall be allocated for  
1058 distribution to the county in which the project area is located  
1059 if:

- 1060                           1. The county:
- 1061                                 a. Borders on the Mississippi Sound and  
1062 the State of Alabama, or
- 1063                                 b. Is Harrison County, Mississippi, and  
1064 the project area is within a radius of two (2) miles from the  
1065 intersection of Interstate 10 and Menge Avenue;



1066                   2. The county has issued bonds under Section  
1067 21-45-9 to finance all or a portion of a redevelopment project in  
1068 the redevelopment project area;

1069                   3. Any debt service for the indebtedness  
1070 incurred is outstanding; and

1071                   4. A development with a value of Ten Million  
1072 Dollars (\$10,000,000.00) or more is, or will be, located in the  
1073 redevelopment area.

1074                   (ii) For a county that is eligible to receive  
1075 funds under this paragraph (d), as determined by the Department of  
1076 Revenue under this paragraph (d), from and after September 15,  
1077 2026, and each succeeding month thereafter, eighteen and one-half  
1078 percent (18-1/2%) of the total sales tax revenue collected during  
1079 the preceding month under the provisions of this chapter, except  
1080 that collected under the provisions of Sections 27-65-15,  
1081 27-65-17(1) (n), 27-65-19(1) (a) (ii) and (3) and 27-65-21, on  
1082 business activities within a redevelopment project area developed  
1083 under a redevelopment plan adopted under the Tax Increment  
1084 Financing Act (Section 21-45-1 et seq.) shall be allocated for  
1085 distribution to the county in which the project is located, and  
1086 the total amount collected under Section 27-65-17(1) (n) shall be  
1087 allocated for distribution to that county as follows:

1088                   1. On or before September 15, 2026, and each  
1089 succeeding month thereafter through August 15, 2027, twenty-eight



1090 and seventy-eight one-hundredths percent (28.78%) of the total  
1091 sales tax revenue collected during the preceding month.

1092 2. On or before September 15, 2027, and each  
1093 succeeding month thereafter through August 15, 2028, thirty and  
1094 twelve one-hundredths percent (30.12%) of the total sales tax  
1095 revenue collected during the preceding month.

1096 3. On or before September 15, 2028, and each  
1097 succeeding month thereafter through August 15, 2029, thirty-one  
1098 and fifty-nine one-hundredths percent (31.59%) of the total sales  
1099 tax revenue collected during the preceding month.

1100 4. On or before September 15, 2029, and each  
1101 succeeding month thereafter through August 15, 2030, thirty-three  
1102 and twenty-one one-hundredths percent (33.21%) of the total sales  
1103 tax revenue collected during the preceding month.

1104 5. On or before September 15, 2030, and each  
1105 succeeding month thereafter through August 15, 2031, thirty-five  
1106 percent (35%) of the total sales tax revenue collected during the  
1107 preceding month.

1108 6. On or before September 15, 2031, and each  
1109 succeeding month thereafter through August 15, 2032, thirty-seven  
1110 percent (37%) of the total sales tax revenue collected during the  
1111 preceding month.

1112 7. On or before September 15, 2032, and each  
1113 succeeding month thereafter through August 15, 2033, thirty-nine



1114 and twenty-four one-hundredths percent (39.24%) of the total sales  
1115 tax revenue collected during the preceding month.

1116 8. On or before September 15, 2033, and each  
1117 succeeding month thereafter through August 15, 2034, forty-one and  
1118 seventy-seven one-hundredths percent (41.77%) of the total sales  
1119 tax revenue collected during the preceding month.

1120 9. On or before September 15, 2034, and each  
1121 succeeding month thereafter through August 15, 2035, forty-four  
1122 and sixty-six one-hundredths percent (44.66%) of the total sales  
1123 tax revenue collected during the preceding month.

1124 10. On or before September 15, 2035, and each  
1125 succeeding month thereafter through August 15, 2036, forty-seven  
1126 and ninety-six one-hundredths percent (47.96%) of the total sales  
1127 tax revenue collected during the preceding month.

1128 11. On or before September 15, 2036, and each  
1129 succeeding month thereafter, fifty-one and eighty one-hundredths  
1130 percent (51.80%) of the total sales tax revenue collected during  
1131 the preceding month.

1132 ( \* \* \*iii) Before any sales tax revenue may be  
1133 allocated for distribution to a county under this paragraph (d),  
1134 the county shall certify to the Department of Revenue that the  
1135 requirements of this paragraph (d) have been met, the amount of  
1136 bonded indebtedness that has been incurred by the county for the  
1137 redevelopment project and the expected date the indebtedness  
1138 incurred by the county will be satisfied.



1139 ( \* \* \*iv) The diversion of sales tax revenue  
1140 authorized by this paragraph (d) shall begin the month following  
1141 the month in which the Department of Revenue determines that the  
1142 requirements of this paragraph (d) have been met. The diversion  
1143 shall end the month the indebtedness incurred by the county is  
1144 satisfied. All revenue received by the county under this  
1145 paragraph (d) shall be deposited in the fund required to be  
1146 created in the tax increment financing plan under Section 21-45-11  
1147 and be utilized solely to satisfy the indebtedness incurred by the  
1148 county.

1149 (2) On or before September 15, 1987, and each succeeding  
1150 month thereafter, from the revenue collected under this chapter  
1151 during the preceding month, One Million One Hundred Twenty-five  
1152 Thousand Dollars (\$1,125,000.00) shall be allocated for  
1153 distribution to municipal corporations as defined under subsection  
1154 (1) of this section in the proportion that the number of gallons  
1155 of gasoline and diesel fuel sold by distributors to consumers and  
1156 retailers in each such municipality during the preceding fiscal  
1157 year bears to the total gallons of gasoline and diesel fuel sold  
1158 by distributors to consumers and retailers in municipalities  
1159 statewide during the preceding fiscal year. The Department of  
1160 Revenue shall require all distributors of gasoline and diesel fuel  
1161 to report to the department monthly the total number of gallons of  
1162 gasoline and diesel fuel sold by them to consumers and retailers  
1163 in each municipality during the preceding month. The Department



1164 of Revenue shall have the authority to promulgate such rules and  
1165 regulations as is necessary to determine the number of gallons of  
1166 gasoline and diesel fuel sold by distributors to consumers and  
1167 retailers in each municipality. In determining the percentage  
1168 allocation of funds under this subsection for the fiscal year  
1169 beginning July 1, 1987, and ending June 30, 1988, the Department  
1170 of Revenue may consider gallons of gasoline and diesel fuel sold  
1171 for a period of less than one (1) fiscal year. For the purposes  
1172 of this subsection, the term "fiscal year" means the fiscal year  
1173 beginning July 1 of a year.

1174 (3) On or before September 15, 1987, and on or before the  
1175 fifteenth day of each succeeding month, until the date specified  
1176 in Section 65-39-35, the proceeds derived from contractors' taxes  
1177 levied under Section 27-65-21 on contracts for the construction or  
1178 reconstruction of highways designated under the highway program  
1179 created under Section 65-3-97 shall, except as otherwise provided  
1180 in Section 31-17-127, be deposited into the State Treasury to the  
1181 credit of the State Highway Fund to be used to fund that highway  
1182 program. The Mississippi Department of Transportation shall  
1183 provide to the Department of Revenue such information as is  
1184 necessary to determine the amount of proceeds to be distributed  
1185 under this subsection.

1186 (4) On or before August 15, 1994, and on or before the  
1187 fifteenth day of each succeeding month through July 15, 1999, from  
1188 the proceeds of gasoline, diesel fuel or kerosene taxes as



1189 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
1190 (\$4,000,000.00) shall be deposited in the State Treasury to the  
1191 credit of a special fund designated as the "State Aid Road Fund,"  
1192 created by Section 65-9-17. On or before August 15, 1999, and on  
1193 or before the fifteenth day of each succeeding month, from the  
1194 total amount of the proceeds of gasoline, diesel fuel or kerosene  
1195 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
1196 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
1197 one-fourth percent (23-1/4%) of those funds, whichever is the  
1198 greater amount, shall be deposited in the State Treasury to the  
1199 credit of the "State Aid Road Fund," created by Section 65-9-17.  
1200 Those funds shall be pledged to pay the principal of and interest  
1201 on state aid road bonds heretofore issued under Sections 19-9-51  
1202 through 19-9-77, in lieu of and in substitution for the funds  
1203 previously allocated to counties under this section. Those funds  
1204 may not be pledged for the payment of any state aid road bonds  
1205 issued after April 1, 1981; however, this prohibition against the  
1206 pledging of any such funds for the payment of bonds shall not  
1207 apply to any bonds for which intent to issue those bonds has been  
1208 published for the first time, as provided by law before March 29,  
1209 1981. From the amount of taxes paid into the special fund under  
1210 this subsection and subsection (9) of this section, there shall be  
1211 first deducted and paid the amount necessary to pay the expenses  
1212 of the Office of State Aid Road Construction, as authorized by the  
1213 Legislature for all other general and special fund agencies. The





1214 remainder of the fund shall be allocated monthly to the several  
1215 counties in accordance with the following formula:

1216 (a) One-third (1/3) shall be allocated to all counties  
1217 in equal shares;

1218 (b) One-third (1/3) shall be allocated to counties  
1219 based on the proportion that the total number of rural road miles  
1220 in a county bears to the total number of rural road miles in all  
1221 counties of the state; and

1222 (c) One-third (1/3) shall be allocated to counties  
1223 based on the proportion that the rural population of the county  
1224 bears to the total rural population in all counties of the state,  
1225 according to the latest federal decennial census.

1226 For the purposes of this subsection, the term "gasoline,  
1227 diesel fuel or kerosene taxes" means such taxes as defined in  
1228 paragraph (f) of Section 27-5-101.

1229 The amount of funds allocated to any county under this  
1230 subsection for any fiscal year after fiscal year 1994 shall not be  
1231 less than the amount allocated to the county for fiscal year 1994.

1232 Any reference in the general laws of this state or the  
1233 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
1234 construed to refer and apply to subsection (4) of Section  
1235 27-65-75.

1236 (5) On or before August 15, 2024, and each succeeding month  
1237 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred  
1238 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special



1239 fund known as the Education Enhancement Fund created and existing  
1240 under the provisions of Section 37-61-33.

1241 (6) An amount each month beginning August 15, 1983, through  
1242 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
1243 1983, shall be paid into the special fund known as the  
1244 Correctional Facilities Construction Fund created in Section 6,  
1245 Chapter 542, Laws of 1983.

