

By: Senator(s) Parker, Blackwell, McLendon

To: Accountability,
Efficiency, Transparency

SENATE BILL NO. 2582

1 AN ACT TO ESTABLISH THE SALES TAX DIVERSION STUDY COMMITTEE
2 TO EXAMINE, EVALUATE AND DEVELOP RECOMMENDATIONS REGARDING THE
3 PROPER ALLOCATION OF SALES TAX REVENUE BETWEEN THE DEPARTMENT OF
4 REVENUE AND MUNICIPALITIES; TO DETAIL THE RESPONSIBILITIES OF THE
5 COMMITTEE; TO PROVIDE FOR THE COMPOSITION OF THE COMMITTEE; TO
6 PROVIDE THAT THE COMMITTEE SHALL REPORT ITS FINDINGS AND
7 RECOMMENDATIONS TO THE LEGISLATURE NO LATER THAN DECEMBER 1, 2025;
8 TO DIRECT THE DEPARTMENT OF REVENUE TO PROVIDE NECESSARY STAFF AND
9 LOGISTICAL SUPPORT TO THE COMMITTEE; TO PROVIDE FOR THE
10 DISSOLUTION OF THE COMMITTEE ON OR BEFORE JANUARY 1, 2026; AND FOR
11 RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 **SECTION 1. (1) Sales Tax Diversion Study Committee**

14 **established.** There is hereby created the Sales Tax Diversion
15 Study Committee to examine, evaluate and develop recommendations
16 regarding the proper allocation of sales tax revenue between the
17 Mississippi Department of Revenue and municipalities. The
18 committee shall:

19 (a) Conduct a comprehensive review of current sales tax
20 diversion practices and identify discrepancies;

21 (b) Assess the financial impact of misallocated sales
22 tax revenue on municipalities;



23 (c) Analyze technological solutions, including
24 modernized software systems, to ensure accurate sales tax
25 distribution;

26 (d) Evaluate the accountability and oversight
27 mechanisms within the Department of Revenue; and

28 (e) Develop recommendations for legislative or
29 administrative reforms to be implemented in the next legislative
30 session.

31 (2) **Composition of the committee.** (a) The committee shall
32 be composed of the following eleven (11) members:

33 (i) The Commissioner of Revenue, or his/her
34 designee;

35 (ii) A member of the Mississippi State Senate
36 appointed by the Lieutenant Governor;

37 (iii) A member of the Mississippi House of
38 Representatives appointed by the Speaker of the House;

39 (iv) The Chairman of the Senate Finance Committee,
40 or his/her designee;

41 (v) The Chairman of the House Ways and Means
42 Committee, or his/her designee;

43 (vi) The Executive Director of the Mississippi
44 Municipal League, or his/her designee;

45 (vii) The State Director of the National
46 Federation of Independent Business, or his/her designee;



(viii) The Executive Director of the Mississippi Economic Council, or his/her designee;

(ix) A representative from a Mississippi municipality with a population over fifty thousand (50,000), appointed by the Governor;

(x) A representative from a Mississippi municipality with a population under fifty thousand (50,000), appointed by the Governor; and

(xi) An appointee of the Governor.

(b) Appointments to the committee shall be made within thirty (30) days of the effective date of this act.

(3) **Committee organization and responsibilities.** (a) At its first meeting, the committee shall:

(i) Elect a chairperson and vice-chairperson from among its members; and

(ii) Establish rules for transacting business and keeping records.

(b) The committee shall meet as necessary and report its findings and recommendations to the Legislature no later than December 1, 2025.

(c) A majority of committee members shall constitute a quorum for conducting business.

(4) **Support and cooperation.** (a) The Department of Revenue shall provide necessary staff and logistical support to the committee.



72 (b) To achieve its objectives, the committee may
73 request data, analysis and assistance from any state agency,
74 division or political subdivision.

75 (5) **Dissolution of the committee.** The committee shall be
76 dissolved on or before January 1, 2026, unless extended by the
77 Legislature.

78 **SECTION 2.** This act shall take effect and be in force from
79 and after its passage.

