

**CITY OF BILOXI  
AGENDA ITEM  
FACT SHEET**

Item No.: 5 A

Council Meeting Date: July 24, 2018

ITEM TITLE: RESOLUTION

INTRODUCED BY: Mayor Andrew "FoFo" Gilich

CONTACT PERSON: E. Michael Leonard, CAO *im*

Gerald Blessey, Special Counsel for Economic Development

**SUMMARY EXPLANATION:**

Resolution requesting and memorializing the Mississippi Legislature to amend the applicable sales tax laws and use tax laws to continue to provide that 18.5 percent of the sales tax collected from the Internet Interstate Sales shall be paid to the municipalities as currently provided for in-state sales; and for related purposes.

Resolution  Ordinance \_\_\_\_\_ Public Hearing \_\_\_\_\_ Routine Agenda \_\_\_\_\_

Exhibits for Review

Contract \_\_\_\_\_ Minutes \_\_\_\_\_ Plans/Maps \_\_\_\_\_ Deed \_\_\_\_\_ Lease \_\_\_\_\_

Other (Specify):

Submittal Authorization: Council President \_\_\_\_\_ Mayor

STAFF RECOMMENDATION: Staff recommends approval

COUNCIL ACTION: Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_

Vote:	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
	Lawrence	___	___	___	Tisdale	___	___	___
	Gines	___	___	___	Glavan	___	___	___
	Newman	___	___	___	Barrett	___	___	___
	Deming	___	___	___				

ACTION TAKEN:

gb/km072418cleg

Resolution No.

RESOLUTION REQUESTING AND MEMORIALIZING THE MISSISSIPPI  
LEGISLATURE TO AMEND THE APPLICABLE SALES TAX LAWS AND USE TAX  
LAWS TO CONTINUE TO PROVIDE THAT 18.5 PERCENT OF THE SALES TAX  
COLLECTED FROM INTERNET INTERSTATE SALES SHALL BE PAID TO THE  
MUNICIPALITIES AS CURRENTLY PROVIDED FOR IN-STATE SALES;  
AND FOR RELATED PURPOSES

WHEREAS, the rapidly growing use of online purchases by Mississippians has already dramatically altered the source sites of retail sales in Mississippi and has already had a major impact on the operating budgets of municipalities throughout the state of Mississippi; and

WHEREAS, the U.S. Supreme Court in the case of South Dakota v. Wayfair, Inc., et al, has held that states have the legal authority to tax interstate sales in the same manner as intrastate sales; and

WHEREAS, the State of Mississippi should enact amendments to applicable sales and use tax laws that would tax interstate sales on the Internet in the same manner as intrastate sales; and

WHEREAS, amendments to tax interstate Internet sale should distribute the collected taxes in the same proportions as currently exist for municipal allocations of sales tax collected by the Department of Revenue—i.e. out of the 7 % total sales tax, 18.5% should be distributed to municipalities and 81.5 % to the State treasury; and

WHEREAS, if the Legislature adopts amendments contrary to the longstanding allocation of sales tax between the municipalities and the State, the consequences of the declining source of sales tax revenues for cities would compel cities either to make dramatic cuts in basic services for law enforcement, public safety, health and welfare of the citizens of Mississippi, most of whom live within incorporated municipalities, or raise property taxes.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILOXI THAT:

Section One: The findings, conclusions, and statements of fact and policy contained in the foregoing preamble are hereby adopted, ratified, and incorporated herein.

Section Two: The Mayor and City Council of the City of Biloxi respectfully request and memorialize the Mississippi Legislature, Governor, Lieutenant Governor, Speaker of the House, to amend the applicable state laws pertaining to sales tax and use tax to collect sales tax from interstate Internet sales to Mississippians and to continue the current 18.5% allocation of the 7% sales tax to municipalities.

Section Three: The Clerk of the Council is directed to send certified copies of this resolution to the Governor, Lieutenant Governor, Speaker of the House, Secretary of the Senate, and Clerk of the House, with our respectful request that it be distributed to all members of the Legislature; further, Clerk of the Council is directed to email copies of this resolution to each member of the Coast Legislative Delegation, and to local and statewide press.

Section Four: This resolution shall take effect and be enforced from and after passage.