1246 (7) On or before August 15, 1992, and each succeeding month  
1247 thereafter through July 15, 2000, two and two hundred sixty-six  
1248 one-thousandths percent (2.266%) of the total sales tax revenue  
1249 collected during the preceding month under the provisions of this  
1250 chapter, except that collected under the provisions of Section  
1251 27-65-17(2), shall be deposited by the department into the School  
1252 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
1253 or before August 15, 2000, and each succeeding month thereafter  
1254 through August 15, 2026, two and two hundred sixty-six  
1255 one-thousandths percent (2.266%) of the total sales tax revenue  
1256 collected during the preceding month under the provisions of this  
1257 chapter, except that collected under the provisions of Section  
1258 27-65-17(2), shall be deposited into the School Ad Valorem Tax  
1259 Reduction Fund created under Section 37-61-35 until such time that  
1260 the total amount deposited into the fund during a fiscal year  
1261 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,  
1262 the amounts diverted under this subsection (7) during the fiscal  
1263 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall



1264 be deposited into the Education Enhancement Fund created under  
1265 Section 37-61-33 for appropriation by the Legislature as other  
1266 education needs and shall not be subject to the percentage  
1267 appropriation requirements set forth in Section 37-61-33. On or  
1268 before September 15, 2026, and each succeeding month thereafter  
1269 through August 15, 2027, two and two hundred sixty-six  
1270 one-thousandths percent (2.266%) of the total sales tax revenue  
1271 collected during the preceding month under the provisions of this  
1272 chapter, except that collected under the provisions of Sections  
1273 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and three and  
1274 fifty-two one-hundredths percent (3.52%) of the total sales tax  
1275 revenue collected during the preceding month under the provisions  
1276 of Section 27-65-17(1) (n) shall be deposited into the School Ad  
1277 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1278 such time that the total amount deposited into the fund during a  
1279 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1280 Thereafter, the amounts diverted under this subsection (7) during  
1281 the fiscal year in excess of Forty-two Million Dollars  
1282 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1283 Fund created under Section 37-61-33 for appropriation by the  
1284 Legislature as other education needs and shall not be subject to  
1285 the percentage appropriation requirements set forth in Section  
1286 37-61-33. On or before September 15, 2027, and each succeeding  
1287 month thereafter through August 15, 2028, two and two hundred  
1288 sixty-six one-thousandths percent (2.266%) of the total sales tax



1289 revenue collected during the preceding month under the provisions  
1290 of this chapter, except that collected under the provisions of  
1291 Sections 27-65-17(1)(n) and (2) and 27-65-19(1)(a)(ii), and three  
1292 and sixty-nine one-hundredths percent (3.69%) of the total sales  
1293 tax revenue collected during the preceding month under the  
1294 provisions of Section 27-65-17(1)(n) shall be deposited into the  
1295 School Ad Valorem Tax Reduction Fund created under Section  
1296 37-61-35 until such time that the total amount deposited into the  
1297 fund during a fiscal year equals Forty-two Million Dollars  
1298 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1299 subsection (7) during the fiscal year in excess of Forty-two  
1300 Million Dollars (\$42,000,000.00) shall be deposited into the  
1301 Education Enhancement Fund created under Section 37-61-33 for  
1302 appropriation by the Legislature as other education needs and  
1303 shall not be subject to the percentage appropriation requirements  
1304 set forth in Section 37-61-33. On or before September 15, 2028,  
1305 and each succeeding month thereafter through August 15, 2029, two  
1306 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1307 total sales tax revenue collected during the preceding month under  
1308 the provisions of this chapter, except that collected under the  
1309 provisions of Sections 27-65-17(1)(n) and (2) and  
1310 27-65-19(1)(a)(ii), and three and eighty-seven one-hundredths  
1311 percent (3.87%) of the total sales tax revenue collected during  
1312 the preceding month under the provisions of Section 27-65-17(1)(n)  
1313 shall be deposited into the School Ad Valorem Tax Reduction Fund



1314 created under Section 37-61-35 until such time that the total  
1315 amount deposited into the fund during a fiscal year equals  
1316 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1317 amounts diverted under this subsection (7) during the fiscal year  
1318 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1319 deposited into the Education Enhancement Fund created under  
1320 Section 37-61-33 for appropriation by the Legislature as other  
1321 education needs and shall not be subject to the percentage  
1322 appropriation requirements set forth in Section 37-61-33. On or  
1323 before September 15, 2029, and each succeeding month thereafter  
1324 through August 15, 2030, two and two hundred sixty-six  
1325 one-thousandths percent (2.266%) of the total sales tax revenue  
1326 collected during the preceding month under the provisions of this  
1327 chapter, except that collected under the provisions of Sections  
1328 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and four and seven  
1329 one-hundredths percent (4.07%) of the total sales tax revenue  
1330 collected during the preceding month under the provisions of  
1331 Section 27-65-17(1) (n) shall be deposited into the School Ad  
1332 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1333 such time that the total amount deposited into the fund during a  
1334 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1335 Thereafter, the amounts diverted under this subsection (7) during  
1336 the fiscal year in excess of Forty-two Million Dollars  
1337 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1338 Fund created under Section 37-61-33 for appropriation by the



1339 Legislature as other education needs and shall not be subject to  
1340 the percentage appropriation requirements set forth in Section  
1341 37-61-33. On or before September 15, 2030, and each succeeding  
1342 month thereafter through August 15, 2031, two and two hundred  
1343 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1344 revenue collected during the preceding month under the provisions  
1345 of this chapter, except that collected under the provisions of  
1346 Sections 27-65-17(1)(n) and (2) and 27-65-19(1)(a)(ii), and four  
1347 and twenty-nine one-hundredths percent (4.29%) of the total sales  
1348 tax revenue collected during the preceding month under the  
1349 provisions of Section 27-65-17(1)(n) shall be deposited into the  
1350 School Ad Valorem Tax Reduction Fund created under Section  
1351 37-61-35 until such time that the total amount deposited into the  
1352 fund during a fiscal year equals Forty-two Million Dollars  
1353 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1354 subsection (7) during the fiscal year in excess of Forty-two  
1355 Million Dollars (\$42,000,000.00) shall be deposited into the  
1356 Education Enhancement Fund created under Section 37-61-33 for  
1357 appropriation by the Legislature as other education needs and  
1358 shall not be subject to the percentage appropriation requirements  
1359 set forth in Section 37-61-33. On or before September 15, 2031,  
1360 and each succeeding month thereafter through August 15, 2032, two  
1361 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1362 total sales tax revenue collected during the preceding month under  
1363 the provisions of this chapter, except that collected under the



1364 provisions of Sections 27-65-17(1) (n) and (2) and  
1365 27-65-19(1) (a) (ii), and four and fifty-three one-hundredths  
1366 percent (4.53%) of the total sales tax revenue collected during  
1367 the preceding month under the provisions of Section 27-65-17(1) (n)  
1368 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1369 created under Section 37-61-35 until such time that the total  
1370 amount deposited into the fund during a fiscal year equals  
1371 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1372 amounts diverted under this subsection (7) during the fiscal year  
1373 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1374 deposited into the Education Enhancement Fund created under  
1375 Section 37-61-33 for appropriation by the Legislature as other  
1376 education needs and shall not be subject to the percentage  
1377 appropriation requirements set forth in Section 37-61-33. On or  
1378 before September 15, 2032, and each succeeding month thereafter  
1379 through August 15, 2033, two and two hundred sixty-six  
1380 one-thousandths percent (2.266%) of the total sales tax revenue  
1381 collected during the preceding month under the provisions of this  
1382 chapter, except that collected under the provisions of Sections  
1383 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and four and  
1384 eighty-one one-hundredths percent (4.81%) of the total sales tax  
1385 revenue collected during the preceding month under the provisions  
1386 of Section 27-65-17(1) (n) shall be deposited into the School Ad  
1387 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1388 such time that the total amount deposited into the fund during a



1389 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1390 Thereafter, the amounts diverted under this subsection (7) during  
1391 the fiscal year in excess of Forty-two Million Dollars  
1392 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1393 Fund created under Section 37-61-33 for appropriation by the  
1394 Legislature as other education needs and shall not be subject to  
1395 the percentage appropriation requirements set forth in Section  
1396 37-61-33. On or before September 15, 2033, and each succeeding  
1397 month thereafter through August 15, 2034, two and two hundred  
1398 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1399 revenue collected during the preceding month under the provisions  
1400 of this chapter, except that collected under the provisions of  
1401 Sections 27-65-17(1)(n) and (2) and 27-65-19(1)(a)(ii), and five  
1402 and twelve one-hundredths percent (5.12%) of the total sales tax  
1403 revenue collected during the preceding month under the provisions  
1404 of Section 27-65-17(1)(n) shall be deposited into the School Ad  
1405 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1406 such time that the total amount deposited into the fund during a  
1407 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1408 Thereafter, the amounts diverted under this subsection (7) during  
1409 the fiscal year in excess of Forty-two Million Dollars  
1410 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1411 Fund created under Section 37-61-33 for appropriation by the  
1412 Legislature as other education needs and shall not be subject to  
1413 the percentage appropriation requirements set forth in Section





1414 37-61-33. On or before September 15, 2034, and each succeeding  
1415 month thereafter through August 15, 2035, two and two hundred  
1416 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1417 revenue collected during the preceding month under the provisions  
1418 of this chapter, except that collected under the provisions of  
1419 Sections 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and five  
1420 and forty-seven one hundredths percent (5.47%) of the total sales  
1421 tax revenue collected during the preceding month under the  
1422 provisions of Section 27-65-17(1) (n) shall be deposited into the  
1423 School Ad Valorem Tax Reduction Fund created under Section  
1424 37-61-35 until such time that the total amount deposited into the  
1425 fund during a fiscal year equals Forty-two Million Dollars  
1426 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1427 subsection (7) during the fiscal year in excess of Forty-two  
1428 Million Dollars (\$42,000,000.00) shall be deposited into the  
1429 Education Enhancement Fund created under Section 37-61-33 for  
1430 appropriation by the Legislature as other education needs and  
1431 shall not be subject to the percentage appropriation requirements  
1432 set forth in Section 37-61-33. On or before September 15, 2035,  
1433 and each succeeding month thereafter through August 15, 2036, two  
1434 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1435 total sales tax revenue collected during the preceding month under  
1436 the provisions of this chapter, except that collected under the  
1437 provisions of Sections 27-65-17(1) (n) and (2) and  
1438 27-65-19(1) (a) (ii), and five and eighty-seven one-hundredths



1439 percent (5.87%) of the total sales tax revenue collected during  
1440 the preceding month under the provisions of Section 27-65-17(1)(n)  
1441 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1442 created under Section 37-61-35 until such time that the total  
1443 amount deposited into the fund during a fiscal year equals  
1444 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1445 amounts diverted under this subsection (7) during the fiscal year  
1446 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1447 deposited into the Education Enhancement Fund created under  
1448 Section 37-61-33 for appropriation by the Legislature as other  
1449 education needs and shall not be subject to the percentage  
1450 appropriation requirements set forth in Section 37-61-33. On or  
1451 before September 15, 2036, and each succeeding month thereafter,  
1452 two and two hundred sixty-six one-thousandths percent (2.266%) of  
1453 the total sales tax revenue collected during the preceding month  
1454 under the provisions of this chapter, except that collected under  
1455 the provisions of Sections 27-65-17(1)(n) and (2) and  
1456 27-65-19(1)(a)(ii), and six and thirty-four one-hundredths percent  
1457 (6.34%) of the total sales tax revenue collected during the  
1458 preceding month under the provisions of Section 27-65-17(1)(n)  
1459 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1460 created under Section 37-61-35 until such time that the total  
1461 amount deposited into the fund during a fiscal year equals  
1462 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1463 amounts diverted under this subsection (7) during the fiscal year



1464 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1465 deposited into the Education Enhancement Fund created under  
1466 Section 37-61-33 for appropriation by the Legislature as other  
1467 education needs and shall not be subject to the percentage  
1468 appropriation requirements set forth in Section 37-61-33.

