

BALANCE THE SCALES WITH INTERNET SALES



A TOOL KIT FOR MUNICIPAL OFFICIALS

Created by the Mississippi Municipal League



Resolution Template

RESOLUTION OF THE **(COUNCIL/BOARD)** OF **(CITY/TOWN)** DECLARING THAT THE PUBLIC INFRASTRUCTURE IN MISSISSIPPI MUNICIPALITIES IS GENERALLY IN NEED OF MAINTENANCE AND IMPROVEMENT AS A RESULT OF A DECLINE IN REVENUE AVAILABLE TO MUNICIPALITIES AND INCREASED FEDERAL UNFUNDED MANDATES; ENCOURAGING THE MISSISSIPPI LEGISLATURE TO ACKNOWLEDGE THAT MISSISSIPPI MUNICIPALITIES NEED ASSISTANCE IN MAINTAINING QUALITY PUBLIC INFRASTRUCTURE; AND REQUESTING THAT THE MISSISSIPPI LEGISLATURE TAKE ACTION IN ANY SPECIAL SESSION TO BE CALLED IN THE COMING WEEKS TO ASSIST MISSISSIPPI MUNICIPALITIES IN IMPROVING AND MAINTAINING THEIR PUBLIC INFRASTRUCTURE BY DIVERTING A PORTION OF THE USE TAX/INTERNET SALES TAX THEREBY BENEFITING THEIR CITIZENS, THE STATE ECONOMY AND THE ENTIRE STATE OF MISSISSIPPI.

WHEREAS, municipal governments in Mississippi are responsible for over 23,000 lane miles of streets and bridges; and

WHEREAS, municipal governments in Mississippi provide water and sewer services to over 50% of the citizens in Mississippi; and

WHEREAS, quality public infrastructure in the State's municipalities is critical to the economic vitality of our municipalities and to a better quality of life for the citizens therein and the citizens of Mississippi at large; and

WHEREAS, citizens of Mississippi expect and deserve safe streets and properly functioning water and sewer systems in their municipalities; and

WHEREAS, the cost of providing and maintaining these services, while at the same time meeting Federal unfunded mandates, continues to increase, outpacing current municipal revenue streams; and

WHEREAS, as a result, municipalities are falling behind in the maintenance and improvement of their public infrastructure; and

WHEREAS, investment in safer, modern and more efficient public infrastructure will pay dividends to the State now and for years to come if it is supported by appropriate and sufficient revenue; and

WHEREAS, legislative funding for public infrastructure in all Mississippi municipalities is in the best interest of the citizens of Mississippi for purposes of assisting municipal governments in efficiently and effectively providing public infrastructure services to its citizens.

Resolution Template

Continued

NOW, THEREFORE, BE IT RESOLVED BY THE (BOARD/COUNCIL) OF THE (CITY/TOWN) OF _____, do hereby encourage the Mississippi Legislature to assist Mississippi municipalities in an effort to “Balance the Scales with Internet Sales” and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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 thereby benefiting their citizens, the State economy and the entire State of Mississippi.

BE IT FURTHER RESOLVED, that copies of this Resolution be furnished to all members of the Mississippi Legislature.

Press Release Template

For use if resolution was passed

News

(INSERT MUNICIPAL LOGO)

FOR IMMEDIATE RELEASE

(Or date)

CONTACT: (name, phone, email)

(NAME OF CITY, TOWN OR VILLAGE) PASSES RESOLUTION IN SUPPORT OF INTERNET SALES TAX DIVERSION TO MUNICIPALITIES

At a recent **(Board/Council)** meeting, the **(City, Town or Village)** passed a resolution urging the State Legislature to “Balance the Scales with Internet Sales” by diverting a portion of internet sales tax to municipalities.

The **(city/town)** has joined the Mississippi Municipal League and its 292 member municipalities across the state in an effort to support the inclusion of this diversion in any legislation for infrastructure funding that might be considered during a special session.

