

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.