1469 (8) On or before August 15, 1992, and each succeeding month  
1470 thereafter through August 15, 2026, nine and seventy-three  
1471 one-thousandths percent (9.073%) of the total sales tax revenue  
1472 collected during the preceding month under the provisions of this  
1473 chapter, except that collected under the provisions of Section  
1474 27-65-17(2), shall be deposited into the Education Enhancement  
1475 Fund created under Section 37-61-33. On or before September 15,  
1476 2026, and each succeeding month thereafter, nine and seventy-three  
1477 one-thousandths percent (9.073%) of the total sales tax revenue  
1478 collected during the preceding month under the provisions of this  
1479 chapter, except that collected under the provisions of Sections  
1480 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), shall be deposited  
1481 into the Education Enhancement Fund created under Section  
1482 37-61-33. On or before September 15, 2026, and each succeeding  
1483 month thereafter through August 15, 2027, fourteen and eleven  
1484 one-hundredths percent (14.11%) of the total sales tax revenue  
1485 collected during the preceding month under the provisions of  
1486 Section 27-65-17(1) (n) shall be deposited into the Education  
1487 Enhancement Fund created under Section 37-61-33. On or before  
1488 September 15, 2027, and each succeeding month thereafter through



1489 August 15, 2028, fourteen and seventy-seven one-hundredths percent  
1490 (14.77%) of the total sales tax revenue collected during the  
1491 preceding month under the provisions of Section 27-65-17(1) (n)  
1492 shall be deposited into the Education Enhancement Fund created  
1493 under Section 37-61-33. On or before September 15, 2028, and each  
1494 succeeding month thereafter through August 15, 2029, fifteen and  
1495 forty-nine one-hundredths percent (15.49%) of the total sales tax  
1496 revenue collected during the preceding month under the provisions  
1497 of Section 27-65-17(1) (n) shall be deposited into the Education  
1498 Enhancement Fund created under Section 37-61-33. On or before  
1499 September 15, 2029, and each succeeding month thereafter through  
1500 August 15, 2030, sixteen and twenty-eight one-hundredths percent  
1501 (16.28%) of the total sales tax revenue collected during the  
1502 preceding month under the provisions of Section 27-65-17(1) (n)  
1503 shall be deposited into the Education Enhancement Fund created  
1504 under Section 37-61-33. On or before September 15, 2030, and each  
1505 succeeding month thereafter through August 15, 2031, seventeen and  
1506 seventeen one-hundredths percent (17.17%) of the total sales tax  
1507 revenue collected during the preceding month under the provisions  
1508 of Section 27-65-17(1) (n) shall be deposited into the Education  
1509 Enhancement Fund created under Section 37-61-33. On or before  
1510 September 15, 2031, and each succeeding month thereafter through  
1511 August 15, 2032, eighteen and fifteen one-hundredths percent  
1512 (18.15%) of the total sales tax revenue collected during the  
1513 preceding month under the provisions of Section 27-65-17(1) (n)



1514 shall be deposited into the Education Enhancement Fund created  
1515 under Section 37-61-33. On or before September 15, 2032, and each  
1516 succeeding month thereafter through August 15, 2033, nineteen and  
1517 twenty-five one-hundredths percent (19.25%) of the total sales tax  
1518 revenue collected during the preceding month under the provisions  
1519 of Section 27-65-17(1)(n) shall be deposited into the Education  
1520 Enhancement Fund created under Section 37-61-33. On or before  
1521 September 15, 2033, and each succeeding month thereafter through  
1522 August 15, 2034, twenty and forty-nine one-hundredths percent  
1523 (20.49%) of the total sales tax revenue collected during the  
1524 preceding month under the provisions of Section 27-65-17(1)(n)  
1525 shall be deposited into the Education Enhancement Fund created  
1526 under Section 37-61-33. On or before September 15, 2034, and each  
1527 succeeding month thereafter through August 15, 2035, twenty-one  
1528 and ninety one-hundredths percent (21.90%) of the total sales tax  
1529 revenue collected during the preceding month under the provisions  
1530 of Section 27-65-17(1)(n) shall be deposited into the Education  
1531 Enhancement Fund created under Section 37-61-33. On or before  
1532 September 15, 2035, and each succeeding month thereafter through  
1533 August 15, 2036, twenty-three and fifty-two one-hundredths percent  
1534 (23.52%) of the total sales tax revenue collected during the  
1535 preceding month under the provisions of Section 27-65-17(1)(n)  
1536 shall be deposited into the Education Enhancement Fund created  
1537 under Section 37-61-33. On or before September 15, 2036, and each  
1538 succeeding month thereafter, twenty-five and forty one-hundredths



1539 percent (25.40%) of the total sales tax revenue collected during  
1540 the preceding month under the provisions of Section 27-65-17(1)(n)  
1541 shall be deposited into the Education Enhancement Fund created  
1542 under Section 37-61-33.

1543 (9) On or before August 15, 1994, and each succeeding month  
1544 thereafter, from the revenue collected under this chapter during  
1545 the preceding month, Two Hundred Fifty Thousand Dollars  
1546 (\$250,000.00) shall be paid into the State Aid Road Fund.

1547 (10) On or before August 15, 1994, and each succeeding month  
1548 thereafter through August 15, 1995, from the revenue collected  
1549 under this chapter during the preceding month, Two Million Dollars  
1550 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1551 Valorem Tax Reduction Fund established in Section 27-51-105.

1552 (11) Notwithstanding any other provision of this section to  
1553 the contrary, on or before February 15, 1995, and each succeeding  
1554 month thereafter, the sales tax revenue collected during the  
1555 preceding month under the provisions of Section 27-65-17(2) and  
1556 the corresponding levy in Section 27-65-23 on the rental or lease  
1557 of private carriers of passengers and light carriers of property  
1558 as defined in Section 27-51-101 shall be deposited, without  
1559 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
1560 established in Section 27-51-105.

1561 (12) Notwithstanding any other provision of this section to  
1562 the contrary, on or before August 15, 1995, and each succeeding  
1563 month thereafter, the sales tax revenue collected during the



1564 preceding month under the provisions of Section 27-65-17(1) on  
1565 retail sales of private carriers of passengers and light carriers  
1566 of property, as defined in Section 27-51-101 and the corresponding  
1567 levy in Section 27-65-23 on the rental or lease of these vehicles,  
1568 shall be deposited, after diversion, into the Motor Vehicle Ad  
1569 Valorem Tax Reduction Fund established in Section 27-51-105.

1570 (13) On or before July 15, 1994, and on or before the  
1571 fifteenth day of each succeeding month thereafter, that portion of  
1572 the avails of the tax imposed in Section 27-65-22 that is derived  
1573 from activities held on the Mississippi State Fairgrounds Complex  
1574 shall be paid into a special fund that is created in the State  
1575 Treasury and shall be expended upon legislative appropriation  
1576 solely to defray the costs of repairs and renovation at the Trade  
1577 Mart and Coliseum.

1578 (14) On or before August 15, 1998, and each succeeding month  
1579 thereafter through July 15, 2005, that portion of the avails of  
1580 the tax imposed in Section 27-65-23 that is derived from sales by  
1581 cotton compresses or cotton warehouses and that would otherwise be  
1582 paid into the General Fund shall be deposited in an amount not to  
1583 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
1584 created under Section 69-37-39. On or before August 15, 2007, and  
1585 each succeeding month thereafter through July 15, 2010, that  
1586 portion of the avails of the tax imposed in Section 27-65-23 that  
1587 is derived from sales by cotton compresses or cotton warehouses  
1588 and that would otherwise be paid into the General Fund shall be



1589 deposited in an amount not to exceed Two Million Dollars  
1590 (\$2,000,000.00) into the special fund created under Section  
1591 69-37-39 until all debts or other obligations incurred by the  
1592 Certified Cotton Growers Organization under the Mississippi Boll  
1593 Weevil Management Act before January 1, 2007, are satisfied in  
1594 full. On or before August 15, 2010, and each succeeding month  
1595 thereafter through July 15, 2011, fifty percent (50%) of that  
1596 portion of the avails of the tax imposed in Section 27-65-23 that  
1597 is derived from sales by cotton compresses or cotton warehouses  
1598 and that would otherwise be paid into the General Fund shall be  
1599 deposited into the special fund created under Section 69-37-39  
1600 until such time that the total amount deposited into the fund  
1601 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
1602 On or before August 15, 2011, and each succeeding month  
1603 thereafter, that portion of the avails of the tax imposed in  
1604 Section 27-65-23 that is derived from sales by cotton compresses  
1605 or cotton warehouses and that would otherwise be paid into the  
1606 General Fund shall be deposited into the special fund created  
1607 under Section 69-37-39 until such time that the total amount  
1608 deposited into the fund during a fiscal year equals One Million  
1609 Dollars (\$1,000,000.00).

1610 (15) Notwithstanding any other provision of this section to  
1611 the contrary, on or before September 15, 2000, and each succeeding  
1612 month thereafter, the sales tax revenue collected during the  
1613 preceding month under the provisions of Section





1614 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
1615 without diversion, into the Telecommunications Ad Valorem Tax  
1616 Reduction Fund established in Section 27-38-7.

1617 (16) (a) On or before August 15, 2000, and each succeeding  
1618 month thereafter, the sales tax revenue collected during the  
1619 preceding month under the provisions of this chapter on the gross  
1620 proceeds of sales of a project as defined in Section 57-30-1 shall  
1621 be deposited, after all diversions except the diversion provided  
1622 for in subsection (1) of this section, into the Sales Tax  
1623 Incentive Fund created in Section 57-30-3.

1624 (b) On or before August 15, 2007, and each succeeding  
1625 month thereafter, eighty percent (80%) of the sales tax revenue  
1626 collected during the preceding month under the provisions of this  
1627 chapter from the operation of a tourism project under the  
1628 provisions of Sections 57-26-1 through 57-26-5, shall be  
1629 deposited, after the diversions required in subsections (7) and  
1630 (8) of this section, into the Tourism Project Sales Tax Incentive  
1631 Fund created in Section 57-26-3.

1632 (17) Notwithstanding any other provision of this section to  
1633 the contrary, on or before April 15, 2002, and each succeeding  
1634 month thereafter, the sales tax revenue collected during the  
1635 preceding month under Section 27-65-23 on sales of parking  
1636 services of parking garages and lots at airports shall be  
1637 deposited, without diversion, into the special fund created under  
1638 Section 27-5-101(d).



