

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

HOUSE BILL NO. 1  
(As Passed the House)

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 BRING FORWARD SECTION 27-67-5, MISSISSIPPI  
25 CODE OF 1972, WHICH REQUIRES THE IMPOSITION OF A USE TAX, FOR  
26 PURPOSES OF POSSIBLE AMENDMENT; TO AMEND SECTION 27-65-19,  
27 MISSISSIPPI CODE OF 1972, TO LEVY A TAX ON THE GROSS INCOME FROM  
28 RETAIL SALES OF CERTAIN MOTOR FUELS; TO AMEND SECTION 27-65-75,  
29 MISSISSIPPI CODE OF 1972, TO REVISE THE AMOUNT OF STATE SALES TAX  
30 REVENUE THAT IS DISTRIBUTED TO MUNICIPALITIES; TO REVISE THE  
31 DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL  
32 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS  
33 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD  
34 STAMPS; TO PROVIDE THAT SALES TAX REVENUE DERIVED FROM RETAIL

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

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

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

82 "Build Up Mississippi Act".

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

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

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

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

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

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

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

140 (b) The tax imposed under this subsection shall apply  
141 to every person making sales, delivery or installations of  
142 tangible personal property or services within any county imposing  
143 the tax provided for in this subsection but shall not apply to  
144 sales exempted by Sections 27-65-19, 27-65-101, 27-65-103,  
145 27-65-105, 27-65-107, 27-65-109 and 27-65-111.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

293 (i) From and after July 1, 2026, through June 30,  
294 2027, such sales shall be taxed at the rate of four and one-half  
295 percent (4.5%);

296 (ii) From and after July 1, 2027, through June 30,  
297 2028, such sales shall be taxed at the rate of four and  
298 three-tenths percent (4.3%);

299 (iii) From and after July 1, 2028, through June  
300 30, 2029, such sales shall be taxed at the rate of four and  
301 one-tenths percent (4.1%);

302 (iv) From and after July 1, 2029, through June 30,  
303 2030, such sales shall be taxed at the rate of three and  
304 nine-tenths percent (3.9%);

305                   (v) From and after July 1, 2030, through June 30,  
306 2031, such sales shall be taxed at the rate of three and  
307 seven-tenths percent (3.7%);

308                   (vi) From and after July 1, 2031, through June 30,  
309 2032, such sales shall be taxed at the rate of three and one-half  
310 percent (3.5%);

311                   (vii) From and after July 1, 2032, through June  
312 30, 2033, such sales shall be taxed at the rate of three and  
313 three-tenths percent (3.3%);

314                   (viii) From and after July 1, 2033, through June  
315 30, 2034, such sales shall be taxed at the rate of three and  
316 one-tenths percent (3.1%);

317                   (ix) From and after July 1, 2034, through June 30,  
318 2035, such sales shall be taxed at the rate of two and nine-tenths  
319 percent (2.9%);

320                   (x) From and after July 1, 2035, through June 30,  
321 2036, such sales shall be taxed at the rate of two and  
322 seven-tenths percent (2.7%); and

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

325           (2) From and after January 1, 1995, retail sales of private  
326 carriers of passengers and light carriers of property, as defined  
327 in Section 27-51-101, shall be taxed an additional two percent  
328 (2%).

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

332 **SECTION 4.** Section 27-67-5, Mississippi Code of 1972, is  
333 brought forward as follows:

334 27-67-5. There is hereby levied, assessed and shall be  
335 collected from every person a tax for the privilege of using,  
336 storing or consuming, within this state, any tangible personal  
337 property or specified digital product possession of which is  
338 acquired in any manner.

339 (a) The use tax hereby imposed and levied shall be  
340 collected at the same rates as imposed under Section 27-65-20, and  
341 Sections 27-65-17, 27-65-18, 27-65-19, 27-65-24, 27-65-25 and  
342 27-65-26 computed on the purchase or sales price, or value, as  
343 defined in this article.

344 (b) It shall be the duty of the tax collectors of the  
345 several counties, or the commissioner, as the case may be, to  
346 collect, remit and account for the tax on the use of all vehicles  
347 licensed or registered by the State of Mississippi for the first  
348 time, except when the Mississippi use tax was collected by an  
349 authorized out-of-state dealer at the time of purchase, or when  
350 the use thereof was exempt by Section 27-67-7. The tax collector  
351 or the commissioner shall give to the person registering the  
352 vehicle a receipt in a form prescribed and furnished by the  
353 Department of Revenue for the amount of tax collected.

354           The tax collector or the commissioner is expressly prohibited  
355 from issuing a license tag to any applicant without collecting the  
356 tax levied by this article, unless positive proof is filed,  
357 together with the application for the license tag, that the  
358 Mississippi tax has been paid, or that the sale was exempt by  
359 Section 27-67-7.

360           Persons not engaging and continuing in business so as to be  
361 registered for payment of sales and/or use tax may pay use tax due  
362 on the first use of boats, airplanes, equipment or other tangible  
363 personal property and specified digital products to county tax  
364 collectors who are hereby authorized to accept such payments on  
365 behalf of the commissioner. Receipts for all such payments shall  
366 be given to taxpayers in a form prescribed and furnished by the  
367 Department of Revenue.

368           County tax collectors and the commissioner shall be liable  
369 for the tax they are required hereby to collect, and taxes which  
370 are in fact collected under authority of this section; and failure  
371 to properly collect or maintain proper records shall not relieve  
372 them of liability for payment to the commissioner. Deficiencies  
373 in collection or payment shall be assessed against the tax  
374 collector or the commissioner in the same manner and subject to  
375 the same penalties and provisions for appeal as are deficiencies  
376 assessed against taxpayers.

377           A dealer authorized to collect and remit the tax to the  
378 Department of Revenue shall give to the purchaser a receipt for

379 the payment of the tax, in a form prescribed and furnished by the  
380 commissioner, which shall serve as proof of payment to the tax  
381 collector of the county in which the license is to be issued.

382 Each tax collector of the several counties shall, on or  
383 before the twentieth day of each month, file a report with and pay  
384 to the commissioner all funds collected under the provisions of  
385 this article, less a commission of five percent (5%) which shall  
386 be retained by the tax collector as a commission for collecting  
387 such tax and be deposited in the county general fund. The report  
388 required to be filed shall cover all collections made during the  
389 calendar month next preceding the date on which the report is due  
390 and filed.

391 Any error in the report and remittance to the commissioner  
392 may be adjusted on a subsequent report. If the error was in the  
393 collection by the tax collector, it shall be adjusted through the  
394 tax collector with the taxpayer before credit is allowed by the  
395 commissioner.

396 All information relating to the collection of use tax by tax  
397 collectors and such records as the commissioner may require shall  
398 be preserved in the tax collector's office for a period of three  
399 (3) years for audit by the commissioner.

400 Computer software maintained on a server located outside the  
401 state and accessible for use only via the internet is not a  
402 taxable use, storage or consumption under this chapter.

403           **SECTION 5.** Section 27-65-19, Mississippi Code of 1972, is  
404 amended as follows:

405           27-65-19. (1) (a) (i) Except as otherwise provided in  
406 this subsection, upon every person selling to consumers,  
407 electricity, current, power, potable water, steam, coal, natural  
408 gas, liquefied petroleum gas or other fuel, there is hereby  
409 levied, assessed and shall be collected a tax equal to seven  
410 percent (7%) of the gross income of the business. Provided, gross  
411 income from sales to consumers of electricity, current, power,  
412 natural gas, liquefied petroleum gas or other fuel for residential  
413 heating, lighting or other residential noncommercial or  
414 nonagricultural use, and sales of potable water for residential,  
415 noncommercial or nonagricultural use shall be excluded from  
416 taxable gross income of the business. Provided further, upon  
417 every such seller using electricity, current, power, potable  
418 water, steam, coal, natural gas, liquefied petroleum gas or other  
419 fuel for nonindustrial purposes, there is hereby levied, assessed  
420 and shall be collected a tax equal to seven percent (7%) of the  
421 cost or value of the product or service used.

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

425                   ( \* \* \* iii) Gross income from sales to a church  
426 that is exempt from federal income taxation under 26 USCS Section  
427 501(c) (3) of electricity, current, power, natural gas, liquefied



428 petroleum gas or other fuel for heating, lighting or other use,  
429 and sales of potable water to such a church shall be excluded from  
430 taxable gross income of the business if the electricity, current,  
431 power, natural gas, liquefied petroleum gas or potable water is  
432 utilized on property that is primarily used for religious or  
433 educational purposes.

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

439 1. Use in an enhanced oil recovery project,  
440 including, but not limited to, use for cycling, repressuring or  
441 lifting of oil; or

442 2. Permanent sequestration in a geological  
443 formation.

444 (ii) The one and one-half percent (1-1/2%) rate  
445 provided for in this subsection shall apply to electricity,  
446 current, power, steam, coal, natural gas, liquefied petroleum gas  
447 or other fuel that is sold to a producer of oil and gas for use  
448 directly in enhanced oil recovery using carbon dioxide and/or the  
449 permanent sequestration of carbon dioxide in a geological  
450 formation.

451 (c) The one and one-half percent (1-1/2%) rate provided  
452 for in this subsection shall not apply to sales of fuel for

453 automobiles, trucks, truck-tractors, buses, farm tractors or  
454 airplanes.

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

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

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

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

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

468 Sales of computer software, computer software services,  
469 specified digital products, or other products delivered  
470 electronically, including, but not limited to, music, games,  
471 reading materials or ring tones, shall be taxed as provided in  
472 other sections of this chapter.

473 (ii) A person, upon proof that he has paid a tax  
474 in another state on an event described in subparagraph (i) of this  
475 paragraph (d), shall be allowed a credit against the tax imposed  
476 in this paragraph (d) on interstate telecommunications service  
477 charges to the extent that the amount of such tax is properly due

478 and actually paid in such other state and to the extent that the  
479 rate of sales tax imposed by and paid in such other state does not  
480 exceed the rate of sales tax imposed by this paragraph (d).

481 (iii) Charges by one (1) telecommunications  
482 provider to another telecommunications provider holding a permit  
483 issued under Section 27-65-27 for services that are resold by such  
484 other telecommunications provider, including, but not limited to,  
485 access charges, shall not be subject to the tax levied pursuant to  
486 this paragraph (d).

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

488 1. "Telecommunications service" means the  
489 electronic transmission, conveyance or routing of voice, data,  
490 audio, video or any other information or signals to a point, or  
491 between points. The term "telecommunications service" includes  
492 such transmission, conveyance or routing in which computer  
493 processing applications are used to act on the form, code or  
494 protocol of the content for purposes of transmission, conveyance  
495 or routing without regard to whether such service is referred to  
496 as Voice over Internet Protocol services or is classified by the  
497 Federal Communications Commission as enhanced or value added. The  
498 term "telecommunications service" shall not include:

499 a. Data processing and information  
500 services that allow data to be generated, acquired, stored,  
501 processed or retrieved and delivered by an electronic transmission

502 to a purchaser where such purchaser's primary purpose for the  
503 underlying transaction is the processed data or information;

- 504 b. Installation or maintenance of wiring  
505 or equipment on a customer's premises;
- 506 c. Tangible personal property;
- 507 d. Advertising, including, but not  
508 limited to, directory advertising;
- 509 e. Billing and collection services  
510 provided to third parties;
- 511 f. Internet access service;
- 512 g. Radio and television audio and video  
513 programming services regardless of the medium, including the  
514 furnishing of transmission, conveyance and routing of such  
515 services by the programming service provider. Radio and  
516 television audio and video programming services shall include, but  
517 not be limited to, cable service as defined in 47 USCS 522(6) and  
518 audio and video programming services delivered by commercial  
519 mobile radio service providers, as defined in 47 CFR 20.3;
- 520 h. Ancillary services; or
- 521 i. Digital products delivered  
522 electronically, including, but not limited to, computer software,  
523 computer software services, electronically stored or maintained  
524 data, music, video, reading materials, specified digital products,  
525 or ring tones.

526                   2. "Ancillary services" means services that  
527 are associated with or incidental to the provision of  
528 telecommunications services, including, but not limited to,  
529 detailed telecommunications billing, directory assistance,  
530 vertical service and voice mail service.

531                   a. "Conference bridging" means an  
532 ancillary service that links two (2) or more participants of an  
533 audio or video conference call and may include the provision of a  
534 telephone number. Conference bridging does not include the  
535 telecommunications services used to reach the conference bridge.

536                   b. "Detailed telecommunications billing  
537 service" means an ancillary service of separately stating  
538 information pertaining to individual calls on a customer's billing  
539 statement.

540                   c. "Directory assistance" means an  
541 ancillary service of providing telephone number information and/or  
542 address information.

543                   d. "Vertical service" means an ancillary  
544 service that is offered in connection with one or more  
545 telecommunications services, which offers advanced calling  
546 features that allow customers to identify callers and to manage  
547 multiple calls and call connections, including conference bridging  
548 services.

549                   e. "Voice mail service" means an  
550 ancillary service that enables the customer to store, send or

551 receive recorded messages. Voice mail service does not include  
552 any vertical services that the customer may be required to have in  
553 order to utilize the voice mail service.

554           3. "Intrastate" means telecommunications  
555 service that originates in one (1) United States state or United  
556 States territory or possession, and terminates in the same United  
557 States state or United States territory or possession.

558           4. "Interstate" means a telecommunications  
559 service that originates in one (1) United States state or United  
560 States territory or possession, and terminates in a different  
561 United States state or United States territory or possession.

562           5. "International" means a telecommunications  
563 service that originates or terminates in the United States and  
564 terminates or originates outside the United States, respectively.

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

567           1. Except for the defined telecommunications  
568 services in item 3 of this subparagraph, the sales of  
569 telecommunications services sold on a call-by-call basis shall be  
570 sourced to:

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

573           b. Each level of taxing jurisdiction  
574 where the call either originates or terminates and in which the  
575 service address is also located.

576                   2. Except for the defined telecommunications  
577 services in item 3 of this subparagraph, a sale of  
578 telecommunications services sold on a basis other than a  
579 call-by-call basis, is sourced to the customer's place of primary  
580 use.

581                   3. The sale of the following  
582 telecommunications services shall be sourced to each level of  
583 taxing jurisdiction as follows:

584                   a. A sale of mobile telecommunications  
585 services other than air-to-ground radiotelephone service and  
586 prepaid calling service is sourced to the customer's place of  
587 primary use as required by the Mobile Telecommunication Sourcing  
588 Act.

589                   A. A home service provider shall be  
590 responsible for obtaining and maintaining the customer's place of  
591 primary use. The home service provider shall be entitled to rely  
592 on the applicable residential or business street address supplied  
593 by such customer, if the home service provider's reliance is in  
594 good faith; and the home service provider shall be held harmless  
595 from liability for any additional taxes based on a different  
596 determination of the place of primary use for taxes that are  
597 customarily passed on to the customer as a separate itemized  
598 charge. A home service provider shall be allowed to treat the  
599 address used for purposes of the tax levied by this chapter for  
600 any customer under a service contract in effect on August 1, 2002,

601 as that customer's place of primary use for the remaining term of  
602 such service contract or agreement, excluding any extension or  
603 renewal of such service contract or agreement. Month-to-month  
604 services provided after the expiration of a contract shall be  
605 treated as an extension or renewal of such contract or agreement.

606           B. If the commissioner determines  
607 that the address used by a home service provider as a customer's  
608 place of primary use does not meet the definition of the term  
609 "place of primary use" as defined in subitem a.A. of this item 3,  
610 the commissioner shall give binding notice to the home service  
611 provider to change the place of primary use on a prospective basis  
612 from the date of notice of determination; however, the customer  
613 shall have the opportunity, prior to such notice of determination,  
614 to demonstrate that such address satisfies the definition.

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

620           b. A sale of postpaid calling service is  
621 sourced to the origination point of the telecommunications signal  
622 as first identified by either:

623           A. The seller's telecommunications  
624 system; or



625                   B. Information received by the  
626 seller from its service provider, where the system used to  
627 transport such signals is not that of the seller.

