

By: Representatives Scott, Clark, Coleman (65th), Bailey, Blackmon, Broomfield, Buck, Burnett, Calhoun, Campbell (72nd), Clarke, Cockerham, Coleman (29th), Dedeaux, Dickson, DuVall, Eaton, Ellis, Espy, Evans (70th), Flaggs, Fredericks, Gardner, Harrison, Hines, Holland, Holloway, Johnson, Mayo, Puckett, Robinson, Smith (27th), Thomas, Whittington

To: Medicaid; Ways and Means

HOUSE BILL NO. 1733

1 AN ACT TO AMEND SECTION 27-65-25, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE FOR AN ADDITIONAL SALES TAX UPON THE RETAIL SALES OF
 3 ALCOHOLIC BEVERAGES EQUAL TO ONE PERCENT OF THE GROSS PROCEEDS OF
 4 THOSE SALES; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 5 TO PROVIDE THAT ALL OF THE REVENUE COLLECTED UNDER THE PRECEDING
 6 PROVISION SHALL BE DEPOSITED INTO THE MISSISSIPPI SUPPLEMENTAL
 7 TRAUMA CARE AND MEDICAID FUND; TO AMEND SECTION 27-69-13,
 8 MISSISSIPPI CODE OF 1972, TO INCREASE THE EXCISE TAX ON
 9 CIGARETTES; TO AMEND SECTION 27-69-75, MISSISSIPPI CODE OF 1972,
 10 TO PROVIDE THAT THE REVENUE DERIVED FROM SUCH TAX INCREASE SHALL
 11 BE DEPOSITED INTO THE MISSISSIPPI SUPPLEMENTAL TRAUMA CARE AND
 12 MEDICAID FUND; TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO
 13 BE KNOWN AS THE MISSISSIPPI SUPPLEMENTAL TRAUMA CARE AND MEDICAID
 14 FUND; TO PROVIDE THAT MONIES IN SUCH SPECIAL FUND MAY BE USED BY
 15 THE STATE BOARD OF HEALTH, UPON APPROPRIATION BY THE LEGISLATURE,
 16 FOR THE PURPOSES FOR WHICH FUNDS IN THE MISSISSIPPI TRAUMA CARE
 17 SYSTEMS FUND MAY BE USED; TO PROVIDE THAT MONIES IN THE
 18 MISSISSIPPI SUPPLEMENTAL TRAUMA CARE AND MEDICAID FUND MAY BE USED
 19 BY THE GOVERNOR'S OFFICE - DIVISION OF MEDICAID, UPON
 20 APPROPRIATION BY THE LEGISLATURE, FOR THE PURPOSE OF CARRYING OUT
 21 THE PROVISIONS OF THE MISSISSIPPI MEDICAID LAW; AND FOR RELATED
 22 PURPOSES.

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

24 **SECTION 1.** Section 27-65-25, Mississippi Code of 1972, as
 25 amended as follows:

26 27-65-25. (1) Upon every person engaging or continuing
 27 within this state in the business of selling alcoholic beverages,
 28 the sales of which are legal under the provisions of Chapter 1 of
 29 Title 67, Mississippi Code of 1972, there is * * * levied,
 30 assessed and shall be collected a tax equal to seven percent (7%)
 31 of the gross proceeds of the retail sales of the business. All
 32 sales at wholesale to retailers shall be taxed at the same rate as
 33 provided in this section for retail sales. A retailer in
 34 computing the tax on sales may take credit for the amount of the
 35 tax paid to the wholesaler at the rates provided herein and remit



36 the difference to the commissioner, provided adequate records and
37 all invoices are maintained to substantiate the credit claimed.

38 (2) In addition to the tax levied under subsection (1) of
39 this section, upon every person who sells alcoholic beverages that
40 are regulated under the provisions of Chapter 1, Title 67,
41 Mississippi Code of 1972, to consumers at retail, there is levied,
42 assessed and shall be collected a tax equal to one percent (1%) of
43 the gross proceeds of the retail sales of those alcoholic
44 beverages.