1639 (18) [Repealed]

1640 (19) (a) On or before August 15, 2005, and each succeeding  
1641 month thereafter, the sales tax revenue collected during the  
1642 preceding month under the provisions of this chapter on the gross  
1643 proceeds of sales of a business enterprise located within a  
1644 redevelopment project area under the provisions of Sections  
1645 57-91-1 through 57-91-11, and the revenue collected on the gross  
1646 proceeds of sales from sales made to a business enterprise located  
1647 in a redevelopment project area under the provisions of Sections  
1648 57-91-1 through 57-91-11 (provided that such sales made to a  
1649 business enterprise are made on the premises of the business  
1650 enterprise), shall, except as otherwise provided in this  
1651 subsection (19), be deposited, after all diversions, into the  
1652 Redevelopment Project Incentive Fund as created in Section  
1653 57-91-9.

1654 (b) For a municipality participating in the Economic  
1655 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
1656 the diversion provided for in subsection (1) of this section  
1657 attributable to the gross proceeds of sales of a business  
1658 enterprise located within a redevelopment project area under the  
1659 provisions of Sections 57-91-1 through 57-91-11, and attributable  
1660 to the gross proceeds of sales from sales made to a business  
1661 enterprise located in a redevelopment project area under the  
1662 provisions of Sections 57-91-1 through 57-91-11 (provided that  
1663 such sales made to a business enterprise are made on the premises



1664 of the business enterprise), shall be deposited into the  
1665 Redevelopment Project Incentive Fund as created in Section  
1666 57-91-9, as follows:

1667 (i) For the first six (6) years in which payments  
1668 are made to a developer from the Redevelopment Project Incentive  
1669 Fund, one hundred percent (100%) of the diversion shall be  
1670 deposited into the fund;

1671 (ii) For the seventh year in which such payments  
1672 are made to a developer from the Redevelopment Project Incentive  
1673 Fund, eighty percent (80%) of the diversion shall be deposited  
1674 into the fund;

1675 (iii) For the eighth year in which such payments  
1676 are made to a developer from the Redevelopment Project Incentive  
1677 Fund, seventy percent (70%) of the diversion shall be deposited  
1678 into the fund;

1679 (iv) For the ninth year in which such payments are  
1680 made to a developer from the Redevelopment Project Incentive Fund,  
1681 sixty percent (60%) of the diversion shall be deposited into the  
1682 fund; and

1683 (v) For the tenth year in which such payments are  
1684 made to a developer from the Redevelopment Project Incentive Fund,  
1685 fifty percent (50%) of the funds shall be deposited into the fund.

1686 (20) On or before January 15, 2007, and each succeeding  
1687 month thereafter, eighty percent (80%) of the sales tax revenue  
1688 collected during the preceding month under the provisions of this



1689 chapter from the operation of a tourism project under the  
1690 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
1691 after the diversions required in subsections (7) and (8) of this  
1692 section, into the Tourism Sales Tax Incentive Fund created in  
1693 Section 57-28-3.

1694 (21) (a) On or before April 15, 2007, and each succeeding  
1695 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
1696 Dollars (\$150,000.00) of the sales tax revenue collected during  
1697 the preceding month under the provisions of this chapter shall be  
1698 deposited into the MMEIA Tax Incentive Fund created in Section  
1699 57-101-3.

1700 (b) On or before July 15, 2013, and each succeeding  
1701 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
1702 of the sales tax revenue collected during the preceding month  
1703 under the provisions of this chapter shall be deposited into the  
1704 Mississippi Development Authority Job Training Grant Fund created  
1705 in Section 57-1-451.

1706 (22) On or before June 1, 2024, and each succeeding month  
1707 thereafter until December 31, 2057, an amount determined annually  
1708 by the Mississippi Development Authority of the sales tax revenue  
1709 collected during the preceding month under the provisions of this  
1710 chapter shall be deposited into the MMEIA Tax Incentive Fund  
1711 created in Section 57-125-3. This amount shall be based on  
1712 estimated payments due within the upcoming year to construction  
1713 contractors pursuant to construction contracts subject to the tax



1714 imposed by Section 27-65-21 for construction to be performed on  
1715 the project site of a project defined under Section  
1716 57-75-5(f) (xxxiii) for the coming year.

1717 (23) Notwithstanding any other provision of this section to  
1718 the contrary, on or before August 15, 2009, and each succeeding  
1719 month thereafter, the sales tax revenue collected during the  
1720 preceding month under the provisions of Section 27-65-201 shall be  
1721 deposited, without diversion, into the Motor Vehicle Ad Valorem  
1722 Tax Reduction Fund established in Section 27-51-105.

1723 (24) (a) On or before August 15, 2019, and each month  
1724 thereafter through July 15, 2020, one percent (1%) of the total  
1725 sales tax revenue collected during the preceding month from  
1726 restaurants and hotels shall be allocated for distribution to the  
1727 Mississippi Development Authority Tourism Advertising Fund  
1728 established under Section 57-1-64, to be used exclusively for the  
1729 purpose stated therein. On or before August 15, 2020, and each  
1730 month thereafter through July 15, 2021, two percent (2%) of the  
1731 total sales tax revenue collected during the preceding month from  
1732 restaurants and hotels shall be allocated for distribution to the  
1733 Mississippi Development Authority Tourism Advertising Fund  
1734 established under Section 57-1-64, to be used exclusively for the  
1735 purpose stated therein. On or before August 15, 2021, and each  
1736 month thereafter, three percent (3%) of the total sales tax  
1737 revenue collected during the preceding month from restaurants and  
1738 hotels shall be allocated for distribution to the Mississippi



1739 Development Authority Tourism Advertising Fund established under  
1740 Section 57-1-64, to be used exclusively for the purpose stated  
1741 therein. The revenue diverted pursuant to this subsection shall  
1742 not be available for expenditure until February 1, 2020.

1743 (b) The Joint Legislative Committee on Performance  
1744 Evaluation and Expenditure Review (PEER) must provide an annual  
1745 report to the Legislature indicating the amount of funds deposited  
1746 into the Mississippi Development Authority Tourism Advertising  
1747 Fund established under Section 57-1-64, and a detailed record of  
1748 how the funds are spent.

1749 (25) On or before September 15, 2026, and each month  
1750 thereafter, the total amount of revenue collected during the  
1751 preceding month under the provisions of Section 27-65-19(1)(a)(ii)  
1752 shall be deposited, without diversion, into the Maintenance and  
1753 Capacity Projects Fund created in Section 11 of this act.

1754 (26) On or before September 15, 2026, and each succeeding  
1755 month thereafter through February 15, 2027, eighteen and one-half  
1756 percent (18-1/2%) of the total sales tax revenue collected during  
1757 the preceding month under the provisions of this chapter, except  
1758 that collected under the provisions of Sections 27-65-15 and  
1759 27-65-19(3) on business activities within a municipal corporation  
1760 which are taxed at a rate of seven percent (7%) under the  
1761 provisions of this chapter, shall be deposited, without diversion,  
1762 into the Budget Stabilization Fund created in Section 8 of this  
1763 act.



1764 ( \* \* \* 27) The remainder of the amounts collected under the  
1765 provisions of this chapter shall be paid into the State Treasury  
1766 to the credit of the General Fund.

1767 ( \* \* \* 28) (a) It shall be the duty of the municipal  
1768 officials of any municipality that expands its limits, or of any  
1769 community that incorporates as a municipality, to notify the  
1770 commissioner of that action thirty (30) days before the effective  
1771 date. Failure to so notify the commissioner shall cause the  
1772 municipality to forfeit the revenue that it would have been  
1773 entitled to receive during this period of time when the  
1774 commissioner had no knowledge of the action.

1775 (b) (i) Except as otherwise provided in subparagraph  
1776 (ii) of this paragraph, if any funds have been erroneously  
1777 disbursed to any municipality or any overpayment of tax is  
1778 recovered by the taxpayer, the commissioner may make correction  
1779 and adjust the error or overpayment with the municipality by  
1780 withholding the necessary funds from any later payment to be made  
1781 to the municipality.

1782 (ii) Subject to the provisions of Sections  
1783 27-65-51 and 27-65-53, if any funds have been erroneously  
1784 disbursed to a municipality under subsection (1) of this section  
1785 for a period of three (3) years or more, the maximum amount that  
1786 may be recovered or withheld from the municipality is the total  
1787 amount of funds erroneously disbursed for a period of three (3)  
1788 years beginning with the date of the first erroneous disbursement.



1789 However, if during such period, a municipality provides written  
1790 notice to the Department of Revenue indicating the erroneous  
1791 disbursement of funds, then the maximum amount that may be  
1792 recovered or withheld from the municipality is the total amount of  
1793 funds erroneously disbursed for a period of one (1) year beginning  
1794 with the date of the first erroneous disbursement.

1795 **SECTION 6.** Section 27-65-111, Mississippi Code of 1972, is  
1796 amended as follows:

1797 27-65-111. The exemptions from the provisions of this  
1798 chapter which are not industrial, agricultural or governmental, or  
1799 which do not relate to utilities or taxes, or which are not  
1800 properly classified as one (1) of the exemption classifications of  
1801 this chapter, shall be confined to persons or property exempted by  
1802 this section or by the Constitution of the United States or the  
1803 State of Mississippi. No exemptions as now provided by any other  
1804 section, except the classified exemption sections of this chapter  
1805 set forth herein, shall be valid as against the tax herein levied.  
1806 Any subsequent exemption from the tax levied hereunder, except as  
1807 indicated above, shall be provided by amendments to this section.

1808 No exemption provided in this section shall apply to taxes  
1809 levied by Section 27-65-15 or 27-65-21.

1810 The tax levied by this chapter shall not apply to the  
1811 following:

1812 (a) Sales of tangible personal property and services to  
1813 hospitals or infirmaries owned and operated by a corporation or





1814 association in which no part of the net earnings inures to the  
1815 benefit of any private shareholder, group or individual, and which  
1816 are subject to and governed by Sections 41-7-123 through 41-7-127.

1817         Only sales of tangible personal property or services which  
1818 are ordinary and necessary to the operation of such hospitals and  
1819 infirmaries are exempted from tax.

1820                 (b) Sales of daily or weekly newspapers, and  
1821 periodicals or publications of scientific, literary or educational  
1822 organizations exempt from federal income taxation under Section  
1823 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
1824 March 31, 1975, and subscription sales of all magazines.

1825                 (c) Sales of coffins, caskets and other materials used  
1826 in the preparation of human bodies for burial.

1827                 (d) Sales of tangible personal property for immediate  
1828 export to a foreign country.

1829                 (e) Sales of tangible personal property to an  
1830 orphanage, old men's or ladies' home, supported wholly or in part  
1831 by a religious denomination, fraternal nonprofit organization or  
1832 other nonprofit organization.

1833                 (f) Sales of tangible personal property, labor or  
1834 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
1835 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
1836 corporation or association in which no part of the net earnings  
1837 inures to the benefit of any private shareholder, group or  
1838 individual.



1839                   (g) Sales to elementary and secondary grade schools,  
1840 junior and senior colleges owned and operated by a corporation or  
1841 association in which no part of the net earnings inures to the  
1842 benefit of any private shareholder, group or individual, and which  
1843 are exempt from state income taxation, provided that this  
1844 exemption does not apply to sales of property or services which  
1845 are not to be used in the ordinary operation of the school, or  
1846 which are to be resold to the students or the public.

