



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-25-06

May 27, 2025

THIRD-PARTY BOOKING COMPANIES AND COLLECTION OF SALES TAX ON HOTEL ACCOMMODATIONS

Senate Bill 2805, passed during the 2025 Regular Session of the Mississippi Legislature, clarifies the definition of the term "hotel" in Miss. Code Ann. Section 41-49-3(2) to include entities facilitating, arranging or brokering transient guest transactions including third-party entities that facilitate rentals of hotel accommodations by listing or advertising the availability of such accommodations, collecting payment for such accommodations either directly or indirectly through agreements with third parties, and transmitting the payment to the property owner or manager, regardless of whether the property owner or manager would have been required to collect and remit the taxes had the sale not been made through the third-party entity.

The definition of "hotel" in Miss. Code Ann. Section 41-49-3 is used for the purposes of state and all applicable local sales taxes on hotels levied according to state law and the authority of local and private laws of the State of Mississippi.

All third-party booking companies including but not limited to peer-to-peer home rental facilitators and hotel booking companies meeting the definition of the term "hotel" in Miss. Code Ann. Section 41-49-3 are required to collect Mississippi sales tax and any local sales tax on the gross income of any hotel booking facilitated by the third-party entity including any charges or fees added as compensation for facilitating the transaction. Property owners or hotel managers are relieved of state and local sales tax levies when the sales taxes are collected by a third-party booking company registered to collect Mississippi sales tax.

Note: The term "hotel" includes any entity or individual engaged in the business of furnishing or providing one or more rooms intended or designed for dwelling, lodging or sleeping purposes that at any one time will accommodate transient guests and that are known to the trade as such and includes every building or other structure kept, used, maintained or advertised as, or held out to the public to be, a place where sleeping accommodations are supplied for pay or other consideration to transient guests regardless of the number of rooms, units, suites or cabins available,