



# MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-21-12

August 27, 2021

## NOTICE TO ALL TAXPAYERS SUBJECT TO THE PETAL TOURISM, PARKS AND RECREATION TAX FOR THE CITY OF PETAL

House Bill 1438, as passed during the 2021 Regular Session of the Mississippi Legislature, authorizes a special tax to be levied on certain businesses located in the corporate limits of the City of Petal, Mississippi. The Bill levies a three percent (3%) tax on hotels and motels and gross proceeds of sales of prepared food and beverages at restaurants and bars within the corporate limits of the City of Petal. The Mayor and the Board of Aldermen adopted, by resolution, their intent to levy said tax on August 17, 2021. The effective date of the imposition shall be October 1, 2021. This special tax may be cited as the Petal Tourism, Parks and Recreation Tax.

This special tax is levied at the rate of three percent (3%) on the gross income of sales of hotels and motels and gross proceeds of restaurants and bars within the City of Petal.

**\*\*\* Note - Restaurants and Bars within the City of Petal will now collect the three percent (3%) Petal Tourism, Parks and Recreation Tax in addition to the seven percent (7%) retail rate of tax for a total of ten percent (10%).**

**\*\*\* Note – Hotels and Motels within the City of Petal will now collect the three percent (3%) Petal Tourism, Parks and Recreation Tax in addition to the seven percent (7%) retail rate of tax for a total of ten percent (10%).**

For purposes of this levy, the term “restaurant” means all places within the town where prepared food and beverages, including alcoholic beverages, are sold for consumption, whether such food is consumed on the premises or not. The term "restaurant" does not include any school, hospital, or convalescent or nursing home, or restaurant-like facilities operated by or in connection with a school, hospital, medical clinic, or convalescent or nursing home providing food for students, patients, visitors, or their families.

For purposes of this levy, the terms “bar” means all places, required by law to possess an on-premises Alcoholic Beverage Control permit, where beer and/or alcoholic beverages are sold for consumption on the premises

For purposes of this levy, the terms “hotel” or "motel" means a place of lodging that at any one time will accommodate transient guests on a daily or weekly basis. The term “hotel” and “motel” does not include charges for food, telephone, laundry, beverages, and similar charges.

**IMPORTANT INFORMATION FOR RESTAURANTS AND BARS:** Beginning October 1, 2021, continue collecting the seven percent (7%) sales tax and report this on your sales tax return using rate code 74. In addition, you should begin collecting the additional three percent (3%) special tax and report this on your sales tax return using rate code 94.

**IMPORTANT INFORMATION FOR HOTELS AND MOTELS:** Beginning October 1, 2021, continue collecting the seven percent (7%) sales tax and report this on your return using rate code 74. In addition, you should begin collecting the additional three percent (3%) special tax and report this on your sales tax return using rate code 94.