The resolution states that cities, towns and villages in Mississippi are responsible for over 23,000 street miles, including the _____ miles of streets here in the **(city/town of _____)** that must be maintained. It also states that municipal governments in the state provide water and sewer services to over 50% of the citizens in Mississippi. Being able to provide quality public infrastructure in the State’s municipalities is critical to the economic vitality of our cities and towns and a necessary component of providing a better quality of life for the citizens of Mississippi at large.

With the recent U.S. Supreme Court sales tax ruling, the Legislature will now have the opportunity to “Balance the Scales with Internet Sales” and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.

“This revenue needs to be shared with cities and towns,” stated **Mayor _____**. “We are the economic engines of this state. If we can improve our infrastructure, the state only stands to gain. The climate for economic development and job creation will be improved and retail should grow, increasing overall sales tax collections for the state.”

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Press Release Template

For use if no resolution was passed

News

(INSERT MUNICIPAL LOGO)

FOR IMMEDIATE RELEASE

(Or date)

CONTACT: (name, phone, email)

(NAME OF CITY, TOWN OR VILLAGE) URGES LEGISLATURE TO SUPPORT INTERNET SALES TAX DIVERSION TO MUNICIPALITIES

The (board/council) of (City, Town or Village) is urging the State Legislature to “Balance the Scales with Internet Sales” by diverting a portion of internet sales tax to municipalities.

The (city/town) has joined the Mississippi Municipal League and its 292 member municipalities across the state in an effort to support the inclusion of this diversion in any legislation for infrastructure funding that might be considered during a special session.

Cities, towns and villages in Mississippi are responsible for over 23,000 street miles, including the _____ miles of streets here in the (city/town of _____) that must be maintained. Municipal governments in the state provide water and sewer services to over 50% of the citizens in Mississippi. Being able to provide quality public infrastructure in the State’s municipalities is critical to the economic vitality of our cities and towns and a necessary component of providing a better quality of life for the citizens of Mississippi at large.

With the recent U.S. Supreme Court sales tax ruling, the Legislature will now have the opportunity to “Balance the Scales with Internet Sales” and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.

“This revenue needs to be shared with cities and towns,” stated Mayor _____. “We are the economic engines of this state. If we can improve our infrastructure, the state only stands to gain. The climate for economic development and job creation will be improved and retail should grow, increasing overall sales tax collections for the state.”

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Letter to Legislators Template

For use if resolution was passed

Dear (Representative or Senator ____):

Enclosed is a resolution passed by the (city/town of _____) on (date) encouraging the Mississippi Legislature to include meaningful funding for cities and towns in any legislation for infrastructure funding that might be considered during a special session.

This resolution acknowledges that cities, towns, and villages in Mississippi are responsible for over 23,000 street miles. In our (city/town) we have ___ miles of streets that must be maintained. The cost of paving these streets has risen over 300% in the past 10 years. When you consider the increased cost of maintenance, along with the costly federal unfunded mandates EPA has imposed on our municipalities, it's easy to understand that municipal revenue streams have not been able to keep up with local infrastructure needs.

With the recent U.S. Supreme Court ruling allowing states to tax internet sales for companies without a nexus in the state, there will be a significant increase in use/internet sales tax collected by the State of Mississippi. This revenue needs to be shared with cities and towns. This is the legislature's opportunity to "Balance the Scales with Internet Sales" and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.

Cities and towns are the economic engines of this state. If we can improve our infrastructure, the state only stands to gain. The climate for economic development and job creation will be improved and retail should grow, increasing overall sales tax collections for the state.

Thank you for your service as (Representative/Senator) of District ____. We are counting on your support to make sure cities and towns receive additional funding for water, sewer and street infrastructure repairs and maintenance. It is time to "Balance the Scales with Internet Sales."

Sincerely,

(Title) (Name)

Letter to Legislators Template

For use if no resolution was passed

Dear (Representative or Senator ___):

I am writing this letter to voice our (city's/town's) encouragement to the Mississippi Legislature to include meaningful funding for cities and towns in any legislation for infrastructure funding that might be considered during a special session.