628                   c. A sale of a prepaid calling service  
629 or prepaid wireless calling service shall be subject to the tax  
630 imposed by this paragraph if the sale takes place in this state.  
631 If the customer physically purchases a prepaid calling service or  
632 prepaid wireless calling service at the vendor's place of  
633 business, the sale is deemed to take place at the vendor's place  
634 of business. If the customer does not physically purchase the  
635 service at the vendor's place of business, the sale of a prepaid  
636 calling card or prepaid wireless calling card is deemed to take  
637 place at the first of the following locations that applies to the  
638 sale:

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

641                   B. The customer's billing address;

642                   C. Any other address of the  
643 customer that is known by the vendor; or

644                   D. The address of the vendor, or  
645 alternatively, in the case of a prepaid wireless calling service,  
646 the location associated with the mobile telephone number.

647                   4. A sale of a private communication service  
648 is sourced as follows:

649                   a. Service for a separate charge related  
650 to a customer channel termination point is sourced to each level  
651 of jurisdiction in which such customer channel termination point  
652 is located.

653                   b. Service where all customer  
654 termination points are located entirely within one (1)  
655 jurisdiction or levels of jurisdiction is sourced in such  
656 jurisdiction in which the customer channel termination points are  
657 located.

658                   c. Service for segments of a channel  
659 between two (2) customer channel termination points located in  
660 different jurisdictions and which segments of a channel are  
661 separately charged is sourced fifty percent (50%) in each level of  
662 jurisdiction in which the customer channel termination points are  
663 located.

664                   d. Service for segments of a channel  
665 located in more than one (1) jurisdiction or levels of  
666 jurisdiction and which segments are not separately billed is  
667 sourced in each jurisdiction based on the percentage determined by  
668 dividing the number of customer channel termination points in such  
669 jurisdiction by the total number of customer channel termination  
670 points.

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

673 (vi) For purposes of subparagraph (v) of this  
674 paragraph (d):

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

679 2. "Call-by-call basis" means any method of  
680 charging for telecommunications services where the price is  
681 measured by individual calls.

682 3. "Communications channel" means a physical  
683 or virtual path of communications over which signals are  
684 transmitted between or among customer channel termination points.

685 4. "Customer" means the person or entity that  
686 contracts with the seller of telecommunications services. If the  
687 end user of telecommunications services is not the contracting  
688 party, the end user of the telecommunications service is the  
689 customer of the telecommunications service. Customer does not  
690 include a reseller of telecommunications service or for mobile  
691 telecommunications service of a serving carrier under an agreement  
692 to serve the customer outside the home service provider's licensed  
693 service area.

694 5. "Customer channel termination point" means  
695 the location where the customer either inputs or receives the  
696 communications.

697                   6. "End user" means the person who utilizes  
698 the telecommunications service. In the case of an entity, "end  
699 user" means the individual who utilizes the service on behalf of  
700 the entity.

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

704                   8. "Mobile telecommunications service" has  
705 the meaning ascribed to such term in Section 124(7) of Public Law  
706 106-252 (Mobile Telecommunications Sourcing Act).

707                   9. "Place of primary use" means the street  
708 address representative of where the customer's use of the  
709 telecommunications service primarily occurs, which must be the  
710 residential street address or the primary business street address  
711 of the customer. In the case of mobile telecommunications  
712 services, the place of primary use must be within the licensed  
713 service area of the home service provider.

714                   10. "Post-paid calling service" means the  
715 telecommunications service obtained by making a payment on a  
716 call-by-call basis either through the use of a credit card or  
717 payment mechanism such as a bank card, travel card, credit card or  
718 debit card, or by charge made to a telephone number which is not  
719 associated with the origination or termination of the  
720 telecommunications service. A post-paid calling service includes  
721 a telecommunications service, except a prepaid wireless calling

722 service that would be a prepaid calling service except it is not  
723 exclusively a telecommunications service.

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

730                   12. "Prepaid wireless calling service" means  
731 a telecommunications service that provides the right to utilize  
732 mobile wireless service as well as other nontelecommunications  
733 services, including the download of digital products delivered  
734 electronically, content and ancillary service, which must be paid  
735 for in advance that is sold in predetermined units or dollars of  
736 which the number declines with use in a known amount.

737                   13. "Private communication service" means a  
738 telecommunications service that entitles the customer to exclusive  
739 or priority use of a communications channel or group of channels  
740 between or among termination points, regardless of the manner in  
741 which such channel or channels are connected, and includes  
742 switching capacity, extension lines, stations and any other  
743 associated services that are provided in connection with the use  
744 of such channel or channels.

745                   14. "Service address" means:

746 a. The location of the  
747 telecommunications equipment to which a customer's call is charged  
748 and from which the call originates or terminates, regardless of  
749 where the call is billed or paid.

750 b. If the location in subitem a of this  
751 item 14 is not known, the origination point of the signal of the  
752 telecommunications services first identified by either the  
753 seller's telecommunications system or in information received by  
754 the seller from its service provider, where the system used to  
755 transport such signals is not that of the seller.

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

759 (vii) 1. For purposes of this subparagraph (vii),  
760 "bundled transaction" means a transaction that consists of  
761 distinct and identifiable properties or services which are sold  
762 for a single nonitemized price but which are treated differently  
763 for tax purposes.

764 2. In the case of a bundled transaction that  
765 includes telecommunications services, ancillary services, Internet  
766 access, or audio or video programming services taxed under this  
767 chapter in which the price of the bundled transaction is  
768 attributable to properties or services that are taxable and  
769 nontaxable, the portion of the price that is attributable to any  
770 nontaxable property or service shall be subject to the tax unless

771 the provider can reasonably identify that portion from its books  
772 and records kept in the regular course of business.

773                   3. In the case of a bundled transaction that  
774 includes telecommunications services, ancillary services, internet  
775 access, audio or video programming services subject to tax under  
776 this chapter in which the price is attributable to properties or  
777 services that are subject to the tax but the tax revenue from the  
778 different properties or services are dedicated to different funds  
779 or purposes, the provider shall allocate the price among the  
780 properties or services:

781                   a. By reasonably identifying the portion  
782 of the price attributable to each of the properties and services  
783 from its books and records kept in the regular course of business;  
784 or

785                   b. Based on a reasonable allocation  
786 methodology approved by the department.

787                   4. This subparagraph (vii) shall not create a  
788 right of action for a customer to require that the provider or the  
789 department, for purposes of determining the amount of tax  
790 applicable to a bundled transaction, allocate the price to the  
791 different portions of the transaction in order to minimize the  
792 amount of tax charged to the customer. A customer shall not be  
793 entitled to rely on the fact that a portion of the price is  
794 attributable to properties or services not subject to tax unless  
795 the provider elects, after receiving a written request from the

796 customer in the form required by the provider, to provide  
797 verifiable data based upon the provider's books and records that  
798 are kept in the regular course of business that reasonably  
799 identifies the portion of the price attributable to the properties  
800 or services not subject to the tax.

801 (2) Persons making sales to consumers of electricity,  
802 current, power, natural gas, liquefied petroleum gas or other fuel  
803 for residential heating, lighting or other residential  
804 noncommercial or nonagricultural use or sales of potable water for  
805 residential, noncommercial or nonagricultural use shall indicate  
806 on each statement rendered to customers that such charges are  
807 exempt from sales taxes.

808 (3) There is hereby levied, assessed and shall be paid on  
809 transportation charges on shipments moving between points within  
810 this state when paid directly by the consumer, a tax equal to the  
811 rate applicable to the sale of the property being transported.  
812 Such tax shall be reported and paid directly to the Department of  
813 Revenue by the consumer.

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

816 27-65-75. On or before the fifteenth day of each month, the  
817 revenue collected under the provisions of this chapter during the  
818 preceding month shall be paid and distributed as follows:

819 (1) (a) On or before August 15, 1992, and each succeeding  
820 month thereafter through July 15, 1993, eighteen percent (18%) of



821 the total sales tax revenue collected during the preceding month  
822 under the provisions of this chapter, except that collected under  
823 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
824 business activities within a municipal corporation shall be  
825 allocated for distribution to the municipality and paid to the  
826 municipal corporation. Except as otherwise provided in this  
827 paragraph (a), on or before August 15, 1993, and each succeeding  
828 month thereafter through August 15, 2026, eighteen and one-half  
829 percent (18-1/2%) of the total sales tax revenue collected during  
830 the preceding month under the provisions of this chapter, except  
831 that collected under the provisions of Sections 27-65-15,  
832 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
833 a municipal corporation shall be allocated for distribution to the  
834 municipality and paid to the municipal corporation. Except as  
835 otherwise provided in this paragraph (a), on or before September  
836 15, 2026, and each succeeding month thereafter, eighteen and  
837 one-half percent (18-1/2%) of the total sales tax revenue  
838 collected during the preceding month under the provisions of this  
839 chapter, except (i) that collected under the provisions of  
840 Sections 27-65-15, 27-65-17(1) (n), 27-65-19(1) (a) (ii) and (3),  
841 27-65-21 and 27-65-24, on business activities within a municipal  
842 corporation and (ii) that collected on business activities within  
843 a municipal corporation which are taxed at a rate of seven percent  
844 (7%) under the provisions of this chapter, shall be allocated for  
845 distribution to the municipality and paid to the municipal

846 corporation. However, in the event the State Auditor issues a  
847 certificate of noncompliance pursuant to Section 21-35-31, the  
848 Department of Revenue shall withhold ten percent (10%) of the  
849 allocations and payments to the municipality that would otherwise  
850 be payable to the municipality under this paragraph (a) until such  
851 time that the department receives written notice of the  
852 cancellation of a certificate of noncompliance from the State  
853 Auditor.

854 A municipal corporation, for the purpose of distributing the  
855 tax under this subsection, shall mean and include all incorporated  
856 cities, towns and villages.

857 Monies allocated for distribution and credited to a municipal  
858 corporation under this paragraph may be pledged as security for a  
859 loan if the distribution received by the municipal corporation is  
860 otherwise authorized or required by law to be pledged as security  
861 for such a loan.

862 In any county having a county seat that is not an  
863 incorporated municipality, the distribution provided under this  
864 subsection shall be made as though the county seat was an  
865 incorporated municipality; however, the distribution to the  
866 municipality shall be paid to the county treasury in which the  
867 municipality is located, and those funds shall be used for road,  
868 bridge and street construction or maintenance in the county.

869 (b) On or before August 15, 2006, and each succeeding  
870 month thereafter through August 15, 2026, eighteen and one-half

871 percent (18-1/2%) of the total sales tax revenue collected during  
872 the preceding month under the provisions of this chapter, except  
873 that collected under the provisions of Sections 27-65-15,  
874 27-65-19(3) and 27-65-21, on business activities on the campus of  
875 a state institution of higher learning or community or junior  
876 college whose campus is not located within the corporate limits of  
877 a municipality, shall be allocated for distribution to the state  
878 institution of higher learning or community or junior college and  
879 paid to the state institution of higher learning or community or  
880 junior college. On or before September 15, 2026, and each  
881 succeeding month thereafter, eighteen and one-half percent  
882 (18-1/2%) of the total sales tax revenue collected during the  
883 preceding month under the provisions of this chapter, except that  
884 collected under the provisions of Sections 27-65-15,  
885 27-65-17(1) (n), 27-65-19(1) (a) (ii) and (3) and 27-65-21, on  
886 business activities on the campus of a state institution of higher  
887 learning or community or junior college whose campus is not  
888 located within the corporate limits of a municipality, shall be  
889 allocated for distribution to the state institution of higher  
890 learning or community or junior college and paid to the state  
891 institution of higher learning or community or junior college. On  
892 or before September 15, 2026, and each succeeding month thereafter  
893 through August 15, 2027, twenty-eight and seventy-eight  
894 one-hundredths percent (28.78%) of the total sales tax revenue  
895 collected during the preceding month under the provisions of

896 Section 27-65-17(1) (n) on business activities on the campus of a  
897 state institution of higher learning or community or junior  
898 college whose campus is not located within the corporate limits of  
899 a municipality, shall be allocated for distribution to the state  
900 institution of higher learning or community or junior college and  
901 paid to the state institution of higher learning or community or  
902 junior college. On or before September 15, 2027, and each  
903 succeeding month thereafter through August 15, 2028, thirty and  
904 twelve one-hundredths percent (30.12%) of the total sales tax  
905 revenue collected during the preceding month under the provisions  
906 of Section 27-65-17(1) (n) on business activities on the campus of  
907 a state institution of higher learning or community or junior  
908 college whose campus is not located within the corporate limits of  
909 a municipality, shall be allocated for distribution to the state  
910 institution of higher learning or community or junior college and  
911 paid to the state institution of higher learning or community or  
912 junior college. On or before September 15, 2028, and each  
913 succeeding month thereafter through August 15, 2029, thirty-one  
914 and fifty-nine one-hundredths percent (31.59%) of the total sales  
915 tax revenue collected during the preceding month under the  
916 provisions of Section 27-65-17(1) (n) on business activities on the  
917 campus of a state institution of higher learning or community or  
918 junior college whose campus is not located within the corporate  
919 limits of a municipality, shall be allocated for distribution to  
920 the state institution of higher learning or community or junior

921 college and paid to the state institution of higher learning or  
922 community or junior college. On or before September 15, 2029, and  
923 each succeeding month thereafter through August 15, 2030,  
924 thirty-three and twenty-one one-hundredths percent (33.21%) of the  
925 total sales tax revenue collected during the preceding month under  
926 the provisions of Section 27-65-17(1) (n) on business activities on  
927 the campus of a state institution of higher learning or community  
928 or junior college whose campus is not located within the corporate  
929 limits of a municipality, shall be allocated for distribution to  
930 the state institution of higher learning or community or junior  
931 college and paid to the state institution of higher learning or  
932 community or junior college. On or before September 15, 2030, and  
933 each succeeding month thereafter through August 15, 2031,  
934 thirty-five percent (35%) of the total sales tax revenue collected  
935 during the preceding month under the provisions of Section  
936 27-65-17(1) (n) on business activities on the campus of a state  
937 institution of higher learning or community or junior college  
938 whose campus is not located within the corporate limits of a  
939 municipality, shall be allocated for distribution to the state  
940 institution of higher learning or community or junior college and  
941 paid to the state institution of higher learning or community or  
942 junior college. On or before September 15, 2031, and each  
943 succeeding month thereafter through August 15, 2032, thirty-seven  
944 percent (37%) of the total sales tax revenue collected during the  
945 preceding month under the provisions of Section 27-65-17(1) (n) on

946 business activities on the campus of a state institution of higher  
947 learning or community or junior college whose campus is not  
948 located within the corporate limits of a municipality, shall be  
949 allocated for distribution to the state institution of higher  
950 learning or community or junior college and paid to the state  
951 institution of higher learning or community or junior college. On  
952 or before September 15, 2032, and each succeeding month thereafter  
953 through August 15, 2033, thirty-nine and twenty-four  
954 one-hundredths percent (39.24%) of the total sales tax revenue  
955 collected during the preceding month under the provisions of  
956 Section 27-65-17(1) (n) on business activities on the campus of a  
957 state institution of higher learning or community or junior  
958 college whose campus is not located within the corporate limits of  
959 a municipality, shall be allocated for distribution to the state  
960 institution of higher learning or community or junior college and  
961 paid to the state institution of higher learning or community or  
962 junior college. On or before September 15, 2033, and each  
963 succeeding month thereafter through August 15, 2034, forty-one and  
964 seventy-seven one-hundredths percent (41.77%) of the total sales  
965 tax revenue collected during the preceding month under the  
966 provisions of Section 27-65-17(1) (n) on business activities on the  
967 campus of a state institution of higher learning or community or  
968 junior college whose campus is not located within the corporate  
969 limits of a municipality, shall be allocated for distribution to  
970 the state institution of higher learning or community or junior

971 college and paid to the state institution of higher learning or  
972 community or junior college. On or before September 15, 2034, and  
973 each succeeding month thereafter through August 15, 2035,  
974 forty-four and sixty-six one-hundredths percent (44.66%) of the  
975 total sales tax revenue collected during the preceding month under  
976 the provisions of Section 27-65-17(1)(n) on business activities on  
977 the campus of a state institution of higher learning or community  
978 or junior college whose campus is not located within the corporate  
979 limits of a municipality, shall be allocated for distribution to  
980 the state institution of higher learning or community or junior  
981 college and paid to the state institution of higher learning or  
982 community or junior college. On or before September 15, 2035, and  
983 each succeeding month thereafter through August 15, 2036,  
984 forty-seven and ninety-six one-hundredths percent (47.96%) of the  
985 total sales tax revenue collected during the preceding month under  
986 the provisions of Section 27-65-17(1)(n) on business activities on  
987 the campus of a state institution of higher learning or community  
988 or junior college whose campus is not located within the corporate  
989 limits of a municipality, shall be allocated for distribution to  
990 the state institution of higher learning or community or junior  
991 college and paid to the state institution of higher learning or  
992 community or junior college. On or before September 15, 2036, and  
993 each succeeding month thereafter, fifty-one and eighty  
994 one-hundredths percent (51.80%) of the total sales tax revenue  
995 collected during the preceding month under the provisions of

996 Section 27-65-17(1)(n) on business activities on the campus of a  
997 state institution of higher learning or community or junior  
998 college whose campus is not located within the corporate limits of  
999 a municipality, shall be allocated for distribution to the state  
1000 institution of higher learning or community or junior college and  
1001 paid to the state institution of higher learning or community or  
1002 junior college.

