



April 25, 2014

Notice 72-14-2

**NOTICE TO ALL TAXPAYERS SUBJECT TO THE
SPECIAL INFRASTRUCTURE TAX**

Senate Bill 2839 as passed by the 2011 Regular Session of the Mississippi Legislature authorized the **City of Jackson** to impose a Special Sales Tax of one percent (1%) on any person engaging in business in the city. The tax applies to those activities taxed at the rate of seven percent (7%) or more under the Mississippi Sales Tax Law. This tax is effective March 1, 2014.

DELIVERY INTO JACKSON NO LONGER SUBJECT TO SPECIAL INFRASTRUCTURE TAX

Please note that HB 787 as passed by the 2014 Regular Session of the Mississippi Legislature amends Miss Code Ann § 27-65-241 to remove the portion of the tax levy that taxed the **delivery** of tangible personal property within the municipality as of April 24, 2014. All businesses located in the City of Jackson should collect the one percent (1%) Special Infrastructure Tax on all sales of tangible personal property regardless of the point of delivery in Mississippi. All businesses performing taxable services, under Miss Code Ann § 27-65-23, would continue to collect the one percent (1%) Special Infrastructure Tax on their services provided in the City of Jackson.

The bill also added exemptions from the Special Infrastructure Tax for the wholesale sales of food and drink for human consumption sold to full service vending machine operators and the wholesale sales of light wine, beer and alcoholic beverages. The changes from this amendment have been reflected in the information below. For transactions involving the types of sales that were amended by HB 787 above, from March 1, 2014 through April 23, 2014, please refer to Notice 72-14-1.

Sales Exempted from the Special Infrastructure Tax

- 1) All sales currently exempt from sales tax.
- 2) Sales of restaurants derived from the sale of food and beverages. "Restaurant" means and includes all places where prepared food is sold and whose annual gross proceeds of sales or gross income for the preceding calendar year equals or exceeds One Hundred Thousand Dollars (\$100,000.00).
- 3) Income of hotels and motels derived from the sale of hotel and motel rooms for lodging purposes. "Hotel" or "motel" means and includes a place of lodging that at any one time will accommodate transient guests on a daily or weekly basis and that is known to the trade as such. Such terms shall not include a place of lodging with ten (10) or less rental units.
- 4) Retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt if the food items were purchased with food stamps.
- 5) Gross income of businesses engaging or continuing in the business of TV Cable systems, subscription TV services, and other similar activities, including, but not limited to, cable internet services.
- 6) Gross income of businesses engaging or continuing in the business of providing telecommunications services and other similar services, including, but not limited to, internet services, internet protocol television (IPTV) services, satellite television services and mobile TV broadcasting services.

Sales Taxed Under the Special Infrastructure Tax

- 1) All sales of tangible personal property taxed at seven percent (7%) or higher made from a business location in the City of Jackson, regardless of the point of delivery in Mississippi.
- 2) All commercial utilities not currently exempt from sales tax.
- 3) All taxable services subject to the seven percent (7%) rate performed at a location in Jackson are subject to the additional one percent (1%) tax even if the service provider is not physically located in Jackson. The same services performed outside the city limits of Jackson by a service provider physically located in Jackson are not subject to the levy.

IMPORTANT: You should begin collecting the one percent (1%) additional tax beginning March 1, 2014. You should report this additional tax at Rate Code 21 on the Sales and Special Tax return provided by this agency or online using Taxpayer Access Point (TAP). Simply check the "Zero File" box when filing your return if you do not have sales subject to this levy.