Cities, towns, and villages in Mississippi are responsible for over 23,000 street miles. In our (city/town) we have ___ miles of streets that must be maintained. The cost of paving these streets has risen over 300% in the past 10 years. When you consider the increased cost of maintenance, along with the costly federal unfunded mandates EPA has imposed on our municipalities, it's easy to understand that municipal revenue streams have not been able to keep up with local infrastructure needs.

With the recent U.S. Supreme Court ruling allowing states to tax internet sales for companies without a nexus in the state, there will be a significant increase in use/internet sales tax collected by the State of Mississippi. This revenue needs to be shared with cities and towns. This is the legislature's opportunity to "Balance the Scales with Internet Sales" and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.

Cities and towns are the economic engines of this state. If we can improve our infrastructure, the state only stands to gain. The climate for economic development and job creation will be improved and retail should grow, increasing overall sales tax collections for the state.

Thank you for your service as (Representative/Senator) of District ___. We are counting on your support to make sure cities and towns receive additional funding for water, sewer and street infrastructure repairs and maintenance. It is time to "Balance the Scales with Internet Sales."

Sincerely,

(Title) (Name)

Letter to the Editor Template

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)

Talking Points

For Chamber of Commerce Meetings; Rotary, Lion's, Other Civic Club Presentations

- One of the largest sources of revenue for municipalities is a diversion of sales tax collected in each municipality.
- Currently, the State diverts 18.5% of all sales tax back to the city or town where it was collected. For years, city leaders have asked the Legislature to increase the diversion back to the 1992 level of 20.5% but they have refused.
- Over 76% of all sales tax collected by the State of Mississippi is generated in municipalities.
- A recent US Supreme Court ruling concluded that state and local governments can require remote retailers with no physical presence in the State to collect and remit sales tax.
- 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 as we struggle to improve streets, parks, utilities, and public safety for our citizens
- Last year, the state collected over \$318 million in use tax. With the SCOTUS ruling, that number is expected to increase by between \$50 and \$75 million over the next two years.
- With the SCOTUS internet sales tax ruling, the Legislature will now have the opportunity to "Balance the Scales with Internet Sales" and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.
- Cities are the economic engines of our State. If cities and towns can improve their infrastructure, the climate for economic development can improve and more sales tax can be generated, which benefits the State of Mississippi.
- In addition to the efforts that we as municipal officials are taking to encourage this action by the State, it is critical that you, as municipal citizens, take the time to contact your legislators at the Capitol and encourage them to "Balance the Scales with Internet Sales" by returning this revenue to our cities and towns, thereby benefiting their citizens at home, the State economy, and the entire State of Mississippi.

Script for TV/Radio Commentary

The recent US Supreme Court ruling concluded that state and local governments can require remote retailers with no physical presence in the state to collect and remit sales tax.

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 as we struggle to improve streets, parks, utilities, and public safety for our citizens.

One of the largest sources of revenue for municipalities is a diversion of sales tax collected in each municipality. Currently, the State diverts 18.5% of all sales tax back to the city or town where it was collected. For years, we have asked the Legislature to increase the diversion back to the 1992 level of 20.5% but they have refused.

Over 76% of all sales tax collected by the State of Mississippi is generated in municipalities. With the SCOTUS internet sales tax ruling, the Legislature will now have the opportunity to “Balance the Scales with Internet Sales” and treat internet sales tax as they do traditional sales tax and divert at least 18.5% back to the cities based on the point of delivery of the products sold. 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.

In addition to the efforts that we as municipal officials are taking to encourage this action by the State, it is critical that you, as municipal citizens, take the time to contact your legislators at the Capitol and encourage them to “Balance the Scales with Internet Sales” by returning this revenue to our cities and towns, thereby benefiting their citizens at home, the State economy, and the entire State of Mississippi.