1003           (c) On or before August 15, 2018, and each succeeding  
1004 month thereafter until August 14, 2019, two percent (2%) of the  
1005 total sales tax revenue collected during the preceding month under  
1006 the provisions of this chapter, except that collected under the  
1007 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
1008 27-65-24, on business activities within the corporate limits of  
1009 the City of Jackson, Mississippi, shall be deposited into the  
1010 Capitol Complex Improvement District Project Fund created in  
1011 Section 29-5-215. On or before August 15, 2019, and each  
1012 succeeding month thereafter until August 14, 2020, four percent  
1013 (4%) of the total sales tax revenue collected during the preceding  
1014 month under the provisions of this chapter, except that collected  
1015 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
1016 and 27-65-24, on business activities within the corporate limits  
1017 of the City of Jackson, Mississippi, shall be deposited into the  
1018 Capitol Complex Improvement District Project Fund created in  
1019 Section 29-5-215. On or before August 15, 2020, and each  
1020 succeeding month thereafter through July 15, 2023, six percent



1021 (6%) of the total sales tax revenue collected during the preceding  
1022 month under the provisions of this chapter, except that collected  
1023 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
1024 and 27-65-24, on business activities within the corporate limits  
1025 of the City of Jackson, Mississippi, shall be deposited into the  
1026 Capitol Complex Improvement District Project Fund created in  
1027 Section 29-5-215. On or before August 15, 2023, and each  
1028 succeeding month thereafter through August 15, 2026, nine percent  
1029 (9%) of the total sales tax revenue collected during the preceding  
1030 month under the provisions of this chapter, except that collected  
1031 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
1032 and 27-65-24, on business activities within the corporate limits  
1033 of the City of Jackson, Mississippi, shall be deposited into the  
1034 Capitol Complex Improvement District Project Fund created in  
1035 Section 29-5-215. On or before September 15, 2026, and each  
1036 succeeding month thereafter, nine percent (9%) of the total sales  
1037 tax revenue collected during the preceding month under the  
1038 provisions of this chapter, except that collected under the  
1039 provisions of Sections 27-65-15, 27-65-17(1)(n),  
1040 27-65-19(1)(a)(ii) and (3), 27-65-21 and 27-65-24, on business  
1041 activities within the corporate limits of the City of Jackson,  
1042 Mississippi, shall be deposited into the Capitol Complex  
1043 Improvement District Project Fund created in Section 29-5-215. On  
1044 or before September 15, 2026, and each succeeding month thereafter  
1045 through August 15, 2027, fourteen percent (14%) of the total sales

1046 tax revenue collected during the preceding month under the  
1047 provisions of Section 27-65-17(1)(n) on business activities within  
1048 the corporate limits of the City of Jackson, Mississippi, shall be  
1049 deposited into the Capitol Complex Improvement District Project  
1050 Fund created in Section 29-5-215. On or before September 15,  
1051 2027, and each succeeding month thereafter through August 15,  
1052 2028, fourteen and sixty-five one-hundredths percent (14.65%) of  
1053 the total sales tax revenue collected during the preceding month  
1054 under the provisions of Section 27-65-17(1)(n) on business  
1055 activities within the corporate limits of the City of Jackson,  
1056 Mississippi, shall be deposited into the Capitol Complex  
1057 Improvement District Project Fund created in Section 29-5-215. On  
1058 or before September 15, 2028, and each succeeding month thereafter  
1059 through August 15, 2029, fifteen and thirty-seven one-hundredths  
1060 percent (15.37%) of the total sales tax revenue collected during  
1061 the preceding month under the provisions of Section 27-65-17(1)(n)  
1062 on business activities within the corporate limits of the City of  
1063 Jackson, Mississippi, shall be deposited into the Capitol Complex  
1064 Improvement District Project Fund created in Section 29-5-215. On  
1065 or before September 15, 2029, and each succeeding month thereafter  
1066 through August 15, 2030, sixteen and fifteen one-hundredths  
1067 percent (16.15%) of the total sales tax revenue collected during  
1068 the preceding month under the provisions of Section 27-65-17(1)(n)  
1069 on business activities within the corporate limits of the City of  
1070 Jackson, Mississippi, shall be deposited into the Capitol Complex

1071 Improvement District Project Fund created in Section 29-5-215. On  
1072 or before September 15, 2030, and each succeeding month thereafter  
1073 through August 15, 2031, seventeen and three one-hundredths  
1074 percent (17.03%) of the total sales tax revenue collected during  
1075 the preceding month under the provisions of Section 27-65-17(1)(n)  
1076 on business activities within the corporate limits of the City of  
1077 Jackson, Mississippi, shall be deposited into the Capitol Complex  
1078 Improvement District Project Fund created in Section 29-5-215. On  
1079 or before September 15, 2031, and each succeeding month thereafter  
1080 through August 15, 2032, eighteen percent (18%) of the total sales  
1081 tax revenue collected during the preceding month under the  
1082 provisions of Section 27-65-17(1)(n) on business activities within  
1083 the corporate limits of the City of Jackson, Mississippi, shall be  
1084 deposited into the Capitol Complex Improvement District Project  
1085 Fund created in Section 29-5-215. On or before September 15,  
1086 2032, and each succeeding month thereafter through August 15,  
1087 2033, nineteen and nine one-hundredths percent (19.09%) of the  
1088 total sales tax revenue collected during the preceding month under  
1089 the provisions of Section 27-65-17(1)(n) on business activities  
1090 within the corporate limits of the City of Jackson, Mississippi,  
1091 shall be deposited into the Capitol Complex Improvement District  
1092 Project Fund created in Section 29-5-215. On or before September  
1093 15, 2033, and each succeeding month thereafter through August 15,  
1094 2034, twenty and thirty-two one-hundredths percent (20.32%) of the  
1095 total sales tax revenue collected during the preceding month under

1096 the provisions of Section 27-65-17(1)(n) on business activities  
1097 within the corporate limits of the City of Jackson, Mississippi,  
1098 shall be deposited into the Capitol Complex Improvement District  
1099 Project Fund created in Section 29-5-215. On or before September  
1100 15, 2034, and each succeeding month thereafter through August 15,  
1101 2035, twenty-one and seventy-two one-hundredths percent (21.72%)  
1102 of the total sales tax revenue collected during the preceding  
1103 month under the provisions of Section 27-65-17(1)(n) on business  
1104 activities within the corporate limits of the City of Jackson,  
1105 Mississippi, shall be deposited into the Capitol Complex  
1106 Improvement District Project Fund created in Section 29-5-215. On  
1107 or before September 15, 2035, and each succeeding month thereafter  
1108 through August 15, 2036, twenty-three and thirty-three  
1109 one-hundredths percent (23.33%) of the total sales tax revenue  
1110 collected during the preceding month under the provisions of  
1111 Section 27-65-17(1)(n) on business activities within the corporate  
1112 limits of the City of Jackson, Mississippi, shall be deposited  
1113 into the Capitol Complex Improvement District Project Fund created  
1114 in Section 29-5-215. On or before September 15, 2036, and each  
1115 succeeding month thereafter, twenty-five and twenty one-hundredths  
1116 percent (25.20%) of the total sales tax revenue collected during  
1117 the preceding month under the provisions of Section 27-65-17(1)(n)  
1118 on business activities within the corporate limits of the City of  
1119 Jackson, Mississippi, shall be deposited into the Capitol Complex  
1120 Improvement District Project Fund created in Section 29-5-215.

1121 (d) (i) Except as otherwise provided in this paragraph  
1122 (d), on or before the fifteenth day of the month that the  
1123 diversion authorized by this section begins, and each succeeding  
1124 month thereafter, eighteen and one-half percent (18-1/2%) of the  
1125 total sales tax revenue collected during the preceding month under  
1126 the provisions of this chapter, except that collected under the  
1127 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1128 business activities within a redevelopment project area developed  
1129 under a redevelopment plan adopted under the Tax Increment  
1130 Financing Act (Section 21-45-1 et seq.) shall be allocated for  
1131 distribution to the county in which the project area is located  
1132 if:

- 1133 1. The county:
- 1134 a. Borders on the Mississippi Sound and  
1135 the State of Alabama, or
- 1136 b. Is Harrison County, Mississippi, and  
1137 the project area is within a radius of two (2) miles from the  
1138 intersection of Interstate 10 and Menge Avenue;
- 1139 2. The county has issued bonds under Section  
1140 21-45-9 to finance all or a portion of a redevelopment project in  
1141 the redevelopment project area;
- 1142 3. Any debt service for the indebtedness  
1143 incurred is outstanding; and

1144 4. A development with a value of Ten Million  
1145 Dollars (\$10,000,000.00) or more is, or will be, located in the  
1146 redevelopment area.

1147 (ii) For a county that is eligible to receive  
1148 funds under this paragraph (d), as determined by the Department of  
1149 Revenue under this paragraph (d), from and after September 15,  
1150 2026, and each succeeding month thereafter, eighteen and one-half  
1151 percent (18-1/2%) of the total sales tax revenue collected during  
1152 the preceding month under the provisions of this chapter, except  
1153 that collected under the provisions of Sections 27-65-15,  
1154 27-65-17(1) (n), 27-65-19(1) (a) (ii) and (3) and 27-65-21, on  
1155 business activities within a redevelopment project area developed  
1156 under a redevelopment plan adopted under the Tax Increment  
1157 Financing Act (Section 21-45-1 et seq.) shall be allocated for  
1158 distribution to the county in which the project is located, and  
1159 the total amount collected under Section 27-65-17(1) (n) shall be  
1160 allocated for distribution to that county as follows:

1161 1. On or before September 15, 2026, and each  
1162 succeeding month thereafter through August 15, 2027, twenty-eight  
1163 and seventy-eight one-hundredths percent (28.78%) of the total  
1164 sales tax revenue collected during the preceding month.

1165 2. On or before September 15, 2027, and each  
1166 succeeding month thereafter through August 15, 2028, thirty and  
1167 twelve one-hundredths percent (30.12%) of the total sales tax  
1168 revenue collected during the preceding month.

1169                   3. On or before September 15, 2028, and each  
1170 succeeding month thereafter through August 15, 2029, thirty-one  
1171 and fifty-nine one-hundredths percent (31.59%) of the total sales  
1172 tax revenue collected during the preceding month.

1173                   4. On or before September 15, 2029, and each  
1174 succeeding month thereafter through August 15, 2030, thirty-three  
1175 and twenty-one one-hundredths percent (33.21%) of the total sales  
1176 tax revenue collected during the preceding month.

1177                   5. On or before September 15, 2030, and each  
1178 succeeding month thereafter through August 15, 2031, thirty-five  
1179 percent (35%) of the total sales tax revenue collected during the  
1180 preceding month.

1181                   6. On or before September 15, 2031, and each  
1182 succeeding month thereafter through August 15, 2032, thirty-seven  
1183 percent (37%) of the total sales tax revenue collected during the  
1184 preceding month.

1185                   7. On or before September 15, 2032, and each  
1186 succeeding month thereafter through August 15, 2033, thirty-nine  
1187 and twenty-four one-hundredths percent (39.24%) of the total sales  
1188 tax revenue collected during the preceding month.

1189                   8. On or before September 15, 2033, and each  
1190 succeeding month thereafter through August 15, 2034, forty-one and  
1191 seventy-seven one-hundredths percent (41.77%) of the total sales  
1192 tax revenue collected during the preceding month.

1193 9. On or before September 15, 2034, and each  
1194 succeeding month thereafter through August 15, 2035, forty-four  
1195 and sixty-six one-hundredths percent (44.66%) of the total sales  
1196 tax revenue collected during the preceding month.

1197 10. On or before September 15, 2035, and each  
1198 succeeding month thereafter through August 15, 2036, forty-seven  
1199 and ninety-six one-hundredths percent (47.96%) of the total sales  
1200 tax revenue collected during the preceding month.

1201 11. On or before September 15, 2036, and each  
1202 succeeding month thereafter, fifty-one and eighty one-hundredths  
1203 percent (51.80%) of the total sales tax revenue collected during  
1204 the preceding month.

1205 ( \* \* \*iii) Before any sales tax revenue may be  
1206 allocated for distribution to a county under this paragraph (d),  
1207 the county shall certify to the Department of Revenue that the  
1208 requirements of this paragraph (d) have been met, the amount of  
1209 bonded indebtedness that has been incurred by the county for the  
1210 redevelopment project and the expected date the indebtedness  
1211 incurred by the county will be satisfied.

1212 ( \* \* \*iv) The diversion of sales tax revenue  
1213 authorized by this paragraph (d) shall begin the month following  
1214 the month in which the Department of Revenue determines that the  
1215 requirements of this paragraph (d) have been met. The diversion  
1216 shall end the month the indebtedness incurred by the county is  
1217 satisfied. All revenue received by the county under this



1218 paragraph (d) shall be deposited in the fund required to be  
1219 created in the tax increment financing plan under Section 21-45-11  
1220 and be utilized solely to satisfy the indebtedness incurred by the  
1221 county.

1222 (2) On or before September 15, 1987, and each succeeding  
1223 month thereafter, from the revenue collected under this chapter  
1224 during the preceding month, One Million One Hundred Twenty-five  
1225 Thousand Dollars (\$1,125,000.00) shall be allocated for  
1226 distribution to municipal corporations as defined under subsection  
1227 (1) of this section in the proportion that the number of gallons  
1228 of gasoline and diesel fuel sold by distributors to consumers and  
1229 retailers in each such municipality during the preceding fiscal  
1230 year bears to the total gallons of gasoline and diesel fuel sold  
1231 by distributors to consumers and retailers in municipalities  
1232 statewide during the preceding fiscal year. The Department of  
1233 Revenue shall require all distributors of gasoline and diesel fuel  
1234 to report to the department monthly the total number of gallons of  
1235 gasoline and diesel fuel sold by them to consumers and retailers  
1236 in each municipality during the preceding month. The Department  
1237 of Revenue shall have the authority to promulgate such rules and  
1238 regulations as is necessary to determine the number of gallons of  
1239 gasoline and diesel fuel sold by distributors to consumers and  
1240 retailers in each municipality. In determining the percentage  
1241 allocation of funds under this subsection for the fiscal year  
1242 beginning July 1, 1987, and ending June 30, 1988, the Department

1243 of Revenue may consider gallons of gasoline and diesel fuel sold  
1244 for a period of less than one (1) fiscal year. For the purposes  
1245 of this subsection, the term "fiscal year" means the fiscal year  
1246 beginning July 1 of a year.