45 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
46 amended as follows:

47 27-65-75. On or before the fifteenth day of each month, the
48 revenue collected under the provisions of this chapter during the
49 preceding month shall be paid and distributed as follows:

50 (1) (a) On or before August 15, 1992, and each succeeding
51 month thereafter through July 15, 1993, eighteen percent (18%) of
52 the total sales tax revenue collected during the preceding month
53 under the provisions of this chapter, except that collected under
54 the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
55 27-65-25(2), on business activities within a municipal corporation
56 shall be allocated for distribution to the municipality and paid
57 to the municipal corporation. On or before August 15, 1993, and
58 each succeeding month thereafter, eighteen and one-half percent
59 (18-1/2%) of the total sales tax revenue collected during the
60 preceding month under the provisions of this chapter, except that
61 collected under the provisions of Sections 27-65-15, 27-65-19(3),
62 27-65-21 and 27-65-25(2), on business activities within a
63 municipal corporation shall be allocated for distribution to the
64 municipality and paid to the municipal corporation.

65 A municipal corporation, for the purpose of distributing the
66 tax under this subsection, shall mean and include all incorporated
67 cities, towns and villages.



68 Monies allocated for distribution and credited to a municipal
69 corporation under this subsection may be pledged as security for a
70 loan if the distribution received by the municipal corporation is
71 otherwise authorized or required by law to be pledged as security
72 for such a loan.

73 In any county having a county seat that is not an
74 incorporated municipality, the distribution provided under this
75 subsection shall be made as though the county seat was an
76 incorporated municipality; however, the distribution to the
77 municipality shall be paid to the county treasury in which the
78 municipality is located, and those funds shall be used for road,
79 bridge and street construction or maintenance in the county.

80 (b) On or before August 15, 2006, and each succeeding
81 month thereafter, eighteen and one-half percent (18-1/2%) of the
82 total sales tax revenue collected during the preceding month under
83 the provisions of this chapter, except that collected under the
84 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
85 business activities on the campus of a state institution of higher
86 learning or community or junior college whose campus is not
87 located within the corporate limits of a municipality, shall be
88 allocated for distribution to the state institution of higher
89 learning or community or junior college and paid to the state
90 institution of higher learning or community or junior college.

91 (2) On or before September 15, 1987, and each succeeding
92 month thereafter, from the revenue collected under this chapter
93 during the preceding month, One Million One Hundred Twenty-five
94 Thousand Dollars (\$1,125,000.00) shall be allocated for
95 distribution to municipal corporations as defined under subsection
96 (1) of this section in the proportion that the number of gallons
97 of gasoline and diesel fuel sold by distributors to consumers and
98 retailers in each such municipality during the preceding fiscal
99 year bears to the total gallons of gasoline and diesel fuel sold
100 by distributors to consumers and retailers in municipalities



101 statewide during the preceding fiscal year. The State Tax
102 Commission shall require all distributors of gasoline and diesel
103 fuel to report to the commission monthly the total number of
104 gallons of gasoline and diesel fuel sold by them to consumers and
105 retailers in each municipality during the preceding month. The
106 State Tax Commission shall have the authority to promulgate such
107 rules and regulations as is necessary to determine the number of
108 gallons of gasoline and diesel fuel sold by distributors to
109 consumers and retailers in each municipality. In determining the
110 percentage allocation of funds under this subsection for the
111 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
112 State Tax Commission may consider gallons of gasoline and diesel
113 fuel sold for a period of less than one (1) fiscal year. For the
114 purposes of this subsection, the term "fiscal year" means the
115 fiscal year beginning July 1 of a year.

