

By: Representatives Lamar, White, Steverson, Bounds, Dewese, Newman, Calvert, Smith, Keen, Massengill, Hale, Eubanks 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.

