



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-23-11

July 05, 2023

NOTICE TO ALL TAXPAYERS SUBJECT TO THE FULTON RESTAURANT TAX FOR THE CITY OF FULTON

House Bill 1740, as passed during the 2022 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 Fulton, Mississippi. The Bill levies a three percent (3%) tax on the sales of prepared food and beverages at restaurants within the corporate limits of the City of Fulton. The Mayor and the Board of Aldermen adopted, by resolution, their intent to levy said tax on June 13, 2023. The effective date of the imposition shall be August 1, 2023. This special tax may be cited as the Fulton Restaurant Tax.

This special tax is levied at the rate of three percent (3%) on the gross proceeds of restaurants within the City of Fulton.

***** Note - Restaurants within the City of Fulton will now collect the three percent (3%) Fulton Restaurant Tax in addition to the seven percent (7%) retail sales tax for a total of ten percent (10%).**

For purposes of this levy, the term "prepared food" means food prepared or beverages prepared by a restaurant in the City of Fulton that is ready to be consumed without any further food preparation, alteration or repackaging on site; and prepared, provided, sold, or served by a restaurant using any cooking, packaging, or food preparation technique. Prepared food may be eaten either on or off a restaurant's premises.

For purposes of this levy, the term "restaurant" means all places within the corporate limits of the city where prepared food and beverages are sold for consumption, whether such food is consumed on the premises or not. Such places include food trucks, lunch stands, cafes, cafeterias, delicatessens, drive-in restaurants, carry out restaurants, caterers, concession stands, hotel and motel dining rooms, convenience stores, grocery stores, restaurants, and similar businesses. The term "restaurant" does not include any school, hospital, medical clinic, convalescent or nursing home providing food for students, patients, visitors, and their families.

IMPORTANT INFORMATION FOR RESTAURANTS: Beginning August 1, 2023, continue collecting the seven percent (7%) retail 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 87. Hotels or motels with restaurants should continue to remit the 3% special tax on the income received from hotel and motel room rentals at rate code 94 and should remit the 3% special tax on the sales from the restaurant at rate code 87.