116 (3) On or before September 15, 1987, and on or before the
117 fifteenth day of each succeeding month, until the date specified
118 in Section 65-39-35, the proceeds derived from contractors' taxes
119 levied under Section 27-65-21 on contracts for the construction or
120 reconstruction of highways designated under the highway program
121 created under Section 65-3-97 shall, except as otherwise provided
122 in Section 31-17-127, be deposited into the State Treasury to the
123 credit of the State Highway Fund to be used to fund that highway
124 program. The Mississippi Department of Transportation shall
125 provide to the State Tax Commission such information as is
126 necessary to determine the amount of proceeds to be distributed
127 under this subsection.

128 (4) On or before August 15, 1994, and on or before the
129 fifteenth day of each succeeding month through July 15, 1999, from
130 the proceeds of gasoline, diesel fuel or kerosene taxes as
131 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
132 (\$4,000,000.00) shall be deposited in the State Treasury to the
133 credit of a special fund designated as the "State Aid Road Fund,"



134 created by Section 65-9-17. On or before August 15, 1999, and on
135 or before the fifteenth day of each succeeding month, from the
136 total amount of the proceeds of gasoline, diesel fuel or kerosene
137 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
138 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
139 one-fourth percent (23-1/4%) of those funds, whichever is the
140 greater amount, shall be deposited in the State Treasury to the
141 credit of the "State Aid Road Fund," created by Section 65-9-17.
142 Those funds shall be pledged to pay the principal of and interest
143 on state aid road bonds heretofore issued under Sections 19-9-51
144 through 19-9-77, in lieu of and in substitution for the funds
145 previously allocated to counties under this section. Those funds
146 may not be pledged for the payment of any state aid road bonds
147 issued after April 1, 1981; however, this prohibition against the
148 pledging of any such funds for the payment of bonds shall not
149 apply to any bonds for which intent to issue those bonds has been
150 published, for the first time, as provided by law before March 29,
151 1981. From the amount of taxes paid into the special fund under
152 this subsection and subsection (9) of this section, there shall be
153 first deducted and paid the amount necessary to pay the expenses
154 of the Office of State Aid Road Construction, as authorized by the
155 Legislature for all other general and special fund agencies. The
156 remainder of the fund shall be allocated monthly to the several
157 counties in accordance with the following formula:

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

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

164 (c) One-third (1/3) shall be allocated to counties
165 based on the proportion that the rural population of the county



166 bears to the total rural population in all counties of the state,
167 according to the latest federal decennial census.

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

171 The amount of funds allocated to any county under this
172 subsection for any fiscal year after fiscal year 1994 shall not be
173 less than the amount allocated to the county for fiscal year 1994.

174 Any reference in the general laws of this state or the
175 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
176 construed to refer and apply to subsection (4) of Section
177 27-65-75.

178 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
179 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
180 the special fund known as the "State Public School Building Fund"
181 created and existing under the provisions of Sections 37-47-1
182 through 37-47-67. Those payments into that fund are to be made on
183 the last day of each succeeding month hereafter.

184 (6) An amount each month beginning August 15, 1983, through
185 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
186 of 1983, shall be paid into the special fund known as the
187 Correctional Facilities Construction Fund created in Section 6 of
188 Chapter 542, Laws of 1983.

189 (7) On or before August 15, 1992, and each succeeding month
190 thereafter through July 15, 2000, two and two hundred sixty-six
191 one-thousandths percent (2.266%) of the total sales tax revenue
192 collected during the preceding month under the provisions of this
193 chapter, except that collected under the provisions of Section
194 27-65-17(2), shall be deposited by the commission into the School
195 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
196 or before August 15, 2000, and each succeeding month thereafter,
197 two and two hundred sixty-six one-thousandths percent (2.266%) of
198 the total sales tax revenue collected during the preceding month



199 under the provisions of this chapter, except that collected under
200 the provisions of Section 27-65-17(2), shall be deposited into the
201 School Ad Valorem Tax Reduction Fund created under Section
202 37-61-35 until such time that the total amount deposited into the
203 fund during a fiscal year equals Forty-two Million Dollars
204 (\$42,000,000.00). Thereafter, the amounts diverted under this
205 subsection (7) during the fiscal year in excess of Forty-two
206 Million Dollars (\$42,000,000.00) shall be deposited into the
207 Education Enhancement Fund created under Section 37-61-33 for
208 appropriation by the Legislature as other education needs and
209 shall not be subject to the percentage appropriation requirements
210 set forth in Section 37-61-33.

