Ed Buelow, Jr., Chairman
and Commissioner of Revenue

Lisa W. Davis, CPA
Associate Commissioner

Russell E. Hawkins, *CPA*
Associate Commissioner

MISSISSIPPI

STATE TAX COMMISSION

Sales Tax Division
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Notice 99-23

October 14, 1999

NOTICE TO ALL TAXPAYERS SUBJECT TO THE HOLLY SPRINGS RECREATION AND PUBLIC IMPROVEMENT PROMOTION TAX

Senate Bill 2118, as passed in the 1999 Regular Session of the Legislature, authorizes a special tax to be levied on the gross income of certain businesses located in the City of Holly Springs. The Mayor and Board of Aldermen adopted, by resolution, their intent to levy said tax. The effective date of imposition shall be November 1, 1999. This special tax is in addition to all other taxes now imposed, and may be cited as the City of Holly Springs Recreation and Public Improvement Promotion Tax.

This special tax is levied at the rate of two percent (2%) of the gross proceeds of sales of hotels and motels. Also, the tax shall be levied at the rate of two percent (2%) of the gross proceeds of restaurants derived from the sale of beer and alcoholic beverages that are sold for consumption on the premises and from the sale of prepared foods.

For the purposes of this levy, the following definitions shall apply. "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging purposes to transient guests and which are known in the trade as such, where the establishment consists of five (5) or more guest room. "Restaurant" means and includes all places within the city where prepared foods and beverages are sold for consumption whether such food is consumed on the premises or not, and businesses that cater food.

Any hotel-like facility or restaurant-like facility operated by or in connection with a school, hospital, medical clinic, convalescent or nursing home, or prison facility providing food for students, patients, inmates, visitors and their families is not included for the purposes of this levy.

In order to collect and remit these special taxes, you should complete the enclosed Registration Application (Form 70-001) and forward said application to the Senatobia District Office, P.O. 127, Senatobia, MS 38668. Form 72-205 (Special Tax Return) should be used to report and remit these special taxes. These forms will be forwarded to you upon receipt of your completed Registration Application. **DO NOT INCLUDE THESE SPECIAL TAXES ON YOUR STATE SALES TAX RETURN. This special levy is effective November 1, 1999.**

Mississippi State Tax Commission

Meg Tucker

Meg Tucker, Director
Sales & Use Tax Bureau