1247 (3) On or before September 15, 1987, and on or before the  
1248 fifteenth day of each succeeding month, until the date specified  
1249 in Section 65-39-35, the proceeds derived from contractors' taxes  
1250 levied under Section 27-65-21 on contracts for the construction or  
1251 reconstruction of highways designated under the highway program  
1252 created under Section 65-3-97 shall, except as otherwise provided  
1253 in Section 31-17-127, be deposited into the State Treasury to the  
1254 credit of the State Highway Fund to be used to fund that highway  
1255 program. The Mississippi Department of Transportation shall  
1256 provide to the Department of Revenue such information as is  
1257 necessary to determine the amount of proceeds to be distributed  
1258 under this subsection.

1259 (4) On or before August 15, 1994, and on or before the  
1260 fifteenth day of each succeeding month through July 15, 1999, from  
1261 the proceeds of gasoline, diesel fuel or kerosene taxes as  
1262 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
1263 (\$4,000,000.00) shall be deposited in the State Treasury to the  
1264 credit of a special fund designated as the "State Aid Road Fund,"  
1265 created by Section 65-9-17. On or before August 15, 1999, and on  
1266 or before the fifteenth day of each succeeding month, from the  
1267 total amount of the proceeds of gasoline, diesel fuel or kerosene

1268 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
1269 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
1270 one-fourth percent (23-1/4%) of those funds, whichever is the  
1271 greater amount, shall be deposited in the State Treasury to the  
1272 credit of the "State Aid Road Fund," created by Section 65-9-17.  
1273 Those funds shall be pledged to pay the principal of and interest  
1274 on state aid road bonds heretofore issued under Sections 19-9-51  
1275 through 19-9-77, in lieu of and in substitution for the funds  
1276 previously allocated to counties under this section. Those funds  
1277 may not be pledged for the payment of any state aid road bonds  
1278 issued after April 1, 1981; however, this prohibition against the  
1279 pledging of any such funds for the payment of bonds shall not  
1280 apply to any bonds for which intent to issue those bonds has been  
1281 published for the first time, as provided by law before March 29,  
1282 1981. From the amount of taxes paid into the special fund under  
1283 this subsection and subsection (9) of this section, there shall be  
1284 first deducted and paid the amount necessary to pay the expenses  
1285 of the Office of State Aid Road Construction, as authorized by the  
1286 Legislature for all other general and special fund agencies. The  
1287 remainder of the fund shall be allocated monthly to the several  
1288 counties in accordance with the following formula:

1289           (a) One-third (1/3) shall be allocated to all counties  
1290 in equal shares;

1291           (b) One-third (1/3) shall be allocated to counties  
1292 based on the proportion that the total number of rural road miles

1293 in a county bears to the total number of rural road miles in all  
1294 counties of the state; and

1295 (c) One-third (1/3) shall be allocated to counties  
1296 based on the proportion that the rural population of the county  
1297 bears to the total rural population in all counties of the state,  
1298 according to the latest federal decennial census.

1299 For the purposes of this subsection, the term "gasoline,  
1300 diesel fuel or kerosene taxes" means such taxes as defined in  
1301 paragraph (f) of Section 27-5-101.

1302 The amount of funds allocated to any county under this  
1303 subsection for any fiscal year after fiscal year 1994 shall not be  
1304 less than the amount allocated to the county for fiscal year 1994.

1305 Any reference in the general laws of this state or the  
1306 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
1307 construed to refer and apply to subsection (4) of Section  
1308 27-65-75.

1309 (5) On or before August 15, 2024, and each succeeding month  
1310 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred  
1311 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special  
1312 fund known as the Education Enhancement Fund created and existing  
1313 under the provisions of Section 37-61-33.

1314 (6) An amount each month beginning August 15, 1983, through  
1315 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
1316 1983, shall be paid into the special fund known as the

1317 Correctional Facilities Construction Fund created in Section 6,  
1318 Chapter 542, Laws of 1983.

1319 (7) On or before August 15, 1992, and each succeeding month  
1320 thereafter through July 15, 2000, two and two hundred sixty-six  
1321 one-thousandths percent (2.266%) of the total sales tax revenue  
1322 collected during the preceding month under the provisions of this  
1323 chapter, except that collected under the provisions of Section  
1324 27-65-17(2), shall be deposited by the department into the School  
1325 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
1326 or before August 15, 2000, and each succeeding month thereafter  
1327 through August 15, 2026, two and two hundred sixty-six  
1328 one-thousandths percent (2.266%) of the total sales tax revenue  
1329 collected during the preceding month under the provisions of this  
1330 chapter, except that collected under the provisions of Section  
1331 27-65-17(2), shall be deposited into the School Ad Valorem Tax  
1332 Reduction Fund created under Section 37-61-35 until such time that  
1333 the total amount deposited into the fund during a fiscal year  
1334 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,  
1335 the amounts diverted under this subsection (7) during the fiscal  
1336 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall  
1337 be deposited into the Education Enhancement Fund created under  
1338 Section 37-61-33 for appropriation by the Legislature as other  
1339 education needs and shall not be subject to the percentage  
1340 appropriation requirements set forth in Section 37-61-33. On or  
1341 before September 15, 2026, and each succeeding month thereafter

1342 through August 15, 2027, two and two hundred sixty-six  
1343 one-thousandths percent (2.266%) of the total sales tax revenue  
1344 collected during the preceding month under the provisions of this  
1345 chapter, except that collected under the provisions of Sections  
1346 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and three and  
1347 fifty-two one-hundredths percent (3.52%) of the total sales tax  
1348 revenue collected during the preceding month under the provisions  
1349 of Section 27-65-17(1) (n) shall be deposited into the School Ad  
1350 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1351 such time that the total amount deposited into the fund during a  
1352 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1353 Thereafter, the amounts diverted under this subsection (7) during  
1354 the fiscal year in excess of Forty-two Million Dollars  
1355 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1356 Fund created under Section 37-61-33 for appropriation by the  
1357 Legislature as other education needs and shall not be subject to  
1358 the percentage appropriation requirements set forth in Section  
1359 37-61-33. On or before September 15, 2027, and each succeeding  
1360 month thereafter through August 15, 2028, two and two hundred  
1361 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1362 revenue collected during the preceding month under the provisions  
1363 of this chapter, except that collected under the provisions of  
1364 Sections 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and three  
1365 and sixty-nine one-hundredths percent (3.69%) of the total sales  
1366 tax revenue collected during the preceding month under the

1367 provisions of Section 27-65-17(1)(n) shall be deposited into the  
1368 School Ad Valorem Tax Reduction Fund created under Section  
1369 37-61-35 until such time that the total amount deposited into the  
1370 fund during a fiscal year equals Forty-two Million Dollars  
1371 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1372 subsection (7) during the fiscal year in excess of Forty-two  
1373 Million Dollars (\$42,000,000.00) shall be deposited into the  
1374 Education Enhancement Fund created under Section 37-61-33 for  
1375 appropriation by the Legislature as other education needs and  
1376 shall not be subject to the percentage appropriation requirements  
1377 set forth in Section 37-61-33. On or before September 15, 2028,  
1378 and each succeeding month thereafter through August 15, 2029, two  
1379 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1380 total sales tax revenue collected during the preceding month under  
1381 the provisions of this chapter, except that collected under the  
1382 provisions of Sections 27-65-17(1)(n) and (2) and  
1383 27-65-19(1)(a)(ii), and three and eighty-seven one-hundredths  
1384 percent (3.87%) of the total sales tax revenue collected during  
1385 the preceding month under the provisions of Section 27-65-17(1)(n)  
1386 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1387 created under Section 37-61-35 until such time that the total  
1388 amount deposited into the fund during a fiscal year equals  
1389 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1390 amounts diverted under this subsection (7) during the fiscal year  
1391 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be

1392 deposited into the Education Enhancement Fund created under  
1393 Section 37-61-33 for appropriation by the Legislature as other  
1394 education needs and shall not be subject to the percentage  
1395 appropriation requirements set forth in Section 37-61-33. On or  
1396 before September 15, 2029, and each succeeding month thereafter  
1397 through August 15, 2030, two and two hundred sixty-six  
1398 one-thousandths percent (2.266%) of the total sales tax revenue  
1399 collected during the preceding month under the provisions of this  
1400 chapter, except that collected under the provisions of Sections  
1401 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and four and seven  
1402 one-hundredths percent (4.07%) of the total sales tax revenue  
1403 collected during the preceding month under the provisions of  
1404 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, 2030, and each succeeding  
1415 month thereafter through August 15, 2031, 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 four  
1420 and twenty-nine one-hundredths percent (4.29%) 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, 2031,  
1433 and each succeeding month thereafter through August 15, 2032, 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 four and fifty-three one-hundredths  
1439 percent (4.53%) 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, 2032, and each succeeding month thereafter  
1452 through August 15, 2033, two and two hundred sixty-six  
1453 one-thousandths percent (2.266%) of the total sales tax revenue  
1454 collected during the preceding month under the provisions of this  
1455 chapter, except that collected under the provisions of Sections  
1456 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), and four and  
1457 eighty-one one-hundredths percent (4.81%) of the total sales tax  
1458 revenue collected during the preceding month under the provisions  
1459 of Section 27-65-17(1) (n) shall be deposited into the School Ad  
1460 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1461 such time that the total amount deposited into the fund during a  
1462 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1463 Thereafter, the amounts diverted under this subsection (7) during  
1464 the fiscal year in excess of Forty-two Million Dollars  
1465 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1466 Fund created under Section 37-61-33 for appropriation by the

1467 Legislature as other education needs and shall not be subject to  
1468 the percentage appropriation requirements set forth in Section  
1469 37-61-33. On or before September 15, 2033, and each succeeding  
1470 month thereafter through August 15, 2034, two and two hundred  
1471 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1472 revenue collected during the preceding month under the provisions  
1473 of this chapter, except that collected under the provisions of  
1474 Sections 27-65-17(1)(n) and (2) and 27-65-19(1)(a)(ii), and five  
1475 and twelve one-hundredths percent (5.12%) of the total sales tax  
1476 revenue collected during the preceding month under the provisions  
1477 of Section 27-65-17(1)(n) shall be deposited into the School Ad  
1478 Valorem Tax Reduction Fund created under Section 37-61-35 until  
1479 such time that the total amount deposited into the fund during a  
1480 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
1481 Thereafter, the amounts diverted under this subsection (7) during  
1482 the fiscal year in excess of Forty-two Million Dollars  
1483 (\$42,000,000.00) shall be deposited into the Education Enhancement  
1484 Fund created under Section 37-61-33 for appropriation by the  
1485 Legislature as other education needs and shall not be subject to  
1486 the percentage appropriation requirements set forth in Section  
1487 37-61-33. On or before September 15, 2034, and each succeeding  
1488 month thereafter through August 15, 2035, two and two hundred  
1489 sixty-six one-thousandths percent (2.266%) of the total sales tax  
1490 revenue collected during the preceding month under the provisions  
1491 of this chapter, except that collected under the provisions of

1492 Sections 27-65-17(1)(n) and (2) and 27-65-19(1)(a)(ii), and five  
1493 and forty-seven one hundredths percent (5.47%) of the total sales  
1494 tax revenue collected during the preceding month under the  
1495 provisions of Section 27-65-17(1)(n) shall be deposited into the  
1496 School Ad Valorem Tax Reduction Fund created under Section  
1497 37-61-35 until such time that the total amount deposited into the  
1498 fund during a fiscal year equals Forty-two Million Dollars  
1499 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1500 subsection (7) during the fiscal year in excess of Forty-two  
1501 Million Dollars (\$42,000,000.00) shall be deposited into the  
1502 Education Enhancement Fund created under Section 37-61-33 for  
1503 appropriation by the Legislature as other education needs and  
1504 shall not be subject to the percentage appropriation requirements  
1505 set forth in Section 37-61-33. On or before September 15, 2035,  
1506 and each succeeding month thereafter through August 15, 2036, two  
1507 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1508 total sales tax revenue collected during the preceding month under  
1509 the provisions of this chapter, except that collected under the  
1510 provisions of Sections 27-65-17(1)(n) and (2) and  
1511 27-65-19(1)(a)(ii), and five and eighty-seven one-hundredths  
1512 percent (5.87%) of the total sales tax revenue collected during  
1513 the preceding month under the provisions of Section 27-65-17(1)(n)  
1514 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1515 created under Section 37-61-35 until such time that the total  
1516 amount deposited into the fund during a fiscal year equals

1517 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1518 amounts diverted under this subsection (7) during the fiscal year  
1519 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1520 deposited into the Education Enhancement Fund created under  
1521 Section 37-61-33 for appropriation by the Legislature as other  
1522 education needs and shall not be subject to the percentage  
1523 appropriation requirements set forth in Section 37-61-33. On or  
1524 before September 15, 2036, and each succeeding month thereafter,  
1525 two and two hundred sixty-six one-thousandths percent (2.266%) of  
1526 the total sales tax revenue collected during the preceding month  
1527 under the provisions of this chapter, except that collected under  
1528 the provisions of Sections 27-65-17(1)(n) and (2) and  
1529 27-65-19(1)(a)(ii), and six and thirty-four one-hundredths percent  
1530 (6.34%) of the total sales tax revenue collected during the  
1531 preceding month under the provisions of Section 27-65-17(1)(n)  
1532 shall be deposited into the School Ad Valorem Tax Reduction Fund  
1533 created under Section 37-61-35 until such time that the total  
1534 amount deposited into the fund during a fiscal year equals  
1535 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the  
1536 amounts diverted under this subsection (7) during the fiscal year  
1537 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1538 deposited into the Education Enhancement Fund created under  
1539 Section 37-61-33 for appropriation by the Legislature as other  
1540 education needs and shall not be subject to the percentage  
1541 appropriation requirements set forth in Section 37-61-33.

