



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-16-08

July 22, 2016

NOTICE TO ALL TAXPAYERS SUBJECT TO THE CITY OF HOUSTON PARKS AND RECREATION AND COMMUNITY ECONOMIC DEVELOPMENT TAX

Senate Bill 2964, as passed by the 2016 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 Houston, Mississippi. The Bill levies a tax on the gross proceeds of restaurants from the sale of prepared foods and levies a tax on the gross proceeds from room rentals for each hotel and motel located in the City of Houston. The Mayor and the Board of Alderman adopted, by resolution, their intent to levy said tax on July 5, 2016. The effective date of the imposition shall be September 1, 2016. This special tax is in addition to all other taxes now imposed and may be cited as the Houston Parks and Recreation and Community Economic Development Tax.

This special tax is levied at the rate of two percent (2%) on the gross proceeds of sales of restaurants and on the gross proceeds from room rentals of hotels and motels in the City of Houston.

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

For purposes of this levy, the terms “hotel” or “motel” means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests, where the establishment consists of four (4) or more guest rooms. The term “hotel” or “motel” does not include any hospital, convalescent or nursing home or sanitarium, or any hotel-like facility operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.

IMPORTANT: You should begin collecting the two percent (2%) additional tax beginning September 1, 2016. You should report the additional two percent (2%) tax, using Rate Code 92, either online using Taxpayer Access Point (TAP) or on paper form 72-010 Sales and Special Tax Return, if applicable, by October 20, 2016.