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MISSISSIPPI

STATE TAX COMMISSION

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Notice 04-17

NOTICE TO ALL TAXPAYERS SUBJECT TO THE JACKSON CAPITAL CITY CONVENTION CENTER TAX

House Bill No. 1832, as passed during the 2004 Regular Session of the Mississippi Legislature, authorizes a special tax to be levied on the gross income of certain businesses located in the City of Jackson, Mississippi. The Mayor and City Council of the City of Jackson adopted, by resolution, their intent to levy said tax. The effective date of the imposition shall be January 1, 2004. This special tax is in addition to all other taxes now imposed including the existing Jackson Convention and Visitors Bureau Tax and may be cited as the City of Jackson Capital City Convention Center Tax.

This special tax is levied at the following rates: 1% of the gross proceeds of sales of restaurants and sales of food and beverages in the hotels and motels, including, but not limited to, sales of beer and alcoholic beverages sold to be consumed on the premises; 3% of the gross proceeds of sales of hotel and motel rooms and lodging; and 3% of the gross proceeds of sales at the convention center by caterers.

This new levy taxes the same sales which have previously been taxed under the 1% special tax levy in Jackson and essentially increases the rates of tax applicable to sales of restaurants, hotels and motels. For the purposes of this levy, the following definitions shall apply:

"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), and which are located within the city limits of Jackson, Mississippi. For the purpose of calculating gross proceeds of sales or gross income, the sales or income of all establishments owned, operated or controlled by the same person, persons or corporation shall be aggregated.

"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, and which is located within the city limits of Jackson, Mississippi.

"Caterer" means an entity that sells food/beverages and/or other products to or at the convention center or has the franchise rights to provide food/beverage and/or other products at the convention center.

Form 72-205(Special Tax Return) should be used to report and remit these special taxes. The additional

levy will be reported together with the current 1% City of Jackson Tax. For restaurants, please remit the total tax due at the 2% rate, and for hotels and motels, please remit the total tax due at the 4% rate. New tax returns are included for your use. Please disregard any existing Special Tax Return forms you may have as they do not have the all the new rates. DO NOT INCLUDE THESE SPECIAL TAXES ON YOUR STATE SALES TAX RETURN. This special levy is effective January 1, 2005 and beginning in January, you must begin collecting the increase. Your first return for the increased rates will be due by February 20, 2005.

MISSISSIPPI TAX COMMISSION

Meg Bartlett

Meg Bartlett, Director
Sales and Use Tax Bureau