211 (8) On or before August 15, 1992, and each succeeding month
212 thereafter, nine and seventy-three one-thousandths percent
213 (9.073%) of the total sales tax revenue collected during the
214 preceding month under the provisions of this chapter, except that
215 collected under the provisions of Section 27-65-17(2), shall be
216 deposited into the Education Enhancement Fund created under
217 Section 37-61-33.

218 (9) On or before August 15, 1994, and each succeeding month
219 thereafter, from the revenue collected under this chapter during
220 the preceding month, Two Hundred Fifty Thousand Dollars
221 (\$250,000.00) shall be paid into the State Aid Road Fund.

222 (10) On or before August 15, 1994, and each succeeding month
223 thereafter through August 15, 1995, from the revenue collected
224 under this chapter during the preceding month, Two Million Dollars
225 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
226 Valorem Tax Reduction Fund established in Section 27-51-105.

227 (11) Notwithstanding any other provision of this section to
228 the contrary, on or before February 15, 1995, and each succeeding
229 month thereafter, the sales tax revenue collected during the
230 preceding month under the provisions of Section 27-65-17(2) and
231 the corresponding levy in Section 27-65-23 on the rental or lease



232 of private carriers of passengers and light carriers of property
233 as defined in Section 27-51-101 shall be deposited, without
234 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
235 established in Section 27-51-105.

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

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

253 (14) On or before August 15, 1998, and each succeeding month
254 thereafter through July 15, 2005, that portion of the avails of
255 the tax imposed in Section 27-65-23 that is derived from sales by
256 cotton compresses or cotton warehouses and that would otherwise be
257 paid into the General Fund, shall be deposited in an amount not to
258 exceed Two Million Dollars (\$2,000,000.00) into the special fund
259 created under Section 69-37-39. On or before August 15, 2007, and
260 each succeeding month thereafter, that portion of the avails of
261 the tax imposed in Section 27-65-23 that is derived from sales by
262 cotton compresses or cotton warehouses and that would otherwise be
263 paid into the General Fund, shall be deposited in an amount not to
264 exceed Two Million Dollars (\$2,000,000.00) into the special fund



265 created under Section 69-37-39 until all debts or other
266 obligations incurred by the Certified Cotton Growers Organization
267 under the Mississippi Boll Weevil Management Act before January 1,
268 2007, are satisfied in full.

269 (15) Notwithstanding any other provision of this section to
270 the contrary, on or before September 15, 2000, and each succeeding
271 month thereafter, the sales tax revenue collected during the
272 preceding month under the provisions of Section 27-65-19(1)(f) and
273 (g)(i)2, shall be deposited, without diversion, into the
274 Telecommunications Ad Valorem Tax Reduction Fund established in
275 Section 27-38-7.

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

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

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



298 (18) On or before August 15, 2007, and each succeeding month
299 thereafter through July 15, 2008, from the sales tax revenue
300 collected during the preceding month under the provisions of this
301 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
302 shall be deposited into the Special Funds Transfer Fund created in
303 Section 4 of Chapter 556, Laws of 2003. This subsection shall
304 stand repealed from and after May 11, 2007.