1542 (8) On or before August 15, 1992, and each succeeding month  
1543 thereafter through August 15, 2026, nine and seventy-three  
1544 one-thousandths percent (9.073%) of the total sales tax revenue  
1545 collected during the preceding month under the provisions of this  
1546 chapter, except that collected under the provisions of Section  
1547 27-65-17(2), shall be deposited into the Education Enhancement  
1548 Fund created under Section 37-61-33. On or before September 15,  
1549 2026, and each succeeding month thereafter, nine and seventy-three  
1550 one-thousandths percent (9.073%) of the total sales tax revenue  
1551 collected during the preceding month under the provisions of this  
1552 chapter, except that collected under the provisions of Sections  
1553 27-65-17(1) (n) and (2) and 27-65-19(1) (a) (ii), shall be deposited  
1554 into the Education Enhancement Fund created under Section  
1555 37-61-33. On or before September 15, 2026, and each succeeding  
1556 month thereafter through August 15, 2027, fourteen and eleven  
1557 one-hundredths percent (14.11%) of the total sales tax revenue  
1558 collected during the preceding month under the provisions of  
1559 Section 27-65-17(1) (n) shall be deposited into the Education  
1560 Enhancement Fund created under Section 37-61-33. On or before  
1561 September 15, 2027, and each succeeding month thereafter through  
1562 August 15, 2028, fourteen and seventy-seven one-hundredths percent  
1563 (14.77%) of the total sales tax revenue collected during the  
1564 preceding month under the provisions of Section 27-65-17(1) (n)  
1565 shall be deposited into the Education Enhancement Fund created  
1566 under Section 37-61-33. On or before September 15, 2028, and each

1567 succeeding month thereafter through August 15, 2029, fifteen and  
1568 forty-nine one-hundredths percent (15.49%) of the total sales tax  
1569 revenue collected during the preceding month under the provisions  
1570 of Section 27-65-17(1)(n) shall be deposited into the Education  
1571 Enhancement Fund created under Section 37-61-33. On or before  
1572 September 15, 2029, and each succeeding month thereafter through  
1573 August 15, 2030, sixteen and twenty-eight one-hundredths percent  
1574 (16.28%) of the total sales tax revenue collected during the  
1575 preceding month under the provisions of Section 27-65-17(1)(n)  
1576 shall be deposited into the Education Enhancement Fund created  
1577 under Section 37-61-33. On or before September 15, 2030, and each  
1578 succeeding month thereafter through August 15, 2031, seventeen and  
1579 seventeen one-hundredths percent (17.17%) of the total sales tax  
1580 revenue collected during the preceding month under the provisions  
1581 of Section 27-65-17(1)(n) shall be deposited into the Education  
1582 Enhancement Fund created under Section 37-61-33. On or before  
1583 September 15, 2031, and each succeeding month thereafter through  
1584 August 15, 2032, eighteen and fifteen one-hundredths percent  
1585 (18.15%) of the total sales tax revenue collected during the  
1586 preceding month under the provisions of Section 27-65-17(1)(n)  
1587 shall be deposited into the Education Enhancement Fund created  
1588 under Section 37-61-33. On or before September 15, 2032, and each  
1589 succeeding month thereafter through August 15, 2033, nineteen and  
1590 twenty-five one-hundredths percent (19.25%) of the total sales tax  
1591 revenue collected during the preceding month under the provisions

1592 of Section 27-65-17(1)(n) shall be deposited into the Education  
1593 Enhancement Fund created under Section 37-61-33. On or before  
1594 September 15, 2033, and each succeeding month thereafter through  
1595 August 15, 2034, twenty and forty-nine one-hundredths percent  
1596 (20.49%) of the total sales tax revenue collected during the  
1597 preceding month under the provisions of Section 27-65-17(1)(n)  
1598 shall be deposited into the Education Enhancement Fund created  
1599 under Section 37-61-33. On or before September 15, 2034, and each  
1600 succeeding month thereafter through August 15, 2035, twenty-one  
1601 and ninety one-hundredths percent (21.90%) of the total sales tax  
1602 revenue collected during the preceding month under the provisions  
1603 of Section 27-65-17(1)(n) shall be deposited into the Education  
1604 Enhancement Fund created under Section 37-61-33. On or before  
1605 September 15, 2035, and each succeeding month thereafter through  
1606 August 15, 2036, twenty-three and fifty-two one-hundredths percent  
1607 (23.52%) of the total sales tax revenue collected during the  
1608 preceding month under the provisions of Section 27-65-17(1)(n)  
1609 shall be deposited into the Education Enhancement Fund created  
1610 under Section 37-61-33. On or before September 15, 2036, and each  
1611 succeeding month thereafter, twenty-five and forty one-hundredths  
1612 percent (25.40%) of the total sales tax revenue collected during  
1613 the preceding month under the provisions of Section 27-65-17(1)(n)  
1614 shall be deposited into the Education Enhancement Fund created  
1615 under Section 37-61-33.



1616           (9) On or before August 15, 1994, and each succeeding month  
1617 thereafter, from the revenue collected under this chapter during  
1618 the preceding month, Two Hundred Fifty Thousand Dollars  
1619 (\$250,000.00) shall be paid into the State Aid Road Fund.

1620           (10) On or before August 15, 1994, and each succeeding month  
1621 thereafter through August 15, 1995, from the revenue collected  
1622 under this chapter during the preceding month, Two Million Dollars  
1623 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1624 Valorem Tax Reduction Fund established in Section 27-51-105.

1625           (11) Notwithstanding any other provision of this section to  
1626 the contrary, on or before February 15, 1995, and each succeeding  
1627 month thereafter, the sales tax revenue collected during the  
1628 preceding month under the provisions of Section 27-65-17(2) and  
1629 the corresponding levy in Section 27-65-23 on the rental or lease  
1630 of private carriers of passengers and light carriers of property  
1631 as defined in Section 27-51-101 shall be deposited, without  
1632 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
1633 established in Section 27-51-105.

1634           (12) Notwithstanding any other provision of this section to  
1635 the contrary, on or before August 15, 1995, and each succeeding  
1636 month thereafter, the sales tax revenue collected during the  
1637 preceding month under the provisions of Section 27-65-17(1) on  
1638 retail sales of private carriers of passengers and light carriers  
1639 of property, as defined in Section 27-51-101 and the corresponding  
1640 levy in Section 27-65-23 on the rental or lease of these vehicles,

1641 shall be deposited, after diversion, into the Motor Vehicle Ad  
1642 Valorem Tax Reduction Fund established in Section 27-51-105.

1643 (13) On or before July 15, 1994, and on or before the  
1644 fifteenth day of each succeeding month thereafter, that portion of  
1645 the avails of the tax imposed in Section 27-65-22 that is derived  
1646 from activities held on the Mississippi State Fairgrounds Complex  
1647 shall be paid into a special fund that is created in the State  
1648 Treasury and shall be expended upon legislative appropriation  
1649 solely to defray the costs of repairs and renovation at the Trade  
1650 Mart and Coliseum.

1651 (14) On or before August 15, 1998, and each succeeding month  
1652 thereafter through July 15, 2005, that portion of the avails of  
1653 the tax imposed in Section 27-65-23 that is derived from sales by  
1654 cotton compresses or cotton warehouses and that would otherwise be  
1655 paid into the General Fund shall be deposited in an amount not to  
1656 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
1657 created under Section 69-37-39. On or before August 15, 2007, and  
1658 each succeeding month thereafter through July 15, 2010, that  
1659 portion of the avails of the tax imposed in Section 27-65-23 that  
1660 is derived from sales by cotton compresses or cotton warehouses  
1661 and that would otherwise be paid into the General Fund shall be  
1662 deposited in an amount not to exceed Two Million Dollars  
1663 (\$2,000,000.00) into the special fund created under Section  
1664 69-37-39 until all debts or other obligations incurred by the  
1665 Certified Cotton Growers Organization under the Mississippi Boll

1666 Weevil Management Act before January 1, 2007, are satisfied in  
1667 full. On or before August 15, 2010, and each succeeding month  
1668 thereafter through July 15, 2011, fifty percent (50%) of that  
1669 portion of the avails of the tax imposed in Section 27-65-23 that  
1670 is derived from sales by cotton compresses or cotton warehouses  
1671 and that would otherwise be paid into the General Fund shall be  
1672 deposited into the special fund created under Section 69-37-39  
1673 until such time that the total amount deposited into the fund  
1674 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
1675 On or before August 15, 2011, and each succeeding month  
1676 thereafter, that portion of the avails of the tax imposed in  
1677 Section 27-65-23 that is derived from sales by cotton compresses  
1678 or cotton warehouses and that would otherwise be paid into the  
1679 General Fund shall be deposited into the special fund created  
1680 under Section 69-37-39 until such time that the total amount  
1681 deposited into the fund during a fiscal year equals One Million  
1682 Dollars (\$1,000,000.00).

1683 (15) Notwithstanding any other provision of this section to  
1684 the contrary, on or before September 15, 2000, and each succeeding  
1685 month thereafter, the sales tax revenue collected during the  
1686 preceding month under the provisions of Section  
1687 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
1688 without diversion, into the Telecommunications Ad Valorem Tax  
1689 Reduction Fund established in Section 27-38-7.

1690           (16) (a) On or before August 15, 2000, and each succeeding  
1691 month thereafter, the sales tax revenue collected during the  
1692 preceding month under the provisions of this chapter on the gross  
1693 proceeds of sales of a project as defined in Section 57-30-1 shall  
1694 be deposited, after all diversions except the diversion provided  
1695 for in subsection (1) of this section, into the Sales Tax  
1696 Incentive Fund created in Section 57-30-3.

1697           (b) On or before August 15, 2007, and each succeeding  
1698 month thereafter, eighty percent (80%) of the sales tax revenue  
1699 collected during the preceding month under the provisions of this  
1700 chapter from the operation of a tourism project under the  
1701 provisions of Sections 57-26-1 through 57-26-5, shall be  
1702 deposited, after the diversions required in subsections (7) and  
1703 (8) of this section, into the Tourism Project Sales Tax Incentive  
1704 Fund created in Section 57-26-3.

1705           (17) Notwithstanding any other provision of this section to  
1706 the contrary, on or before April 15, 2002, and each succeeding  
1707 month thereafter, the sales tax revenue collected during the  
1708 preceding month under Section 27-65-23 on sales of parking  
1709 services of parking garages and lots at airports shall be  
1710 deposited, without diversion, into the special fund created under  
1711 Section 27-5-101(d).

1712           (18) [Repealed]

1713           (19) (a) On or before August 15, 2005, and each succeeding  
1714 month thereafter, the sales tax revenue collected during the

1715 preceding month under the provisions of this chapter on the gross  
1716 proceeds of sales of a business enterprise located within a  
1717 redevelopment project area under the provisions of Sections  
1718 57-91-1 through 57-91-11, and the revenue collected on the gross  
1719 proceeds of sales from sales made to a business enterprise located  
1720 in a redevelopment project area under the provisions of Sections  
1721 57-91-1 through 57-91-11 (provided that such sales made to a  
1722 business enterprise are made on the premises of the business  
1723 enterprise), shall, except as otherwise provided in this  
1724 subsection (19), be deposited, after all diversions, into the  
1725 Redevelopment Project Incentive Fund as created in Section  
1726 57-91-9.

1727           (b) For a municipality participating in the Economic  
1728 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
1729 the diversion provided for in subsection (1) of this section  
1730 attributable to the gross proceeds of sales of a business  
1731 enterprise located within a redevelopment project area under the  
1732 provisions of Sections 57-91-1 through 57-91-11, and attributable  
1733 to the gross proceeds of sales from sales made to a business  
1734 enterprise located in a redevelopment project area under the  
1735 provisions of Sections 57-91-1 through 57-91-11 (provided that  
1736 such sales made to a business enterprise are made on the premises  
1737 of the business enterprise), shall be deposited into the  
1738 Redevelopment Project Incentive Fund as created in Section  
1739 57-91-9, as follows:

1740 (i) For the first six (6) years in which payments  
1741 are made to a developer from the Redevelopment Project Incentive  
1742 Fund, one hundred percent (100%) of the diversion shall be  
1743 deposited into the fund;

1744 (ii) For the seventh year in which such payments  
1745 are made to a developer from the Redevelopment Project Incentive  
1746 Fund, eighty percent (80%) of the diversion shall be deposited  
1747 into the fund;

1748 (iii) For the eighth year in which such payments  
1749 are made to a developer from the Redevelopment Project Incentive  
1750 Fund, seventy percent (70%) of the diversion shall be deposited  
1751 into the fund;

1752 (iv) For the ninth year in which such payments are  
1753 made to a developer from the Redevelopment Project Incentive Fund,  
1754 sixty percent (60%) of the diversion shall be deposited into the  
1755 fund; and

1756 (v) For the tenth year in which such payments are  
1757 made to a developer from the Redevelopment Project Incentive Fund,  
1758 fifty percent (50%) of the funds shall be deposited into the fund.

1759 (20) On or before January 15, 2007, and each succeeding  
1760 month thereafter, eighty percent (80%) of the sales tax revenue  
1761 collected during the preceding month under the provisions of this  
1762 chapter from the operation of a tourism project under the  
1763 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
1764 after the diversions required in subsections (7) and (8) of this

1765 section, into the Tourism Sales Tax Incentive Fund created in  
1766 Section 57-28-3.

1767 (21) (a) On or before April 15, 2007, and each succeeding  
1768 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
1769 Dollars (\$150,000.00) of the sales tax revenue collected during  
1770 the preceding month under the provisions of this chapter shall be  
1771 deposited into the MMEIA Tax Incentive Fund created in Section  
1772 57-101-3.

1773 (b) On or before July 15, 2013, and each succeeding  
1774 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
1775 of the sales tax revenue collected during the preceding month  
1776 under the provisions of this chapter shall be deposited into the  
1777 Mississippi Development Authority Job Training Grant Fund created  
1778 in Section 57-1-451.

1779 (22) On or before June 1, 2024, and each succeeding month  
1780 thereafter until December 31, 2057, an amount determined annually  
1781 by the Mississippi Development Authority of the sales tax revenue  
1782 collected during the preceding month under the provisions of this  
1783 chapter shall be deposited into the MMEIA Tax Incentive Fund  
1784 created in Section 57-125-3. This amount shall be based on  
1785 estimated payments due within the upcoming year to construction  
1786 contractors pursuant to construction contracts subject to the tax  
1787 imposed by Section 27-65-21 for construction to be performed on  
1788 the project site of a project defined under Section  
1789 57-75-5(f) (xxxiii) for the coming year.

1790           (23) Notwithstanding any other provision of this section to  
1791 the contrary, on or before August 15, 2009, and each succeeding  
1792 month thereafter, the sales tax revenue collected during the  
1793 preceding month under the provisions of Section 27-65-201 shall be  
1794 deposited, without diversion, into the Motor Vehicle Ad Valorem  
1795 Tax Reduction Fund established in Section 27-51-105.

1796           (24) (a) On or before August 15, 2019, and each month  
1797 thereafter through July 15, 2020, one percent (1%) of the total  
1798 sales tax revenue collected during the preceding month from  
1799 restaurants and hotels shall be allocated for distribution to the  
1800 Mississippi Development Authority Tourism Advertising Fund  
1801 established under Section 57-1-64, to be used exclusively for the  
1802 purpose stated therein. On or before August 15, 2020, and each  
1803 month thereafter through July 15, 2021, two percent (2%) of the  
1804 total sales tax revenue collected during the preceding month from  
1805 restaurants and hotels shall be allocated for distribution to the  
1806 Mississippi Development Authority Tourism Advertising Fund  
1807 established under Section 57-1-64, to be used exclusively for the  
1808 purpose stated therein. On or before August 15, 2021, and each  
1809 month thereafter, three percent (3%) of the total sales tax  
1810 revenue collected during the preceding month from restaurants and  
1811 hotels shall be allocated for distribution to the Mississippi  
1812 Development Authority Tourism Advertising Fund established under  
1813 Section 57-1-64, to be used exclusively for the purpose stated



1814 therein. The revenue diverted pursuant to this subsection shall  
1815 not be available for expenditure until February 1, 2020.

1816 (b) The Joint Legislative Committee on Performance  
1817 Evaluation and Expenditure Review (PEER) must provide an annual  
1818 report to the Legislature indicating the amount of funds deposited  
1819 into the Mississippi Development Authority Tourism Advertising  
1820 Fund established under Section 57-1-64, and a detailed record of  
1821 how the funds are spent.

1822 (25) On or before September 15, 2026, and each month  
1823 thereafter, the total amount of revenue collected during the  
1824 preceding month under the provisions of Section 27-65-19(1)(a)(ii)  
1825 shall be deposited, without diversion, into the Maintenance and  
1826 Capacity Projects Fund created in Section 11 of this act.

1827 (26) On or before September 15, 2026, and each succeeding  
1828 month thereafter through February 15, 2027, eighteen and one-half  
1829 percent (18-1/2%) of the total sales tax revenue collected during  
1830 the preceding month under the provisions of this chapter, except  
1831 that collected under the provisions of Sections 27-65-15 and  
1832 27-65-19(3) on business activities within a municipal corporation  
1833 which are taxed at a rate of seven percent (7%) under the  
1834 provisions of this chapter, shall be deposited, without diversion,  
1835 into the Budget Stabilization Fund created in Section 8 of this  
1836 act.

1837 ( \* \* \* 27) The remainder of the amounts collected under the  
1838 provisions of this chapter shall be paid into the State Treasury  
1839 to the credit of the General Fund.

1840 ( \* \* \* 28) (a) It shall be the duty of the municipal  
1841 officials of any municipality that expands its limits, or of any  
1842 community that incorporates as a municipality, to notify the  
1843 commissioner of that action thirty (30) days before the effective  
1844 date. Failure to so notify the commissioner shall cause the  
1845 municipality to forfeit the revenue that it would have been  
1846 entitled to receive during this period of time when the  
1847 commissioner had no knowledge of the action.

