

MUNICIPAL SUPPORT PACKET

One Statewide Municipal Position

Less than a penny for the city. Not one penny more for taxpayers.

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The city share increases by 0.805 cents within the existing 7-cent sales-tax rate over six years. Taxpayers continue paying the same rate. Every municipality keeps its existing statutory percentage and receives each scheduled increase in that share on covered sales.

Why municipalities are uniting

Mississippi cities and towns provide the local services that make community life and commerce possible. Mississippi law gives municipalities a smaller statutory share and fewer recurring local revenue tools than those available in selected neighboring communities. The Partnership supports one statewide update that preserves every municipality's existing statutory share and increases the city share within the same 7-cent taxpayer rate.

The package

Component	Legislative action	Statewide benefit
Step Zero	Verify addresses, municipal location coding, sale assignments, corrections, reconciliations, and monthly statements	Every municipality can verify what current law assigns to it
Six-year schedule	Increase the municipal share from 18.5% to 30% of the existing 7-cent rate, equal to 2.100 cents for the city; pair groceries at 42% of the existing 5-cent grocery rate	Every municipality keeps its existing statutory percentage and receives each scheduled increase in that share on covered sales
MIMA flexibility	Expand lawful public-safety, infrastructure, technology, vehicle, equipment, and limited non-personnel maintenance and operating costs for eligible assets	Every municipality can use more of the MIMA money it already receives for services and assets
Built-in fiscal safeguard	Pause the next uncompleted step after a decline in adjusted General Fund collections	Completed steps remain while the next increase waits for renewed growth

The six-year schedule

Stage	Regular city share	City amount within existing rate	Grocery city share	Remainder from 7 cents
Current	18.5%	1.295 cents	25.9%	5.705 cents
Year 1	20.5%	1.435 cents	28.7%	5.565 cents
Year 2	22.5%	1.575 cents	31.5%	5.425 cents
Year 3	24.5%	1.715 cents	34.3%	5.285 cents
Year 4	26.5%	1.855 cents	37.1%	5.145 cents
Year 5	28.5%	1.995 cents	39.9%	5.005 cents
Year 6	30.0%	2.100 cents	42.0%	4.900 cents

The final column is the remainder for the State and other statutory allocations. The grocery percentage produces the same 2.100-cent city amount at the 5 percent grocery rate.

The local-rate comparison

Location	Figure used for comparison	Cents per \$1	Tax generated on \$10M
Gulfport, Mississippi	Municipal share of State's 7-cent tax	1.295 cents	\$129,500
Slidell, Louisiana	Published local rate	2.380 cents	\$238,000
Gulf Shores, Alabama	Published local rate	3.000 cents	\$300,000
Mobile, Alabama	Published local rate	5.000 cents	\$500,000

Gulfport is a statutory municipal distribution; the neighboring figures are published local rates within city limits. The \$10 million calculation illustrates tax generated, not actual collections. Taxable bases, exemptions, collection rules, deductions, and sales mix vary.

MIMA flexibility for every municipality

MIMA's existing distribution formula remains in place. The proposal expands specified lawful uses for every municipality.

- Every municipality keeps its existing MIMA distribution under the current formula.
- Specified uses expand for public safety, infrastructure, vehicles, equipment, communications, cybersecurity, and eligible non-personnel asset costs.
- Salaries, wages, payroll costs, employee benefits, and unrelated administration remain ineligible.

Municipal endorsement: Adopt the model resolution and send a certified copy to the Partnership. After verification, the municipality and resolution may be displayed at msrevenuepartnership.org. Participation is voluntary and no dues are charged.

MODEL MUNICIPAL RESOLUTION

Resolution Supporting an Updated Municipal Share of Mississippi's Existing Sales Tax

RESOLUTION NO. _____

A RESOLUTION OF THE CITY/TOWN OF _____, MISSISSIPPI, SUPPORTING AN UPDATED MUNICIPAL SHARE OF MISSISSIPPI'S EXISTING SALES TAX.