1847                   (h) The gross proceeds of retail sales and the use or  
1848 consumption in this state of drugs and medicines:

1849                               (i) Prescribed for the treatment of a human being  
1850 by a person authorized to prescribe the medicines, and dispensed  
1851 or prescription filled by a registered pharmacist in accordance  
1852 with law; or

1853                               (ii) Furnished by a licensed physician, surgeon,  
1854 dentist or podiatrist to his own patient for treatment of the  
1855 patient; or

1856                               (iii) Furnished by a hospital for treatment of any  
1857 person pursuant to the order of a licensed physician, surgeon,  
1858 dentist or podiatrist; or

1859                               (iv) Sold to a licensed physician, surgeon,  
1860 podiatrist, dentist or hospital for the treatment of a human  
1861 being; or

1862                               (v) Sold to this state or any political  
1863 subdivision or municipal corporation thereof, for use in the



1864 treatment of a human being or furnished for the treatment of a  
1865 human being by a medical facility or clinic maintained by this  
1866 state or any political subdivision or municipal corporation  
1867 thereof.

1868 "Medicines," as used in this paragraph (h), shall mean and  
1869 include any substance or preparation intended for use by external  
1870 or internal application to the human body in the diagnosis, cure,  
1871 mitigation, treatment or prevention of disease and which is  
1872 commonly recognized as a substance or preparation intended for  
1873 such use; provided that "medicines" do not include any auditory,  
1874 prosthetic, ophthalmic or ocular device or appliance, any dentures  
1875 or parts thereof or any artificial limbs or their replacement  
1876 parts, articles which are in the nature of splints, bandages,  
1877 pads, compresses, supports, dressings, instruments, apparatus,  
1878 contrivances, appliances, devices or other mechanical, electronic,  
1879 optical or physical equipment or article or the component parts  
1880 and accessories thereof, or any alcoholic beverage or any other  
1881 drug or medicine not commonly referred to as a prescription drug.

1882 Notwithstanding the preceding sentence of this paragraph (h),  
1883 "medicines" as used in this paragraph (h), shall mean and include  
1884 sutures, whether or not permanently implanted, bone screws, bone  
1885 pins, pacemakers and other articles permanently implanted in the  
1886 human body to assist the functioning of any natural organ, artery,  
1887 vein or limb and which remain or dissolve in the body.



1888           The exemption provided in this paragraph (h) shall not apply  
1889 to medical cannabis sold in accordance with the provisions of the  
1890 Mississippi Medical Cannabis Act and in compliance with rules and  
1891 regulations adopted thereunder.

1892           "Hospital," as used in this paragraph (h), shall have the  
1893 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
1894 1972.

1895           Insulin furnished by a registered pharmacist to a person for  
1896 treatment of diabetes as directed by a physician shall be deemed  
1897 to be dispensed on prescription within the meaning of this  
1898 paragraph (h).

1899           (i) Retail sales of automobiles, trucks and  
1900 truck-tractors if exported from this state within forty-eight (48)  
1901 hours and registered and first used in another state.

1902           (j) Sales of tangible personal property or services to  
1903 the Salvation Army and the Muscular Dystrophy Association, Inc.

1904           (k) From July 1, 1985, through December 31, 1992,  
1905 retail sales of "alcohol-blended fuel" as such term is defined in  
1906 Section 75-55-5. The gasoline-alcohol blend or the straight  
1907 alcohol eligible for this exemption shall not contain alcohol  
1908 distilled outside the State of Mississippi.

1909           (l) Sales of tangible personal property or services to  
1910 the Institute for Technology Development.

1911           (m) The gross proceeds of retail sales of food and  
1912 drink for human consumption made through vending machines serviced



1913 by full-line vendors from and not connected with other taxable  
1914 businesses.

1915 (n) The gross proceeds of sales of motor fuels used for  
1916 agricultural, maritime, industrial or manufacturing, and no part  
1917 of which is used for operating motor vehicles or motor-propelled  
1918 machines of any description along the public roads, streets,  
1919 alleys or highways of this state.

1920 (o) Retail sales of food for human consumption  
1921 purchased with food stamps issued by the United States Department  
1922 of Agriculture, or other federal agency, from and after October 1,  
1923 1987, or from and after the expiration of any waiver granted  
1924 pursuant to federal law, the effect of which waiver is to permit  
1925 the collection by the state of tax on such retail sales of food  
1926 for human consumption purchased with food stamps.

1927 (p) Sales of cookies for human consumption by the Girl  
1928 Scouts of America no part of the net earnings from which sales  
1929 inures to the benefit of any private group or individual.

1930 (q) Gifts or sales of tangible personal property or  
1931 services to public or private nonprofit museums of art.

1932 (r) Sales of tangible personal property or services to  
1933 alumni associations of state-supported colleges or universities.

1934 (s) Sales of tangible personal property or services to  
1935 National Association of Junior Auxiliaries, Inc., and chapters of  
1936 the National Association of Junior Auxiliaries, Inc.



1937                   (t) Sales of tangible personal property or services to  
1938 domestic violence shelters which qualify for state funding under  
1939 Sections 93-21-101 through 93-21-113.

1940                   (u) Sales of tangible personal property or services to  
1941 the National Multiple Sclerosis Society, Mississippi Chapter.

1942                   (v) Retail sales of food for human consumption  
1943 purchased with food instruments issued the Mississippi Band of  
1944 Choctaw Indians under the Women, Infants and Children Program  
1945 (WIC) funded by the United States Department of Agriculture.

1946                   (w) Sales of tangible personal property or services to  
1947 a private company, as defined in Section 57-61-5, which is making  
1948 such purchases with proceeds of bonds issued under Section 57-61-1  
1949 et seq., the Mississippi Business Investment Act.

1950                   (x) The gross collections from the operation of  
1951 self-service, coin-operated car washing equipment and sales of the  
1952 service of washing motor vehicles with portable high-pressure  
1953 washing equipment on the premises of the customer.

1954                   (y) Sales of tangible personal property or services to  
1955 the Mississippi Technology Alliance.

1956                   (z) Sales of tangible personal property to nonprofit  
1957 organizations that provide foster care, adoption services and  
1958 temporary housing for unwed mothers and their children if the  
1959 organization is exempt from federal income taxation under Section  
1960 501(c) (3) of the Internal Revenue Code.



1961 (aa) Sales of tangible personal property to nonprofit  
1962 organizations that provide residential rehabilitation for persons  
1963 with alcohol and drug dependencies if the organization is exempt  
1964 from federal income taxation under Section 501(c)(3) of the  
1965 Internal Revenue Code.

1966 (ab) (i) Retail sales of an article of clothing or  
1967 footwear designed to be worn on or about the human body and retail  
1968 sales of school supplies if the sales price of the article of  
1969 clothing or footwear or school supply is less than One Hundred  
1970 Dollars (\$100.00) and the sale takes place during a period  
1971 beginning at 12:01 a.m. on the second Friday in July and ending at  
1972 12:00 midnight the following Sunday. This paragraph (ab) shall  
1973 not apply to:

1974 1. Accessories including jewelry, handbags,  
1975 luggage, umbrellas, wallets, watches, briefcases, garment bags and  
1976 similar items carried on or about the human body, without regard  
1977 to whether worn on the body in a manner characteristic of  
1978 clothing;

1979 2. The rental of clothing or footwear; and

1980 3. Skis, swim fins, roller blades, skates and  
1981 similar items worn on the foot.

1982 (ii) For purposes of this paragraph (ab), "school  
1983 supplies" means items that are commonly used by a student in a  
1984 course of study. The following is an all-inclusive list:

1985 1. Backpacks;



- 1986 2. Binder pockets;
- 1987 3. Binders;
- 1988 4. Blackboard chalk;
- 1989 5. Book bags;
- 1990 6. Calculators;
- 1991 7. Cellophane tape;
- 1992 8. Clays and glazes;
- 1993 9. Compasses;
- 1994 10. Composition books;
- 1995 11. Crayons;
- 1996 12. Dictionaries and thesauruses;
- 1997 13. Dividers;
- 1998 14. Erasers;
- 1999 15. Folders: expandable, pocket, plastic and
- 2000 manila;
- 2001 16. Glue, paste and paste sticks;
- 2002 17. Highlighters;
- 2003 18. Index card boxes;
- 2004 19. Index cards;
- 2005 20. Legal pads;
- 2006 21. Lunch boxes;
- 2007 22. Markers;
- 2008 23. Notebooks;
- 2009 24. Paintbrushes for artwork;
- 2010 25. Paints: acrylic, tempera and oil;





2011                                    26. Paper: loose-leaf ruled notebook paper,  
2012 copy paper, graph paper, tracing paper, manila paper, colored  
2013 paper, poster board and construction paper;

2014                                    27. Pencil boxes and other school supply  
2015 boxes;

2016                                    28. Pencil sharpeners;

2017                                    29. Pencils;

2018                                    30. Pens;

2019                                    31. Protractors;

2020                                    32. Reference books;

2021                                    33. Reference maps and globes;

2022                                    34. Rulers;

2023                                    35. Scissors;

2024                                    36. Sheet music;

2025                                    37. Sketch and drawing pads;

2026                                    38. Textbooks;

2027                                    39. Watercolors;

2028                                    40. Workbooks; and

2029                                    41. Writing tablets.

2030                                    (iii) From and after January 1, 2010, the  
2031 governing authorities of a municipality, for retail sales  
2032 occurring within the corporate limits of the municipality, may  
2033 suspend the application of the exemption provided for in this  
2034 paragraph (ab) by adoption of a resolution to that effect stating  
2035 the date upon which the suspension shall take effect. A certified



2036 copy of the resolution shall be furnished to the Department of  
2037 Revenue at least ninety (90) days prior to the date upon which the  
2038 municipality desires such suspension to take effect.

2039 (ac) The gross proceeds of sales of tangible personal  
2040 property made for the sole purpose of raising funds for a school  
2041 or an organization affiliated with a school.

2042 As used in this paragraph (ac), "school" means any public or  
2043 private school that teaches courses of instruction to students in  
2044 any grade from kindergarten through Grade 12.

2045 (ad) Sales of durable medical equipment and home  
2046 medical supplies when ordered or prescribed by a licensed  
2047 physician for medical purposes of a patient. As used in this  
2048 paragraph (ad), "durable medical equipment" and "home medical  
2049 supplies" mean equipment, including repair and replacement parts  
2050 for the equipment or supplies listed under Title XVIII of the  
2051 Social Security Act or under the state plan for medical assistance  
2052 under Title XIX of the Social Security Act, prosthetics,  
2053 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
2054 oxygen and oxygen equipment. Payment does not have to be made, in  
2055 whole or in part, by any particular person to be eligible for this  
2056 exemption. Purchases of home medical equipment and supplies by a  
2057 provider of home health services or a provider of hospice services  
2058 are eligible for this exemption if the purchases otherwise meet  
2059 the requirements of this paragraph.



2060                   (ae) Sales of tangible personal property or services to  
2061 Mississippi Blood Services.