1848 (b) (i) Except as otherwise provided in subparagraph  
1849 (ii) of this paragraph, if any funds have been erroneously  
1850 disbursed to any municipality or any overpayment of tax is  
1851 recovered by the taxpayer, the commissioner may make correction  
1852 and adjust the error or overpayment with the municipality by  
1853 withholding the necessary funds from any later payment to be made  
1854 to the municipality.

1855 (ii) Subject to the provisions of Sections  
1856 27-65-51 and 27-65-53, if any funds have been erroneously  
1857 disbursed to a municipality under subsection (1) of this section  
1858 for a period of three (3) years or more, the maximum amount that  
1859 may be recovered or withheld from the municipality is the total  
1860 amount of funds erroneously disbursed for a period of three (3)  
1861 years beginning with the date of the first erroneous disbursement.

1862 However, if during such period, a municipality provides written  
1863 notice to the Department of Revenue indicating the erroneous  
1864 disbursement of funds, then the maximum amount that may be  
1865 recovered or withheld from the municipality is the total amount of  
1866 funds erroneously disbursed for a period of one (1) year beginning  
1867 with the date of the first erroneous disbursement.

1868 **SECTION 7.** Section 27-65-111, Mississippi Code of 1972, is  
1869 amended as follows:

1870 27-65-111. The exemptions from the provisions of this  
1871 chapter which are not industrial, agricultural or governmental, or  
1872 which do not relate to utilities or taxes, or which are not  
1873 properly classified as one (1) of the exemption classifications of  
1874 this chapter, shall be confined to persons or property exempted by  
1875 this section or by the Constitution of the United States or the  
1876 State of Mississippi. No exemptions as now provided by any other  
1877 section, except the classified exemption sections of this chapter  
1878 set forth herein, shall be valid as against the tax herein levied.  
1879 Any subsequent exemption from the tax levied hereunder, except as  
1880 indicated above, shall be provided by amendments to this section.

1881 No exemption provided in this section shall apply to taxes  
1882 levied by Section 27-65-15 or 27-65-21.

1883 The tax levied by this chapter shall not apply to the  
1884 following:

1885 (a) Sales of tangible personal property and services to  
1886 hospitals or infirmaries owned and operated by a corporation or

1887 association in which no part of the net earnings inures to the  
1888 benefit of any private shareholder, group or individual, and which  
1889 are subject to and governed by Sections 41-7-123 through 41-7-127.

1890         Only sales of tangible personal property or services which  
1891 are ordinary and necessary to the operation of such hospitals and  
1892 infirmaries are exempted from tax.

1893                 (b) Sales of daily or weekly newspapers, and  
1894 periodicals or publications of scientific, literary or educational  
1895 organizations exempt from federal income taxation under Section  
1896 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of  
1897 March 31, 1975, and subscription sales of all magazines.

1898                 (c) Sales of coffins, caskets and other materials used  
1899 in the preparation of human bodies for burial.

1900                 (d) Sales of tangible personal property for immediate  
1901 export to a foreign country.

1902                 (e) Sales of tangible personal property to an  
1903 orphanage, old men's or ladies' home, supported wholly or in part  
1904 by a religious denomination, fraternal nonprofit organization or  
1905 other nonprofit organization.

1906                 (f) Sales of tangible personal property, labor or  
1907 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
1908 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
1909 corporation or association in which no part of the net earnings  
1910 inures to the benefit of any private shareholder, group or  
1911 individual.

1912                   (g) Sales to elementary and secondary grade schools,  
1913 junior and senior colleges owned and operated by a corporation or  
1914 association in which no part of the net earnings inures to the  
1915 benefit of any private shareholder, group or individual, and which  
1916 are exempt from state income taxation, provided that this  
1917 exemption does not apply to sales of property or services which  
1918 are not to be used in the ordinary operation of the school, or  
1919 which are to be resold to the students or the public.

1920                   (h) The gross proceeds of retail sales and the use or  
1921 consumption in this state of drugs and medicines:

1922                   (i) Prescribed for the treatment of a human being  
1923 by a person authorized to prescribe the medicines, and dispensed  
1924 or prescription filled by a registered pharmacist in accordance  
1925 with law; or

1926                   (ii) Furnished by a licensed physician, surgeon,  
1927 dentist or podiatrist to his own patient for treatment of the  
1928 patient; or

1929                   (iii) Furnished by a hospital for treatment of any  
1930 person pursuant to the order of a licensed physician, surgeon,  
1931 dentist or podiatrist; or

1932                   (iv) Sold to a licensed physician, surgeon,  
1933 podiatrist, dentist or hospital for the treatment of a human  
1934 being; or

1935                   (v) Sold to this state or any political  
1936 subdivision or municipal corporation thereof, for use in the

1937 treatment of a human being or furnished for the treatment of a  
1938 human being by a medical facility or clinic maintained by this  
1939 state or any political subdivision or municipal corporation  
1940 thereof.

1941 "Medicines," as used in this paragraph (h), shall mean and  
1942 include any substance or preparation intended for use by external  
1943 or internal application to the human body in the diagnosis, cure,  
1944 mitigation, treatment or prevention of disease and which is  
1945 commonly recognized as a substance or preparation intended for  
1946 such use; provided that "medicines" do not include any auditory,  
1947 prosthetic, ophthalmic or ocular device or appliance, any dentures  
1948 or parts thereof or any artificial limbs or their replacement  
1949 parts, articles which are in the nature of splints, bandages,  
1950 pads, compresses, supports, dressings, instruments, apparatus,  
1951 contrivances, appliances, devices or other mechanical, electronic,  
1952 optical or physical equipment or article or the component parts  
1953 and accessories thereof, or any alcoholic beverage or any other  
1954 drug or medicine not commonly referred to as a prescription drug.

1955 Notwithstanding the preceding sentence of this paragraph (h),  
1956 "medicines" as used in this paragraph (h), shall mean and include  
1957 sutures, whether or not permanently implanted, bone screws, bone  
1958 pins, pacemakers and other articles permanently implanted in the  
1959 human body to assist the functioning of any natural organ, artery,  
1960 vein or limb and which remain or dissolve in the body.

1961           The exemption provided in this paragraph (h) shall not apply  
1962 to medical cannabis sold in accordance with the provisions of the  
1963 Mississippi Medical Cannabis Act and in compliance with rules and  
1964 regulations adopted thereunder.

1965           "Hospital," as used in this paragraph (h), shall have the  
1966 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
1967 1972.

1968           Insulin furnished by a registered pharmacist to a person for  
1969 treatment of diabetes as directed by a physician shall be deemed  
1970 to be dispensed on prescription within the meaning of this  
1971 paragraph (h).

1972           (i) Retail sales of automobiles, trucks and  
1973 truck-tractors if exported from this state within forty-eight (48)  
1974 hours and registered and first used in another state.

1975           (j) Sales of tangible personal property or services to  
1976 the Salvation Army and the Muscular Dystrophy Association, Inc.

1977           (k) From July 1, 1985, through December 31, 1992,  
1978 retail sales of "alcohol-blended fuel" as such term is defined in  
1979 Section 75-55-5. The gasoline-alcohol blend or the straight  
1980 alcohol eligible for this exemption shall not contain alcohol  
1981 distilled outside the State of Mississippi.

1982           (l) Sales of tangible personal property or services to  
1983 the Institute for Technology Development.

1984           (m) The gross proceeds of retail sales of food and  
1985 drink for human consumption made through vending machines serviced

1986 by full-line vendors from and not connected with other taxable  
1987 businesses.

1988 (n) The gross proceeds of sales of motor fuels used for  
1989 agricultural, maritime, industrial or manufacturing, and no part  
1990 of which is used for operating motor vehicles or motor-propelled  
1991 machines of any description along the public roads, streets,  
1992 alleys or highways of this state.

1993 (o) Retail sales of food for human consumption  
1994 purchased with food stamps issued by the United States Department  
1995 of Agriculture, or other federal agency, from and after October 1,  
1996 1987, or from and after the expiration of any waiver granted  
1997 pursuant to federal law, the effect of which waiver is to permit  
1998 the collection by the state of tax on such retail sales of food  
1999 for human consumption purchased with food stamps.

2000 (p) Sales of cookies for human consumption by the Girl  
2001 Scouts of America no part of the net earnings from which sales  
2002 inures to the benefit of any private group or individual.

2003 (q) Gifts or sales of tangible personal property or  
2004 services to public or private nonprofit museums of art.

2005 (r) Sales of tangible personal property or services to  
2006 alumni associations of state-supported colleges or universities.

2007 (s) Sales of tangible personal property or services to  
2008 National Association of Junior Auxiliaries, Inc., and chapters of  
2009 the National Association of Junior Auxiliaries, Inc.



2010 (t) Sales of tangible personal property or services to  
2011 domestic violence shelters which qualify for state funding under  
2012 Sections 93-21-101 through 93-21-113.

2013 (u) Sales of tangible personal property or services to  
2014 the National Multiple Sclerosis Society, Mississippi Chapter.

2015 (v) Retail sales of food for human consumption  
2016 purchased with food instruments issued the Mississippi Band of  
2017 Choctaw Indians under the Women, Infants and Children Program  
2018 (WIC) funded by the United States Department of Agriculture.

2019 (w) Sales of tangible personal property or services to  
2020 a private company, as defined in Section 57-61-5, which is making  
2021 such purchases with proceeds of bonds issued under Section 57-61-1  
2022 et seq., the Mississippi Business Investment Act.

2023 (x) The gross collections from the operation of  
2024 self-service, coin-operated car washing equipment and sales of the  
2025 service of washing motor vehicles with portable high-pressure  
2026 washing equipment on the premises of the customer.

2027 (y) Sales of tangible personal property or services to  
2028 the Mississippi Technology Alliance.

2029 (z) Sales of tangible personal property to nonprofit  
2030 organizations that provide foster care, adoption services and  
2031 temporary housing for unwed mothers and their children if the  
2032 organization is exempt from federal income taxation under Section  
2033 501(c)(3) of the Internal Revenue Code.

2034           (aa) Sales of tangible personal property to nonprofit  
2035 organizations that provide residential rehabilitation for persons  
2036 with alcohol and drug dependencies if the organization is exempt  
2037 from federal income taxation under Section 501(c)(3) of the  
2038 Internal Revenue Code.

2039           (ab) (i) Retail sales of an article of clothing or  
2040 footwear designed to be worn on or about the human body and retail  
2041 sales of school supplies if the sales price of the article of  
2042 clothing or footwear or school supply is less than One Hundred  
2043 Dollars (\$100.00) and the sale takes place during a period  
2044 beginning at 12:01 a.m. on the second Friday in July and ending at  
2045 12:00 midnight the following Sunday. This paragraph (ab) shall  
2046 not apply to:

2047                           1. Accessories including jewelry, handbags,  
2048 luggage, umbrellas, wallets, watches, briefcases, garment bags and  
2049 similar items carried on or about the human body, without regard  
2050 to whether worn on the body in a manner characteristic of  
2051 clothing;

2052                           2. The rental of clothing or footwear; and

2053                           3. Skis, swim fins, roller blades, skates and  
2054 similar items worn on the foot.

2055           (ii) For purposes of this paragraph (ab), "school  
2056 supplies" means items that are commonly used by a student in a  
2057 course of study. The following is an all-inclusive list:

2058                           1. Backpacks;

- 2059 2. Binder pockets;
- 2060 3. Binders;
- 2061 4. Blackboard chalk;
- 2062 5. Book bags;
- 2063 6. Calculators;
- 2064 7. Cellophane tape;
- 2065 8. Clays and glazes;
- 2066 9. Compasses;
- 2067 10. Composition books;
- 2068 11. Crayons;
- 2069 12. Dictionaries and thesauruses;
- 2070 13. Dividers;
- 2071 14. Erasers;
- 2072 15. Folders: expandable, pocket, plastic and
- 2073 manila;
- 2074 16. Glue, paste and paste sticks;
- 2075 17. Highlighters;
- 2076 18. Index card boxes;
- 2077 19. Index cards;
- 2078 20. Legal pads;
- 2079 21. Lunch boxes;
- 2080 22. Markers;
- 2081 23. Notebooks;
- 2082 24. Paintbrushes for artwork;
- 2083 25. Paints: acrylic, tempera and oil;

2084                           26. Paper: loose-leaf ruled notebook paper,  
2085 copy paper, graph paper, tracing paper, manila paper, colored  
2086 paper, poster board and construction paper;

2087                           27. Pencil boxes and other school supply  
2088 boxes;

2089                           28. Pencil sharpeners;

2090                           29. Pencils;

2091                           30. Pens;

2092                           31. Protractors;

2093                           32. Reference books;

2094                           33. Reference maps and globes;

2095                           34. Rulers;

2096                           35. Scissors;

2097                           36. Sheet music;

2098                           37. Sketch and drawing pads;

2099                           38. Textbooks;

2100                           39. Watercolors;

2101                           40. Workbooks; and

2102                           41. Writing tablets.

2103                           (iii) From and after January 1, 2010, the  
2104 governing authorities of a municipality, for retail sales  
2105 occurring within the corporate limits of the municipality, may  
2106 suspend the application of the exemption provided for in this  
2107 paragraph (ab) by adoption of a resolution to that effect stating  
2108 the date upon which the suspension shall take effect. A certified

2109 copy of the resolution shall be furnished to the Department of  
2110 Revenue at least ninety (90) days prior to the date upon which the  
2111 municipality desires such suspension to take effect.

2112 (ac) The gross proceeds of sales of tangible personal  
2113 property made for the sole purpose of raising funds for a school  
2114 or an organization affiliated with a school.

2115 As used in this paragraph (ac), "school" means any public or  
2116 private school that teaches courses of instruction to students in  
2117 any grade from kindergarten through Grade 12.

2118 (ad) Sales of durable medical equipment and home  
2119 medical supplies when ordered or prescribed by a licensed  
2120 physician for medical purposes of a patient. As used in this  
2121 paragraph (ad), "durable medical equipment" and "home medical  
2122 supplies" mean equipment, including repair and replacement parts  
2123 for the equipment or supplies listed under Title XVIII of the  
2124 Social Security Act or under the state plan for medical assistance  
2125 under Title XIX of the Social Security Act, prosthetics,  
2126 orthotics, hearing aids, hearing devices, prescription eyeglasses,  
2127 oxygen and oxygen equipment. Payment does not have to be made, in  
2128 whole or in part, by any particular person to be eligible for this  
2129 exemption. Purchases of home medical equipment and supplies by a  
2130 provider of home health services or a provider of hospice services  
2131 are eligible for this exemption if the purchases otherwise meet  
2132 the requirements of this paragraph.

2133 (ae) Sales of tangible personal property or services to  
2134 Mississippi Blood Services.

2135 (af) (i) Subject to the provisions of this paragraph  
2136 (af), retail sales of firearms, ammunition and hunting supplies if  
2137 sold during the annual Mississippi Second Amendment Weekend  
2138 holiday beginning at 12:01 a.m. on the last Friday in August and  
2139 ending at 12:00 midnight the following Sunday. For the purposes  
2140 of this paragraph (af), "hunting supplies" means tangible personal  
2141 property used for hunting, including, and limited to, archery  
2142 equipment, firearm and archery cases, firearm and archery  
2143 accessories, hearing protection, holsters, belts and slings.  
2144 Hunting supplies does not include animals used for hunting.

2145 (ii) This paragraph (af) shall apply only if one  
2146 or more of the following occur:

2147 1. Title to and/or possession of an eligible  
2148 item is transferred from a seller to a purchaser; and/or

2149 2. A purchaser orders and pays for an  
2150 eligible item and the seller accepts the order for immediate  
2151 shipment, even if delivery is made after the time period provided  
2152 in subparagraph (i) of this paragraph (af), provided that the  
2153 purchaser has not requested or caused the delay in shipment.

2154 (ag) Sales of nonperishable food items to charitable  
2155 organizations that are exempt from federal income taxation under  
2156 Section 501(c)(3) of the Internal Revenue Code and operate a food  
2157 bank or food pantry or food lines.

