



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-20-07

July 1, 2020

NOTICE OF MODERNIZATION MUNICIPAL ANNUAL BASE EXPENDITURE AMENDMENT

Senate Bill 2362 passed during the 2020 Regular Session of the Mississippi Legislature amends the Modernization Act from House Bill 1 of the 2018 Extraordinary Session to provide that the base expenditure provision be recalculated and submitted to exclude grant and loan proceeds. This amendment is effective July 1, 2020.

Any municipalities that included grant proceeds or loan proceeds in their initial base expenditure calculation are required to resubmit their base expenditure total after removing all grant and loan proceeds. The removal of grant and loan proceeds will reduce the base expenditure thereby potentially increasing the eligible funds for cities who had grants or loans previously included in their base.

The modernization distribution for July 15, 2020 will be diverted based on the previous base expenditure calculation model. The Department of Revenue shall include the revenue from the recalculated base expenditure for the July 2020 disbursement period with the scheduled diversion due on January 15, 2021.

The adjusted base calculation totals should be submitted in addition to the actual expenditure totals for fiscal year ending September 30, 2020, by November 1, 2020.

If you have any questions, please contact the Sales Tax Department at 601-923-7015.