

Subpart 5 Services

Chapter 01 Hotels, Motels, and Mobile Home and Trailer Parks

100 Levy

101 Miss. Code Ann. Section 27-65-23 levies a tax on the gross income of hotels, motels, tourist courts or camps and trailer parks. Tax is due at the regular retail rate.

102 (Reserved)

200 Definitions

201 “Hotel” or “motel” is defined as any entity or individual engaged in the business of furnishing one or more rooms, cottages, or cabins designed for dwelling, lodging, or sleeping purposes to transient persons and that is known to the trade as such. The terms “hotel” or “motel” also include all buildings, including single family dwellings or other structures, kept, used, maintained or advertised as, or held out to the public to be a place where sleeping accommodations are supplied for pay or other consideration regardless of the number of rooms, units, suites, or cabins available. Advertising for rent to the general public, whether by the owner of the property or a third party, qualifies as being “known to the trade as such.” It is immaterial that cooking facilities may or may not be furnished. “Hotel” or “motel” includes any entity or individual furnishing bed and breakfast accommodations to transient persons. “Hotel” also includes third-party entities that facilitate, arrange, or broker transactions by listing or advertising the availability of accommodations for transient persons and, either directly or indirectly through agreements with third parties, collect payment from the customer and transmit such payment to the property owner or manager. It is immaterial whether the property owner or manager would have been required to collect and remit the taxes had the sale not been made through the third-party entity.

202 “Condominium” or “hotel condominium” is defined as a multi-unit facility where each unit is individually owned. Condominium owners may rent out the units when not in use by the owner. The units may be rented out by the owner or placed with a management company for rental. Rentals of condominiums or hotel condominiums are taxable when such rentals are to transient persons.

203 “Trailer park” is defined as a park established for the purpose of accommodating travel trailers pulled either by automobiles or other vehicles or self-propelled, which are in a travel or transient status and where utilities are connected in a temporary manner. For tax purposes, a trailer park is any one location where trailers, campers or other mobile units may be parked for a fee, either permanently or temporarily and irrespective of whether utility facilities are available.

204 “Mobile home park” is defined as a park established for the primary purpose of accommodating mobile homes that are permanently located, registered with the

County Tax Assessor as provided by Miss. Code Ann. Section 27-53-5, hooked up to water, sewer, gas, or electric utilities with permanent meter connections that are not easily disconnected, and tied down according to regulations and other requirements. Such facilities are considered a home and place of permanent residence. Since Miss. Code Ann. Section 27-65-23 specifically denotes "hotels, motels, tourist courts or camps and trailer parks," the tax is applicable specifically to travel or transient accommodations and not to residents of mobile homes. Sales to mobile home residents of potable water, electricity, gas or other fuel for residential use are exempt from sales tax.

205 (Reserved)

300 Gross Income

301 Taxable gross income includes (but is not limited to) receipts from:

1. Admissions, minimum and cover charges for entertainment
2. Attrition fees
3. Auto storage – parking lots
4. Banquet meeting room revenue with or without meals
5. Cancellation fees
6. Coin lockers
7. Early departure or late departure fees
8. Guaranteed no show revenue
9. Laundry and valet services
10. Local telephone charges, including per call charges
11. Long distance telephone mark-ups or up-charges, or any excess charges over and above the carrier charge
12. Marina services
13. Packages (example: golf, honeymoon, casino)
14. Pet charges
15. Radios, televisions, and movies, including pay per view services
16. Refrigerator or safe charges
17. Roll away bed charges
18. Sales and rentals of tangible personal property
19. Service charges