2158           (ah) Sales of tangible personal property or services to  
2159 the United Way of the Pine Belt Region, Inc.

2160           (ai) Sales of tangible personal property or services to  
2161 the Mississippi Children's Museum or any subsidiary or affiliate  
2162 thereof operating a satellite or branch museum within this state.

2163           (aj) Sales of tangible personal property or services to  
2164 the Jackson Zoological Park.

2165           (ak) Sales of tangible personal property or services to  
2166 the Hattiesburg Zoo.

2167           (al) Gross proceeds from sales of food, merchandise or  
2168 other concessions at an event held solely for religious or  
2169 charitable purposes at livestock facilities, agriculture  
2170 facilities or other facilities constructed, renovated or expanded  
2171 with funds for the grant program authorized under Section 18,  
2172 Chapter 530, Laws of 1995.

2173           (am) Sales of tangible personal property and services  
2174 to the Diabetes Foundation of Mississippi and the Mississippi  
2175 Chapter of the Juvenile Diabetes Research Foundation.

2176           (an) Sales of potting soil, mulch, or other soil  
2177 amendments used in growing ornamental plants which bear no fruit  
2178 of commercial value when sold to commercial plant nurseries that  
2179 operate exclusively at wholesale and where no retail sales can be  
2180 made.

2181 (ao) Sales of tangible personal property or services to  
2182 the University of Mississippi Medical Center Research Development  
2183 Foundation.

2184 (ap) Sales of tangible personal property or services to  
2185 Keep Mississippi Beautiful, Inc., and all affiliates of Keep  
2186 Mississippi Beautiful, Inc.

2187 (aq) Sales of tangible personal property or services to  
2188 the Friends of Children's Hospital.

2189 (ar) Sales of tangible personal property or services to  
2190 the Pinecrest Weekend Backpacks for Kids located in Corinth,  
2191 Mississippi.

2192 (as) Sales of hearing aids when ordered or prescribed  
2193 by a licensed physician, audiologist or hearing aid specialist for  
2194 the medical purposes of a patient.

2195 (at) Sales exempt under the Facilitating Business Rapid  
2196 Response to State Declared Disasters Act of 2015 (Sections  
2197 27-113-1 through 27-113-9).

2198 (au) Sales of tangible personal property or services to  
2199 the Junior League of Jackson.

2200 (av) Sales of tangible personal property or services to  
2201 the Mississippi's Toughest Kids Foundation for use in the  
2202 construction, furnishing and equipping of buildings and related  
2203 facilities and infrastructure at Camp Kamassa in Copiah County,  
2204 Mississippi. This paragraph (av) shall stand repealed on July 1,  
2205 2025.



2206 (aw) Sales of tangible personal property or services to  
2207 MS Gulf Coast Buddy Sports, Inc.

2208 (ax) Sales of tangible personal property or services to  
2209 Biloxi Lions, Inc.

2210 (ay) Sales of tangible personal property or services to  
2211 Lions Sight Foundation of Mississippi, Inc.

2212 (az) Sales of tangible personal property and services  
2213 to the Goldring/Woldenberg Institute of Southern Jewish Life  
2214 (ISJL).

2215 (ba) Sales of coins, currency, and bullion. For the  
2216 purposes of this paragraph (ba), the following words and phrases  
2217 shall have the meanings ascribed in this paragraph (ba) unless the  
2218 context clearly indicates otherwise:

2219 (i) "Bullion" means a bar, ingot, or coin:

2220 1. Manufactured, in whole or in part, of  
2221 gold, silver, platinum, or palladium;

2222 2. That was or is used solely as a medium of  
2223 exchange, security, or commodity by any state, the United States  
2224 Government, or a foreign nation; and

2225 3. Sold based on the intrinsic value of the  
2226 bar, ingot, or coin as a precious metal or collectible item rather  
2227 than its form or representative value as a medium of exchange.

2228 (ii) "Coin or currency" means a coin or currency:

2229 1. Manufactured, in whole or in part, of  
2230 gold, silver, other metal, or paper;

2231                   2. That was or is used solely as a medium of  
2232 exchange, security, or commodity by any state, the United States  
2233 Government, or a foreign nation; and

2234                   3. Sold based on the intrinsic value of the  
2235 coin or currency as a precious metal or collectible item rather  
2236 than its form or representative value as a medium of exchange.  
2237 "Coin or currency" does not include a coin or currency that has  
2238 been incorporated into jewelry.

2239           **SECTION 8.** Section 27-7-5, Mississippi Code of 1972, is  
2240 amended as follows:

2241           27-7-5. (1) (a) Except as otherwise provided in this  
2242 section, there is hereby assessed and levied, to be collected and  
2243 paid as hereinafter provided, for the calendar year 1983 and  
2244 fiscal years ending during the calendar year 1983 and all taxable  
2245 years thereafter, upon the entire net income of every resident  
2246 individual, corporation, association, trust or estate, in excess  
2247 of the credits provided, a tax at the following rates:

2248                   (i) 1. Through calendar year 2017, on the first  
2249 Five Thousand Dollars (\$5,000.00) of taxable income, or any part  
2250 thereof, the rate shall be three percent (3%);

2251                   2. For calendar year 2018, on the first One  
2252 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
2253 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of  
2254 taxable income, or any part thereof, the rate shall be three  
2255 percent (3%);

2256                   3. For calendar year 2019, on the first Two  
2257 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
2258 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
2259 taxable income, or any part thereof, the rate shall be three  
2260 percent (3%);

2261                   4. For calendar year 2020, on the first Three  
2262 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
2263 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
2264 taxable income, or any part thereof, the rate shall be three  
2265 percent (3%);

2266                   5. For calendar year 2021, on the first Four  
2267 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
2268 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
2269 taxable income, or any part thereof, the rate shall be three  
2270 percent (3%);

2271                   6. For calendar year 2022 and all taxable  
2272 years thereafter, there shall be no tax levied on the first Five  
2273 Thousand Dollars (\$5,000.00) of taxable income;

2274                   (ii) On taxable income in excess of Five Thousand  
2275 Dollars (\$5,000.00) up to and including Ten Thousand Dollars  
2276 (\$10,000.00), or any part thereof, the rate shall be four percent  
2277 (4%); and

2278                   (iii) On all taxable income in excess of Ten  
2279 Thousand Dollars (\$10,000.00), the rate shall be five percent  
2280 (5%).

2281 (b) (i) For calendar year 2023 and all calendar years  
2282 thereafter, there shall be no tax levied under subparagraph (ii)  
2283 of paragraph (a) of this subsection on the taxable income of  
2284 individuals in excess of Five Thousand Dollars (\$5,000.00) up to  
2285 and including Ten Thousand Dollars (\$10,000.00), or any part  
2286 thereof; and

2287 (ii) For calendar year 2024 and all calendar years  
2288 thereafter, the tax imposed under subparagraph (iii) of paragraph  
2289 (a) of this subsection upon all taxable income of individuals in  
2290 excess of Ten Thousand Dollars (\$10,000.00), shall be at the  
2291 following rates:

2292 1. For calendar year 2024, on such taxable  
2293 income, the rate shall be four and seven-tenths percent (4.7%);

2294 2. For calendar year 2025, on such taxable  
2295 income, the rate shall be four and four-tenths percent  
2296 (4.4%); \* \* \*

2297 3. For calendar year 2026 \* \* \*, on such  
2298 taxable income, the rate shall be four percent (4%);

2299 4. For calendar year 2027, on such taxable  
2300 income, the rate shall be three percent (3%);

2301 5. For calendar year 2028, on such taxable  
2302 income, the rate shall be two and seven-tenths percent (2.7%);

2303 6. For calendar year 2029, on such taxable  
2304 income, the rate shall be two and four-tenths percent (2.4%);

2305                   7. For calendar year 2030, on such taxable  
2306 income, the rate shall be two and one-tenths percent (2.1%);  
2307                   8. For calendar year 2031, on such taxable  
2308 income, the rate shall be one and eight-tenths percent (1.8%);  
2309                   9. For calendar year 2032, on such taxable  
2310 income, the rate shall be one and five-tenths percent (1.5%);  
2311                   10. For calendar year 2033, on such taxable  
2312 income, the rate shall be one and two-tenths percent (1.2%);  
2313                   11. For calendar year 2034, on such taxable  
2314 income, the rate shall be nine-tenths of one percent (.9%);  
2315                   12. For calendar year 2035, on such taxable  
2316 income, the rate shall be six-tenths of one percent (.6%);  
2317                   13. For calendar year 2036, on such taxable  
2318 income, the rate shall be three-tenths of one percent (.3%); and  
2319                   14. For calendar year 2037 and all calendar  
2320 years thereafter, there shall be no tax levied under subparagraph  
2321 (iii) of paragraph (a) of this subsection upon taxable income of  
2322 individuals in excess of Ten Thousand Dollars (\$10,000.00).

2323     \* \* \*.

2324                   (c) However, notwithstanding any other provision of  
2325 this section to the contrary, for calendar year 2025 and each  
2326 calendar year thereafter, the tax imposed under this section, upon  
2327 all taxable income of individuals that is derived from illegal  
2328 activity and for income derived from producing, distributing,  
2329 directing, manufacturing, issuing, publishing or advertising any

2330 depiction of sexually explicit conduct shall be at the rate of  
2331 five percent (5%). For the purposes of this paragraph (c),  
2332 "sexually explicit conduct" has the meaning ascribed to such term  
2333 in Section 97-5-31, notwithstanding whether depicting conduct by  
2334 an adult or child.

2335 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
2336 shall not be subject to the income tax imposed under this section.

2337 (3) A like tax is hereby imposed to be assessed, collected  
2338 and paid annually, except as hereinafter provided, at the rate  
2339 specified in this section and as hereinafter provided, upon and  
2340 with respect to the entire net income, from all property owned or  
2341 sold, and from every business, trade or occupation carried on in  
2342 this state by individuals, corporations, partnerships, trusts or  
2343 estates, not residents of the State of Mississippi.

2344 (4) In the case of taxpayers having a fiscal year beginning  
2345 in a calendar year with a rate in effect that is different than  
2346 the rate in effect for the next calendar year and ending in the  
2347 next calendar year, the tax due for that taxable year shall be  
2348 determined by:

2349 (a) Computing for the full fiscal year the amount of  
2350 tax that would be due under the rates in effect for the calendar  
2351 year in which the fiscal year begins; and

2352 (b) Computing for the full fiscal year the amount of  
2353 tax that would be due under the rates in effect for the calendar  
2354 year in which the fiscal year ends; and

2355 (c) Applying to the tax computed under paragraph (a)  
2356 the ratio which the number of months falling within the earlier  
2357 calendar year bears to the total number of months in the fiscal  
2358 year; and

2359 (d) Applying to the tax computed under paragraph (b)  
2360 the ratio which the number of months falling within the later  
2361 calendar year bears to the total number of months within the  
2362 fiscal year; and

2363 (e) Adding to the tax determined under paragraph (c)  
2364 the tax determined under paragraph (d) the sum of which shall be  
2365 the amount of tax due for the fiscal year.

2366 **SECTION 9.** There is hereby created in the State Treasury a  
2367 special fund to be designated as the "Budget Stabilization Fund",  
2368 which shall consist of funds made available by the Legislature in  
2369 any manner and funds from any other source designated for deposit  
2370 into such fund. Unexpended amounts remaining in the fund at the  
2371 end of a fiscal year shall not lapse into the State General Fund,  
2372 and any investment earnings or interest earned on amounts in the  
2373 fund shall be deposited to the credit of the fund. Monies in the  
2374 fund shall only be appropriated by the Legislature to further the  
2375 purposes of Sections 1 through 12 of this act.

2376 **SECTION 10.** Section 65-9-17, Mississippi Code of 1972, is  
2377 amended as follows:

2378 65-9-17. (1) When any county shall have met the  
2379 requirements of this chapter and shall have become eligible for

2380 state aid, the State Aid Engineer, as soon as practicable, shall  
2381 notify such county in writing of such eligibility and that its  
2382 proportionate part of any state funds allocated to it for state  
2383 aid may be utilized for construction in the manner provided by  
2384 law, and such notice shall also be given in writing to the  
2385 Department of Finance and Administration and to the State  
2386 Treasurer.

2387 (2) State aid funds shall be allocated to each county for  
2388 use on state aid system roads or roads on the Local System Road  
2389 Program in accordance with the provisions of Section 27-65-75.

2390 (3) State aid funds may be credited to a county in advance  
2391 of the normal accrual to finance certain state aid improvements,  
2392 subject to the approval of the State Aid Engineer and subject  
2393 further to the following limitations:

2394 (a) That the maximum amount of state aid funds that may  
2395 be advanced to any county shall not exceed ninety percent (90%) of  
2396 the state aid funds estimated to accrue to such county during the  
2397 remainder of the term of office of the board of supervisors of  
2398 such county.

2399 (b) That no advance credit of funds will be made to any  
2400 county when the unobligated balance in the State Aid Road Fund is  
2401 less than One Million Dollars (\$1,000,000.00).

2402 (c) That such advance crediting of funds be effected by  
2403 the State Aid Engineer at the time of the approval of the plans  
2404 and specifications for the proposed improvements.



2405           It is the intent of this provision to utilize to the fullest  
2406 practicable extent the balance of state aid funds on hand at all  
2407 times.

2408           (4) State aid funds shall be available to such county to the  
2409 following extent and in the following manner:

2410           (a) On state aid projects, other than those on or off  
2411 the federal aid secondary system to be partially financed with  
2412 federal funds, state aid funds credited to such county in the  
2413 State Aid Road Fund shall be available to cover the cost of such  
2414 project. Upon the awarding of a contract for such state aid  
2415 project, the board of supervisors of any county will, by an  
2416 official order of the board, authorize the State Aid Engineer to  
2417 set up the project fund for such project from that county's state  
2418 aid fund in the State Treasury. The amount of the project fund  
2419 will cover the estimated cost of the project, including the  
2420 contractor's payments and any other costs authorized under this  
2421 chapter to be paid from state aid funds. Withdrawals from the  
2422 project fund will be made by requisitions prepared by the State  
2423 Aid Engineer, based on estimates and other supporting statements  
2424 and documents prepared or approved by the county engineer, such  
2425 requisitions, accompanied by such estimates and statements, to be  
2426 directed to the Department of Finance and Administration, which  
2427 will issue warrants in payment thereof. Requisitions may be drawn  
2428 to cover the final cost of the project accepted by the boards of  
2429 supervisors of the counties affected and the State Aid Engineer,

2430 even though such cost exceeds the aforesaid estimated project  
2431 fund. Whenever, in the opinion of the State Aid Engineer, it  
2432 should appear that any such estimate or statement of account has  
2433 been improperly allowed or that any road construction project is  
2434 not proceeding in accordance with the plans, specifications and  
2435 standards set up therefor, then, in such event, due notice in  
2436 writing shall be given the board of supervisors of such county and  
2437 the contractor on such project, if any, stating the reason why  
2438 such account should not have been allowed or why such project is  
2439 not progressing satisfactorily; and if, within thirty (30) days  
2440 from the date of such notice in writing, such error or default is  
2441 not corrected to the satisfaction of the State Aid Engineer, all  
2442 state aid funds theretofore allocated to such eligible county  
2443 shall be immediately withdrawn and notice given the Department of  
2444 Finance and Administration and the State Treasurer that such  
2445 county has become ineligible therefor. Such county shall remain  
2446 ineligible until it again becomes eligible by satisfying the State  
2447 Aid Engineer as to its eligibility.

2448 (b) On state aid projects on the federal aid secondary  
2449 system which are to be partially financed with federal funds,  
2450 state aid funds credited to such county in the State Aid Road Fund  
2451 shall be available to cover the sponsor's share of the cost of  
2452 such project. At the same time, the State Treasurer, on order  
2453 from the board of supervisors, shall transfer an amount up to one  
2454 hundred percent (100%) of such cost from the credit of such county

2455 in the State Aid Road Fund to the credit of such county in the  
2456 State Highway Fund, earmarked for such project.

