Dear Editor:

Over 76% of all sales tax collected by the State of Mississippi is generated in municipalities. Currently, the State diverts 18.5% of this sales tax back to the city or town where it was collected, making it one of the largest sources of revenue for the (City, Town, Village of \_\_\_\_\_\_\_\_\_\_\_\_). However, we can all agree that our cities and towns across the State of Mississippi are in need of additional funding to improve infrastructure and enhance the quality of life for municipal citizens across the State. For years, city leaders, such as myself, have asked the Legislature to increase the diversion back to the 1992 level of 20.5%, but they have refused.

An alternative method of securing revenue for our (city, town, village) has presented itself with the recent US Supreme Court ruling that concluded state and local governments can require remote retailers with no physical presence in the state to collect and remit sales tax on purchases made online. This ruling means that the State Legislature will now have the opportunity to “Balance the Scales with Internet Sales” and treat internet sales tax as they do traditional sales tax by diverting at least 18.5% back to the municipalities based on the point of delivery of the products sold.

The State has been collecting voluntary internet sales tax for years and keeping 100% of the tax as a “use” tax. This action has hurt all municipalities in Mississippi, including the (city, town, village of \_\_\_\_\_\_\_\_\_\_\_\_), as we face the challenge of funding much needed improvements to our streets, parks, utilities, and public safety for our citizens. Last year, the state collected over 318 million dollars in use tax. With the SCOTUS ruling, that number is expected to increase by between 50 and 75 million dollars over the next two years. At the very least, the Legislature should set aside a portion of all Use Tax to be diverted to cities on a per capita basis to be used for water, sewer, and street infrastructure.

It is time for the leaders at the Capitol to “Balance the Scales with Internet Sales” and acknowledge that cities are the economic engines of our State. Only once our cities are granted the resources needed to improve their infrastructure can the climate for economic development improve in our state, paving the way for more sales tax to be generated and, in turn, benefitting the entire State of Mississippi.

Sincerely,

(Title)

(Name)