



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-19-04

May 7, 2019

NOTICE TO ALL TAXPAYERS SUBJECT TO THE HATTIESBURG TOURIST AND CONVENTION TAX FOR THE CITY OF HATTIESBURG

Senate Bill 3069, as passed during the 2018 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 Hattiesburg, Mississippi. The Bill levies a one percent (1%) tax on hotels and motels in the City of Hattiesburg on the gross proceeds from overnight room rentals, exclusive of charges for food, telephone, laundry, beverages and similar charges, and a one percent (1%) tax on the gross income of restaurants in the City of Hattiesburg. The Mayor and the City Council adopted, by resolution, their intent to levy said tax on May 1, 2019. This special tax is in addition to all other taxes now imposed. The effective date of the imposition shall be June 1, 2019. This special tax may be cited as the Hattiesburg Tourism Parks and Recreation Tax.

This special tax is levied at the rate of one percent (1%) on the gross proceeds of sales of hotels and motels in the City of Hattiesburg and the rate of one percent (1%) on the gross proceeds of sales of restaurants and bars from the sale of prepared food in the City.

***** Note – The Hattiesburg Tourism Promotion Tax remains in effect for two percent (2%) on hotels and motels in the city limits of the City of Hattiesburg. Hotels and motels within the City of Hattiesburg will collect the two percent (2%) Hattiesburg Tourism Tax and the one percent (1%) for the Hattiesburg Tourism, Parks and Recreation Tax in addition to the regular seven percent (7%) retail rate of tax for a total of ten percent (10%).**

***** Note - The Hattiesburg Convention Promotion Tax also remains in effect for two percent (2%) on restaurants within the City of Hattiesburg. Restaurants within the City of Hattiesburg will collect the two percent (2%) Hattiesburg Convention Promotion Tax and the one percent (1%) Hattiesburg 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 terms "hotel" or "motel" means a place of lodging that at any one time will accommodate transient guests on a daily or weekly basis, excluding hotels and motels with ten (10) or less overnight rental units.

For purposes of this levy, the term "restaurant" means all places where prepared food and beverages are sold for consumption, whether such food is consumed on the premises or not. The term "restaurant" does not include any school, hospital, medical clinic, convalescent or nursing home providing food for students, patients, visitors and their families, or any restaurant having annual gross sales of less than One Hundred Thousand Dollars (\$100,000.00).

IMPORTANT INFORMATION FOR HOTELS: Beginning June 1, 2019, continue collecting the seven percent (7%) sales tax using rate code 74. Continue collecting the two percent (2%) on hotels and motels using rate code 99. In addition, you should begin collecting the additional one percent (1%) on hotels and motels using rate code 91.

IMPORTANT INFORMATION FOR RESTAURANTS: Beginning June 1, 2019, continue collecting the seven percent (7%) sales tax using rate code 74. Continue collecting the two percent (2%) on restaurants using rate code 92. In addition, you should begin collecting the additional one percent (1%) on restaurants using rate code 89.