2062                   (af) (i) Subject to the provisions of this paragraph  
2063 (af), retail sales of firearms, ammunition and hunting supplies if  
2064 sold during the annual Mississippi Second Amendment Weekend  
2065 holiday beginning at 12:01 a.m. on the last Friday in August and  
2066 ending at 12:00 midnight the following Sunday. For the purposes  
2067 of this paragraph (af), "hunting supplies" means tangible personal  
2068 property used for hunting, including, and limited to, archery  
2069 equipment, firearm and archery cases, firearm and archery  
2070 accessories, hearing protection, holsters, belts and slings.  
2071 Hunting supplies does not include animals used for hunting.

2072                               (ii) This paragraph (af) shall apply only if one  
2073 or more of the following occur:

2074                                       1. Title to and/or possession of an eligible  
2075 item is transferred from a seller to a purchaser; and/or

2076                                       2. A purchaser orders and pays for an  
2077 eligible item and the seller accepts the order for immediate  
2078 shipment, even if delivery is made after the time period provided  
2079 in subparagraph (i) of this paragraph (af), provided that the  
2080 purchaser has not requested or caused the delay in shipment.

2081                   (ag) Sales of nonperishable food items to charitable  
2082 organizations that are exempt from federal income taxation under  
2083 Section 501(c) (3) of the Internal Revenue Code and operate a food  
2084 bank or food pantry or food lines.



2085                   (ah) Sales of tangible personal property or services to  
2086 the United Way of the Pine Belt Region, Inc.

2087                   (ai) Sales of tangible personal property or services to  
2088 the Mississippi Children's Museum or any subsidiary or affiliate  
2089 thereof operating a satellite or branch museum within this state.

2090                   (aj) Sales of tangible personal property or services to  
2091 the Jackson Zoological Park.

2092                   (ak) Sales of tangible personal property or services to  
2093 the Hattiesburg Zoo.

2094                   (al) Gross proceeds from sales of food, merchandise or  
2095 other concessions at an event held solely for religious or  
2096 charitable purposes at livestock facilities, agriculture  
2097 facilities or other facilities constructed, renovated or expanded  
2098 with funds for the grant program authorized under Section 18,  
2099 Chapter 530, Laws of 1995.

2100                   (am) Sales of tangible personal property and services  
2101 to the Diabetes Foundation of Mississippi and the Mississippi  
2102 Chapter of the Juvenile Diabetes Research Foundation.

2103                   (an) Sales of potting soil, mulch, or other soil  
2104 amendments used in growing ornamental plants which bear no fruit  
2105 of commercial value when sold to commercial plant nurseries that  
2106 operate exclusively at wholesale and where no retail sales can be  
2107 made.



2108 (ao) Sales of tangible personal property or services to  
2109 the University of Mississippi Medical Center Research Development  
2110 Foundation.

2111 (ap) Sales of tangible personal property or services to  
2112 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
2113 Mississippi Beautiful, Inc.

2114 (aq) Sales of tangible personal property or services to  
2115 the Friends of Children's Hospital.

2116 (ar) Sales of tangible personal property or services to  
2117 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
2118 Mississippi.

2119 (as) Sales of hearing aids when ordered or prescribed  
2120 by a licensed physician, audiologist or hearing aid specialist for  
2121 the medical purposes of a patient.

2122 (at) Sales exempt under the Facilitating Business Rapid  
2123 Response to State Declared Disasters Act of 2015 (Sections  
2124 27-113-1 through 27-113-9).

2125 (au) Sales of tangible personal property or services to  
2126 the Junior League of Jackson.

2127 (av) Sales of tangible personal property or services to  
2128 the Mississippi's Toughest Kids Foundation for use in the  
2129 construction, furnishing and equipping of buildings and related  
2130 facilities and infrastructure at Camp Kamassa in Copiah County,  
2131 Mississippi. This paragraph (av) shall stand repealed on July 1,  
2132 2025.



2133 (aw) Sales of tangible personal property or services to  
2134 MS Gulf Coast Buddy Sports, Inc.

2135 (ax) Sales of tangible personal property or services to  
2136 Biloxi Lions, Inc.

2137 (ay) Sales of tangible personal property or services to  
2138 Lions Sight Foundation of Mississippi, Inc.

2139 (az) Sales of tangible personal property and services  
2140 to the Goldring/Woldenberg Institute of Southern Jewish Life  
2141 (ISJL).

2142 (ba) Sales of coins, currency, and bullion. For the  
2143 purposes of this paragraph (ba), the following words and phrases  
2144 shall have the meanings ascribed in this paragraph (ba) unless the  
2145 context clearly indicates otherwise:

2146 (i) "Bullion" means a bar, ingot, or coin:

2147 1. Manufactured, in whole or in part, of  
2148 gold, silver, platinum, or palladium;

2149 2. That was or is used solely as a medium of  
2150 exchange, security, or commodity by any state, the United States  
2151 Government, or a foreign nation; and

2152 3. Sold based on the intrinsic value of the  
2153 bar, ingot, or coin as a precious metal or collectible item rather  
2154 than its form or representative value as a medium of exchange.

2155 (ii) "Coin or currency" means a coin or currency:

2156 1. Manufactured, in whole or in part, of  
2157 gold, silver, other metal, or paper;



2158                   2. That was or is used solely as a medium of  
2159 exchange, security, or commodity by any state, the United States  
2160 Government, or a foreign nation; and

2161                   3. Sold based on the intrinsic value of the  
2162 coin or currency as a precious metal or collectible item rather  
2163 than its form or representative value as a medium of exchange.  
2164 "Coin or currency" does not include a coin or currency that has  
2165 been incorporated into jewelry.

2166           **SECTION 7.** Section 27-7-5, Mississippi Code of 1972, is  
2167 amended as follows:

2168           27-7-5. (1) (a) Except as otherwise provided in this  
2169 section, there is hereby assessed and levied, to be collected and  
2170 paid as hereinafter provided, for the calendar year 1983 and  
2171 fiscal years ending during the calendar year 1983 and all taxable  
2172 years thereafter, upon the entire net income of every resident  
2173 individual, corporation, association, trust or estate, in excess  
2174 of the credits provided, a tax at the following rates:

2175                   (i) 1. Through calendar year 2017, on the first  
2176 Five Thousand Dollars (\$5,000.00) of taxable income, or any part  
2177 thereof, the rate shall be three percent (3%);

2178                   2. For calendar year 2018, on the first One  
2179 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
2180 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
2181 taxable income, or any part thereof, the rate shall be three  
2182 percent (3%);



2183                   3. For calendar year 2019, on the first Two  
2184 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
2185 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
2186 taxable income, or any part thereof, the rate shall be three  
2187 percent (3%);

2188                   4. For calendar year 2020, on the first Three  
2189 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
2190 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
2191 taxable income, or any part thereof, the rate shall be three  
2192 percent (3%);

2193                   5. For calendar year 2021, on the first Four  
2194 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
2195 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
2196 taxable income, or any part thereof, the rate shall be three  
2197 percent (3%);

2198                   6. For calendar year 2022 and all taxable  
2199 years thereafter, there shall be no tax levied on the first Five  
2200 Thousand Dollars (\$5,000.00) of taxable income;

2201                   (ii) On taxable income in excess of Five Thousand  
2202 Dollars (\$5,000.00) up to and including Ten Thousand Dollars  
2203 (\$10,000.00), or any part thereof, the rate shall be four percent  
2204 (4%); and

2205                   (iii) On all taxable income in excess of Ten  
2206 Thousand Dollars (\$10,000.00), the rate shall be five percent  
2207 (5%).





2208 (b) (i) For calendar year 2023 and all calendar years  
2209 thereafter, there shall be no tax levied under subparagraph (ii)  
2210 of paragraph (a) of this subsection on the taxable income of  
2211 individuals in excess of Five Thousand Dollars (\$5,000.00) up to  
2212 and including Ten Thousand Dollars (\$10,000.00), or any part  
2213 thereof; and

2214 (ii) For calendar year 2024 and all calendar years  
2215 thereafter, the tax imposed under subparagraph (iii) of paragraph  
2216 (a) of this subsection upon all taxable income of individuals in  
2217 excess of Ten Thousand Dollars (\$10,000.00), shall be at the  
2218 following rates:

2219 1. For calendar year 2024, on such taxable  
2220 income, the rate shall be four and seven-tenths percent (4.7%);

2221 2. For calendar year 2025, on such taxable  
2222 income, the rate shall be four and four-tenths percent  
2223 (4.4%); \* \* \*

2224 3. For calendar year 2026 \* \* \*, on such  
2225 taxable income, the rate shall be four percent (4%);

2226 4. For calendar year 2027, on such taxable  
2227 income, the rate shall be three percent (3%);

2228 5. For calendar year 2028, on such taxable  
2229 income, the rate shall be two and seven-tenths percent (2.7%);

2230 6. For calendar year 2029, on such taxable  
2231 income, the rate shall be two and four-tenths percent (2.4%);



2232                   7. For calendar year 2030, on such taxable  
2233 income, the rate shall be two and one-tenths percent (2.1%);  
2234                   8. For calendar year 2031, on such taxable  
2235 income, the rate shall be one and eight-tenths percent (1.8%);  
2236                   9. For calendar year 2032, on such taxable  
2237 income, the rate shall be one and five-tenths percent (1.5%);  
2238                   10. For calendar year 2033, on such taxable  
2239 income, the rate shall be one and two-tenths percent (1.2%);  
2240                   11. For calendar year 2034, on such taxable  
2241 income, the rate shall be nine-tenths of one percent (.9%);  
2242                   12. For calendar year 2035, on such taxable  
2243 income, the rate shall be six-tenths of one percent (.6%);  
2244                   13. For calendar year 2036, on such taxable  
2245 income, the rate shall be three-tenths of one percent (.3%); and  
2246                   14. For calendar year 2037 and all calendar  
2247 years thereafter, there shall be no tax levied under subparagraph  
2248 (iii) of paragraph (a) of this subsection upon taxable income of  
2249 individuals in excess of Ten Thousand Dollars (\$10,000.00).

2250     \* \* \*.

2251                   (c) However, notwithstanding any other provision of  
2252 this section to the contrary, for calendar year 2025 and each  
2253 calendar year thereafter, the tax imposed under this section, upon  
2254 all taxable income of individuals that is derived from illegal  
2255 activity and for income derived from producing, distributing,  
2256 directing, manufacturing, issuing, publishing or advertising any



2257 depiction of sexually explicit conduct shall be at the rate of  
2258 five percent (5%). For the purposes of this paragraph (c),  
2259 "sexually explicit conduct" has the meaning ascribed to such term  
2260 in Section 97-5-31, notwithstanding whether depicting conduct by  
2261 an adult or child.

2262 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
2263 shall not be subject to the income tax imposed under this section.

2264 (3) A like tax is hereby imposed to be assessed, collected  
2265 and paid annually, except as hereinafter provided, at the rate  
2266 specified in this section and as hereinafter provided, upon and  
2267 with respect to the entire net income, from all property owned or  
2268 sold, and from every business, trade or occupation carried on in  
2269 this state by individuals, corporations, partnerships, trusts or  
2270 estates, not residents of the State of Mississippi.

