



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-25-14

August 22, 2025

Tupelo Water Procurement Facility Tax

House Bill 1, as passed during the 2025 Regular Session of the Mississippi Legislature, amended 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 SNAP benefits issued by the United States Department of Agriculture or other federal agency, but which would be eligible for purchase with SNAP benefits.

The Tupelo Water Procurement Facility Tax imposes twenty-five hundredths of a percent (.25%) tax on all retail sales and services in Tupelo which are subject to the general rate of state sales tax. The general rate of state sales tax is seven percent (7%). The retail sales of groceries in the City of Tupelo are no longer subject to the Tupelo Water Procurement Facility Tax effective July 1, 2025. However, if the Tupelo Water Procurement Facility Tax is collected by the retailer in error, the tax must be remitted to the Department of Revenue on the retailer's monthly sales tax return.