



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-25-03

April 25, 2025

RETAIL SALES TAX ON GROCERIES

House Bill 1, as passed during the 2025 Regular Session of the Mississippi Legislature, amends Miss. Code Ann. Section 27-65-17 to reduce the sales tax rate on retail sales of groceries from 7% to 5% beginning July 1, 2025.

For purposes of this section, the term "groceries" means food or drink for human consumption not purchased with food stamps issued by the United States Department of Agriculture or other federal agency, but which would be eligible for purchase with food stamps.

IMPORTANT INFORMATION FOR BUSINESS TAXPAYERS:

Mississippi Retailers

Beginning with the July 2025 return due by August 20th, report sales of:

Groceries at.....5% using rate code 40 on the sales tax return

Other retail sales at....7% using rate code 74 on the sales tax return

Out-of-state Retailers

Beginning with the July 2025 return due by August 20th, report sales of:

Groceries at.....5% using rate code 41 on the use tax return

Other retail sales at....7% using rate code 75 on the use tax return