305 (19) (a) On or before August 15, 2005, and each succeeding
306 month thereafter, the sales tax revenue collected during the
307 preceding month under the provisions of this chapter on the gross
308 proceeds of sales of a business enterprise located within a
309 redevelopment project area under the provisions of Sections
310 57-91-1 through 57-91-11, and the revenue collected on the gross
311 proceeds of sales from sales made to a business enterprise located
312 in a redevelopment project area under the provisions of Sections
313 57-91-1 through 57-91-11 (provided that such sales made to a
314 business enterprise are made on the premises of the business
315 enterprise), shall, except as otherwise provided in this
316 subsection (19), be deposited, after all diversions, into the
317 Redevelopment Project Incentive Fund as created in Section
318 57-91-9.

319 (b) For a municipality participating in the Economic
320 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
321 the diversion provided for in subsection (1) of this section
322 attributable to the gross proceeds of sales of a business
323 enterprise located within a redevelopment project area under the
324 provisions of Sections 57-91-1 through 57-91-11, and attributable
325 to the gross proceeds of sales from sales made to a business
326 enterprise located in a redevelopment project area under the
327 provisions of Sections 57-91-1 through 57-91-11 (provided that
328 such sales made to a business enterprise are made on the premises
329 of the business enterprise), shall be deposited into the



330 Redevelopment Project Incentive Fund as created in Section
331 57-91-9, as follows:

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

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

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

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

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

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

359 (21) On or before April 15, 2007, and each succeeding month
360 thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of
361 the sales tax revenue collected during the preceding month under



362 the provisions of this chapter shall be deposited into the MMEIA
363 Tax Incentive Fund created in Section 57-101-3.

364 (22) On or before July 15, 2008, and each succeeding month
365 thereafter, all of the sales tax revenue collected during the
366 preceding month under the provisions of Section 27-65-25(2) shall
367 be deposited into the Mississippi Supplemental Trauma Care and
368 Medicaid Fund created in Section 5 of this act.

369 (23) The remainder of the amounts collected under the
370 provisions of this chapter shall be paid into the State Treasury
371 to the credit of the General Fund.

372 (24) It shall be the duty of the municipal officials of any
373 municipality that expands its limits, or of any community that
374 incorporates as a municipality, to notify the commissioner of that
375 action thirty (30) days before the effective date. Failure to so
376 notify the commissioner shall cause the municipality to forfeit
377 the revenue that it would have been entitled to receive during
378 this period of time when the commissioner had no knowledge of the
379 action. If any funds have been erroneously disbursed to any
380 municipality or any overpayment of tax is recovered by the
381 taxpayer, the commissioner may make correction and adjust the
382 error or overpayment with the municipality by withholding the
383 necessary funds from any later payment to be made to the
384 municipality.

385 **SECTION 3.** Section 27-69-13, Mississippi Code of 1972, is
386 amended as follows:

387 27-69-13. (1) There is * * * imposed, levied and assessed,
388 to be collected and paid as * * * provided in this chapter, an
389 excise tax on each person or dealer in cigarettes, cigars,
390 stogies, snuff, chewing tobacco, and smoking tobacco, or
391 substitutes therefor, upon the sale, use, consumption, handling or
392 distribution in the State of Mississippi, as follows:

393 (a) On cigarettes, the rate of tax shall be
394 Eighteen-twentieths of One Cent (18/20 of 1¢) on each cigarette



395 sold with a maximum length of one hundred twenty (120)
396 millimeters; any cigarette in excess of this length shall be taxed
397 as if it were two (2) or more cigarettes. * * * However, if the
398 federal tax rate on cigarettes in effect on June 1, 1985, is
399 reduced, then the rate as provided in this subsection shall be
400 increased by the amount of the federal tax reduction. That tax
401 increase shall take effect on the first day of the month following
402 the effective date of the reduction in the federal tax rate.

403 (b) In addition to the excise tax levied by paragraph
404 (a), there is levied an excise tax of Five Cents (5¢) on each
405 cigarette sold with a maximum length of one hundred twenty (120)
406 millimeters; any cigarette in excess of this length shall be taxed
407 as if it were two (2) or more cigarettes.