2457 (c) State aid road funds credited to a county in the  
2458 State Aid Road Fund shall also be available to cover the sponsor's  
2459 cost of any other project of such county which is partially  
2460 financed with federal funds available through federal "safer  
2461 off-system" road funds and/or other federal road funds allocated  
2462 to the counties as provided for in accordance with Section  
2463 65-9-29(2). On order from the board of supervisors of such  
2464 county, the State Treasurer shall transfer an amount up to one  
2465 hundred percent (100%) of such cost from the credit of such county  
2466 in the State Aid Road Fund to the credit of such county in the  
2467 State Highway Fund, earmarked for such project.

2468 (d) Up to one-third (1/3) of state aid road funds  
2469 credited to a county in the State Aid Road Fund may be available  
2470 to match federal bridge replacement monies or other federal funds,  
2471 or both, to construct, replace, inspect or post bridges and to  
2472 conduct pavement management surveys on county roads which are not  
2473 on the state aid system. To implement such projects, the State  
2474 Treasurer shall, as requested in an order from the board of  
2475 supervisors of the county, make transfers out of the credit of  
2476 such county in the State Aid Road Fund.

2477 (e) Up to twenty-five percent (25%) of the state aid  
2478 road funds credited to a county in the State Aid Road Fund may be  
2479 available for projects authorized under the Local System Road

2480 Program. Withdrawals from the fund for the Local System Road  
2481 Program will be made by requisitions prepared by the State Aid  
2482 Engineer, based on estimates and other supporting statements and  
2483 documents prepared or approved by the county engineer; such  
2484 requisitions, accompanied by such estimates and statements, to be  
2485 directed to the Department of Finance and Administration, which  
2486 will issue warrants in payment thereof. Requisitions may be drawn  
2487 to cover the final cost of the local system road project accepted  
2488 by the boards of supervisors of the counties affected and the  
2489 State Aid Engineer even though such cost exceeds the aforesaid  
2490 estimated project fund. Whenever, in the opinion of the State Aid  
2491 Engineer, it should appear that any such estimate or statement of  
2492 account has been improperly allowed or that any road construction  
2493 project is not proceeding in accordance with the plans,  
2494 specifications and standards set up therefor, then, in such event,  
2495 due notice in writing shall be given the board of supervisors of  
2496 such county and the contractor on such project, if any, stating  
2497 the reason why such account should not have been allowed or why  
2498 such project is not progressing satisfactorily; and if, within  
2499 thirty (30) days from the date of such notice in writing, such  
2500 error or default is not corrected to the satisfaction of the State  
2501 Aid Engineer, all state aid funds theretofore allocated to such  
2502 eligible county shall be immediately withdrawn and notice given  
2503 the Department of Finance and Administration and the State  
2504 Treasurer that such county has become ineligible therefor. Such

2505 county shall remain ineligible until it again becomes eligible by  
2506 satisfying the State Aid Engineer as to its eligibility.

2507 (5) The State Treasurer is hereby authorized to continue to  
2508 receive and deposit all funds from the federal government made  
2509 available by it, either by existing law or by any law which may be  
2510 passed hereafter, to the credit of the State Highway Fund, and the  
2511 Treasurer shall notify the commission of the amounts so received.

2512 All accounts against the above-mentioned funds shall be  
2513 certified to by the Executive Director of the Mississippi  
2514 Department of Transportation, who shall request the Department of  
2515 Finance and Administration to issue its warrant on the State  
2516 Treasurer for the amount of the accounts; and the Treasurer shall  
2517 pay same if sufficient funds are available, all in the manner  
2518 prescribed herein or as may be required by law.

2519 (6) The board of supervisors of each county is hereby  
2520 authorized and empowered to pay funds into the State Treasury in  
2521 the manner above set out, and to use and expend such funds for the  
2522 purposes set out in this chapter. For the purpose of providing  
2523 such funds, the board of supervisors is hereby authorized and  
2524 empowered to use and expend any county road and bridge funds,  
2525 including revenue received from any gasoline taxes paid to such  
2526 county, or any funds available in the General Fund, or to issue  
2527 road and bridge bonds of such county in any lawful amount in the  
2528 manner and method and subject to the restrictions, limitations and

2529 conditions, and payable from the same sources of revenue, now  
2530 provided by law.

2531 (7) (a) In addition to any other provisions of this  
2532 section, funds deposited into the State Aid Road Fund under  
2533 Section 27-67-31(g) shall be used under this chapter to prioritize  
2534 the timely repair and replacement of deficient state aid system  
2535 bridges. Each county shall be allocated a percentage of such  
2536 funds as they become available, which percentage shall be based:

2537 (i) One-half (1/2) on the proportion that the  
2538 total number of state aid system bridges in the county bears to  
2539 the total number of state aid system bridges in all counties of  
2540 the state; and

2541 (ii) One-half (1/2) on the proportion that the  
2542 total square footage of deck area of all state aid system bridges  
2543 in the county bears to the total square footage of deck area of  
2544 all state aid system bridges in all counties of the state.

2545 (b) For the purposes of this subsection, (i) the term  
2546 "deficient bridge" means a bridge with a condition rating of fair  
2547 or less for its deck, superstructure or substructure, as  
2548 determined by National Bridge Inspection Standards and that is  
2549 included on the latest annual bridge inventory prepared by the  
2550 Office of State Aid Road Construction and (ii) the term "state aid  
2551 system bridge" means a bridge that is included on the latest  
2552 annual official bridge inventory prepared by the Office of State

2553 Aid Road Construction, excluding bridges on the local bridge  
2554 system and the rural major collector system.

2555 (8) Notwithstanding any other provision of this section, if  
2556 a county opts out of imposing the tax provided for Section 1(2) of  
2557 this act, the county may not receive any assistance from the State  
2558 Aid Road Fund which is derived from monies deposited into the fund  
2559 from revenue derived from the tax imposed by counties under  
2560 Section 1 of this act.

2561 **SECTION 11.** Section 27-115-85, Mississippi Code of 1972, is  
2562 amended as follows:

2563 27-115-85. (1) Until June 30, \* \* \* 2026, net proceeds  
2564 generated by the Alyce G. Clarke Mississippi Lottery Law, created  
2565 pursuant to this chapter and deposited into the Lottery Proceeds  
2566 Fund under Section 27-115-51(2), except as otherwise provided in  
2567 this section, shall be paid into the State Highway Fund by warrant  
2568 issued by the State Fiscal Officer upon requisition of the State  
2569 Transportation Commission as needed to provide funds to repair,  
2570 renovate and maintain highways and bridges of the state; however,  
2571 funds paid into the State Highway Fund under this section shall be  
2572 first used for matching federal funds authorized to the state  
2573 pursuant to any federal highway infrastructure program implemented  
2574 after September 1, 2018. However, all such monies deposited into  
2575 the Lottery Proceeds Fund over Eighty Million Dollars  
2576 (\$80,000,000.00) in a fiscal year shall be transferred into the  
2577 Education Enhancement Fund for the purposes of funding the Early

2578 Childhood Learning Collaborative, the Classroom Supply Fund and/or  
2579 other educational purposes. \* \* \*

2580 (2) From and after July 1, 2026, of the net proceeds  
2581 generated by the Alyce G. Clarke Mississippi Lottery Law, created  
2582 pursuant to this chapter and deposited into the Lottery Proceeds  
2583 Fund under Section 27-115-51: (a) One Hundred Million Dollars  
2584 (\$100,000,000.00) of such net proceeds shall be paid into the  
2585 Employer's Accumulation Account of the Public Employees'  
2586 Retirement System created in Section 25-11-123(c) until the funded  
2587 ratio for the system is eighty percent (80%) at the end of a  
2588 fiscal year and thereafter, for each month after that fiscal year  
2589 such net proceeds shall be paid into the State General Fund and  
2590 (b) all such monies deposited into the Lottery Proceeds Fund over  
2591 One Hundred Million Dollars (\$100,000,000.00) shall be transferred  
2592 as follows (i) fifty percent (50%) into the Education Enhancement  
2593 Fund for the purposes of funding the Early Childhood Learning  
2594 Collaborative, the Classroom Supply Fund and/or other educational  
2595 purposes and (ii) fifty percent (50%) into the Strategic  
2596 Multi-Modal Investments Fund created in Section 65-1-901.

2597 **SECTION 12.** (1) There is created in the State Treasury a  
2598 special fund to be known as the "Maintenance and Capacity Projects  
2599 Fund", into which shall be deposited money appropriated by the  
2600 Legislature or otherwise made available in any manner, and funds  
2601 from any other source designated for deposit into such fund.  
2602 Unexpended amounts remaining in the fund at the end of a fiscal



2603 year shall not lapse into the State General Fund and any interest  
2604 earned or investment earnings on amounts in the fund shall be  
2605 deposited into the fund. The expenditure of money deposited into  
2606 the fund shall be under the direction of the Mississippi  
2607 Department of Transportation, and such funds shall be paid by the  
2608 Mississippi Department of Transportation upon warrants issued by  
2609 the Department of Finance and Administration.

2610 (2) Money in the fund shall be utilized by the Mississippi  
2611 Department of Transportation, with the advice of the Maintenance  
2612 and Capacity Project Fund Advisory Board, to provide funding for  
2613 (i) maintenance projects included in the Pavement Program of the  
2614 Three-Year Plan as adopted by, amended by, or reissued by the  
2615 Mississippi Transportation Commission under the authority of  
2616 Section 65-1-141, Mississippi Code of 1972, and (ii) capacity  
2617 projects included in the Capacity Program of the Three-Year Plan  
2618 as adopted by, amended by, or reissued by the Mississippi  
2619 Transportation Commission under the authority of Section 65-1-141,  
2620 Mississippi Code of 1972, as determined by a majority vote of the  
2621 Mississippi Transportation Commission. However, before the  
2622 expenditure of money in the fund, the department shall promulgate  
2623 rules and regulations as authorized in subsection (3) of this  
2624 section.

2625 (3) (a) There is created the Maintenance and Capacity  
2626 Projects Fund Advisory Board which shall consist of the following  
2627 members:

2628 (i) The Chairman of the House of Representatives  
2629 Transportation Committee;  
2630 (ii) The Chairman of the Senate Transportation  
2631 Committee;  
2632 (iii) The President and Chief Executive Officer of  
2633 the Mississippi Economic Council;  
2634 (iv) The President and Chief Executive Officer of  
2635 the Mississippi Manufacturers Association;  
2636 (v) The President of the Mississippi Farm Bureau  
2637 Federation;  
2638 (vi) The President of the Mississippi Poultry  
2639 Association;  
2640 (vii) The President of the Mississippi Trucking  
2641 Association;  
2642 (viii) The Executive Director of the Mississippi  
2643 Association of Supervisors;  
2644 (ix) The Executive Director of the Mississippi  
2645 Municipal League;  
2646 (x) The Executive Vice President of the  
2647 Mississippi Cattlemen's Association;  
2648 (xi) The Executive Director of the Mississippi  
2649 Loggers Association; and  
2650 (xii) The Executive Director of the American  
2651 Council of Engineering Companies-Mississippi.

2652 (b) The Governor shall appoint the chairman of the  
2653 board, and the board shall elect such other officers as it  
2654 considers necessary from among its members.

2655 (c) A majority of the members of the board shall  
2656 constitute a quorum for the conduct of meetings, and all actions  
2657 of the board shall be by a majority vote. No compensation, per  
2658 diem, or mileage expense shall be provided to board members.

2659 (d) The Governor's office shall provide any necessary  
2660 administrative support to the board.

2661 (e) The board shall meet at least quarterly to conduct  
2662 business.

2663 (f) The board shall provide nonbinding advice to the  
2664 Department of Transportation regarding the expenditure of money in  
2665 the Maintenance and Capacity Projects Fund.

2666 (4) The Mississippi Department of Transportation shall have  
2667 all powers necessary to implement and administer the program  
2668 established under this section to maximize all potential sources  
2669 of funding including state and federal, for projects covered by  
2670 the program. The department shall promulgate rules and  
2671 regulations, in accordance with the Mississippi Administrative  
2672 Procedures Law, necessary for the implementation of this section.

2673 **SECTION 13.** Section 27-115-51, Mississippi Code of 1972, is  
2674 brought forward as follows:

2675 27-115-51. (1) (a) All monies received by the corporation  
2676 from the sale of lottery tickets and all other sources shall be

2677 deposited into a corporate operating account. Such account shall  
2678 be established in a custodian financial institution domiciled in  
2679 the State of Mississippi and insured by the Federal Deposit  
2680 Insurance Corporation and collateralized as prescribed by Section  
2681 27-105-5. The corporation may use all monies in the corporate  
2682 operating account for the purposes of paying prizes and the  
2683 necessary expenses of the corporation and dividends to the state.  
2684 The corporation shall estimate and allocate the amount to be paid  
2685 by the corporation to prizewinners.

2686 (b) (i) The investment of monies in the corporate  
2687 operating account, other than the amount specifically required for  
2688 the purchase of securities for payment of deferred prizes, shall  
2689 be invested in a manner prescribed by the board, consistent with  
2690 law. Such securities purchased as investments by the corporation  
2691 shall be issued in the name of the corporation and shall be kept  
2692 at a custodian financial institution domiciled in the State of  
2693 Mississippi insured by the Federal Deposit Insurance Corporation.

2694 (ii) The investment of monies in the corporate  
2695 operating account, other than the amount specifically required for  
2696 the purchase of securities for deferred prize payments to winners,  
2697 shall be invested only in securities in a manner prescribed by the  
2698 board, consistent with law. Such securities purchased as  
2699 investments by the corporation shall be issued in the name of the  
2700 corporation and shall be safe kept at a custodian financial

2701 institution domiciled in the State of Mississippi insured by the  
2702 Federal Deposit Insurance Corporation.

2703 (iii) These instruments may be in varying  
2704 maturities and may be in book-entry form.

2705 (iv) For the purpose of deferred prize payments to  
2706 winners, the corporation shall purchase or invest in only those  
2707 securities prescribed by the board, consistent with law.

2708 (c) Within twenty (20) days following the close of each  
2709 calendar month, the corporation shall transfer to the Lottery  
2710 Proceeds Fund in the State Treasury the amount of net proceeds.

2711 (d) The apportionment of the total gross revenues  
2712 accruing from the sale of lottery tickets or shares and from all  
2713 other sources shall be as follows:

2714 (i) The payment of prizes to the holders of  
2715 winning lottery tickets or shares which in any case shall be no  
2716 less than fifty percent (50%) of the total gross revenues accruing  
2717 from the sale of lottery tickets.

2718 (ii) The payment of costs incurred in the  
2719 operation and administration of the lottery, including the  
2720 expenses of the corporation and the costs resulting from any  
2721 contract or contracts entered into for promotional, advertising or  
2722 operational services or for the purchase or lease of lottery  
2723 equipment and materials, which in no case shall exceed fifteen  
2724 percent (15%) of the total gross revenues accruing from the sale

2725 of lottery tickets. However, this restriction shall not apply  
2726 until after the first twelve (12) months of revenue generation.

2727 (2) A Lottery Proceeds Fund is hereby established in the  
2728 State Treasury. Net proceeds shall be deposited into this fund as  
2729 provided in subsection (1) of this section. Monies deposited into  
2730 the Lottery Proceeds Fund shall be invested by the state in  
2731 accordance with state investment practices, and all earnings from  
2732 such investments shall accrue to this account. No monies shall be  
2733 allotted or expended from this account unless pursuant to a  
2734 warrant issued as provided under Section 27-115-85.

2735 **SECTION 14.** Section 1 of this act shall be codified as a new  
2736 section in Chapter 65, Title 27, Mississippi Code of 1972.

2737 **SECTION 15.** Sections 1 and 2 of this act shall take effect  
2738 and be in force from and after July 1, 2025, and the remaining  
2739 sections of this act shall take effect and be in force from and  
2740 after July 1, 2026.