2271 (4) In the case of taxpayers having a fiscal year beginning  
2272 in a calendar year with a rate in effect that is different than  
2273 the rate in effect for the next calendar year and ending in the  
2274 next calendar year, the tax due for that taxable year shall be  
2275 determined by:

2276 (a) Computing for the full fiscal year the amount of  
2277 tax that would be due under the rates in effect for the calendar  
2278 year in which the fiscal year begins; and

2279 (b) Computing for the full fiscal year the amount of  
2280 tax that would be due under the rates in effect for the calendar  
2281 year in which the fiscal year ends; and



2282 (c) Applying to the tax computed under paragraph (a)  
2283 the ratio which the number of months falling within the earlier  
2284 calendar year bears to the total number of months in the fiscal  
2285 year; and

2286 (d) Applying to the tax computed under paragraph (b)  
2287 the ratio which the number of months falling within the later  
2288 calendar year bears to the total number of months within the  
2289 fiscal year; and

2290 (e) Adding to the tax determined under paragraph (c)  
2291 the tax determined under paragraph (d) the sum of which shall be  
2292 the amount of tax due for the fiscal year.

2293 **SECTION 8.** There is hereby created in the State Treasury a  
2294 special fund to be designated as the "Budget Stabilization Fund",  
2295 which shall consist of funds made available by the Legislature in  
2296 any manner and funds from any other source designated for deposit  
2297 into such fund. Unexpended amounts remaining in the fund at the  
2298 end of a fiscal year shall not lapse into the State General Fund,  
2299 and any investment earnings or interest earned on amounts in the  
2300 fund shall be deposited to the credit of the fund. Monies in the  
2301 fund shall only be appropriated by the Legislature to further the  
2302 purposes of Sections 1 through 12 of this act.

2303 **SECTION 9.** Section 65-9-17, Mississippi Code of 1972, is  
2304 amended as follows:

2305 65-9-17. (1) When any county shall have met the  
2306 requirements of this chapter and shall have become eligible for



2307 state aid, the State Aid Engineer, as soon as practicable, shall  
2308 notify such county in writing of such eligibility and that its  
2309 proportionate part of any state funds allocated to it for state  
2310 aid may be utilized for construction in the manner provided by  
2311 law, and such notice shall also be given in writing to the  
2312 Department of Finance and Administration and to the State  
2313 Treasurer.

2314 (2) State aid funds shall be allocated to each county for  
2315 use on state aid system roads or roads on the Local System Road  
2316 Program in accordance with the provisions of Section 27-65-75.

2317 (3) State aid funds may be credited to a county in advance  
2318 of the normal accrual to finance certain state aid improvements,  
2319 subject to the approval of the State Aid Engineer and subject  
2320 further to the following limitations:

2321 (a) That the maximum amount of state aid funds that may  
2322 be advanced to any county shall not exceed ninety percent (90%) of  
2323 the state aid funds estimated to accrue to such county during the  
2324 remainder of the term of office of the board of supervisors of  
2325 such county.

2326 (b) That no advance credit of funds will be made to any  
2327 county when the unobligated balance in the State Aid Road Fund is  
2328 less than One Million Dollars (\$1,000,000.00).

2329 (c) That such advance crediting of funds be effected by  
2330 the State Aid Engineer at the time of the approval of the plans  
2331 and specifications for the proposed improvements.



2332           It is the intent of this provision to utilize to the fullest  
2333 practicable extent the balance of state aid funds on hand at all  
2334 times.

2335           (4) State aid funds shall be available to such county to the  
2336 following extent and in the following manner:

2337           (a) On state aid projects, other than those on or off  
2338 the federal aid secondary system to be partially financed with  
2339 federal funds, state aid funds credited to such county in the  
2340 State Aid Road Fund shall be available to cover the cost of such  
2341 project. Upon the awarding of a contract for such state aid  
2342 project, the board of supervisors of any county will, by an  
2343 official order of the board, authorize the State Aid Engineer to  
2344 set up the project fund for such project from that county's state  
2345 aid fund in the State Treasury. The amount of the project fund  
2346 will cover the estimated cost of the project, including the  
2347 contractor's payments and any other costs authorized under this  
2348 chapter to be paid from state aid funds. Withdrawals from the  
2349 project fund will be made by requisitions prepared by the State  
2350 Aid Engineer, based on estimates and other supporting statements  
2351 and documents prepared or approved by the county engineer, such  
2352 requisitions, accompanied by such estimates and statements, to be  
2353 directed to the Department of Finance and Administration, which  
2354 will issue warrants in payment thereof. Requisitions may be drawn  
2355 to cover the final cost of the project accepted by the boards of  
2356 supervisors of the counties affected and the State Aid Engineer,



2357 even though such cost exceeds the aforesaid estimated project  
2358 fund. Whenever, in the opinion of the State Aid Engineer, it  
2359 should appear that any such estimate or statement of account has  
2360 been improperly allowed or that any road construction project is  
2361 not proceeding in accordance with the plans, specifications and  
2362 standards set up therefor, then, in such event, due notice in  
2363 writing shall be given the board of supervisors of such county and  
2364 the contractor on such project, if any, stating the reason why  
2365 such account should not have been allowed or why such project is  
2366 not progressing satisfactorily; and if, within thirty (30) days  
2367 from the date of such notice in writing, such error or default is  
2368 not corrected to the satisfaction of the State Aid Engineer, all  
2369 state aid funds theretofore allocated to such eligible county  
2370 shall be immediately withdrawn and notice given the Department of  
2371 Finance and Administration and the State Treasurer that such  
2372 county has become ineligible therefor. Such county shall remain  
2373 ineligible until it again becomes eligible by satisfying the State  
2374 Aid Engineer as to its eligibility.

2375 (b) On state aid projects on the federal aid secondary  
2376 system which are to be partially financed with federal funds,  
2377 state aid funds credited to such county in the State Aid Road Fund  
2378 shall be available to cover the sponsor's share of the cost of  
2379 such project. At the same time, the State Treasurer, on order  
2380 from the board of supervisors, shall transfer an amount up to one  
2381 hundred percent (100%) of such cost from the credit of such county



2382 in the State Aid Road Fund to the credit of such county in the  
2383 State Highway Fund, earmarked for such project.

2384 (c) State aid road funds credited to a county in the  
2385 State Aid Road Fund shall also be available to cover the sponsor's  
2386 cost of any other project of such county which is partially  
2387 financed with federal funds available through federal "safer  
2388 off-system" road funds and/or other federal road funds allocated  
2389 to the counties as provided for in accordance with Section  
2390 65-9-29(2). On order from the board of supervisors of such  
2391 county, the State Treasurer shall transfer an amount up to one  
2392 hundred percent (100%) of such cost from the credit of such county  
2393 in the State Aid Road Fund to the credit of such county in the  
2394 State Highway Fund, earmarked for such project.

2395 (d) Up to one-third (1/3) of state aid road funds  
2396 credited to a county in the State Aid Road Fund may be available  
2397 to match federal bridge replacement monies or other federal funds,  
2398 or both, to construct, replace, inspect or post bridges and to  
2399 conduct pavement management surveys on county roads which are not  
2400 on the state aid system. To implement such projects, the State  
2401 Treasurer shall, as requested in an order from the board of  
2402 supervisors of the county, make transfers out of the credit of  
2403 such county in the State Aid Road Fund.

2404 (e) Up to twenty-five percent (25%) of the state aid  
2405 road funds credited to a county in the State Aid Road Fund may be  
2406 available for projects authorized under the Local System Road





2407 Program. Withdrawals from the fund for the Local System Road  
2408 Program will be made by requisitions prepared by the State Aid  
2409 Engineer, based on estimates and other supporting statements and  
2410 documents prepared or approved by the county engineer; such  
2411 requisitions, accompanied by such estimates and statements, to be  
2412 directed to the Department of Finance and Administration, which  
2413 will issue warrants in payment thereof. Requisitions may be drawn  
2414 to cover the final cost of the local system road project accepted  
2415 by the boards of supervisors of the counties affected and the  
2416 State Aid Engineer even though such cost exceeds the aforesaid  
2417 estimated project fund. Whenever, in the opinion of the State Aid  
2418 Engineer, it should appear that any such estimate or statement of  
2419 account has been improperly allowed or that any road construction  
2420 project is not proceeding in accordance with the plans,  
2421 specifications and standards set up therefor, then, in such event,  
2422 due notice in writing shall be given the board of supervisors of  
2423 such county and the contractor on such project, if any, stating  
2424 the reason why such account should not have been allowed or why  
2425 such project is not progressing satisfactorily; and if, within  
2426 thirty (30) days from the date of such notice in writing, such  
2427 error or default is not corrected to the satisfaction of the State  
2428 Aid Engineer, all state aid funds theretofore allocated to such  
2429 eligible county shall be immediately withdrawn and notice given  
2430 the Department of Finance and Administration and the State  
2431 Treasurer that such county has become ineligible therefor. Such



2432 county shall remain ineligible until it again becomes eligible by  
2433 satisfying the State Aid Engineer as to its eligibility.

2434 (5) The State Treasurer is hereby authorized to continue to  
2435 receive and deposit all funds from the federal government made  
2436 available by it, either by existing law or by any law which may be  
2437 passed hereafter, to the credit of the State Highway Fund, and the  
2438 Treasurer shall notify the commission of the amounts so received.

2439 All accounts against the above-mentioned funds shall be  
2440 certified to by the Executive Director of the Mississippi  
2441 Department of Transportation, who shall request the Department of  
2442 Finance and Administration to issue its warrant on the State  
2443 Treasurer for the amount of the accounts; and the Treasurer shall  
2444 pay same if sufficient funds are available, all in the manner  
2445 prescribed herein or as may be required by law.

2446 (6) The board of supervisors of each county is hereby  
2447 authorized and empowered to pay funds into the State Treasury in  
2448 the manner above set out, and to use and expend such funds for the  
2449 purposes set out in this chapter. For the purpose of providing  
2450 such funds, the board of supervisors is hereby authorized and  
2451 empowered to use and expend any county road and bridge funds,  
2452 including revenue received from any gasoline taxes paid to such  
2453 county, or any funds available in the General Fund, or to issue  
2454 road and bridge bonds of such county in any lawful amount in the  
2455 manner and method and subject to the restrictions, limitations and



2456 conditions, and payable from the same sources of revenue, now  
2457 provided by law.

2458 (7) (a) In addition to any other provisions of this  
2459 section, funds deposited into the State Aid Road Fund under  
2460 Section 27-67-31(g) shall be used under this chapter to prioritize  
2461 the timely repair and replacement of deficient state aid system  
2462 bridges. Each county shall be allocated a percentage of such  
2463 funds as they become available, which percentage shall be based:

2464 (i) One-half (1/2) on the proportion that the  
2465 total number of state aid system bridges in the county bears to  
2466 the total number of state aid system bridges in all counties of  
2467 the state; and

2468 (ii) One-half (1/2) on the proportion that the  
2469 total square footage of deck area of all state aid system bridges  
2470 in the county bears to the total square footage of deck area of  
2471 all state aid system bridges in all counties of the state.