WHEREAS, municipalities provide public safety, streets, drainage, utilities, code enforcement, parks, permitting, and other services essential to community life and commerce; and

WHEREAS, the ordinary municipal sales-tax distribution has remained 18.5 percent since 1993 and returns 1.295 cents from a covered 7-cent sales dollar; and

WHEREAS, that limited share places Mississippi cities at a structural disadvantage to peer cities in neighboring states, whose cities generally have direct access to local sales-tax revenue, and it limits the City's ability to provide the services our citizens expect; and

WHEREAS, House Bill 898 created a State review of allocation practices, discrepancies, technology, oversight, and statutory improvements; and

WHEREAS, a six-year schedule reaching a 30 percent ordinary city share of the existing 7-cent rate and a paired 42 percent share of the existing 5-cent grocery rate would increase the city amount from 1.295 cents to 2.100 cents while taxpayers pay not one penny more; and

WHEREAS, every municipality would keep its existing statutory percentage, receive each scheduled increase in that share on covered sales, and gain broader lawful use of the municipal use-tax revenue it already receives;

NOW, THEREFORE, BE IT RESOLVED by the governing authority of the City/Town of _____, Mississippi, as follows:

1. The preceding recitals are adopted as the findings of the governing authority.
2. The governing authority supports a statewide allocation-verification process covering business addresses, municipal location coding, the municipality to which each sale is assigned, corrections, reconciliations, municipal inquiries, and monthly distribution statements.
3. The governing authority supports a six-year schedule increasing the ordinary municipal share from 18.5 percent to 30.0 percent of the existing 7-cent rate, equal to an increase from 1.295 cents to 2.100 cents for the city. The taxpayer rate remains 7 cents, and the list of taxable purchases does not change.
4. The governing authority supports expanded lawful uses of municipal use-tax distributions for public safety, infrastructure, vehicles, equipment, communications, technology, related debt, and limited documented non-personnel costs of eligible assets. Salaries, wages, payroll costs, and employee benefits would remain ineligible.
5. The governing authority respectfully asks the Mississippi Legislature to enact this plan in the 2027 Regular Session.
6. This resolution is an expression of official support only. It does not encumber any funds; it creates no financial obligation, debt, or liability of any kind; it binds the City/Town to no future action; and it gives the Mississippi Municipal Revenue Partnership no authority to act for or on behalf of the City/Town.
7. The Clerk shall transmit certified copies of this resolution to the House Bill 898 Sales Tax Diversion Study Committee, the Mississippi Municipal League, the municipality's legislative delegation, the Lieutenant

Governor, the Speaker of the House, and the Governor, and shall email a certified copy as a PDF to resolutions@msrevenuepartnership.org so the municipality is counted in the statewide record of support.

ADOPTED this ____ day of _____, 20____.

_____, Mayor / Presiding officer

ATTEST: _____ Clerk

Message discipline

Say	Avoid
Less than a penny for the city. Not one penny more for taxpayers.	Any use of 'less than a penny' without immediately explaining that taxpayers pay no additional tax
Every municipality keeps its existing statutory percentage and receives each scheduled increase in that share on covered sales	Framing that casts smaller municipalities as afterthoughts
Expanded MIMA flexibility for every city and town	Claims that MIMA revenue is generated in each city
Municipal budgets and audits are already public	Claims that cities are offering new transparency
Property taxes are outside this proposal	Suggesting any present or future property-tax action
Infrastructure programs cannot pay municipal salaries, wages, payroll costs, or recurring personnel costs	Treating capital grants, loans, or named projects as recurring operating revenue
Published local rates, with Gulfport's statutory city distribution labeled separately	Calling every neighboring figure city revenue or implying the entire amount reaches the city

90-day committee plan

- Days 1-15: Confirm HB 898 members, Department of Revenue contacts, and first endorsers; prepare the contact map and data request.
- Days 16-30: Pass resolutions and collect official city examples; assemble certified resolutions and verified examples.
- Days 31-60: Present the verification plan, schedule, MIMA flexibility, and fiscal safeguards; request official cost estimates.
- Days 61-90: Resolve drafting details and secure sponsors; prepare the committee recommendation and 2027 bill draft.

Contact

Mississippi Municipal Revenue Partnership | msrevenuepartnership.org

Official sources

1. Mississippi Code Section 27-65-75	5. City of Gulf Shores, Sales Tax
2. Mississippi Department of Revenue, Diversions to Cities	6. Louisiana Association of Tax Administrators, St. Tammany Parish
3. House Bill 898, 2026	7. Mississippi Infrastructure Modernization Act
4. Alabama Department of Revenue, Sales and Use Tax Rates	8. House Bill 1386, 2026