- 20. Transient room revenue
- 21. Vending machine sales (except full-service vending machines)
- 22. Video game rentals
- 302 Non-taxable gross income includes receipts from:
 - 1. Childcare charges (does not include admissions to areas of amusements where children are kept)
 - 2. Coin operated amusement and music machines
 - 3. Commissions included in gross income of other taxpayers
 - 4. Re-billed carrier long distance telephone charges that have been taxed by the service provider
 - 5. Rentals of stores, offices, or other commercial property to non-transient guests
- 303 Any hotel, motel, condominium, or trailer park may exclude the gross income from charges for non-transient guests.
- 304 For purposes of defining “non-transient guest,” the guest must enter into a written contract or lease at the beginning of the stay for a period of at least three (3) consecutive complete months or for a minimum of ninety (90) consecutive days. Guests who do not enter into a written contract or other written agreement at the beginning of the stay but whose stay ends up exceeding ninety consecutive days are still considered transient guests because there is no agreement concerning the length of stay. Any guest who begins to rent a hotel, motel, condominium, or trailer park space on a daily or weekly basis after the expiration of a written contract or other written agreement and which has not been extended will become a transient guest and the gross income received from the daily or weekly rental will be taxable.
- 305 Hotel or motel guests qualify as non-transient guests only when they stay in a building(s) held exclusively for long-term rental that is owned by the hotel or motel and is set separate and apart from buildings used to accommodate transient guests. The building set aside for long-term rental must contain rooms with kitchen facilities.
- 306 (Reserved)
- 307 (Reserved)
- 400 Exempt Sales
- 401 As a prerequisite to claiming the governmental exemption, the sales of property or service must be sold to, billed directly to, and payment therefore made directly by the governmental entity and not to or through some contractor or quasi-governmental agency, and the title to the property or benefit from the service must pass to the government rather than to some beneficiary. Sales to government employees are

taxable regardless of the fact that the employees may be reimbursed by the government for the expenses incurred.

402 (Reserved)

500 Purchases

501 Hotels, motels, condominiums, or condominium hotels must pay tax on purchases that are provided in a guest room as a part of the service of providing lodging. These purchases include items such as shampoo, soap, toilet paper, laundry bags, coffee, food, candy, or other amenities. Tax is also due on purchases of linens, towels, and in-room appliances. Purchases of food or beverage sold by the facility may be made exempt from tax as a wholesale sale. This also includes food or beverage provided to guests in common areas of the hotel that are provided to guests at no additional charge.

502 Purchases or rentals of supplies and equipment used in the operation of the facility, such as furniture, televisions, radios, signs, janitor's supplies, office supplies, etc., are subject to the regular retail rate of sales or use tax.

503 (Reserved)

504 (Reserved)

600 Reporting Requirements

601 Adequate records must be maintained to substantiate tax classifications of sales and purchases.

602 (Reserved)

700 Local and Private Levies

701 Additional local levies may be applicable to hotels and motels depending upon where they are located in this state. The local tax must be invoiced and collected as a separate levy and should be reported on a return using the appropriate rate code. Rate codes are assigned based on the percentage of tax due.

702 The local levy may be due on the same basis as the sales tax, or the basis may exclude specific items that are subject to the regular sales tax such as food, beverage, telephone, laundry, and room rentals for day meetings.

703 (Reserved)

35.IV.5.01 revised effective August 1, 2025

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1. Child~~-~~care charges (does not include admissions to areas of amusements where children are kept)

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306 ~~Any guest who begins to rent a hotel, motel, condominium or trailer park space on a daily or weekly basis after the expiration of a written contract or other written agreement as defined above and which has not been extended will become a transient guest and the gross income received from the daily or weekly rental will be taxable.~~
(Reserved)

307 (Reserved)

400 Exempt Sales

401 As a prerequisite to claiming the governmental exemption, the sales of property or

service must be sold to, billed directly to, and payment therefore made directly by the ~~political-governmental~~ entity and not to or through some contractor or quasi-governmental agency, and the title to the property or benefit from the service must pass to the government rather than to some beneficiary. Sales to government employees are taxable regardless of the fact that the employees may be reimbursed by the ~~g~~Government for the expenses incurred.

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503 ~~Wholesale tax paid on purchases of alcoholic beverages and beer for resale may be taken as a credit against the retail sales due on the retail sales of such merchandise.~~
(Reserved)

504 (Reserved)

600 Reporting Requirements

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