2472 (b) For the purposes of this subsection, (i) the term  
2473 "deficient bridge" means a bridge with a condition rating of fair  
2474 or less for its deck, superstructure or substructure, as  
2475 determined by National Bridge Inspection Standards and that is  
2476 included on the latest annual bridge inventory prepared by the  
2477 Office of State Aid Road Construction and (ii) the term "state aid  
2478 system bridge" means a bridge that is included on the latest  
2479 annual official bridge inventory prepared by the Office of State



2480 Aid Road Construction, excluding bridges on the local bridge  
2481 system and the rural major collector system.

2482 (8) Notwithstanding any other provision of this section, if  
2483 a county opts out of imposing the tax provided for Section 1(2) of  
2484 this act, the county may not receive any assistance from the State  
2485 Aid Road Fund which is derived from monies deposited into the fund  
2486 from revenue derived from the tax imposed by counties under  
2487 Section 1 of this act.

2488 **SECTION 10.** Section 27-115-85, Mississippi Code of 1972, is  
2489 amended as follows:

2490 27-115-85. (1) Until June 30, \* \* \* 2026, net proceeds  
2491 generated by the Alyce G. Clarke Mississippi Lottery Law, created  
2492 pursuant to this chapter and deposited into the Lottery Proceeds  
2493 Fund under Section 27-115-51(2), except as otherwise provided in  
2494 this section, shall be paid into the State Highway Fund by warrant  
2495 issued by the State Fiscal Officer upon requisition of the State  
2496 Transportation Commission as needed to provide funds to repair,  
2497 renovate and maintain highways and bridges of the state; however,  
2498 funds paid into the State Highway Fund under this section shall be  
2499 first used for matching federal funds authorized to the state  
2500 pursuant to any federal highway infrastructure program implemented  
2501 after September 1, 2018. However, all such monies deposited into  
2502 the Lottery Proceeds Fund over Eighty Million Dollars  
2503 (\$80,000,000.00) in a fiscal year shall be transferred into the  
2504 Education Enhancement Fund for the purposes of funding the Early



2505 Childhood Learning Collaborative, the Classroom Supply Fund and/or  
2506 other educational purposes. \* \* \*

2507 (2) From and after July 1, 2026, of the net proceeds  
2508 generated by the Alyce G. Clarke Mississippi Lottery Law, created  
2509 pursuant to this chapter and deposited into the Lottery Proceeds  
2510 Fund under Section 27-115-51: (a) One Hundred Million Dollars  
2511 (\$100,000,000.00) of such net proceeds shall be paid into the  
2512 Employer's Accumulation Account of the Public Employees'  
2513 Retirement System created in Section 25-11-123(c) until the funded  
2514 ratio for the system is eighty percent (80%) at the end of a  
2515 fiscal year and thereafter, for each month after that fiscal year  
2516 such net proceeds shall be paid into the State General Fund and  
2517 (b) all such monies deposited into the Lottery Proceeds Fund over  
2518 One Hundred Million Dollars (\$100,000,000.00) shall be transferred  
2519 as follows (i) fifty percent (50%) into the Education Enhancement  
2520 Fund for the purposes of funding the Early Childhood Learning  
2521 Collaborative, the Classroom Supply Fund and/or other educational  
2522 purposes and (ii) fifty percent (50%) into the Multi-Model  
2523 Transportation Improvement Fund created in Section 65-1-703.

2524 **SECTION 11.** (1) There is created in the State Treasury a  
2525 special fund to be known as the "Maintenance and Capacity Projects  
2526 Fund", into which shall be deposited money appropriated by the  
2527 Legislature or otherwise made available in any manner, and funds  
2528 from any other source designated for deposit into such fund.  
2529 Unexpended amounts remaining in the fund at the end of a fiscal



2530 year shall not lapse into the State General Fund and any interest  
2531 earned or investment earnings on amounts in the fund shall be  
2532 deposited into the fund. The expenditure of money deposited into  
2533 the fund shall be under the direction of the Mississippi  
2534 Department of Transportation, and such funds shall be paid by the  
2535 Mississippi Department of Transportation upon warrants issued by  
2536 the Department of Finance and Administration.

2537 (2) Money in the fund shall be utilized by the Mississippi  
2538 Department of Transportation, with the advice of the Maintenance  
2539 and Capacity Project Fund Advisory Board, to provide funding for  
2540 (i) maintenance projects included in the Pavement Program of the  
2541 Three-Year Plan as adopted by, amended by, or reissued by the  
2542 Mississippi Transportation Commission under the authority of  
2543 Section 65-1-141, Mississippi Code of 1972, and (ii) capacity  
2544 projects included in the Capacity Program of the Three-Year Plan  
2545 as adopted by, amended by, or reissued by the Mississippi  
2546 Transportation Commission under the authority of Section 65-1-141,  
2547 Mississippi Code of 1972, as determined by a majority vote of the  
2548 Mississippi Transportation Commission. However, before the  
2549 expenditure of money in the fund, the department shall promulgate  
2550 rules and regulations as authorized in subsection (3) of this  
2551 section.

2552 (3) (a) There is created the Maintenance and Capacity  
2553 Projects Fund Advisory Board which shall consist of the following  
2554 members:



2555 (i) The Chairman of the House of Representatives  
2556 Transportation Committee;  
2557 (ii) The Chairman of the Senate Transportation  
2558 Committee;  
2559 (iii) The President and Chief Executive Officer of  
2560 the Mississippi Economic Council;  
2561 (iv) The President and Chief Executive Officer of  
2562 the Mississippi Manufacturers Association;  
2563 (v) The President of the Mississippi Farm Bureau  
2564 Federation;  
2565 (vi) The President of the Mississippi Poultry  
2566 Association;  
2567 (vii) The President of the Mississippi Trucking  
2568 Association;  
2569 (viii) The Executive Director of the Mississippi  
2570 Association of Supervisors;  
2571 (ix) The Executive Director of the Mississippi  
2572 Municipal League;  
2573 (x) The Executive Vice President of the  
2574 Mississippi Cattlemen's Association;  
2575 (xi) The Executive Director of the Mississippi  
2576 Loggers Association; and  
2577 (xii) The Executive Director of the American  
2578 Council of Engineering Companies-Mississippi.



2579 (b) The Governor shall appoint the chairman of the  
2580 board, and the board shall elect such other officers as it  
2581 considers necessary from among its members.

2582 (c) A majority of the members of the board shall  
2583 constitute a quorum for the conduct of meetings, and all actions  
2584 of the board shall be by a majority vote. No compensation, per  
2585 diem, or mileage expense shall be provided to board members.

2586 (d) The Governor's office shall provide any necessary  
2587 administrative support to the board.

2588 (e) The board shall meet at least quarterly to conduct  
2589 business.

2590 (f) The board shall provide nonbinding advice to the  
2591 Department of Transportation regarding the expenditure of money in  
2592 the Maintenance and Capacity Projects Fund.

2593 (4) The Mississippi Department of Transportation shall have  
2594 all powers necessary to implement and administer the program  
2595 established under this section to maximize all potential sources  
2596 of funding including state and federal, for projects covered by  
2597 the program. The department shall promulgate rules and  
2598 regulations, in accordance with the Mississippi Administrative  
2599 Procedures Law, necessary for the implementation of this section.

2600 **SECTION 12.** Section 27-115-51, Mississippi Code of 1972, is  
2601 brought forward as follows:

2602 27-115-51. (1) (a) All monies received by the corporation  
2603 from the sale of lottery tickets and all other sources shall be





2604 deposited into a corporate operating account. Such account shall  
2605 be established in a custodian financial institution domiciled in  
2606 the State of Mississippi and insured by the Federal Deposit  
2607 Insurance Corporation and collateralized as prescribed by Section  
2608 27-105-5. The corporation may use all monies in the corporate  
2609 operating account for the purposes of paying prizes and the  
2610 necessary expenses of the corporation and dividends to the state.  
2611 The corporation shall estimate and allocate the amount to be paid  
2612 by the corporation to prizewinners.

2613 (b) (i) The investment of monies in the corporate  
2614 operating account, other than the amount specifically required for  
2615 the purchase of securities for payment of deferred prizes, shall  
2616 be invested in a manner prescribed by the board, consistent with  
2617 law. Such securities purchased as investments by the corporation  
2618 shall be issued in the name of the corporation and shall be kept  
2619 at a custodian financial institution domiciled in the State of  
2620 Mississippi insured by the Federal Deposit Insurance Corporation.

2621 (ii) The investment of monies in the corporate  
2622 operating account, other than the amount specifically required for  
2623 the purchase of securities for deferred prize payments to winners,  
2624 shall be invested only in securities in a manner prescribed by the  
2625 board, consistent with law. Such securities purchased as  
2626 investments by the corporation shall be issued in the name of the  
2627 corporation and shall be safe kept at a custodian financial



2628 institution domiciled in the State of Mississippi insured by the  
2629 Federal Deposit Insurance Corporation.

2630 (iii) These instruments may be in varying  
2631 maturities and may be in book-entry form.

2632 (iv) For the purpose of deferred prize payments to  
2633 winners, the corporation shall purchase or invest in only those  
2634 securities prescribed by the board, consistent with law.

2635 (c) Within twenty (20) days following the close of each  
2636 calendar month, the corporation shall transfer to the Lottery  
2637 Proceeds Fund in the State Treasury the amount of net proceeds.

2638 (d) The apportionment of the total gross revenues  
2639 accruing from the sale of lottery tickets or shares and from all  
2640 other sources shall be as follows:

2641 (i) The payment of prizes to the holders of  
2642 winning lottery tickets or shares which in any case shall be no  
2643 less than fifty percent (50%) of the total gross revenues accruing  
2644 from the sale of lottery tickets.

2645 (ii) The payment of costs incurred in the  
2646 operation and administration of the lottery, including the  
2647 expenses of the corporation and the costs resulting from any  
2648 contract or contracts entered into for promotional, advertising or  
2649 operational services or for the purchase or lease of lottery  
2650 equipment and materials, which in no case shall exceed fifteen  
2651 percent (15%) of the total gross revenues accruing from the sale



2652 of lottery tickets. However, this restriction shall not apply  
2653 until after the first twelve (12) months of revenue generation.

2654 (2) A Lottery Proceeds Fund is hereby established in the  
2655 State Treasury. Net proceeds shall be deposited into this fund as  
2656 provided in subsection (1) of this section. Monies deposited into  
2657 the Lottery Proceeds Fund shall be invested by the state in  
2658 accordance with state investment practices, and all earnings from  
2659 such investments shall accrue to this account. No monies shall be  
2660 allotted or expended from this account unless pursuant to a  
2661 warrant issued as provided under Section 27-115-85.

2662 **SECTION 13.** Section 1 of this act shall be codified as a new  
2663 section in Chapter 65, Title 27, Mississippi Code of 1972.

2664 **SECTION 14.** Section 1 of this act shall take effect and be  
2665 in force from and after July 1, 2025, and the remaining sections  
2666 of this act shall take effect and be in force from and after July  
2667 1, 2026.