408 (c) On cigars, cheroots, stogies, snuff, chewing and
409 smoking tobacco and all other tobacco products except cigarettes,
410 the rate of tax shall be fifteen percent (15%) of the
411 manufacturer's list price.

412 (2) No stamp evidencing the tax * * * levied in this section
413 on cigarettes shall be of a denomination of less than One Cent
414 (1¢), and whenever the tax computed at the rates * * * prescribed
415 in this section on cigarettes is a specified amount, plus a
416 fractional part of One Cent (1¢), the package shall be stamped for
417 the next full cent; however, the additional face value of stamps
418 purchased to comply with taxes imposed by this section after June
419 1, 1985, shall be subject to a four percent (4%) discount or
420 compensation to dealers for their services rather than the eight
421 percent (8%) discount or compensation allowed by Section 27-69-31.

422 (3) Every wholesaler shall purchase stamps as provided in
423 this chapter, and affix the same to all packages of cigarettes
424 handled by him as * * * provided in this chapter.

425 (4) The above tax is levied upon the sale, use, gift,
426 possession or consumption of tobacco within the State of
427 Mississippi, and the impact of the tax levied by this chapter



428 is * * * declared to be on the vendee, user, consumer or possessor
429 of tobacco in this state; and when the tax is paid by any other
430 person, the payment shall be considered as an advance payment and
431 shall thereafter be added to the price of the tobacco and
432 recovered from the ultimate consumer or user.

433 **SECTION 4.** Section 27-69-75, Mississippi Code of 1972, is
434 amended as follows:

435 27-69-75. (1) All taxes levied by this chapter shall be
436 payable to the commissioner in cash, or by personal check,
437 cashier's check, bank exchange, post office money order or express
438 money order, and shall be deposited by the commissioner in the
439 State Treasury on the same day collected. No remittance other
440 than cash shall be a final discharge of liability for the
441 tax * * * assessed and levied in this chapter, unless and until it
442 has been paid in cash to the commissioner.

443 (2) The revenue derived from the tax levied in Section
444 27-69-13(1)(b) shall be deposited into the Mississippi
445 Supplemental Trauma Care and Medicaid Fund created in Section 5 of
446 this act.

447 (3) Except as otherwise provided in subsection (2) of this
448 section, all tobacco taxes collected, including tobacco license
449 taxes, shall be deposited into the State Treasury to the credit of
450 the General Fund.

451 Wholesalers who are entitled to purchase stamps at a
452 discount, as provided by Section 27-69-31, may have consigned to
453 them, without advance payment, those stamps, if and when the
454 wholesaler * * * gives to the commissioner a good and sufficient
455 bond executed by some surety company authorized to do business in
456 this state, conditioned to secure the payment for the stamps so
457 consigned. The commissioner shall require payment for the stamps
458 not later than thirty (30) days from the date the stamps were
459 consigned.



460 **SECTION 5.** There is created in the State Treasury a special
461 fund to be designated as the "Mississippi Supplemental Trauma Care
462 and Medicaid Fund," which shall consist of monies deposited into
463 the fund under Section 27-65-75(22), Section 27-69-75(2), and any
464 other funds that may be made available for the fund by the
465 Legislature. Monies in the fund may be expended, upon
466 appropriation by the Legislature, as follows: (a) by the State
467 Board of Health for the purposes for which funds in the
468 Mississippi Trauma Care Systems Fund may be used and (b) by the
469 Governor's Office - Division of Medicaid for the purposes of
470 carrying out the provisions of the Mississippi Medicaid Law.
471 Unexpended amounts remaining in the special fund at the end of a
472 fiscal year shall not lapse into the State General Fund, and any
473 interest earned or investment earnings on amounts in the special
474 fund shall be deposited to the credit of the special fund.

475 **SECTION 6.** This act shall take effect and be in force from
476 and after June 1, 2008.

